

**U.S. Army Research and Development Command
(RDECOM)**

Broad Agency Announcement (BAA)

for

Commercialization Pilot Program (CPP)

6 November 2006

TABLE OF CONTENTS

PART NO.	PART DESCRIPTION
I.	EXECUTIVE SUMMARY
II.	PROGRAM BACKGROUND AND OBJECTIVES
III.	PROGRAM TASKS
IV.	PROPOSAL PREPARATION AND SUBMISSION
V.	EVALUATION, NEGOTIATION AND AWARD
VI.	OTHER CONSIDERATIONS

PART I – EXECUTIVE SUMMARY

1. Purpose: The U.S. Army Research, Development and Engineering Command (RDECOM) is soliciting proposals under this Broad Agency Announcement (BAA) for the performance of Commercialization Pilot Program (CPP). The objective of the CPP is to increase Army Small Business Innovation Research (SBIR) technology transition and commercialization success to accelerate the fielding of capabilities to Soldiers and to benefit the nation through stimulated technological innovation, improved manufacturing capability, and increased competition, productivity, and economic growth. The ultimate measure of success for the CPP is the Return on Investment (ROI), i.e. the further investment and sales of SBIR Technology as compared to the Army investment in the SBIR Technology. The website for the Army SBIR Program is www.armysbir.com.
2. To be considered for award under this BAA, a full proposal must be received no later than 12:00 noon EST on 8 December 2006.
3. Award Instrument: This BAA affords offerors the choice of submitting proposals for the award of a Procurement Contract or Other Transaction Agreement. The Government reserves the right to negotiate the type of award instrument determined appropriate under the circumstances.
4. Eligible Offerors: This BAA is extended to all capable and qualified sources, including but not limited to institutes of higher education, and all private or public companies. The Government encourages responses to this BAA by non-traditional defense contractors, nonprofit organizations, educational institutions, small businesses, small disadvantaged business concerns, Historically-Black Colleges and Universities (HBCU), Minority Institutions (MI), and large businesses. Teaming arrangements between and among these groups are encouraged. However, no portion of this BAA will be set aside for organizations of a specific business classification. Any responsible and otherwise qualified organization is encouraged to respond.
5. Number of Awards: The Government anticipates issuing one award under this BAA.
6. Period of Performance: It is anticipated that performance of any award will begin in January 2007, and consist of a Base Period of twelve (12) months and three Options periods, each with a performance period of twelve (12) months.
7. Place of Performance: The required services shall be performed principally at the awardee's primary business location with routine site visits to the Army SBIR Program Management Office, 6000 6th Street, Fort Belvoir, VA. Additionally, it is expected that the performance of this work will require extensive travel for the purposes of coordinating efforts between SBIR companies and their potential Government and commercial customers.

8. Program Funding: This BAA contains specific information concerning the funding available to support the CPP. Responses to this BAA are to include a fixed-price for each of the six tasks to be completed each year of the CPP. Further, for each year the awardee will be provided an opportunity to earn an award fee designed to motivate an increased level of ROI. (See PART IV of the BAA for additional details.)

9. Proposal Submission: PART IV of the BAA provides information on proposal preparation and submission. Offerors should note that there are page limitations and other requirements associated with the submission process.

10. Evaluation, Negotiation and Award: Evaluation, negotiation and award in connection with this BAA will be performed in accordance with PART V.

11. Proposal Evaluation Support: It is the intent of this office to use contractor support personnel in the evaluation of all responses to this BAA. The Government intends to use non-government employees including RAND Arroyo Center, RAND Corporation, to assist in the evaluation of the proposals. These personnel will have signed and be subject to the terms and conditions of non-disclosure agreements. By submission of its proposal, an offeror agrees that its proposal information may be disclosed to employees of this organization for the limited purpose stated above. Only Government personnel will make the award decisions under this BAA.

12. Organizational Conflict on Interest: Offerors may not have any present or planned financial interests relating to the performance of the CPP effort to include investment, ownership, or control of any present Army SBIR awardee. Any award made for the CPP will also include a provision that continues to enforce this prohibition and also requires the awardee to maintain internal procedures as appropriate to preclude any actual or potential conflicts of interest or unfair competitive advantage based on the effort to be conducted in connection with the CPP.

