U.S. DOT SBIR Program: Phase II & IIB Proposal Checklist and Instruction Guide

Only those small business concerns (SBCs) that have been awarded a U.S. Department of Transportation (U.S. DOT) Phase I SBIR contract will be considered for an SBIR Phase II or Phase IIB contract.

**Phase II proposals:** Phase I awardees will have 60 days to submit a Phase II proposal once they receive this Phase II/Phase IIB Instruction Guide from the Program Office. If additional time is needed, a written request must be sent to the Contracting Officer (CO) and the SBIR Program Office ([dotsbir@dot.gov](mailto:dotsbir@dot.gov)). The request should provide valid justification of the need for additional time beyond the 60 days, and a proposed submission date. All proposals must be submitted using the U.S. DOT’s SBIR online submittal page. All Phase I awardees are sent the link to the proposal system in the email that provides them with these instructions. If you cannot locate the link, please e-mail the SBIR program office at [dotsbir@dot.gov](mailto:dotsbir@dot.gov).

**Phase IIB proposals:** Phase IIB invitations will be sent by the CO, in coordination with the sponsoring agency. Phase IIB invitations are only extended to small businesses with Phase II contracts that are in good standing and are likely to yield a commercial product or service. Work proposed and conducted under Phase IIB awards shall be derived from and within scope of the technical work performed in Phase II. The Government strives to invite Contractors to submit a Phase IIB proposal close to completion of the Phase II so to ensure timely continuity of the R&D. Phase IIB contracts will not be awarded until the Phase II effort is complete, inclusive of receipt/acceptance of the final report. Phase IIB proposals do not use the online submittal page and shall be submitted per the instructions provided via email from the CO. If these instructions cannot be located, please e-mail the SBIR program office at [dotsbir@dot.gov](mailto:dotsbir@dot.gov).

Table of Contents

[Proposal Checklist 3](#_Toc185324921)

[I. Proposal Layout 4](#_Toc185324922)

[II. Submission Requirements 4](#_Toc185324923)

[III. Required Proposal Sections 5](#_Toc185324924)

[Technical Proposal 5](#_Toc185324925)

[Cost & Pricing Proposal (Appendix C) & Supporting Documentation 10](#_Toc185324926)

[Other Appendices 10](#_Toc185324927)

[IV. Contract Information 12](#_Toc185324928)

[V. Modifications or Withdrawal of Proposals 13](#_Toc185324929)

[VI. Similar Proposals or Awards 13](#_Toc185324930)

[VII. Eligibility, Limitations and Definitions 14](#_Toc185324931)

[VIII. Method of Selection and Evaluation Criteria 14](#_Toc185324932)

[IX. Contractual Reporting Requirements 15](#_Toc185324933)

[X. Payment Schedule 15](#_Toc185324934)

[XI. Data Rights 16](#_Toc185324935)

[XII. Patents and Invention Reporting 16](#_Toc185324936)

[XIII. Marking of Proprietary Information 17](#_Toc185324937)

[XIV. Cybersecurity Practices 17](#_Toc185324938)

# Proposal Checklist

Submit your Phase II or Phase IIB proposal following the format listed below. Note that proposals shall not exceed 50 pages total, and the Technical Proposal shall not exceed 25 pages. Exceptions to this page limit are discussed throughout these instructions. This list can be used as a checklist when preparing your proposal.

1. **Technical Proposal (PDF)**
   1. Identification and Significance of Problem or Opportunity
   2. Technical Objectives
   3. Work Plan
   4. Related Work
   5. Anticipated Results
   6. Commercialization Strategy Plan
   7. Key Personnel
   8. Facilities and Equipment
   9. Consultants and/or Subcontractors
   10. Company Commercialization Report on Prior SBIR Awards
   11. Sustainable Acquisition Requirement
   12. Human Factors Applicability
   13. SBA Company Registry Confirmation
2. **Cost & Pricing Proposal (Appendix C) (Excel – workbook template provided)**
3. **Cost & Pricing Proposal Supporting Documentation (PDF)**
4. **Other Appendices (PDF)**
   * Cover Sheet (Appendix A)
   * Project Summary (Appendix B)
   * Commercialization Strategy Plan Supporting Documentation (Appendix D)
   * Human Factors Checklist (Appendix E) (if applicable due to proposed Human Subject research)
   * U.S. DOT SBIR Disclosure Form (Appendix F/online form)

