



eNewsletter

Welcome to the *Maryland Minority Research and Development Initiative (MMRDI) eNEWSLETTER* sent to you courtesy of TEDCO and its partners in this Initiative. Each issue promises to bring timely and relevant resources to aid in your SBIR submission process. Now you can review past issues by visiting our [publications archive](#).

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I. SBIR and Sole Source Contracts

The SBIR program uses requests (solicitations) for mission-relevant proposals to induce small businesses to investigate innovative technologies of interest to the participating agencies. The idea is that businesses, based on these innovations, will ultimately generate tax revenue via the addition of jobs to the economy once the innovations are successfully commercialized. Congress factored several provisions into the SBIR legislation to support this end. One of the most important is the overt encouragement of successful SBIR firms to engage in long-term Federal contracting by allowing them to sell any follow-on products and services of SBIR projects

directly to federal purchasing officials without requiring additional competitive procurement actions. It is this no-bid, sole-source position (or SBIR downselect) that makes an SBIR win so powerful.

The 2002 SBIR policy directive of the Small Business Administration (SBA) – which carries the force of law -- outlines how SBIR companies can take advantage of the sole-source bid position. Eligible goods and services include those research outcomes, technologies, or best practices that “logically conclude(s) efforts performed under prior SBIR funding agreements, but (is) are funded by sources other than the SBIR program” (Section 4(c)(1)). When a company either enters into negotiations for the delivery of such goods/services to the federal government, or receives additional private or non-SBIR federal funding to facilitate the final stages of commercialization, the special designation of “SBIR Phase III” applies. The term “Phase III” differentiates this later stage funding from the initial award that supported the proof of concept and development work. Once a company is in a position to receive “SBIR Phase III money”, the contracting agency does not have to issue a public request for additional outside bids. The agency can procure the products or services directly from the SBIR company because the adjudication process that led to the company’s initial SBIR award satisfies the competition requirements for federal contracting and purchases. This is written into Section 4(c)(3) of the policy directive as follows:

The competition for SBIR Phase I and Phase II awards satisfies any competition requirement of the Armed Services Procurement act, the Federal Property and Administrative Services act, and the Competition in Contracting Act. Therefore, an agency that wishes to fund an SBIR Phase III project is not required to conduct another competition in order to satisfy those statutory provisions. As a result, in conducting actions relative to a Phase III SBIR award, it is sufficient to state for purposes of a Justification and Approval pursuant to FAR 6.302-5, that the project is a SBIR Phase III award and is authorized under 10 U.S.C. 2304(b)(2) or 41 U.S.C. 253(b)(2).

Companies are eligible to participate in Phase III of the SBIR program at any point after being awarded a Phase I (Section 4(c)(2)). Phase III, therefore, may be considered funding to accelerate the Phase I or Phase II commercialization process, rather than an official follow-on to Phase I or Phase II.

One final provision of the Phase III- related legislation is the waiving of federal size requirements for private enterprises. SBIR companies are free to grow beyond 500 employees to deliver the capacity required without losing their preferred small-entity bid-position with the Federal government for SBIR derived goods and services.

In short, SBIR looks like an R&D opportunity but should be considered a business strategy with the potential for significant long-term economic growth via the production of innovations for use by the government, industry, and private sector consumers. Returns on the Congress’ investment are realized when the small business expands and local standards of living improve as a direct result of SBIR derived products being used for the public good. Both Phase I and Phase II companies can take advantage of the Phase III sole-source bid position with any part of the

government, without further competition, so long as they are in the position to deliver and support the products and services the government requests. Finally, Phase III money can be used to co-fund Phase I or II efforts. For more information, see the [SBA policy directive](#) and/or the [codified SBIR legislation](#).

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II. Spotlight on Success: RESENSYS



Resensys, founded by Dr. Mehdi Kalantari, has won a 2009 Phase I NSF SBIR to study distributed structural integrity monitoring of large scale infrastructures. A first time SBIR winner and active participant in

MMRDI, Kalantari indicated that the MMRDI program's services, particularly the SBIR workshops and access to a proposal reviewer, were a crucial part of the company's effort to improve the quality of their proposals and ultimately secure funding from the NSF SBIR program.

The mission of Resensys is to protect the infrastructure against aging and structural malfunction by providing a cost effective and largely scalable real time monitoring technology. This technology monitors quantities vibration, stress, and strain. The technology Resensys has developed is a non-destructive, low cost, durable, and energy self-sufficient wireless remote sensing technique. It allows for scalable and continuous measurement of vital structural health quantities on a massive number of points over the body of an infrastructure. The structural health monitoring system of Resensys can be used in various types of infrastructure systems such as bridges, pipelines, drilling platforms, airframes, etc.