13. Point of Contact: Questions pertaining to this BAA may be submitted to Mr. Kevin Bassler of the U.S. Army RDECOM Acquisition Center, Research Triangle Park (RTP) Contracting Division, at the following e-mail address: kevin.bassler@us.army.mil. Please include "CCP BAA" in the subject line for any email submitted in response to this BAA. All questions MUST be submitted via email to Mr. Bassler to receive an answer. No questions will be accepted or answers provided telephonically.

PART II - PROGRAM BACKGROUND AND OBJECTIVES

1. Program Background:

Congress created the Small Business Innovation Research (SBIR) Program in 1983 to foster the involvement of U.S. based small businesses in Federal research and development. The ultimate objective of each SBIR project is to develop technologies and products that a small business may market to the Government or private sector, resulting in revenues from non-SBIR sources. The Army SBIR program is designed to give small, high-tech businesses the opportunity to provide innovative research and development solutions in response to critical Army needs. In FY06, the Army SBIR program executed approximately \$243 million in Research, Development, Test and Evaluation (RDT&E).

The vision of the Army SBIR program is to be the Army's premier source of innovative technology solutions, providing direct access to America's high-tech small business research and development community, enabling our Soldiers deployed around the world. Critical to achieving this vision is the transition of SBIR technologies from research to combat capability. Additionally, a goal of the SBIR program is to increase private sector commercialization of innovations derived from Federal R&D, thereby increasing competition, productivity, and economic growth. The SBIR Program is a three-Phase process designed to stimulate and monitor progress toward technology development. Phase III represents the successful culmination of a SBIR project. SBIR Phase III refers to work that derives from, extends, or logically concludes effort(s) performed under prior SBIR funding agreements, but is funded by sources other than the SBIR program.

While one measure of Phase II success is whether the prototype product or service developed by the small business can meet an Army need, Phase III success is measured by the small business marketing and selling the products or services outside of the SBIR program. Sales can include cash revenue from the Government or private sale of new products or non-R&D services embodying the specific technology and/or spin-off technology. Commercialization can also include additional investments in activities that further the development and/or commercialization of the specific technology.

To date, the Army's technology transition and commercialization activities for SBIR projects have focused on linking SBIR topics to specific acquisition programs and larger Army research projects. As SBIR projects conclude their Phase II activities and prepare for Phase III, the small business has been expected to obtain funding from the private sector and/or non-SBIR government sources to develop the prototype into a viable product or service for sale to the Government or private sector markets. To date, the Army has not implemented any systematic process to assess maturing Phase II projects, conducted deliberate technology transition planning, or provided any significant assistance to SBIR firms in commercializing their SBIR projects.

The *2006 National Defense Authorization Act* encouraged commercialization of SBIR technologies through the authorization of a "Commercialization Pilot Program (CPP)," to

accelerate the transition of SBIR technologies, products, and services to Phase III, including the acquisition process. As part of the pilot, the Secretary of the Army must identify SBIR research programs that have the potential for rapid transitioning and are expected to meet high priority Army requirements.

2. Program Objectives:

The objective of this effort is to increase Army SBIR technology transition and commercialization success thereby accelerating the fielding of capabilities to Soldiers and to benefit the nation through stimulated technological innovation, improved manufacturing capability, and increased competition, productivity, and economic growth. While technology transition to Army acquisition activities is the program's primary focus, the civilian marketplace and commercialization opportunities cannot be ignored. The Army can gain significant value through commercialized dual-use products.

In FY07, the Army will initiate a CPP with a focused set of SBIR projects. The objective of the effort is to increase Army SBIR technology transition and commercialization success and accelerate the fielding of capabilities to Soldiers. The CPP will: 1) assess and identify SBIR projects and companies with high transition potential that meet high priority requirements; 2) provide market research and business plan development; 3) match SBIR companies to customers and facilitate collaboration; 4) prepare detailed technology transition plans and agreements; 5) make recommendations and facilitate additional funding for select SBIR projects that meet the criteria identified above; and 6) track metrics and measure results for the SBIR projects within the CPP.

As a result of the award being made under this BAA, expert advice, guidance, counseling, and analysis regarding the technology transition and commercialization of specific Army SBIR projects is expected to be provided. The CPP effort is not to be construed as a study, survey, pure data management, or training activity, but rather it is a results-oriented effort to increase technology transition success. Efforts should focus on enabling small businesses to successfully transition their SBIR technology, to include development of business processes to enhance the firm's ability to transition future research efforts.