# I. Proposal Layout

**Four separate documents (Technical Proposal, Cost & Pricing Proposal [Appendix C], Cost & Pricing Proposal Supporting Information, and Appendices A, B, D, E [if applicable] and F) must be submitted.** All proposals must follow the guidelines listed below:

1. **Technical Proposal:** The technical proposal must be submitted in PDF format in accordance with the following requirements:
   1. The Technical Proposal shall not exceed 25 pages; the SBA Company Registry Confirmation does not count toward the 25-page limit.
   2. Font size shall be no smaller than 10 points.
   3. Proposals shall be on standard letter size pages (8.5" by 11").
   4. All pages should be numbered consecutively.
2. **Cost & Pricing Proposal (Appendix C):** The Cost & Pricing Proposal (Appendix C) may be submitted in Excel or PDF format and must use the provided workbook.
3. **Cost & Pricing Proposal Supporting Documentation:** Supporting documentation for the costs and pricing proposed in Appendix C must be submitted as a separate file in PDF format. Supporting documentation must be provided for all costs proposed (e.g., materials quotes, subcontractor proposals, indirect rate calculations, etc.). Appendix C supporting documentation does not count toward the overall 50-page limit or the 25-page technical proposal limit.
4. **Other Appendices:** Appendices A, B, D, and E [if applicable] must be saved as one single PDF file. Appendix F will be completed as an online form using the link provided herein these instructions along with or prior to the Phase II/IIB proposal submission. The appendices do not count toward the 25-page technical proposal limit but do count toward the overall 50-page limit (Appendix F completed online is exempt from any page count/limit).

# II. Submission Requirements

All Phase II proposals must be submitted using the U.S. DOT’s SBIR online submittal page. All Contractors are sent the link to the proposal system via email approximately 30 days prior to its Phase I period of performance end. Phase I awardees who cannot locate this email should contact the SBIR program office via e-mail at [dotsbir@dot.gov](mailto:dotsbir@dot.gov).

Phase IIB proposals do not use the online submittal page and shall be submitted per the instructions provided via email from the CO.

It is requested the Phase II/IIB proposal file names include the first three characters of the topic number that the proposal is associated with (e.g., FH2) followed by the company name (abbreviated is fine), and the file type (e.g., technical, cost, cost support, appendices).

Proposals will be distributed to U.S. DOT engineers or scientists responsible for evaluating the proposal and the SBIR Program Office team.

# III. Required Proposal Sections

Each proposal must include the following sections, organized in the order listed below. All sections should be labeled using the bold headings shown. Instructions for each section are provided below.

## Technical Proposal

(limited to 25 pages)

**A. Identification and Significance of the Problem and Opportunity:**

Briefly reference the specified technical problem or opportunity addressed in Phase I and its relationship to Phase II. For Phase IIB proposals, a description of the specific objectives of Phase IIB should be provided along with any results from Phase II. Both Phase II and IIB proposals must emphasize potential commercial applications of the R&D. However, commercialization of the proposed research shall be the primary focus of a Phase IIB proposal.

**B. Technical Objectives:**

Briefly enumerate the specific objectives of the Phase II work, including any results from Phase I which clearly relate to the objectives.

Phase IIB proposals should describe objectives of Phase IIB, including results from Phase II and how the use of additional funding will be used to accelerate commercialization (including but not limited to further refining target commercial sector end user(s) identified in Phase II, percentage of the commercial sector captured by the proposed innovation, and potential dollars in revenue/sales captured by the commercial sector), and development of a product development and manufacturing strategy.

Both Phase II and Phase IIB proposals must provide sufficient information to satisfy the Government that the proposed continuation of work represents a likely solution to the scientific or engineering problem and is worthy of support.

**C. Work Plan:**

**Phase II:** The work plan shall be the major portion of the proposal and must clearly show advancement in the research appropriate for Phase II. Phase II work plans should provide an explicit, detailed description of the objectives and tasks of the planned effort. The plan shall indicate not only what is planned, but how and where the work will be carried out. Phase II efforts shall attempt to accomplish the technical feasibility demonstrated in Phase I, including the transition of the results to the Government or commercial sector.

**Phase IIB:** Phase IIB work plans should provide a detailed description of the objectives and tasks of the planned effort. The Phase IIB work plan shall detail the work that is planned, how and where the work will be carried out, and how the work will be advanced from Phase II completion. Emphasis in Phase IIB shall be on accelerating the innovation to commercialization, including further refining the commercial applications and the commercial sector (end users) identified in Phase II, establishment of any third-party partnership and/or receipt of non-SBIR funding, and developing a product development and manufacturing strategy.

