

## **REQUEST FOR PROPOSAL**

### **Kentucky SBIR/STTR Phase Double Zero Program**



**KENTUCKY SCIENCE &  
ENGINEERING FOUNDATION**

**Last Date: Open**

Issued By

Kentucky Science and Technology Corporation  
200 W. Vine Street, Suite 420  
Lexington, KY 40507  

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Application form can be found at <http://ksef.kstc.com>

RFP Revision Date: January 2006

## Introduction

The Kentucky Science & Engineering Foundation (KSEF) announces **Kentucky SBIR/STTR Phase Double Zero**, a grant program available to Kentucky’s small businesses who have previously received a Phase I grant from a Federal Agency. The Phase Double Zero funds are earmarked for the development of Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Phase II proposals for submission to any of eleven participating federal agencies listed below.

The SBIR/STTR Phase Double Zero program is **administered by** the Kentucky Science & Engineering Foundation (KSEF), which is managed by the Kentucky Science and Technology Corporation (KSTC) and funded by the Commonwealth of Kentucky under a contract with the Council on Postsecondary Education.

The **Phase II Grants** under the **SBIR and STTR programs** provide funds for the prototype development of technology prior to commercialization of the product or idea. Visit the websites listed below for the appropriate descriptions and guidelines relevant to your proposal.

| Agency   | Web Site  |
|--|---|
| Department of Agriculture (USDA)                 | <a href="http://www.csrees.usda.gov/funding/sbir/sbir.html">http://www.csrees.usda.gov/funding/sbir/sbir.html</a> |
| Department of Commerce (DoC)                     |   |
| NIST   | <a href="http://patapsco.nist.gov/ts_sbir">http://patapsco.nist.gov/ts_sbir</a>                                   |
| NOAA   | <a href="http://www.oar.noaa.gov/ORTA/SBIR">www.oar.noaa.gov/ORTA/SBIR</a>  |
| Department of Defense (DoD)                      | <a href="http://www.acq.osd.mil/sadbu/sbir">www.acq.osd.mil/sadbu/sbir</a>  |
| DARPA  | <a href="http://www.darpa.mil/sbir">www.darpa.mil/sbir</a>  |
| DoD – Air Force                                  | <a href="http://www.afrl.af.mil/sbir/index.htm">www.afrl.af.mil/sbir/index.htm</a>                                |
| DoD – Army                                       | <a href="http://www.aro.army.mil/arrowash/rt/">www.aro.army.mil/arrowash/rt/</a>                                  |
| DoD – Navy                                       | <a href="http://www.navysbir.com">www.navysbir.com</a>  |
| Department of Education (DOEd)                   | <a href="http://www.ed.gov/offices/OERI/SBIR">www.ed.gov/offices/OERI/SBIR</a>                                    |
| Department of Energy (DOE)                       | <a href="http://www.er.doe.gov/sbir">www.er.doe.gov/sbir</a>  |
| Dept. of Health & Human Services (NIH)           | <a href="http://grants.nih.gov/grants/funding/sbir.htm">http://grants.nih.gov/grants/funding/sbir.htm</a>         |
| Department of Homeland Security (DHS)            | <a href="http://www.hsarpasbir.com/">www.hsarpasbir.com/</a>  |
| Department of Transportation (DOT)               | <a href="http://www.volpe.dot.gov/sbir">www.volpe.dot.gov/sbir</a>  |
| Environmental Protection Agency (EPA)            | <a href="http://es.epa.gov/ncer/sbir">http://es.epa.gov/ncer/sbir</a>   |
| National Aeronautics Space Administration (NASA) | <a href="http://sbir.nasa.gov">http://sbir.nasa.gov</a>   |
| National Sciences Foundation (NSF)               | <a href="http://www.eng.nsf.gov/sbir">www.eng.nsf.gov/sbir</a>  |

## The SBIR-STTR Phase Double Zero Application

### Funding Uses

Eligible applicants can request up to \$4,000 to defray any reasonable costs incurred in developing a SBIR or STTR Phase II proposal. A sum of \$500 of the award amount will be designated to pay an external service provider to review the final draft of the Phase II proposal.

Funds can be used for: **direct costs** such as costs to gather information (**literature search, patent search, market research**, etc.), any **SBIR proposal writing workshop/course**, the services of **external technical consultants** to help develop proposal plans and/or that of a **technical writer** or **proposal reviewer** to develop and submit a high-quality proposal. The cost of **travel** to develop partnerships for the proposal, including travel to a Kentucky university for STTR proposal development, and **printing costs** and **supplies** may also be included. Exceptions to these allowable costs will be considered on a case by case basis.