An initial screening will be performed of current Phase II SBIR projects and a number of detailed assessments to identify those that have the potential for rapid transitioning to Phase III and into the acquisition process and also are expected to meet high priority military requirements. This assessment of companies and projects will determine those projects most likely to succeed based on a survey of potential commercial and Department of Defense (DoD) applications, assessment of Technology Readiness Levels, risk, determination of target customers and requirements, and an assessment of the small business capabilities. A current list of recent Phase II awards (subject to change) may be found at: http://www.armysbir.com/awards/sbir_06ph2_topic.htm.

The participating SBIR company and their project are to be matched to potential customers. The awardee under this BAA (hereinafter called the awardee) will serve as an

advocate and liaison between the company and the identified customer. The awardee will provide the participating firm with expert business and market advice and training. The awardee, small business, and identified customer will develop a technology transition plan for each project. The awardee will refine, as necessary, and report quantitative metrics to measure technology transition and commercialization success over time and will monitor the impact of the transitioned SBIR technologies on U.S. Army programs and warfighter capabilities to include material improvement in terms of cost, performance, and schedule.

Based on its assessment of the SBIR project's potential for transition as described above, the awardee will recommend to the Government how to best utilize a CPP investment fund of SBIR dollars targeted to enhance ongoing Phase II activities with expanded research, development, test and evaluation to accelerate transition and commercialization. The CPP investment fund is expected to be \$15 million for the first year and must be expended according to all applicable SBIR policy on existing Phase II contracts. The awardee will provide recommendations on projects, amounts, and scope of work for each investment.

PART III - PROGRAM TASKS AND PERFORMANCE BASED STANDARDS

1. Program Tasks: The following tasks must be completed to achieve the CPP objectives. The following six tasks are to be completed during each year of the award instrument.

Task 1: Assess and Recommend SBIR Projects and Companies with High Transition Potential

The awardee shall assess the technical and business capabilities and needs of current Army Phase II SBIR projects and companies. As a result of this assessment, the awardee shall recommend a focused set for participation in the CPP. The awardee shall conduct an initial screening of a minimum of four hundred (400) ongoing projects and identify a minimum of fifty (50) for detailed assessment. The awardee shall complete the detailed assessments and recommend a minimum of twenty-five (25) prioritized projects for Government consideration for participation in the CPP. These recommended projects must have the potential for rapid transitioning to Phase III and into the acquisition process and also be expected to meet high priority Army requirements. With a clear understanding of the SBIR technology, to include Technology Readiness Level (TRL), Manufacturing Readiness Level (MRL), and technology maturation processes, this task includes focused market analysis on specific military and commercial applications and end-user requirements. It necessitates an understanding of Army Programs of Record and prioritization of the applications based on operational and technical requirements, timeliness, investment required, and return on investment. For each SBIR project, this process must determine the target customer(s) (Government or Industry) and confirm the need. It must prioritize, within or among SBIR projects, and select those that are most critical. It must specifically identify and assess technology transition risk.

Task 2: Provide Market Research and Business Plan Development

For the projects accepted by the Government for participation in the CPP under Task 1, the awardee shall: 1) develop market and/or specific customer intelligence; 2) develop market entry, manufacturing, and/or commercialization plans; 3) develop technology roadmaps and milestones; 4) conduct business planning and process development; and 5) prepare marketing material and data. This task also includes providing guidance towards private capital funding and issues of Intellectual Property (IP) to include patents, trademarks, copyrights, and licensing. The completion of this task will result in the selected SBIR project entering the military arena with clear value proposition, a set of target customers, marketing material, and a clear marketing communications strategy. The participating SBIR company must understand the needs and requirements of their potential customers and have an effective strategy for developing a technology transition plan and/or transition agreements.

Task 3: Match SBIR Companies to Customers and Facilitate Collaboration

For the projects accepted by the Government for participation in the CPP under Task 1, the awardee shall match each SBIR company and their project to potential customers (Government and Industry), serving as a liaison between the company and the identified potential customer(s). The government customer may include a prime contractor or lead systems integrator (LSI) for an Army program of record. The awardee shall serve as an advocate for the SBIR project with the objective of developing, delivering, and integrating a technology/product into an acquisition program. The awardee shall understand and anticipate the needs of the customer, provide advice on solving customer risk or “gap” issues with SBIR technologies, and facilitate investment and sales activities. Completion of this task will result in both the SBIR company and the identified customers overcoming hurdles associated with funding shortfalls, risk, intellectual property, communications, and business practices. This task involves extensive human interface to understand requirements, negotiate agreements, and to serve as advocates for small businesses. Additionally, the awardee shall identify commercialization opportunities in the private sector for dual-use technology.