**D. Related Work:**

Describe significant activities directly related to the proposed effort, including any conducted by the proposed principal investigator, the proposing firm, consultants, or others. Describe how the work interfaces with the proposed project and discuss any planned coordination with other sources. The proposal should persuade reviewers of the proposer’s awareness of state-of-the-art in the specific topic.

If applicable, describe up to four previous efforts not directly related but similar to the proposed effort. Please provide the following:

1. Short description.
2. Name of client for which work was performed (including individual to be contacted and phone number).
3. Date of completion.

**E. Anticipated Results:**

State the anticipated results of the Phase II or Phase IIB work.

**F. Commercialization Strategy Plan:**

All Contractors submitting Phase II or Phase IIB proposals must include a Commercialization Strategy Plan as part of the proposal submission. This plan should describe how the small business expects to rapidly move the technology to widespread commercial (Government and/or private sector) use. All Phase IIB proposals must include a description of how the funds will be used to complete the technical development and accelerate commercialization of the innovation.

At a minimum, the following points shall be addressed in the Commercialization Strategy Plan:

1. Describe the product(s) developed and how it addresses the Government’s requirements and/or problem statement contained within the topic description from the Phase I solicitation.
2. Describe the product(s) and/or technology developed and how it is expected to (for Phase II), or will (for Phase IIB) apply to the intended commercial sector. Include a listing of end users, percentage of market share, and estimated revenue in sales.
3. What are the capital funding requirements to bring the product(s) to the commercial sector? List the financial commitments of third parties. Provide narrative stating how you intend to raise the difference between committed investment and capital necessary. Consider the effort needed if you intend to raise it yourself, or license the innovation to a third party.
4. Describe how you intend to (Phase II) or will (Phase IIB) develop a product development plan. Does your company possess in-house expertise? Is your company working with or planning to work with a third party?
5. Provide a commercial sector analysis. Who are your competitors? What is the cost/benefit over currently available technologies? What are the advantages (e.g., quality, cost savings, etc.) of the product incorporating your technology?
6. Describe the degree of interest made by third parties, other Federal agencies, state and local governments, as well as private enterprise, in acquiring the product(s) that will be developed under this contract.

A proposal’s commercial potential can be evidenced by:

* The existence of second phase funding commitments from private sector or non-SBIR funding sources, particularly matching commitments.
* The existence of third-party Phase III funding commitments for the subject or related research.
* The presence of other indicators of commercial potential of the idea (letters of support from end users and/or strategic partners, product development and/or manufacturing plans).
* For Phase IIB, matching funds are highly encouraged but not required.

The plan is limited to 4 pages. Supporting documentation does not count toward the 4- page limitation or the technical proposal’s 25-page limit but does count toward the overall 50-page limit. Items supporting commercialization should be attached as Appendix D and can include, but are not limited to:

* Letters of interest and/or support
* Memorandum of Understanding (MOU) from third parties and third-party investment In-kind support

**G. Key Personnel:**

Identify key personnel who will be involved in the Phase II or Phase IIB effort, including their education and experience. A resume of the Principal Investigator (PI), including a list of publications, if any, must be included. Resumes do not count toward the technical proposal’s 25-page limit but do count toward the overall 50-page limit.

**H. Facilities and Equipment:**

Describe available equipment and physical facilities needed to conduct the Phase II or Phase IIB effort. Items of equipment to be purchased, as detailed in the cost and pricing proposal, must be justified under this section. Clearly state whether or not the facilities where the proposed work will be performed meet environmental laws and regulations of federal, state, and local Governments for, but not limited to, the following groupings: airborne emissions, waterborne effluents, external radiation levels, outdoor noise, solid and bulk waste disposal practices, and handling and storage of toxic and hazardous materials.

**I. Consultants and/or Subcontractors:**

Participation of a University, commercial firm, specialist, etc. in the planning and/or research stages of the project may be appropriate. If such involvement is intended, it shall be described in detail and also included in the cost and pricing proposal.

**J. Company Commercialization Report on Prior SBIR Awards:**

Each small business submitting a Phase II or Phase IIB proposal is required to provide information relating to the firm’s record of commercializing its prior SBIR projects. Information should include but is not limited to commercialization successes (in Government and/or private sector), any mitigating factors that could account for low commercialization, and recent changes in the firm’s organization or personnel designed to increase the firm’s commercialization success. A proposal’s commercial potential can be evidenced by the small business’ record of commercializing other SBIR and/or other research, and the number of patents and/or licenses resulting from the small business’ participation in the SBIR program.

