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Prepared by the NASA Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Program

November 2022

# Phase II Proposal Prep Webinar

## Key Questions

**This document contains answers to additional key questions about the 2022 NASA SBIR and STTR Phase II solicitations asked (but not answered) during the Phase II Proposal Prep webinar held on November 16<sup>th</sup>, 2022.** If you are looking for questions on a specific topic (blackout period, cost sharing, etc.), we encourage you to word search this document to ensure you read all pertinent answers. If you are looking for answers to questions addressed during the webinar, please refer to the presentation and recording available on our [website](#). The webinar and any associated materials are intended to help you navigate, read, understand, and respond to the solicitations; they are not official procurement guidance/instructions.

**It is your responsibility to read and understand the solicitations in their entirety, and to develop and submit your proposal in accordance with the requirements and instructions contained therein.**

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### **Guidance on communications during the blackout period:**

During a blackout, all NASA personnel are instructed to cease communications and dialogue with industry relating to the open solicitation, proposals submitted or anticipated to be submitted, or the evaluation results for such proposals.

*Excerpt from [Chapter 1](#) of the 2022 NASA SBIR Phase II Solicitation:*

#### 1.13.1 Questions About This Solicitation and Means of Contacting NASA SBIR Program

Only questions requesting clarification of the completed proposal package instructions and administrative matters will be addressed.

The cutoff date and time for receipt of Phase II solicitation questions requesting clarification of completed proposal package instructions and administrative matters is January 25, 2023, at 5:00 p.m. ET.

Offerors that have questions requesting clarification of completed proposal package instructions and administrative matters should refer to the NASA SBIR/STTR website or contact the NASA SBIR/STTR helpdesk.

1. NASA SBIR/STTR website: <http://sbir.nasa.gov>
2. Help Desk: The NASA SBIR/STTR Help Desk can answer any questions regarding clarification of completed proposal package instructions and any administrative matters. The Help Desk may be contacted by:
  - a. Email: [sbir@reisystems.com](mailto:sbir@reisystems.com)
  - b. The requestor must provide the name and telephone number of the person to contact, the organization's name and address, and the specific questions or requests.

*End Excerpt*



The following guidance is provided to NASA personnel to allow them to continue working with small businesses while maintaining the integrity of the source selection process and ensuring all offerors receive fair and equitable treatment.

*Communications and dialogue with industry regarding other technical work or other points of mutual concern not related to the open solicitation or proposals to be submitted thereunder are not restricted and are encouraged. These include:*

- *Limited communications between Technical Monitors (TMs) and Contracting Officer's Representatives (CORs) specifically regarding the technical performance and progress of current ongoing contracts.*
- *Attending company debriefs and meetings in order to be familiar with technology developments under current and ongoing contracts.*
- *Communications regarding needs, utilization, infusion and commercialization are also permitted and encouraged. Examples include:*
  - *Discussions about use of NASA facilities*
  - *I-Corps Customer Discovery Interviews*
  - *Technology infusion planning*
  - *Facilitation of SBIR/STTR technology commercialization*

*These communications shall not include assistance in preparing the company's proposal, providing advice or opinions on the company's solution or approach for performing the work, and/or discussion of any information regarding the competition or its technical requirements. In addition, Centers must firewall personnel participating in communications regarding the availability of NASA resources to ensure those employees will not participate directly or indirectly in the evaluation of proposals on behalf of the Agency.*

**Q: What is the evaluation benefit of a small business providing cost sharing?**

A: Willingness to cost share could be seen as the firm strongly believing in the technology and desiring to accelerate getting it to market. However, there is no expectation of cost sharing on the part of the small business.

**Q: Is there a limit to the cost of equipment purchased for Phase II?**

A: While there is not a specific limit, the firm needs to ensure that a reasonable amount of actual research/work is occurring to advance the technology. It should not appear that the program is simply subsidizing the purchase of a big piece of equipment for the firm.

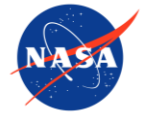
The reviewer will answer these two questions:

- Is the overall proposed budget appropriate for the proposed work?
- Do individual elements of the proposed budget appear to be appropriate?

The Contracting Officer will make a final determination of cost reasonableness.

**Q: Is the required small business 50% cost only determined by the labor? If there is significant equipment, is this cost excluded from the split between the small business and the subcontractor?**

A: The calculation is not just based on labor.