Task 4: Prepare Detailed Transition Plans and Agreements

For the projects accepted by the Government for participation in the CPP under Task 1, the awardee shall develop a technology transition plan suitable for use by the participating small business, the Government, and the identified transition customer. The transition plans shall at a minimum include the target acquisition program(s), program manager(s), acquisition program technology need, integration strategy, description of technology/product or capability to be delivered, current status of technology/product, technology development strategy, risks to include mitigations and contingencies, milestones (key technical measures of readiness) for transition, resource requirements and potential sources, and methods for furthering promising technologies through additional R&D, testing and evaluation. Additionally, the awardee shall provide expert advice in the development of Technology Transition Agreements (TTAs) between the participating companies (or their sponsoring Government organization) and identified customers. These agreements will be instruments that serve as a declaration of “interest,” “intent”, or “commitment” to transition technology and identify requirements, milestones, funding, and timelines.

Task 5: Make Recommendations and Facilitate Additional Funding to Select SBIR Projects

The awardee shall recommend to the Government how to best utilize a CPP investment fund of SBIR dollars (estimated at \$15 million annually) targeted to enhance ongoing Phase II projects with expanded research, development, test, and evaluation to accelerate transition and commercialization. The Government will expend these funds through modification of existing SBIR Phase II contracts according to applicable SBIR policy. The awardee shall provide recommendations to the Government and coordinate with selected firms and customers the amount and scope of additional SBIR investment. Additionally, the awardee shall facilitate each participating SBIR company obtaining third-party (non-SBIR) funding to include: 1) additional investments in activities that

further the development and/or commercialization of the specific technology; 2) private sector and/or non-SBIR government funding to develop the prototype into a viable product or service for sale; 3) cash revenue from the Government or private sales of the specific technology and/or spin-off technology; and 4) venture capital investment.

Task 6: Track Metrics and Measure Results

The awardee shall report on the quantitative metrics to measure technology transition and commercialization success over the duration of the award against set goals to include data pertaining to ongoing SBIR projects. These metrics may be refined during performance with the approval of the Government. The awardee shall report metrics on a quarterly basis to include narrative description of lessons learned to improve commercialization / technology transition success. The awardee shall measure and report both leading indicators and trailing indicators of SBIR project technology transition. Additionally, the awardee shall report the impact of the transitioned SBIR technologies on Army programs and warfighter capabilities to include material improvement in terms of performance, cost, and time. This task includes the collection and management of data to support metric reporting requirements.

Reports:

- Quarterly Status Report: A status report shall be delivered at the end of each quarter during the period of performance to document the status of awardee effort towards achieving CPP objectives under each of the Tasks. This report shall identify accomplishments to date and difficulties encountered, and compare the status achieved to planned goals and the resources expended. The report will be used by the Government to monitor and evaluate the awardee's performance. The awardee shall report quantitative metrics to measure technology transition and commercialization success over time against set goals to include data pertaining to ongoing SBIR projects. The report must include narrative descriptions of lessons learned to improve commercialization / technology transition success. The awardee shall report both leading indicators and trailing indicators of SBIR project technology transition. Additionally, the awardee shall report the impact of the transitioned SBIR technologies on Army programs and warfighter capabilities to include material improvement in terms of performance, cost, and time.
- Report on Assessment of SBIR Projects: In connection with Task 1, the awardee shall report a summary of the methodology and results of all initial project screenings and detailed assessments for those SBIR projects not recommended for participation in the CPP, upon the completion of all assessments. The report will include findings regarding TRL, MRL, market analysis, end-user requirements, and risk.
- Technology Transition Plans: In connection with Task 4, the awardee shall develop a technology transition plan suitable for use by each participating small

business, the Government, and the identified transition customer. The transition plans shall at a minimum include the target acquisition program(s), program manager(s), acquisition program technology need, integration strategy, description of technology/product or capability to be delivered, current status of technology/product, technology development strategy, risks to include mitigations and contingencies, milestones (key technical measures of readiness) for transition, resource requirements and potential sources, and methods for furthering promising technologies through additional R&D, testing and evaluation.