This information shall be no more than 3 pages.

**K. Sustainable Acquisition Requirement:**

Consistent with Federal Acquisition Regulation (FAR) Part 23, each SBC is expected to include the following provision in their Phase II or IIB technical proposal, which will constitute the Statement of Work (SOW) under any contract award.

“**Sustainable Acquisition Requirement:** To the maximum extent possible and consistent with FAR Part 23, the Government requires during the performance of the work under this Statement of Work (SOW) the Contractor to provide or use products that are: energy efficient (ENERGY STAR® or Federal Energy Management Program (FEMA)-designated); water-efficient; bio-based; environmentally preferable (e.g., EPEAT-registered, or non-toxic or less toxic alternatives); made with recovered materials; or non-ozone depleting that minimize or eliminate, when feasible, the use, release, or emission of high global warming potential hydrofluorocarbons, such as by using reclaimed instead of virgin hydrofluorocarbons.

Unless otherwise identified in this SOW, each recovered materials or bio-based product provided and delivered must meet, but may exceed, the minimum recovered materials or bio-based content of an EPA- or USDA-designated product. The sustainable acquisition requirements specified herein apply only to products that are required to be: (1) delivered to the Government during contract performance; (2) acquired by the Contractor for use in performing services (including construction) at a Federally-controlled facility; (3) furnished by the Contractor for use by the Government; or (4) specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance.”

Inclusion of this general requirement does not relieve the SBC from including in its technical proposal explicit sustainability requirements applicable to the required services being offered. (For more information see the BioPreferred website at: <https://www.biopreferred.gov/BioPreferred/>.

The Sustainable Acquisition Requirement does count toward the technical proposal’s 25-page limit.

**L. Human Factor Applicability**

Each small business submitting a Phase II or Phase IIB proposal is required to address if it will have any human factor elements during the performance of its intended work. Within this section the small business shall identify if human factors are not applicable or, when applicable, address the plan for working with an Institutional Review Board (IRB). Each small business proposing the use of human factors should complete the Appendix E Human Factors Checklist.

**M. SBA Company Registry Confirmation**

All SBIR applicants are required to be registered in SBA’s company registry database. The confirmation page from registering in the database should be included within the Technical Proposal. It does not count toward the 25-page limit. See <https://app.www.sbir.gov/company-registration/overview> to register or print your registration confirmation.

## Cost & Pricing Proposal (Appendix C) & Supporting Documentation

(not included in 50-page limit)

A detailed Phase II or Phase IIB Cost & Pricing Proposal must be submitted using the template provided. Information contained in this Appendix will assist the Government in determining the contract type. If you have any questions regarding the Appendix C spreadsheet, please email the U.S. DOT SBIR Program Office at [DOTSBIR@dot.gov](mailto:DOTSBIR@dot.gov).

**If the information submitted in Appendix C is not accurate, contains calculation errors, or does not contain sufficient cost and pricing support data or support documentation to conduct a cost/price analysis, both the evaluation of the proposal and award of the contract will be subject to delays.**

Proposed cost and pricing shall be valid for a period of six (6) months from the submission date of the proposal. **Phase II/IIB proposals shall be submitted within the funding ceilings described in the Phase II/IIB Instructions email.**

**Unallowable Costs:** Some commercialization activities are unallowable expenses. See FAR Subpart 31.2—Contracts with Commercial Organizations for Guidance at: <https://www.acquisition.gov/far/part-31#FAR_Subpart_31_2>. Questions regarding unallowable costs shall be submitted to the Contracting Officer in writing, either Tammy Taylor ([tammy.taylor@dot.gov](mailto:tammy.taylor@dot.gov)) or Darren Shaffer ([darren.shaffer@dot.gov](mailto:darren.shaffer@dot.gov)).

## Other Appendices

**Proposal Cover Sheet (Appendix A):**

Complete the proposal cover sheet in Appendix A.

**Project Summary (Appendix B):**

Complete the project summary sheet in Appendix B. Project summaries of successful proposals may be published by the U.S. DOT and, therefore, must not contain classified or proprietary information.

