



Small Business Innovation Research(SBIR)

Contracting At The Speed of Business

2018 Beyond Phase II/Mentor Protégé Training Week [Aug 14-16, 2018]

Presented By

Christopher E. Harris, PMP CFCM CPCM CCCM

Bytecubed Acquisition & Innovation Directorate

Email: Chris.Harris@Bytecubed.com

Phone: (571) 364.3912

Overview

- ❖ The Operational Implementation of Best Value [Market Conditions & Buyer Motives]
- ❖ SBIR Acquisitions Not Business As Usual (BAU)
- ❖ SBIR Procedures That Facilitate Contracting At The Speed of Business

Best Value Definition

- ❖ **FAR 2.101** - The expected outcome of an acquisition that, in the Government's estimation, provides the *greatest overall benefit* in response to the requirement.

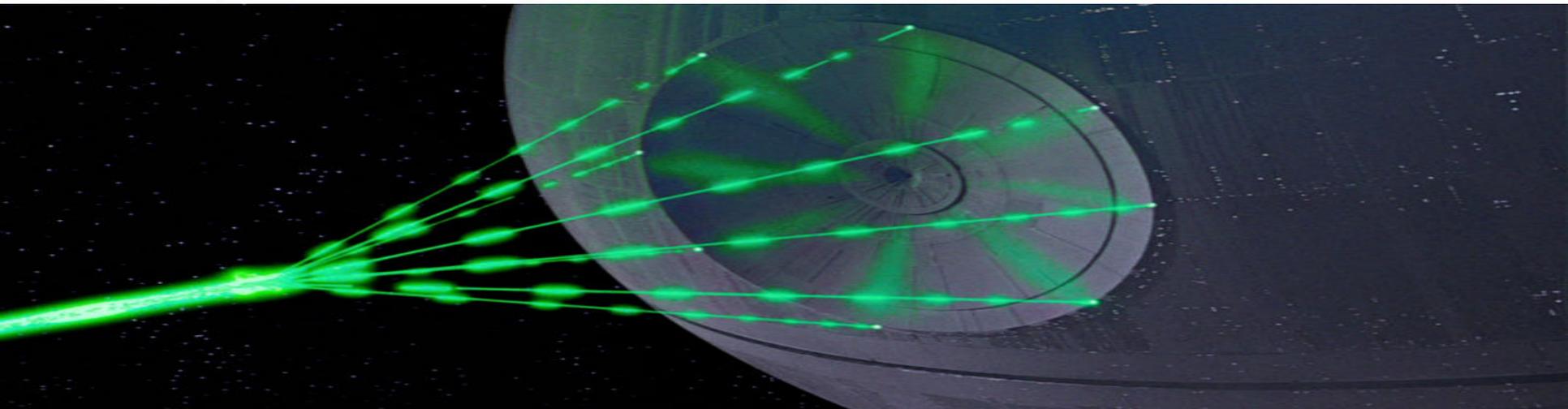
What Are The Circumstances?

- ❖ **Technology Drives Economic Growth**
- ❖ **Technology Provides Military Advantage**
- ❖ **Economic & Military Rivals Are Catching Up**

Best Value-SBIR/STTR

Government's Motive For SBIR/STTR Investments:

- ❖ Enlarge Technology Base
- ❖ Quickly Exploit Innovations-Grow Economy
- ❖ Convert Innovation to Military Advantage to Maintain Interstellar Domination



NOT!
BUSINESS
AS USUAL

A man in a dark suit and tie is running across a city street at night. He is carrying a briefcase in his right hand. The background is a blurred cityscape with lights from buildings and streetlights, suggesting a fast-paced urban environment. The overall tone is one of urgency and speed.

Contracting
At The Speed of Business

Contracting Considerations



1. Public Policy Requirements

- ❖ Degree of Required Competitive Rigor
- ❖ Terms & Conditions - (Business Matters & Pre/Post Award Compliance)

2. Business Decision

- ❖ Technical Merit
- ❖ Cost/Price
- ❖ Relationship Tech/Price

SBIR Contracting

In accordance with the SBIR Policy Directive, Appendix I Para, a.

SBIR Procedures Purposely Depart

From

**Normal Government Solicitations and
Requirements**

Competitive Rigor Reduced

- (i) Initial competition satisfies competitive requirements for all phases.
 - Follow-on Phase II awards w/o the need for a justification
 - May continue research via Phase II Enhancements
 - Unlimited Phase III Awards
- (ii) Agency may make an award to contractor that did not respond to its particular solicitation
- (iii) May make Direct Phase II awards (NDAA 2019)

Competitive Rigor Reduced Continued

(iv) Agency may negotiate solely with selectees if desired (**See Spaltudaq Corp., B-400650**)

(v) No cost/technical trade-off required

(vi) Limited Protestability

More Flexible T&Cs

- ❖ COs encouraged to work with SBIR/STTR companies by structuring remuneration as partial or deliverable payments (SBA PD 7(g)(1))
 - Purchase Services From NTCs as Commercial Items (NDAA 2016 Sec. 857)
 - Permits SBC and SBIR Contractor Awards, Subcontracts, and Modifications from CCPD up to \$7.5M and records examination (NDAA 2016 Sec. 873)
 - Emphasized the Government's preference for performance based payments not based on costs (NDAA 2017 Sec. 873)
 - J&As not required for Phase III awards (NDAA 2018 Sec. 1709)
- ❖ The aforementioned actions greatly reduce the need for Government specific systems.

The Business As Usual Best Value Process

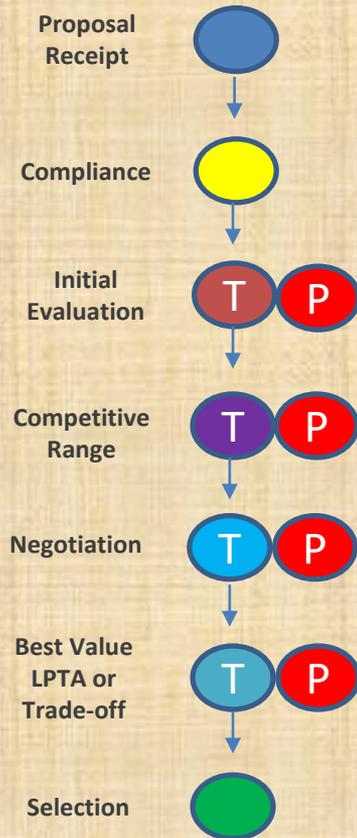
Business Decision

- ❖ Technical Merit
- ❖ Cost/Price

**Price Plays A Substantial Role In
Decision Making**

The Business As Usual (BAU) Versus SBIR Best Value Process

BAU Process



SBIR Process