The SBIR/STTR Phase Double Zero grant funds **will not be provided to cover:**

- **indirect cost**
- **purchase of equipment**
- **salaries** for individuals employed by the **applicant's small business**
- **salaries** of the **principal** or **co-principal investigators** of the proposed project. This includes the individuals entered in Section A. Company information line #4 and Section B. University/NonProfit Partner Information line #4 of the online application.
- **travel** to Washington, DC to meet with personnel from the Federal Agency for which the SBIR/STTR application is being prepared.
- cost of travel and registration to attend SBIR/STTR outreach conferences

### Eligible Applicants

Interested applicants **must be previous recipients of a Phase I grant** and should meet all the eligibility requirements of the federal agency to which the SBIR/STTR application will be submitted. The eligibility requirements for submission of the **Phase Double Zero SBIR/STTR** include but are not limited to the following:

#### SBIR Grants

1. Applicant must meet federal agency ownership/eligibility requirements and be **American-owned, and located in Kentucky**. Total employees of the parent company and its subsidiaries **do not exceed 500**;
2. The applicant business has **identified the project team** from current employees and consultants or will have hired qualified team members before starting the grant work.
3. The principal investigator (**PI**) **on the proposal is employed** by the applicant small business for more than **50% of his/her time at the time of the Phase II award**.
4. In SBIR grants, partnership with an academic/non-profit organization is allowed but not required. The majority of the proposed work is to be conducted by the applicant and **not more than 50% of the dollar amount of the proposed work can be subcontracted**.

## STTR Grants

The eligibility requirements for the **Phase Double Zero STTR** are nearly identical to those for a Phase Double Zero SBIR grant with a few additions. These additional requirements are:

- The STTR application is submitted by the small business in **partnership** with one or two non-profit organizations, one of which must be a university;
- **Small businesses** must undertake a minimum of **40%** of the work and the academic/non-profit **partners** must be responsible for a minimum of **30%** of the work. Up to **30% of the work may be performed by a subcontractor.**

## **Application Process**

Applications for Kentucky SBIR/STTR Phase Double Zero grants will be accepted all-year-round, but **must be submitted at least two months prior to the deadline of the federal agency** to enable KSEF to complete the review and the decision making processes. If a Phase Double Zero application is submitted to KSEF less than two months prior to the federal agency deadline, KSEF reserves the right to decline the application.

Applications must be submitted **electronically** through our **online web form** which can be found on our website at <http://ksef.kstc.com>. In addition to the online application, the following attachments must be included for both the SBIR and STTR Phase Double Zero submissions:

1. **biographical information** on the **PI and other key personnel** (limit one page per person). Upload in a single file via the web application form.
2. a **letter of commitment** from **non-profit or public institution team members and collaborators**. This letter should be a signed statement of the individual's commitment to participate in the project. Upload in a single file via the web application form.
3. (Optional): You may include a diagram or diagrams to go with your project description. Upload in a single file via the web application form.

In addition to the electronic submissions, the following **must be mailed or delivered** to the address below:

1. a **printed hard copy** of the online application signed by the President, Chief Executive Officer, or the Principle Investigator
2. all appropriate **biographical information**
3. all required, signed **letters of commitment**
4. all (optional) uploaded diagrams

### **Mail to:**

SBIR-STTR Phase Double Zero Program  
Attn: Mahendra Jain, Executive Director  
Kentucky Science & Engineering Foundation  
P.O. Box - 1049  
Lexington, KY 40588-1049

OR delivered to:

Mahendra Jain, Executive Director, KSEF  
Kentucky Science & Technology Corporation  
200 West Vine Street, Suite 420  
Lexington, Kentucky 40507  
(859)255-3613 x232

All applications will be treated in confidence and are subject to an independent review.

**Receipt of each application will be acknowledged electronically.** Applications with incomplete information may not be considered. Additional information may be requested of the applicant for clarification and responses must satisfy the KSEF Executive Director before the proposal is put before the review panel (see below).

### **Application Evaluation and Selection Process**

An independent, external review panel or external individuals will review all the submitted proposals. The KSEF Executive Director will constitute the review panel with one or more representatives from academia, local and state governments, economic development agencies or other similar entities. The names of the review panel will remain confidential. The review panel will evaluate the proposals based on the following criteria:

1. Match between previously awarded Phase I grant, proposed Phase II grant proposal and company's existing and past business experience;
2. SBIR/STTR proposal concept, novelty, innovativeness and the proposed work plan.
3. End product for commercialization and identification of its customers and market;
4. Knowledge of related R&D and the existence of previous intellectual property;
5. Applicant's ability in resource development and utilization (people, facilities, budget);
6. Qualifications of the project team;
7. Facilities to conduct the proposed work;
8. Previous experience in SBIR/STTR application submission;
9. Phase III - Plan of commercialization; and
10. Impact of the innovative technology or product.