The project summary must include at a minimum: a technical abstract with a brief statement of the problem or opportunity, project objectives, description of the effort, and anticipated results and potential applications of the proposed research. The technical abstract must be prepared in accordance with the instructions on the Appendix B Project Summary sheet, e.g., word limit using space on form, no proprietary/classified information.

**Commercialization Strategy Plan Supporting Documentation (Appendix D):**

Attach any supporting documentation for the Commercialization Strategy Plan as Appendix D.

**Human Factors Checklist (Appendix E) (if applicable):**

Research that involves human subjects may be subject to additional regulations found in 49

CFR Part 11 (Part 11) as well as other applicable federal and state laws and regulations. Research will be considered to involve human subjects under Part 11 if the research obtains (1) data through intervention or interaction with an individual(s), and/or (2) identifiable private information. Unless exempt under 49 CFR §11.101(b) or §11.101(i), human subject research must adhere to the regulations of Part 11, which includes review and approval of the research by a federally approved IRB. To receive funding, a proposal that involves research on human subjects must sufficiently show that the human subject research (1) is exempt from Part 11 or (2) will comply with Part 11 requirements.

Contractors may work with an established federally approved IRB or may create a new IRB. It can be a lengthy process to obtain federal approval of a new IRB. Any offeror considering obtaining approval for a new IRB should review 49 CFR §11.103-11.108.

**U.S. DOT SBIR Disclosure Form (Appendix F/online form):**

The SBIR and STTR Extension Act of 2022 (P.L. 117-183), Section 4(c), requires each SBC submitting a proposal or application for a federally funded award to disclose information in the

proposal or application regarding ties to the People’s Republic of China and other foreign

countries. Appendix F serves as the online form for which the SBC must submit this information.

**Disclosure Form:** <https://forms.office.com/g/BmmrYKqhpz>

The SBC must complete and submit the completed form(s) to U.S. DOT along with or prior to proposal submission. At the end of form completion, please click the “submit” button to submit the form through the U.S. DOT’s automated system.

Details on the requirements of the Extension Act and disclosures act can be found at <https://www.congress.gov/bill/117th-congress/senate-bill/4900/text>. The Disclosure Form was also published by the Small Business Administration in the [Federal Register](https://www.federalregister.gov/documents/2023/04/03/2023-06870/small-business-innovation-research-program-and-small-business-technology-transfer-program-policy) on April 4, 2023.

During the period of performance, the Contractor shall submit an updated U.S. DOT SBIR

Foreign Disclosure Form (<https://forms.office.com/g/BmmrYKqhpz>) prior to receiving more than 50% of the total award amount. The Government reserves the right to withhold payment until such time that this requirement is met. Additionally, the Contractor shall submit an updated U.S. DOT SBIR Foreign Disclosure Form at any time upon becoming aware of the following:

1. Any change to the U.S. DOT SBIR Foreign Disclosure Form completed prior to award;
2. Any material misstatement; and/or
3. Any change in ownership, change to entity structure, or other substantial change in circumstances to the Contractor’s business.

In accordance with the Extension Act, the Contractor among other things will be required to

repay the amount invoiced and paid to date if the U.S. DOT finds either of the following to pose

a risk to national security.

1. A material misstatement made to the U.S. DOT or
2. Changes in ownership, change to entity structure, or other substantial change in circumstances of the Contractor.

# IV. Contract Information

**Phase II awards:** Funding estimates are determined by the U.S. DOT Operating Administration sponsoring the research. **Please refer to the email received with submittal instructions for the Phase II funding level.** Phase II funding estimates were provided in each topic description of the Phase I solicitation; however, funding limits are subject to change and the email contains the final limit. The maximum period of performance for a Phase II contract is two years unless otherwise noted in the instructions email. Phase II awards may be fixed price and/or cost reimbursement type contracts. The Contracting Officer will consider whether a Firm-Fixed-Price, Level-of-Effort (FFPLOE), Cost-Plus-Fixed-Fee (CPFF), or other contract type is appropriate for each Phase II award. Phase II awardees **must** have a Government-approved acceptable accounting system in place to receive a cost reimbursement type contract.

**Phase IIB awards:** A Phase II awardee may receive one additional, sequential Phase II award, called “Phase IIB”, to continue the work of an initial Phase II award. **If invited by the Government to submit a Phase IIB proposal, please refer to the email received with proposal submittal instructions for the Phase IIB funding level and project duration.** The Contracting Officer will consider whether a FFPLOE, CPFF, or other contract type is appropriate for each Phase IIB award. Phase IIB awardees **must** have a Government-approved acceptable accounting system in place to receive a cost reimbursement type contract.

