

Office of Assisted Acquisition Services (AAS)

How GSA is Helping to Bridge the "Valley of Death"

Accelerating Commercialization and Transition of SBIR/STTR Technologies

May 25, 2023



Overview

- GSA Assisted Acquisition Services (AAS)
- SBIR Program Basics
- GSA SBIR results through March 2023
- How to Work with AAS for SBIR Contracts
- Current Initiatives

Assisted Acquisition Services (AAS)

- AAS is an office within GSA's **Federal Acquisition Service (FAS)**
- Provides **full life cycle support** in awarding and administering contracts on behalf of federal agencies
 - Custom acquisition, project, and financial management services
 - **Fee for service:** we focus on the contracting, the customer focuses on their core mission
 - Fee varies based on spend and level of effort required
- **Customer** owns **technical requirement** and provides **technical expertise**
 - AAS advises/selects optimal contract vehicle (GSA schedules, government-wide contracts, open market, etc.) to meet mission needs
 - AAS team issues solicitation, awards contract, manages funds, monitors performance, and manages the contract through closeout
- **SBIR Services**
 - Phases I and II: AAS is a contracting agent and provides full support after selections are made
 - Phase III: AAS provides full life-cycle support

Small Business Innovation Research (SBIR)* Program Basics

- The [Small Business Innovation Research \(SBIR\) and Small Business Technology Transfer \(STTR\)](#) programs are highly competitive programs that encourage domestic small businesses to engage in Federal Research/Research and Development (R/R&D) with the potential for commercialization.
- SBIR is a congressionally mandated program that was started in 1982. The Small Business Administration (SBA) has oversight and program authority over SBIR.
- Funded as a set-aside portion of extramural Research & Development (R&D) budget
 - Agencies with over \$100M in extramural R&D must allocate at least 3.2% to SBIR Phase I/II
 - As a result
 - ~201,500 awards granted to date, over \$68B
 - 10 patents per day



*The STTR Program is very similar to the SBIR Program in most respects.
See the [Policy Directive](#) for differences.

Program Mission and Goals

Mission: “To support **scientific excellence and technological innovation** through the investment of federal research funds in critical American priorities to build a strong national economy... **one small business at a time**”

Goals:

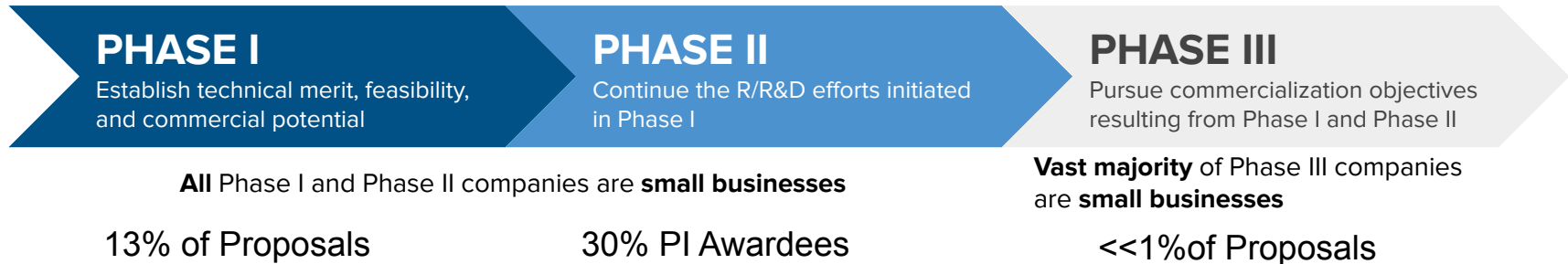
- Stimulate technological **innovation**
- Increase **small business participation** in federally funded R&D
- Foster participation by **socially & economically disadvantaged** and **women owned** firms in technology innovation
- Increase **private sector commercialization** of federal R&D
- Strengthen U.S. **economy** and defense **industrial base**



“America’s Seed Fund” - SBIR is not a contracting program, but rather, a business and technology development program

Navigating SBIR, a Three-Phase Program

- The "**Valley of Death**" is a term used to describe the **gap** between the end of Phase II of SBIR and the beginning of Phase III. This transition is where many small businesses struggle to find funding for commercializing their technology.
- This presentation is focused on **navigating** that “valley of death” between Phase II and Phase III.
- We are here to help you **succeed** in this critical phase, and we will share our **results** so far, the **processes** you need to know, and an exciting **new opportunity** from GSA that is addressing many of the shortfalls in the government's SBIR program.



