



PHASE III GUIDE FOR SBIR/STTR AWARDEES

What is Phase III?

Phase III refers to work that derives from, extends, or completes an effort made under prior SBIR/STTR Funding Agreements, but is funded by sources other than SBIR/STTR programs.

What types of work are permitted?

Phase III work is typically oriented towards commercialization of SBIR/STTR research or technology, including through further R/R&D work. Phase III work may be for products, production, services, R/R&D, or any such combination.

TIP: NASA recognizes that Phase I and II awards may not be sufficient in either dollars or time for the company to complete the total R/R&D and the commercialization activities required to make the project ready for infusion into NASA missions or the commercial marketplace. Therefore, NASA has several initiatives for supporting its small business partners beyond their Phase I and Phase II awards. Please refer to <http://sbir.nasa.gov/content/post-phase-ii-initiatives> for eligibility, application deadlines, matching requirements, and further information.

Who is eligible to receive Phase III awards?

Any company that has received a Phase I and/or Phase II award from any government agency is eligible for a Phase III award based on that award.

TIP: You're eligible for Phase III as soon as your Phase I award is issued. You can even have a Phase III at the same time as your Phase I or II; however, exercise caution to ensure your resources (i.e., personnel, finances, facilities, etc.) are adequate to allow timely completion of both efforts.

The small business size limits for Phase I and Phase II awards do not apply to Phase III awards. You are eligible for life, even if the company grows to exceed the 500-employee small business designation.

If the company is acquired, a novated awardee or successor in interest may receive a Phase III award.

Who can fund Phase III awards?

Phase III funding comes from sources other than SBIR/STTR programs.

Any agency can award a Phase III. It does not matter where the SBIR or STTR work originated. NASA can award you a Phase III contract based on your Phase I or II project with DOD, NOAA, or any of the participating agencies. And vice versa.

For the purpose of NASA initiating a Phase III contract, the funding would come from a NASA program or project outside of the NASA SBIR/STTR program.

What are the benefits for small businesses like me? What are the benefits for government customers?

Small businesses and their government customers appreciate that the process to award a Phase III contract is relatively quick and easy compared to a standard contracting process.

The competition for SBIR/STTR Phase I and Phase II awards satisfies any competition requirement of the Armed Services Procurement Act, the Federal Property and Administrative Services Act, and the Competition in Contracting Act. Therefore, an agency that wishes to fund a Phase III project is not required to conduct another competition to satisfy those statutory provisions. This can cut lead time by months, even years.

TIP: *If your technical point of contact mentions a JOFOC or J&A, you can let them know one is not required! Only a short Phase III Justification is required; see Appendix for a sample.*

Your data rights are protected!

A Phase III award is, by its nature an SBIR/STTR award, has SBIR/STTR status, and will include SBIR/STTR Data Rights protection. Currently the protection period for SBIR/STTR Data Rights is twenty (20) years from date of the new award.

TIP: *Refer to the SBIR Data Rights clause in your contract for the correct way to label your data for protection!*

Because the government is prohibited from disclosing SBIR/STTR data, this nondisclosure obligation creates the imperative, the necessity, to deal only with the company that developed the SBIR/STTR data in the first place. This is called the Phase III mandate.

This right also extends to subcontracts for Phase III work on a sole-source basis.

Phase III is a flexible mechanism.

There is no limit on the number, duration, type, or dollar value of Phase III awards!

TIP: *Most NASA Phase III contracts are firm fixed price.*

There is no limit on the time that may elapse between a Phase I or Phase II award and Phase III award, or between a Phase III award and any subsequent Phase III award.

SEE ALSO SMALL BUSINESS ADMINISTRATION (SBA) TUTORIALS

THE VALUE OF PHASE III AWARDS AND HOW TO IDENTIFY THEM:

<https://www.sbir.gov/tutorials/data-rights/tutorial-3#>

WHAT MAKES PHASE III SO VALUABLE?:

<https://www.sbir.gov/tutorials/data-rights/tutorial-4#>

How do I start?

We encourage you to work closely with your technical point of contact, often the Contracting Officer's Representative (COR) or Technical Monitor, to determine appropriate transition paths for the technology as well as the funding to support these efforts.

TIP: *This coordination may include collaborative development of the desired statement of work (SOW) for the Phase III effort.*

For more information on Phase III contracts, you can also contact the appropriate Center Technology Transition Lead (CTTL).

<https://sbir.nasa.gov/contacts>

SEE ALSO SMALL BUSINESS ADMINISTRATION (SBA) TUTORIALS

SBA has tutorials designed to help you find potential partners, which you may find helpful for marketing yourself as a potential Phase III awardee.

<https://www.sbir.gov/tutorials/finding-partners/>

How does it work?

1. Technical POC develops SOW and secures funding.

2. The CTTL will initiate a Phase III contract request, working with the Technical POC to provide the required information.

3. The NASA Shared Services Center (NSSC) is responsible for negotiating, awarding, and administering all NASA SBIR/STTR awards to include Phase III contract awards.

- You will be assigned a Contracting Officer.
- NSSC will contact you to request a proposal.

***TIP:** You can help the process go smoothly by responding in a timely manner to all communications from NSSC and ensuring you provide all requested documentation.*

4. You submit the requested documentation to NSSC.

- You must provide a technical proposal and detailed pricing.
- Your technical proposal must:
 - Be formatted to address each individual task element of the SOW.
 - Include a detailed description of the Phase III work plan to meet the SOW, indicating what will be done, where it will be done, and how the work will be carried out.
 - Discuss in detail the methods planned to achieve each task or objective.
 - Include task descriptions, schedules, resource allocations, estimated task hours for each key personnel and planned accomplishments including project milestones.
- Proposed pricing must include labor categories that correspond with each section and sub-section of the SOW.

5. Status/Troubleshooting/Points of Contact

You can use the SBIR/STTR Status Search to check the negotiation/award status while in process at the NSSC

<https://www.nasa.gov/centers/nssc/forms/sbir-search-form>

You may also contact the CTTL at any time for help navigating the Phase III contract negotiation process or with other programmatic questions.

<https://sbir.nasa.gov/contacts>

Appendix

A. Justification for Phase III Template

JUSTIFICATION FOR A PHASE III (Firm Name)

NASA Shared Service Center (NSSC) will negotiate with the above firm a Phase III contract.

DESCRIPTION:

Provide a description of the research requested to meet the agency's needs.

The estimated value of this effort is \$[estimated value].

RELATED WORK:

Explain the relevance of this research to this NASA Program (or to other programs).

The firm first introduced the technology in a Phase [I / II / III] titled "[title]" on [Agency such as NASA or Air Force] Contract No. [prior award number].

Pursuant to FAR 13.106-1(b) and 13.106-3(b)(3)(i), the acquisition of the above referenced research is determined to be available from only one source. Competition is not required for the following reason:

JUSTIFICATION:

The competition for SBIR – Phase I and Phase II awards satisfies any competition requirement of the Armed Services Procurement Act, the Federal Property and Administrative Services Act, and the Competition in Contracting Act. Therefore, an agency that wishes to fund an SBIR Phase III project is not required to conduct another competition in order to satisfy those statutory provisions. As a result, in conducting actions relative to a Phase III SBIR award, it is sufficient to state for purposes of a Justification and Approval pursuant to FAR 6.302-5, that the project is an SBIR Phase III award that is derived from, extends, or logically concludes efforts performed under prior SBIR funding agreements and is authorized under 10 U.S.C. 2304(b) (2) or 41 U.S.C. 253(b) (2).

COR/TM Signature

Date