# V. Modifications or Withdrawal of Proposals

An SBC may submit modifications to its Phase II/IIB proposal after initial submission and prior to a contract award. Such submissions are considered late modifications. Late modifications of an otherwise scientifically successful proposal, which make its terms more favorable to the Government, may be considered and accepted.

Proposals may be withdrawn by an SBC by giving the Government a written notice at any time prior to a contract award. This written notice **must** be submitted to both the U.S. DOT SBIR Program Office ([dotsbir@dot.gov](mailto:dotsbir@dot.gov)) and the named Government Contracting Officer in the email instructions/invitation (for Phase IIB) received.

# VI. Similar Proposals or Awards

While it is permissible, with proper notification, to submit identical proposals or proposals containing a significant amount of essentially equivalent work for consideration under numerous Federal program solicitations, it is unlawful to enter into contracts or grants requiring essentially equivalent efforts. If there is any question concerning this, it must be disclosed to the soliciting agency or agencies before award.

If a Phase II or Phase IIB proposal is substantially the same as one already submitted, has been previously funded, or is either funded by, pending with, or about to be submitted to another Federal Agency, the proposal **must** indicate so on the cover sheet and provide the following information:

1. The name and address of the agency(s) to which a proposal(s) was submitted, or will be submitted, or from which an award is expected or has been received.
2. Date of proposal submission or the date of award.
3. Title of proposal.
4. Name and title of principal investigator for each proposal submitted or award received.
5. Title, number, and date of solicitation(s) under which the proposal was submitted or will be submitted or under which an award is expected or has been received.
6. If an award was received, state the contract number.
7. Specify the applicable topics for each pending SBIR proposal submitted or award received.

# VII. Eligibility, Limitations and Definitions

Each offeror must qualify as an SBC for research or research and development (R/R&D) purposes as defined in the U.S. DOT SBIR Solicitation and certify to this on the cover sheet of the Phase II/IIB proposal. Additionally, for a Phase II or Phase IIB award a minimum of one-half (50%) of the research and/or analytical effort, measured in total contract dollars, must be performed by the SBC proposing firm.

The primary employment of the Principal Investigator must be with the small business firm at the time of the award and during the conduct of the proposed effort. Primary employment means that more than one-half (50%) of the Principal Investigator’s time is spent with the SBC. Primary employment with an SBC typically precludes full-time employment at another organization.

All R/R&D work must be performed by the SBC in the United States. However, based on a rare and unique circumstance, agencies may approve a particular portion of the R/R&D work to be performed or obtained in a country outside of the United States; for example, if a supply or material or other item or project requirement, is not available in the United States. The Contracting Officer must approve each such specific condition in writing.

# VIII. Method of Selection and Evaluation Criteria

Phase II and IIB proposals will be evaluated for overall merit based upon the weighted criteria identified and described below. Details of what are considered within each criteria are included below.

1. Phase II Evaluation Criteria:

|  |  |  |
| --- | --- | --- |
| **Weighting** | **Criteria** | **Considerations** |
| 40% | Technical Merit & Feasibility | Problem understanding; innovative approach; scientific feasibility |
| 20% | Experience, Qualifications & Facilities | Technical personnel; equipment and facilities; consultants/subcontractors |
| 15% | Effectiveness of Proposed Work Plan | Approach; timeline |
| 20% | Commercial Potential | Market understanding; customer engagement; scalability; awareness of regulatory, compliance, and legal issues |
| 5% | Proposal Quality | Quality of narrative; supporting evidence |

1. Phase IIB Evaluation Criteria:
   1. **Scientific/Technical Merit and Feasibility** = 25% Weighting.

Proposals shall be evaluated on the relevance of the proposed effort in response to the specific DOT topical interest area and the overall technical feasibility of the proposed technology/capability.

* 1. **Effectiveness of the Proposed Work Plan** = 20% Weighting.

The proposed work plan shall be evaluated for its comprehensiveness, effective use of resources, and schedule to meet stated objectives.

* 1. **Experience, Qualifications, and Facilities** = 15% Weighting.

Qualifications of proposed Principal Investigator(s) (PI) and other staff, including any subcontractors, shall be evaluated for consistency with the research effort. Instrumentation and/or proposed facilities shall be evaluated for adequacy to conduct research as proposed.

* 1. **Commercial Potential and Feasibility** = 40% Weighting.