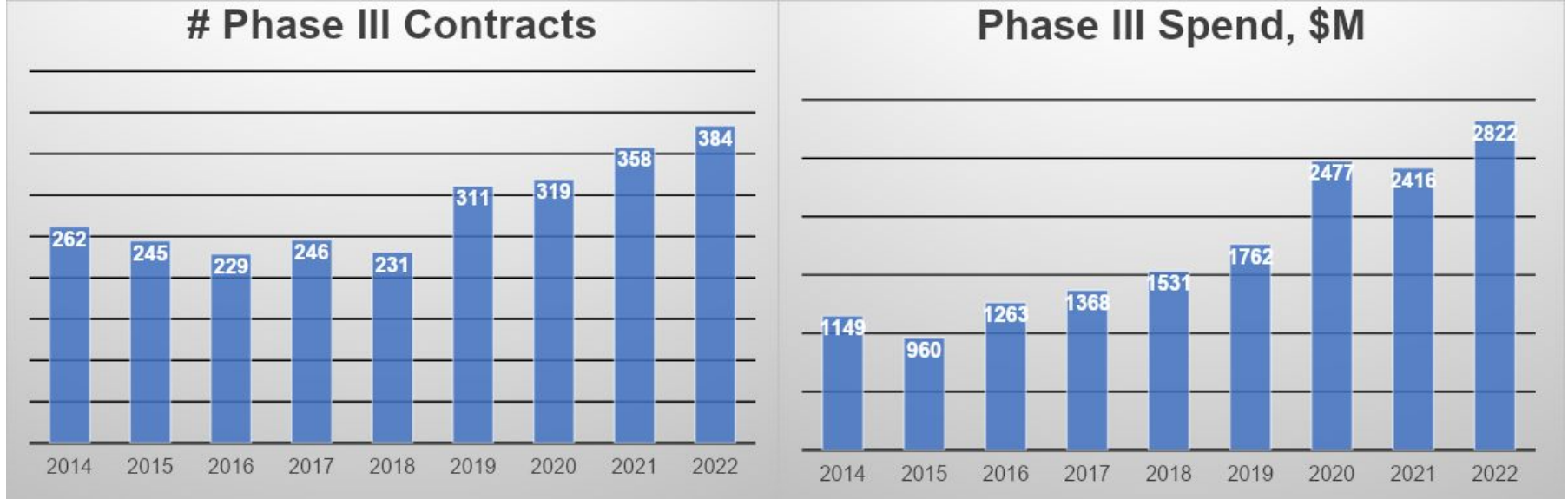
Phase III – What?

- “**Derives from, extends or completes**” work performed under a prior SBIR/STTR effort (Phase I, II and/or III)—**products, service, R&D, combination**
- Phase I/II **awardee or successor in interest** owns data rights
- **No limit** to the **amount, number** of Phase III contracts, **duration, time** between previously SBIR/STTR work and a new Phase III contract, etc.
- Phase I/II competition satisfies all federal requirements—**no additional competition**
 - To the “**maximum extent practicable**” the Government **shall** establish Phase III contracts with the company that owns the SBIR/STTR rights
- **Subcontracts** to SBIR/STTR firms for their technology are Phase III contracts
- Must be funded entirely by **non-SBIR/STTR funds**

Phase III – Why?