- **CPP Investment Fund Report:** In connection with Task 5, a report shall be submitted to document each SBIR firm/project recommended by the awardee for participation in the CPP and use of the CPP investment fund of SBIR dollars targeted to enhance ongoing Phase II projects with expanded research, development, test, and evaluation to accelerate transition and commercialization. The awardee shall provide recommendations to the Government and document coordination with selected firms and customers, to include the amount and scope of additional SBIR investment. The report must present the expected Return on Investment (ROI) in terms of third-party sales/investment and/or increased operational/technical capability or cost savings for the Government. The report must also document any significant technical or management risks associated with the investments.
- **Summary Report for Each Task:** A written report summarizing the activity and accomplishments under each Task will be presented prior to payment for each Task. All reports will include quantitative metrics measuring technology transition and commercialization success of SBIR projects.

2. Performance Based Standards:

Performance Objective	Quality Level	Monitoring Method
<p>Task 1: <u>Assess and Recommend SBIR Projects and Companies with High Transition Potential</u></p>	<ul style="list-style-type: none"> ▪ Conducts an initial screening of a minimum of 400 ongoing SBIR Phase II projects ▪ Assesses in detail a minimum of 50 SBIR projects and companies ▪ Prioritizes and recommends a minimum of 25 projects for Government consideration for participation in CPP ▪ Recommended projects have the potential for rapid transitioning to Phase III and acquisition process and meet high priority Army requirements ▪ Each recommended project has a clearly identified and valid target customer(s) and technical need 	<ul style="list-style-type: none"> ▪ Review of awardee process plans and reports ▪ Verification of requirements as “high-priority” based on feedback from customers ▪ Independent Government assessment of technologies, requirements, and transition risks

	<ul style="list-style-type: none"> ▪ Identifies potential ROI ▪ Identifies all major technology transition risks 	
<p>Task 2: <u>Provide Market Research and Business Plan Development</u></p>	<ul style="list-style-type: none"> ▪ Provides market research and business plan development for a minimum of 25 projects ▪ Provides plans and assistance to include: <ul style="list-style-type: none"> ○ clear value proposition ○ a set of target customers ○ marketing material ○ a clear marketing communications strategy ○ market research and specific customer intelligence ○ guidance towards private capital funding and issues of Intellectual Property (IP) to include patents, trademarks, copyrights, and licensing 	<ul style="list-style-type: none"> ▪ Government review of developed materials, reports, and plans ▪ Feedback from Government and SBIR participants
<p>Task 3: <u>Match SBIR Companies to Customers and Facilitate Collaboration</u></p>	<ul style="list-style-type: none"> ▪ Each SBIR firm participating in the CPP and their project (minimum of 25) are matched to one or more potential customer ▪ Awardee facilitates a minimum of one physical meeting and one remote/telephone meeting between each participating SBIR company and the identified potential customer(s) ▪ Each participating SBIR firm technology proposed to resolve one or more specific customer risk or technology gap ▪ Identifies and plans for a minimum of one significant commercialization opportunity in the private sector for dual-use of each participating firm's SBIR technology 	<ul style="list-style-type: none"> ▪ Government review of awardee reports and list of potential customers against each SBIR project ▪ Review of customer risk and gap items and associated SBIR solutions ▪ Feedback from Government, prime awardee, and SBIR participants

<p><u>Task 4: Prepare Detailed Transition Plans and Agreements</u></p>	<ul style="list-style-type: none"> ▪ Completes and delivers to the Government, a transition plan for each SBIR project participating in the CPP (minimum of 25 companies). ▪ Transition plans include: <ul style="list-style-type: none"> ○ target acquisition program(s) and manager(s) ○ acquisition program technology need ○ integration strategy ○ description of technology/product/capability to be delivered ○ current status of technology/product ○ technology development strategy ○ risks to include mitigations and contingencies ○ milestones for transition ○ resource requirements and potential sources 	<ul style="list-style-type: none"> ▪ Government review of developed transition plans ▪ Number and quality of developed transition plans
<p><u>Task 5: Make Recommendations and Facilitate Additional Funding to Select SBIR Projects</u></p>	<ul style="list-style-type: none"> ▪ Provides recommendation to the Government for each of the projects participating in the CPP (minimum of 25), on how to best utilize the CPP Investment Fund of SBIR dollars targeted to enhance ongoing Phase II projects ▪ Recommendations result in obligation of full Investment Fund amount within performance period ▪ Each investment recommendation is coordinated with selected firms, customers, and includes the amount and scope of additional SBIR investment. ▪ Efforts result in third party funding for each participating SBIR company 	<ul style="list-style-type: none"> ▪ Government review of recommended investment business cases ▪ CPP ROI ▪ Amount of reported third-party investment/sales