Proposals shall be evaluated for the commercial potential and feasibility of the proposed solution and associated products/services.

Final decisions for selection of Phase II and IIB awards shall be made by the U.S. DOT based upon the scientific and technical evaluations, and the availability of funding. Technical evaluators shall base their conclusions only on information contained in the proposal. Proposed costs will be examined to ensure that the Government is receiving a fair and reasonable price.

# IX. Contractual Reporting Requirements

Reports: During performance of both Phase II and Phase IIB contracts, the following reports may be required. Details regarding the submittal frequency and recipients will be provided in the awarded contract.

1. Monthly Progress Reports
2. Monthly Cost Reports
3. Final Project Summary Report
4. Summary of Results
5. Invention Reports

# X. Payment Schedule

A payment schedule will be negotiated that best fits the proposal and contract type. Typically, payments on a cost reimbursement type contract are made upon the submission of proper vouchers not more often than every two weeks. Vouchers must be supported by proper documentation, e.g., travel receipts, paid material bills, subcontract invoices, to support the cost reimbursement request. For fixed price type contracts, the payment schedule may be negotiated on a deliverable item basis or direct productive person hour amount.

# XI. Data Rights

**Rights in Data Developed under SBIR Contracts:** Rights in technical data, including software developed under any contract resulting from the Phase I solicitation, shall remain with the SBC Contractor except that the Government shall have the limited right to use such data for Government purposes. The Government shall not release such data outside the Government without permission of the SBC Contractor for a period of twenty years from the award date of the Phase I project from which the data was generated. However, effective at the conclusion of the twenty-year period, the Government shall retain a royalty free license for Federal Government use of any technical data delivered under an SBIR contract whether patented or not.

Data produced during the period of performance of an SBIR contract is subject to FAR clause #52.227-20 Rights in Data—SBIR Program (May 2014), which will be included by reference in the contract.

**Copyrights:** With prior written permission of the Contracting Officer, the SBC Contractor may copyright and publish (subject to and consistent with appropriate national security considerations, if any) material developed with the U.S. DOT support. The U.S. DOT receives a royalty free license for the Federal Government and requires that each publication contain an appropriate acknowledgement and disclaimer statement.

# XII. Patents and Invention Reporting

**Patents/Invention Reporting:** SBC Contractors may retain the principal worldwide patent rights to any invention developed with Government support. The Government receives a royalty free license for Federal Government use, reserves the right to require the patent holder to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must manufacture it domestically. To the extent authorized by 35 U.S.C. 205, the Government will not make public any information disclosing a Government-supported invention for a two-year period to allow the SBC Contractor a reasonable time to pursue a patent.

**Invention Reporting Process:** Awardees shall report SBIR inventions to the U.S. DOT through the iEdison Invention Reporting System, <http://www.iedison.gov>. Use of the iEdison System satisfies all invention reporting requirements mandated by any award.

# XIII. Marking of Proprietary Information

Information contained in unsuccessful proposals shall remain the property of the SBC Contractor. The Government will, however, retain copies of all proposals. Public release of information in any proposal submitted will be subject to existing statutory and regulatory requirements.

The U.S. DOT prefers that SBC Contractors avoid the inclusion of proprietary data. If the inclusion of proprietary data is considered essential for meaningful evaluation of a proposal it must adhere to the terms explained in this paragraph.

If proprietary information is provided by a SBC Contractor in a proposal that constitutes a trade secret, or commercial or financial information, it will be treated in confidence, to the extent permitted by law, provided the proposal is clearly marked by the SBC Contractor as follows:

The following legend must appear on the title page of the proposal:

"This proposal contains information that shall not be disclosed outside the Federal Government and shall not be duplicated, used, or disclosed in whole or in part for any purpose other than evaluation of this proposal, unless authorized by law. The Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract if award is made as a result of the submission of this proposal. The information subject to these restrictions are contained on all pages of the proposal except for page(s) [*insert page numbers or other identification of pages that contain no restricted information.*]

(End of Legend)”, and,

The following legend must appear on each page of the proposal that contains information the SBC Contractor wishes to protect:

“Use or disclosure of information contained on this sheet is subject to the restriction on the title page of this proposal.”

# XIV. Cybersecurity Practices

The Extension Act requires SBIR programs to assess the security risks presented by applicants applying to SBIR with financial ties and/or obligations to certain foreign countries. The U.S. DOT SBIR program will implement the following activities for its Phase I and Phase II U.S. DOT SBIR contracts.