The review panel will provide a recommendation to fund or not to fund with comments. Verbatim copies of the reviewer's comments will be sent to the applicant after a decision has been made on the application.

### **Grant Award Process**

Based on the recommendations of the review panel and other available information, the KSEF Executive Director will recommend to the KSTC Board of Directors funding Kentucky SBIR/STTR Phase Double Zero grant awards for only those small businesses that demonstrate the ability to prepare a competitive SBIR/STTR federal agency proposal. Final action is determined by KSTC. After a complete application is received by KSEF, the applicant will be **notified generally within six weeks** whether or not his/her application was approved for funding.

## Review of the Phase II Draft

After Phase Double Zero award notification, the applicant should send an electronic copy of the Phase II proposal to a designated service provider for review. A carbon copy of the e-mail should also be sent to KSEF ([drempfer@kstc.com](mailto:drempfer@kstc.com)). In the event that a Phase Double Zero award is NOT made, the applicant will be responsible for the fee of the Service Provider. Generally, the critique of the draft will be returned within one week.

## Award Amount and Payment Schedule

The maximum amount of the award will not exceed \$4,000 for a single proposal. The following payment schedule that includes two installments will be used to ensure development and timely submission of high-quality SBIR/STTR proposals:

- **One half** of the award amount (less \$500 for the review of the Phase II final draft by the external service provider) will be paid within **four weeks of acceptance** of the Phase Double Zero Grant Agreement. KSTC will pay \$500 directly to the service provider upon completion of the review.
- **The remaining half** of the award amount will be paid within four weeks of receiving a copy of the:
  - Signed and submitted hard copy of the **SBIR/STTR Phase II final proposal**,
  - Accompanying **cover letter** to the federal agency, and
  - **Proof of mailing** prior to the federally posted deadline.

The payment of the award amount will be contingent upon signing of a grant agreement between KSTC and the applicant small business. The **final half** of the award amount will not be paid if the **applicant fails to submit the SBIR or STTR Phase II proposal to the federal agency before the posted deadline.**

## Post Award Notification

The applicant is required to inform KSEF on the outcome of the Phase II Application. After receiving notification from the Federal Agency, an e-mail with the following information should be sent to KSEF ([drempfer@kstc.com](mailto:drempfer@kstc.com)) :

- a) Funding outcome: -Not Funded,  
- Funded
  
- b) Funding details: -funding amount  
-date of award,  
-term of award,  
-title of award,  
-grant number,  
-Awarding agency,

**HYPOTHETICAL TIME LINE** of the Phase Double Zero and Phase II application Process.

Below is an example layout for a Federal Agency Due date of May 1. For actual deadlines contact the specific federal agency (see list on page 2).

| <b>Time Line</b>                  | <b>Example Dates</b> | <b>Applicant's Action</b>   |
|-----------------------------------|----------------------|---|
| -60 days                          | 1-Mar                | Submit Phase Double Zero application to KSEF Online and mail in hard copies at least 2 months prior to the Federal Agency Phase II Deadline |
|                                   |                      | Work on Phase II application  |
| -16 days                          | 15-Apr               | Phase Double Zero Award Notification<br>Send Phase II draft to the service provider via e-mail and cc's KSEF                                |
| -7 days                           | 22-Apr               | Applicant receives critique back from the service provider with in one week of sending.   |
| <b>Phase II Due Date</b><br>1-May |                      | Submit final draft to Federal Agency and a copy to KSEF   |
|                                   | 15-May               | A check for the first half of the grant will be sent within 4 weeks of the signing of the Phase Double Zero grant agreement                 |
|                                   | 1-Jun                | A check for the remaining half of the grant will be sent within 4 weeks of the Phase II submission date                                     |
|                                   | <b>lastly</b>        | Notify KSEF of outcome of the Phase II application  |

**Contact Person**

For clarifications on the above program, please direct your inquiries to:

Mahendra K. Jain, Executive Director  
 Kentucky Science & Engineering Foundation  
 P.O. Box - 1049  
 Lexington, KY 40588-1049

Telephone: (859) 255-3613  
 E-mail: [mjain@kstc.com](mailto:mjain@kstc.com)  
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