<p>Task 6: Track <u>Metrics and Measure Results</u></p>	<ul style="list-style-type: none"> ▪ Developed metrics are quantitative and effectively measure technology transition and commercialization success over time, for each of the participating CPP projects (minimum of 25) ▪ Developed metrics include both leading and trailing indicators of SBIR project technology transition ▪ Data is collected and reported quarterly in accordance with developed metric plans ▪ Awardee reports the impact of the transitioned SBIR technologies on Army programs and warfighters for each participating CPP firm/project. Reports are of sufficient quality for publication and public release. 	<ul style="list-style-type: none"> ▪ Government review of metric definitions and measures of results ▪ Independent government verification of reported data
---	--	---

PART IV – PROPOSAL PREPARATION

1. Proposal Submission: Proposals must be submitted according to the instructions contained herein. Proposals in connection with this BAA are to be submitted to the delivery location as specified below, by the time specified below.

Delivery Address:
 US Army RDECOM Acquisition Center
 Research Triangle Park Contracting Division
 ATTN: AMSRD-ACC-R (Kevin Bassler)
 4300 S. Miami Boulevard
 Durham, NC 27703

The proposal must be submitted directly to the delivery address by the specified time below to be considered for award:

Due date and Time: 8 December 2006, 12 Noon EDT

2. Proposal Volumes: Each proposal shall consist of the following:
- hard copies of the separately bound proposal items/volumes listed below; and
 - soft copies of the proposal on CDs in the format as called for below.

(Note: Each of these items shall be separately bound.)

PROPOSAL ITEM/VOLUME	NUMBER OF COPIES
Technical Volume	Qty 1 – original Qty 5 – hard copies Qty 5 - CD*
Cost Proposal Volume	Qty 1 – original Qty 5 – hard copies

*The CDs are to be in PDF format.

3. Proposal Format and Content Information:

Entire Proposal. The entire proposal (including all volumes) should be concise, utilizing one side of each page with no foldout pages. Specific page limitations for each volume are prescribed below. Each proposal must be typed (with type that is not smaller than 11 point or 12 pitch on standard 8 1/2" X 11" paper with one (1) inch margins, 6 lines per inch).

Technical Volume. The pages included in the Technical Volume shall be numbered. Offerors are advised that the Technical Volume of the proposal shall not exceed 30 pages, utilizing one side of the page. The 30-page maximum does not include Biographical

Sketches for key personnel, but does include figures and references. Biographical Sketches shall be included as an appendix to the volume and are limited to two (2) pages per person. Offerors are cautioned that pages in excess of the 30-page limitation, pages in excess of the two-page limitation for the Biographical Sketches, will not be included in the evaluation.

Cost Volume. There is no page limit for the information provided for the cost volume.

The offeror must submit a fixed price to deliver each of the tasks for each year of performance under the award instrument, and also the proposed ROI for each year in connection with the award fee as follows:

EACH YEAR	PROPOSED PRICE*
Task 1	
Task 2	
Task 3	
Task 4	
Task 5	
Task 6	
ROI – Award Fee	PROPOSED ROI RATIO**
\$50,000.00	_____:1
\$100,000.00	_____:1
\$150,000.00	_____:1
\$200,00.00	_____:1

*Offerors are to propose a fixed-price for each Task for Each Year. This price may include a profit rate of up to 5%. The total amount of funding expected to be available to fund the six tasks each year is \$2,100,000.00.

**Offerors are to propose a ROI ratio determined by “CPP Return on Investment (ROI)”. ROI is defined as cumulative “Total Sales & Investment” / “Total SBIR Investment” for all SBIR projects recommended and accepted by the Government for participation in the CPP. The Government will measure ROI annually, at the end of each period of performance and release any award fee, as appropriate. ROI measures, as described below, will be cumulative and carry over for any option periods.

Total Sales & Investment: Cumulative sales revenue for all projects accepted by the Government for participation in the CPP, from new products and services resulting from the Phase II technology and additional investment from sources other than the federal SBIR program in activities that further the development and/or commercialization of the Phase II technology, accumulated from time of acceptance of each project into the CPP, as reported by the participating CPP firms and verified by the Government.

Total SBIR Investment: Cumulative SBIR funding, to include Phase I, Option, Phase II, Phase II Plus, and CPP investment for all selected CPP projects, not including external, third-party, commercial, or Government non-SBIR investment

and sales, accumulated from the date of award of the initial Phase I SBIR contract, as reported by the CPP firms Government contracting agency. Total SBIR Investment does not include any costs associated with the management of the CPP.