- **Streamlined access** to innovative technologies
- **Savings**—Air Force Joint Strike Fighter example
- Phase I/II **return on investment**—realizes Congressional intent to transition technology
- Tremendous **economic impact**--studies show \geq \$12.50 ROI
- Current push for acquisition innovation—express **preference** for Phase III
 - DoD required to address SBIR/STTR in major systems acquisition plans
 - Direction from Service Secretaries, Senior Acquisition Executives
- Helps grow a robust US **industrial base**
- *Bridges the “valley of death” for innovative small businesses—Phase III is the **path to growth and success***

Govt-Wide Phase III, FY14 – FY22



FY18+: 19 of the 25 largest Phase III contracts are GSA contracts

Source:

<https://sbtc.org/wp-content/uploads/2023/02/SBIR-STTR-Program-Outlook-for-2023-and-Beyond-GovWin-Phase-III-Analysis.pptx>

GSA Phase III Results (May 2018–March 2023)

Socioeconomic Category	Contract Awards	Task Order Awards	Obligations (\$)	Obligations (% of total program obs)	Total Value (\$)	Total Value (% of total program value)
8(a)	5	33	\$220M	10.99%	\$994M	10.00%
EDWOSB	3	40	\$191M	9.53%	\$765M	7.70%
HUBZone	2	7	\$6M	0.32%	\$27M	0.27%
OTSB	9	21	\$208M	10.38%	\$1.5B	14.70%
SB	85	252	\$1.8B	89.62%	\$8.5B	85.30%
SDB	21	85	\$424M	21.16%	\$2.2B	22.37%
SDVOSB	8	46	\$152M	7.57%	\$655M	6.59%
VOSB	19	93	\$407M	20.31%	\$2B	20.51%
WOSB	15	49	\$643M	32.11%	\$2B	20.32%

Results by FY (May 2018–March 2023)

Fiscal Year	Contract Awards	Task Order Awards	Obligations (\$)	Obligations (% of total program obs)	Total Value (\$)	Total Value (% of total program value)
FY18	1	6	\$13M	.67%	\$2M	.02%
FY19	19	19	\$91M	4.56%	\$774M	7.80%
FY20	29	52	\$356M	17.77%	\$2.06B	20.80%
FY21	28	88	\$481M	24.00%	\$4.07B	40.99%
FY22	14	91	\$773M	38.59%	\$2.26B	23.07%
FY23	3	17	\$289M	14.42%	\$727M	7.32%
Totals	94	273	\$2B	100.01%	\$9.9B	100.00%

Funding Agency (May 2018–March 2023)

Customer Agency	Contract Awards	Task Order Awards	Obligations (\$)	Obligations (% of total program obs)	Total Value (\$)	Total Value (% of total program value)
Air Force	44	138	\$1B	51.53%	\$4.5B	46.18%
Army	5	33	\$80M	4.03%	\$282M	2.84%
Navy/Marine Corps	32	82	\$641M	32.02%	\$3.66B	36.83%
Other DoD	10	15	\$167M	8.36%	\$1.03B	10.40%
Civilian	3	5	\$81M	4.06%	\$372M	3.75%
Totals	94	273	\$2B	100.00%	\$9.9B	100.00%

How to Work with GSA for a SBIR/STTR Contract

What GSA Needs from You:

- SBIR/STTR history and selection documents
- Topic documentation for Phase I or II
- Work statement and cost estimate for Phase III
- Government technical subject matter point of contact
- Evidence of reimbursable funding (e.g., MIPR or similar document)
- Evidence of customer agency internal approval to use AAS



What GSA Provides:

- Capacity assessment and response
- Instructions and assistance
- Factual information as needed

Current GSA Phase III Initiatives

- ❑ **We are hiring**, but not as quickly as we want/need to
- ❑ **Streamlining** processes and organizational construct
- ❑ Working with other agencies to **advocate for regulatory updates** to make acquisition regulations more compatible with the Policy Directive
- ❑ Exploring a **government-wide contract** to facilitate rapid technology transition via Phase III ordering under FAR Part 16



Questions?

Visit [sbir.gov](https://www.sbir.gov) for more information on the programs

Visit aas.gsa.gov/sbir/ for information on the
AAS SBIR Program

See [Webinar Q&A](#) for variety of Q&A