Resensys' achievements also include the University of Maryland's May 2008 Business Plan Competition Award and a Technology Development Award received in December 2008 from SAIC. The company has also secured funding from both the University of Maryland's Maryland Industrial Partnerships (MIPS) and TEDCO's Maryland Technology Transfer Fund.

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III. SBIR Tip of the Month –You Set the Feasibility Criteria

The SBIR Phase I is designed to be a feasibility study of your overall idea. This means that you get to define what 'feasibility' means when you draft your proposal. The outcome of the experiments and testing you plan to carry out must provide proof that the product you envision for Phase III will live up to the claims you've made about its functionality. So make sure you define a feasibility criteria that is broad enough to prove the claims you've made about the final product, but is limited to something that can be executed with resources (manpower, tools, equipment) that do not exceed the Phase I budget limits.

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IV. Pass It On! Upcoming MMRDI Related Events

You're the first to know!!

Remember these upcoming events from MMRDI. For more details, contact Jacqueline Du Bois at jdubois@marylandtedco.org or visit our website at www.marylandtedco.org/calendarofevents

- **MMRDI Portfolio Meeting: Intellectual Property, Patents, and Commercialization for SBIR**
Date: September 23, 2009
Location: Prince George's County Maryland (TBD)
For more information, contact Jacqueline Du Bois (jdubois@marylandtedco.org, or 410-715-4176
- **2009 Maryland SBIR Conference in Greenbelt**
*** Sponsored by TEDCO and MMRDI ***
Date: Tuesday, December 1, 2009
Time: 8 am - 3 pm
Location: Prince George's County, Maryland (TBD)
For more information, contact Jacqueline Du Bois (jdubois@marylandtedco.org, or 410-715-4176
- **Crafting Federal Cost/Budget Proposals**
Date: September 3, 2009
Time: 9:00 AM - 12:30 PM
Location: University of Maryland, College Park
7100 Baltimore Avenue, Suite 402; College Park; MD
Registration: <https://host.securelook.com/sec4Dir/orderform.html>
Contact: John Davis
Phone: 410-315-8101
E-mail: sbir@sbir.us
Cost: \$195, \$100 for MMRDI companies, subject to verification
- **2009 SBIR Beyond Phase II Conference and Technology Showcase**
*** Sponsored by the Department of Defense SBIR/STTR Program*
Date: September 21-24, 2009
Time: Times Vary
Location: Marriott World Center
8701 World Center Drive, Orlando, FL
Registration and contacts: <https://www.beyondphaseii.com/>
Contact: Andy Talbert
Phone: 703-412-3152
E-mail: conference@esncc.com
- **2009 SBIR/STTR Conference**
Date: November 2 - 5, 2009
Time: Times Vary

Location: John Ascuaga's Nugget Casino Resort
1100 Nugget Avenue, Sparks, NV
Registration: <http://www.unr.edu/sbir-sttr2009/>
Contact: Dr. Fritz Grupe
Phone: (775) 813-7407
E-mail: fhgrupe@gmail.com
Cost: \$495 - \$550

- **Orientation to the SBIR Resource Center Toolkits**

Date: By appointment only
Contact: Ajay Gupta
Email: agupta@gsecurity.com
Phone: 240-731-0756
Cost: Free

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V. Open SBIR/STTR Solicitation

USDA

Open: Now
Close: September 3, 2009

NASA

Open: Now
Close: September 3, 2009

National Institutes of Health

Open: Now
Close: December 7, 2009

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The opening and closing dates are subject to change. Please contact Jacqueline Du Bois at 410-715-4176 or jdubois@marylandtedco.org for updated information.

NOTE: Should you choose to not receive this monthly eNewsletter, please send an email to jdubois@marylandtedco.org.

The MMRDI is a two-year initiative funded by a grant from the US Small Business Administration (SBA) to the Maryland Technology Development Corporation (TEDCO). Partners in the program include the Prince George's County Economic Development Corporation (EDC), and the University of Maryland, College Park (UMCP).

This project is funded by a grant from the U.S. Small Business Administration (SBA). SBA's funding should not be construed as an endorsement of any products, opinions, or services. All SBA-funded projects are extended to the public on a nondiscriminatory basis.