Offerors are to provide detailed breakdowns and supporting cost and pricing information in sufficient detail to substantiate the proposed price. Offerors are to include a description of the method used to estimate costs and supporting documentation. Offerors are to provide the basis of estimate for all proposed labor rates, indirect costs, overhead costs, other direct costs and materials, as applicable.

4. Restrictive Markings on Proposals: All responses containing proprietary data should be appropriately marked. It is the offeror's responsibility to clearly define to the Government what they consider to be proprietary data.

PART V – EVALUATION, NEGOTIATION AND AWARD

1. Proposal Evaluation:

All information necessary for the review and evaluation of a proposal must be contained in the proposal. No other material will be provided to the evaluators.

An initial review of the proposals will be conducted to ensure compliance with the requirements of this BAA. Failure to comply with the requirements of the BAA may result in a proposal receiving no further consideration for award.

Proposals submitted in response to this BAA will be evaluated against the evaluation factors set forth below, listed in descending order of importance, using an adjectival and color rating system:

Evaluation Factor 1: Return on Investment (ROI). Evaluation of this factor will include the aggressiveness and viability of the proposed ROI schedule.

Evaluation Factor 2: Past Performance in Technology Transition and Entrepreneurial Activities. Evaluation of this factor will include the offeror's experience in innovative technology transition and commercialization to include demonstrated measures of success. Also included is an evaluation of relevant experience in early-state technology development and success in transitioning defense research and development projects into operational capability and commercial products. Evaluation of this factor will include the offeror's past successes and learning experiences involving business relationships between the entrepreneurial community of high technology innovators and the offeror's venture capital experience.

Evaluation Factor 3: Knowledge of Army Requirements, Organization, and Processes. Evaluation of this factor will include the demonstrated knowledge and relationship between the offeror and the Army Acquisition community and major defense contractors. Offerors shall demonstrate established contacts and strong relationships with potential technology recipients, and the proposed means to expand those contacts, to facilitate collaboration between Army SBIR projects and potential technology recipients. Where no current relationship or knowledge exists, a plan to develop such relationships and knowledge should be provided. Evaluation of this factor also includes the demonstrated knowledge, experience, and capabilities in Defense Acquisition, Science and Technology management, technology transition, and Army organization and business processes. Also evaluated is the offeror's understanding of specific military and commercial applications and technologies relevant to the Army, to include end-user requirements. Evaluation of this factor also includes the offeror's key personnel, their backgrounds and experience, and any plan to recruit team members and management, if not otherwise identified. Any teaming arrangement to fill critical skill or capability gaps should be identified/described.

Evaluation Factor 4: Assessment and Technology Transition Strategy, Process, and Capability. Evaluation of this factor will include the offeror's proposed strategy, process, and capability for assessing the technical and business capabilities and needs of current Army Phase II SBIR companies and projects. It will also include an evaluation of the firm's specific knowledge and understanding of innovative technology, research and development processes and risks to include technology transition readiness and maturation, and successful business operating methodologies. Evaluation of this factor will also include how the offeror proposes to support the transition of technologies into current or developing Army systems, to include the proposed plans to establish specific timelines, milestones, and identify participants. It will also include an evaluation of the offeror's specific understanding of technology transition and private sector commercialization activities and the offeror's capabilities in these areas.

Evaluation Factor 5: Proposed Metrics. Evaluation of this factor will include the proposed quantitative metrics to measure technology transition and commercialization success over time to include specific proposed units of measure and goals. (Note: The successful offeror's proposed metrics will be included in any award instrument.) Included is proposed methodology to collect and report metrics to include narrative description of lessons learned to improve commercialization / technology transition success. Inclusion of leading and trailing indicator metrics, as well as measurements of management, lifecycle cost, and operational performance improvements will be evaluated.

2. Negotiation and Award: The Government reserves the right to award without discussions. However, a competitive range may be established for any discussions. If discussions are held, offerors in the competitive range will be invited to submit Final Proposal Revisions, which will be evaluated using the same procedures used with the initial proposals. The Contracting Officer will make the final determination on whether discussions will be held. The Government will make award to the offeror whose proposals offers the best value to the Government, conforming to the BAA, price and other factors considered. The Government reserves the right to make award to other than the offeror who offers the lowest proposed price or the highest proposed ROI. The Contracting Officer will make the final determination of the offeror selected for award.

