

REQUEST FOR PROPOSAL

Kentucky SBIR/STTR Phase Zero Program



**KENTUCKY SCIENCE &
ENGINEERING FOUNDATION**

Last Date: Open

Issued By

Kentucky Science and Technology Corporation
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Application form can be found at <http://ksef.kstc.com>

RFP Revision Date: February 2006

Introduction

The Kentucky Science & Engineering Foundation (KSEF) announces **Kentucky SBIR/STTR Phase Zero**, a grant program available to Kentucky’s small businesses, university-affiliated small businesses, and college and university faculty entrepreneurs. These funds are earmarked for the development of Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) proposals for submission to any of eleven participating federal agencies.

The goal of the SBIR/STTR Phase Zero program is to help Kentucky’s new and existing small businesses and college and university faculty compete more effectively and increase participation in federal SBIR and STTR programs by providing a grant to develop concepts and to prepare high-quality, competitive proposals.

The SBIR/STTR Phase 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 I and II Grants** under the **SBIR and STTR programs** provide funds for development and demonstration of high-risk, innovative ideas during the proof-of-concept phase and technology-prototype-development phase prior to commercialization, thus minimizing the risk to cash-starved small businesses. Visit the websites listed below for the appropriate descriptions and guidelines relevant to your proposal.

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

The SBIR-STTR Phase Zero Application

Funding Uses

Eligible applicants can request up to \$4,000 to defray any reasonable costs incurred in developing a SBIR or STTR 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 I proposal. Currently Bob Berger (bobberger@comcast.net , (410)884-8455) the former SBIR Program Manager for DOE has been retained to provide this service.

Funds can be used for: **direct costs** such as costs to gather information (**literature search, market research**, etc.), any **SBIR proposal writing workshop/course**, for 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 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

Multiple Submissions

The SBIR/STTR Phase Zero grants must be original. Only one Phase Zero grant will be awarded to develop a specific SBIR/STTR proposal. An applicant (business or a person) shall not receive more than 3 SBIR/STTR Phase Zero awards in one calendar year.

Platform-Technology Proposals

A **Platform-Technology Proposal** is a proposal in which a given technology (or platform) is tailored uniquely for distinctive applications. (*For example: applying the development of a RFD Radio Frequency Device to 1) a proposal for monitoring heart rate in infants, and 2)a proposal in which it serves as a bar code detecting security device.*)

A Phase Zero proposal may be submitted independently for each targeted application up to a limit of 3 proposals per Platform-Technology submission. A maximum of \$4,000 may be awarded for the first proposal and up to \$2,000 for each additional application. The maximum award then would be: \$4,000 for 1 proposal, \$6,000 for 2 proposals, and \$8,000 for 3 proposals.

Eligible Applicants for SBIR Grants

Interested applicants 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 Zero SBIR/STTR** include but are not limited to the following:

Small Businesses

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 I 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 33% (for Phase I) and 50% (for Phase II) of the dollar amount of the proposed work can be subcontracted**.

University Faculty

Interested applicants must meet all the eligibility requirements of the federal agency to which the Phase I STTR application will be submitted. The eligibility requirements for the **Phase Zero STTR** are nearly identical to those for a Phase Zero SBIR grant with a few additions. These additional requirements are:

- The principal investigator (**PI**) on a **STTR** proposal is either a **university faculty member or an employee of the small business**;
- 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**.
- A **university faculty** can apply for an **SBIR** grant but must create a company before the award can be received from the federal agency.

Application Process

Applications for Kentucky SBIR/STTR Phase 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 Zero application is submitted to KSEF less than two months prior to the federal agency deadline, KSEF reserves the right to decline the application. Only **Kentucky small businesses, university-affiliated businesses** and **college and university faculty** are eligible to seek Phase Zero funds.

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 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** 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 Zero Program
Attn: Mahendra Jain, Executive Director, KSEF
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 x245

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

Receipt of each application will be acknowledged. 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 soliciting agency's topic, proposed 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 II work plan and duration and mode of commercialization; and
10. Level of risk involved in the concept and its impact.

The review panel will provide a numerical score for each proposal with a recommendation to fund or not to fund as well as subjective 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 Zero grant awards for only those small businesses and individuals 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 I Draft

After Phase Zero award notification, the applicant should send an electronic copy of the Phase I proposal to Bob Berger (bobberger@comcast.net) for review. A carbon copy of the e-mail should also be sent to KSEF (drempfer@kstc.com). An applicant may contact Bob Berger prior to receiving the Phase Zero award notification. However, in the event that a Phase Zero award is NOT made, the applicant will be responsible for the \$500 fee for his services. 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, and \$8,000 for up to 3 platform proposals by a single business. 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 I final draft by the external service provider) will be paid within **four weeks of acceptance** of the Phase 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 I 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 I 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 I Application. After receiving notification from the Federal Agency, an e-mail with the following information should be sent to KSEF (drempfer@kstc.com) :

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

HYPOTHETICAL TIME LINE of the Phase Zero and Phase 1 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).

<u>Example</u>		
<u>Time Line</u>	<u>Dates</u>	<u>Applicant's Action</u>
-60 days	1-Mar	Submit Phase 0 application to KSEF Online and mail in hard copies at least 2 months prior to the Federal Agency Phase I Deadline
Work on Phase I application		
-16 days	15-Apr	Phase 0 Award Notification Send Phase I draft to Bob Berger via e-mail and cc's KSEF
-7 days	22-Apr	Applicant receives critique back from Bob Berger with in one week of sending.
Phase I Due Date 1-May		Submit final draft to Federal Agency and a copy to KSEF
	15-May	A check for the first half of the grant, less the \$500 fee paid directly to the external service provider, will be sent within 4 weeks of the signing of the Phase 0 grant agreement
	1-Jun	A check for the remaining half of the grant will be sent within 4 weeks of the Phase I submission date
	1-Sep	or there after, Notify KSEF of outcome of the Phase I application

Contact Person

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

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Kentucky Science & Engineering Foundation
P.O. Box - 1049
Lexington, KY 40588-1049

Telephone: (859) 255-3613

E-mail: mjain@kstc.com

Website: <http://ksef.kstc.com>