**Terms & Conditions**

The following Terms and Conditions will be incorporated into the Phase I and Phase

II/IIB contracts and are based on relevant Transportation Acquisition Regulations (TAR)

provisions. Such TAR provisions are modified to better align with SBIR purposes.

**Data Jurisdiction**: The Contractor shall ensure that all data centers and cloud services

that the Contractor owns and operates reside within the United States, specifically, the

50 states, the District of Columbia, the territories and possessions of the United States

Government, the Commonwealth of Puerto Rico, and its other territories and

possessions.

**Reporting Cyber Adverse Events:** For purposes of this contract, cyber adverse events occur when electronic communication networks and computer networks experience a negative consequence, such as system crashes, packet floods, unauthorized use of system privileges, unauthorized access to sensitive data, and/or execution of malware that destroys data. Such adverse events include computer security related events and exclude events caused by natural disasters, power failures, etc. The Contractor shall report all cyber adverse events that affect its business/systems. Any such events shall

be reported, within 24 hours of event realization, to the Cybersecurity and Infrastructure Security Agency (CISA) via the CISA Incident Reporting Form. Additionally, within 24 hours of the reporting to CISA, the Contractor shall notify its U.S. DOT SBIR Contracting Officer of the event via email or phone.

**Phase II/IIB Cybersecurity Activities**

U.S. DOT SBIR Phase II awards are focused on the implementation of the proof-of- concept via design, prototyping, and/or piloting the research approach. The work must be completed within twenty-four months and funding ranges from $300,000 to $1,500,000 depending on the scope of work. Due to the increased complexity of this work, Phase II awards are higher risk than Phase I. Upon being recommended for award, Phase II and Phase IIB recipients will receive an email notification with instructions on what training is required. The Phase II/IIB award notification language for cybersecurity activities can be found in Appendix B. The email notification provides information on the training below and also requests the awardee identify their primary point of contact for cybersecurity.

**Cyber Training Series**

Phase II awardees (specifically, personnel responsible for cybersecurity) shall complete the three-part [Cyber Training Series](https://www.dni.gov/index.php/ncsc-features/203-about/organization/national-counterintelligence-and-security-center/2563-cyber-training-series) within 90 days of receiving the notification of recommendation of award for Phase II. This series is part of the [Safeguarding Science](https://www.dni.gov/index.php/safeguarding-science) initiative, sponsored by the Office of the Director of National Intelligence and is recommended by the Federal Bureau of Investigation (FBI). The series has three interactive modules presenting cyber information. Each module is followed by a brief quiz pertaining to the content presented. Following each quiz, the participant attending the training shall take a screenshot of the quiz results and send them to the

U.S. DOT SBIR email: [DOTSBIR@dot.gov](mailto:DOTSBIR@dot.gov) to ensure proper completion.

**Cybersecurity Resources for Small Businesses**

To improve knowledge and understanding on the topic of cybersecurity, the U.S. DOT

SBIR program has added the following resources to its website.

* [Cyber Essential Guide](https://www.cisa.gov/sites/default/files/publications/Cyber%20Essentials%20Starter%20Kit_03.12.2021_508_0.pdf): This guide from the Cybersecurity and Infrastructure Security

Agency (CISA) is for small businesses and outlines how to develop cybersecurity best practices.

* [Top 10 Routinely Exploited Vulnerabilities](https://www.cdse.edu/Portals/124/Documents/jobaids/ows/Top-10-Routinely-Exploited-Vulnerabilities.pdf): This document from CISA and the FBI outlines vulnerable software and products to avoid and/or update.
* [Cyber Essentials Toolkit](https://www.cisa.gov/resources-tools/resources/cyber-essentials-toolkits): This resource from CISA provides cybersecurity best practices that leadership of businesses should implement.
* [Small Business Information Security: The Fundamentals:](https://csrc.nist.gov/pubs/ir/7621/r1/final) This document from the National Institute of Standards & Technology provides concrete information on how small businesses can understand and mitigate cyber-attacks; this is a useful resource for SBIR awardees and U.S. DOT staff.
* [Cyber Incident Reporting](https://www.cisa.gov/report): This is the CISA website for SBIR awardees to report any cyber incidents.
* Phase II Required Training: [Cyber Training Series](https://www.dni.gov/index.php/ncsc-features/203-about/organization/national-counterintelligence-and-security-center/2563-cyber-training-series)

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