PART VI – OTHER CONSIDERATIONS

1. Limitations On Other Transaction For Prototype Projects: Offerors are advised that an Other Transaction for Prototype Agreement will only be awarded if there is:

- At least one nontraditional defense contractor participating to a significant extent in the prototype project, or
- No nontraditional defense contractor is participating to a significant extent in the prototype project, but at least one of the following circumstances exists:
 - At least one third of the total cost of the prototype project is to be paid out of funds provided by the parties to the transaction other than the federal Government. The cost share should generally consist of labor, materials, equipment, and facilities costs (including allocable indirect costs).
 - Exceptional circumstances justify the use of a transaction that provides for innovative business arrangements or structures that would not be feasible or appropriate under a procurement contract.

Although use of one of these options is required to use an Other Transaction for Prototype agreement as the procurement vehicle, no single option is encouraged or desired over the others.

NOTE: For purposes of determining whether or not a participant may be classified as a nontraditional defense contractor and whether or not such participation is determined to be participating to a significant extent in the prototype project, the following definitions are applicable:

“Nontraditional defense contractor” means a business unit that has not, for a period of at least one year prior to the date of the Other Transaction Agreement, entered into or performed on:

- any contract that is subject to full coverage under the cost accounting standards prescribed pursuant to section 26 of the Office of Federal Procurement Policy Act (41 USC 422) and the regulations implementing such section; or
- Any other contract in excess of \$500,000 to carry out prototype projects or to perform basic, applied, or advanced research projects for a Federal agency that is subject to the Federal Acquisition Regulation.

“Participating to a significant extent in the prototype project” means that the nontraditional defense contractor is supplying a new key technology or product, is accomplishing a significant amount of the effort wherein the role played is more than a nominal or token role in the research effort, or in some other way plays a significant part in causing a material reduction in the cost or schedule of the effort or an increase in performance of the prototype in question.

NOTE: Offerors are cautioned that if they are classified as a traditional defense

contractor, and propose the use of an Other Transaction for Prototype Agreement, the Government will require submittal of both a cost proposal under the guidelines of the FAR/DFARS, and a cost proposal under the proposed Other Transaction for Prototype Agreement, so that an evaluation may be made with respect to the cost tradeoffs applicable under both situations. The Government reserves the right to negotiate either a FAR based procurement contract, or Other Transaction for Prototype Agreement as it deems is warranted under the circumstances.

2. Subcontracting: Pursuant to Section 8(d) of the Small Business Act (15 USC 637(d)), it is the policy of the Government to enable small business and small disadvantaged business concerns to be considered fairly as subcontractors to contractors performing work or rendering services as prime contractors or subcontractors under Government contracts, and to assure that prime contractors and subcontractors carry out this policy. Each offeror who submits a contract proposal and includes subcontractors is required to submit a subcontracting plan IAW FAR 19.702(a) with their proposal. The plan format is outlined in FAR 19.704.

3. Central Contractor Registration: Offerors selected for award not already registered in the Central Contractor Registry (CCR) will be required to register in CCR prior to any award under this BAA. Information on CCR registration is available at <http://www.ccr.gov>.

4. Security Information: The Government anticipates that proposals submitted under this BAA will be unclassified. There is no requirement for the awardee to obtain a facility clearance as described in the National Industrial Security Program Operating Manual (NISPOM) from the Defense Security Service to perform this effort. No access to classified materials is required or authorized to perform this effort. The awardee's Facility Security Officer (FSO) will initiate a request for a National Agency Check (NAC) type background investigation from the US Office of Personnel Management on all awardee employees assigned to work on this program as described in IS-15, Requesting OPM Personnel Investigations. The FSO will notify the Government Technical Representative in writing both upon submission of the investigation request to OPM and upon receiving notification from OPM of completion of the investigation. No access to areas designated by any DoD organization as a controlled restricted area is required or authorized to perform this effort. If the offeror proposes to use a foreign national(s) [any person who is NOT a citizen or national of the United States, a lawful permanent resident, or a protected individual as defined by 8 U.S.C. 1324b(a)(3)] as key personnel, the following information should be provided: individual's full name (including alias or other spellings of name), date of birth, place of birth, nationality, registration number or visa information, port of entry, type of position and brief description of work to be performed, address where work will be performed, and copy of visa card or permanent resident card. Awardee personnel provided access to any information marked FOR OFFICIAL USE ONLY (FOUO) during performance must ensure the protection of that information as described in DoD 5350.7-R, DoD Freedom of Information Act Program.