Example calculation from [Chapter 3](#) of the 2022 NASA SBIR Phase II Solicitation:

### 3.4.3.4 Proposal Budget

Example:

Total price to include profit	\$850,000
Profit	\$21,750
Total price less profit	$\$850,000 - \$21,750 = \$828,250$
Subcontractor cost	\$250,000
G&A	5%
G&A on subcontractor cost	$\$250,000 \times 5\% = \$12,500$
Subcontractor cost plus G&A	$\$250,000 + \$12,500 = \$262,500$
<b>Percentage of subcontracting effort*</b>	<b><math>\\$262,500/\\$828,250 = 31.6\%</math></b>

\*Subcontractor cost plus G&A/total price less profit

For an SBIR Phase II, this is acceptable because it is below the limitation of 50%.

**Q: Would a subcontractor on Phase II who is helping with the tech but has also licensed our other tech and is interested in licensing this tech be considered a favorable letter of commitment?**

A: These are the types of letters that are considered letters of commitment:

- Any letters of commitment describing follow-on funding, product sales, or matching funding to be provided for a future Post Phase II opportunity application.
- Letter of intent or evidence of negotiations to provide funding should the Phase II project be successful and the market need still exists.
- A specific plan to secure Phase III funding.

A commitment to license a technology could be considered along with product sales if that aligns with the firm's plan for making money off the technology development.

**Q: Should we talk about what we'll do in Phase II-E in the proposal? Since it's not guaranteed that we'll actually get it at the time of Phase II submission?**

A: This could definitely be part of the Commercialization discussion as it addresses how you would further the development and bring the technology closer to ready for market.

**Q: The tests for our technology can be performed at zero-G in the plane, or aboard the ISS. These options vary a lot in scope and cost. Please comment.**

A: This is a decision that you will need to make as a firm and possibly in consultation with your Phase I Technical Monitor or Phase II COR if you get selected. This type of testing often occurs after the Phase II due to the limitation of funds within the award itself.

**Q: Do we need SBA registration? We have SAM and EHB.**

A: Yes, you need to register with the Small Business Administration (SBA). That is a program requirement across all agencies.



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Excerpt from *Chapter 2* of the 2022 NASA SBIR Phase II Solicitation:

### 2.1 Small Business Administration (SBA) Firm Registry

All SBCs that are applying to any SBIR solicitation are required to register with the SBIR Firm Registry that is managed by the SBA. In addition, all SBCs must update their commercialization status through the SBIR Firm Registry. Information related to the steps necessary to register with the SBIR Firm Registry can be found at [https://www.sbir.gov/registration\(link is external\)](https://www.sbir.gov/registration(link%20is%20external)).

After an SBC registers with SBA and/or updates their commercialization information, the Offeror needs to obtain a portable document format (PDF) copy of the SBC registration. In addition, the SBC must provide their unique SBC Control ID (assigned by SBA upon completion of the Company Registry registration) and must upload the PDF copy of the SBC registration in the EHB. Offerors should complete the Firm Certifications form in the EHB and will be provided instructions on how to complete at time of submission. Firm Certifications are applicable across all completed proposal packages submitted by the SBC for the specific solicitation and the EHB will provide guidance on how to complete these certifications.

**Q: In the Phase II proposal, can we change/adjust the name of our innovation from what we called the innovation for Phase I. If so, what is the proper way to explain the innovation name change in the Phase II proposal?**

A: A Phase II proposal can have a different title that may more accurately reflect the technology development in Phase II if the development is still addressing the original needs stated in the subtopic. It should not be so drastic a change that it cannot be explained in a sentence or two at the beginning of the proposal.

**Q: If in the course of performing the Phase I award work, we developed the concept for another, but related, innovation in addition to our awarded innovation, how do we address this in the Phase II proposal?**

A: The proposal should focus on the technology that was selected for Phase I to ensure you are addressing the needs stated in the subtopic that you proposed to. The related innovation could be part of the discussion on future work and/or commercialization opportunities.

**Q: Can you talk about the Mentor-Protégé program? Should we reach out to potential mentors before the Phase II submission?**

A: The Mentor-Protégé program is run by NASA's Office of Small Business Programs. We recommend that you visit the following link for additional information:  
<https://www.nasa.gov/osbp/mentor-protege-program>.