DEPARTMENT OF THE NAVY

Winter 2025

SBIR/STTR TRANSITIONS Newsletter

Inside

Visit

NAVY SBIR TRANSITION PROGRAM

www.NAVYSTP.com

@NavySTP

@NavySTP

https://www.youtube.com/@NavySTP

From the director: Navy SBIR/STTR's record year and future innovations

Brian Shipley, Director DoN SBIR/STTR

As the Department of the Navy (DoN) SBIR/STTR Program Management Office finalizes our FY24 year-end reports to the DoD and Small Business Administration (SBA), I am proud to share we surpassed the previous year's Phase III commercialization in both number of awards and overall dollar value funded. This year we obligated just over $1.5B of DoN-funded efforts across 433 contracts and delivery orders! Interesting fact: 24% of DoN's FY24 Phase III projects leveraged technologies that originated in topics and investments from other DoD programs, with the Department of the Air Force, United States Special Operations Command and the Department of the Army representing both the largest percentage of awards and total funding. This clearly demonstrates the extent to which DoN SBIR/STTR leverages the entire DoD program to meet Naval mission needs.

The foundation of the DoN's Phase III success lies in our alignment of SBIR/STTR topics with acquisition, sustainment, and modernization programs. Navy and Marine Corps program offices not only sponsor the topics, serving as the Naval customer, but also champion the resulting projects through Phase I and II, and have the resources to transition them to Phase III. Does every project transition? Of course not—nor should they.

Many times, the SBIR and STTR programs are used to hedge risk—where success demonstrates that a proposed technical approach was not viable. Whether you are navigating a

straightforward transition path or are looking for alternate opportunities to transition your SBIR/STTR-developed technology, I hope you benefit from our transition assistance programs no matter which path you take. Most notably, our flagship transition program—Navy SBIR/STTR Transition Program (Navy STP)—has supported awardees for 25 years, demonstrating that participants in Navy STP are 18% more likely to transition than those who do not. Navy STP connects our innovative small businesses and technologies with program offices and prime contractors, expanding the path for transition opportunities and success.

Reauthorization of the federal SBIR/STTR programs is on the horizon and we are gearing up for another debate on the value of the programs. I am optimistic that SBIR and STTR will be reauthorized, avoiding the current September 30, 2025, sunset of the programs. Please know that theDoN is already working with the DoD and the SBA on narratives to demonstrate the programs' impact on the defense industrial base, support to the department's R&D needs, and delivery of capabilities to the fleet and force. I will keep you posted on our efforts in support of reauthorization in upcoming issues.

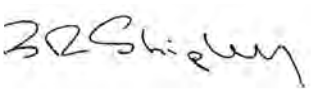
Are you aware that the General Services Administration (GSA) conducted market research on an indefinite delivery, indefinite quantity (IDIQ) contract concept? Depending on the outcome of their analysis, GSA is considering the creation of a multiple award IDIQ contract program to support existing and future requirements using SBIR/STTR Phase III authorities, tentatively named iP3 (Innovation in SBIR/STTR Phase 3). GSA issued a request for information for SBIR/STTR awardees to participate in a survey to further inform the government about the variances and nuances of SBIR/STTR work. GSA will continue to post updates at www.SAM.gov and directly to the industrial base, which has been engaged with ongoing market research efforts. I encourage everyone to stay informed and engage with GSA via iP3@gsa.gov.

In the last issue of *Transitions*, I mentioned our Catapult program, a new name to capture how DoN SBIR/STTR uses existing authorities for Phase II awards that leverage prior investment to accelerate technology development. Learn more at https://navysbir.com/programs/catapult.htm.

At its core, the program provides a mechanism for Naval customers to nominate existing DoN initial Phase II awards for a second Phase II, continuing the technology development toward a specific program need. It also enables Naval customers to utilize prior SBIR/STTR investment from other federal agencies with a DoN-funded Phase II targeting DoN needs. In October, we issued a Catapult Challenge Broad Agency Announcement (BAA) seeking proposals that leveraged prior SBIR/STTR investment to address senior leadership priorities. We are currently evaluating 80 proposals across four topics supporting two systems commands. Be on the lookout for additional Catapult Challenge BAAs in 2025!

As I close, I wish you and yours a safe and happy New Year. Please remember our Sailors and Marines who are standing watch or deployed across the globe.

Sincerely,



Brian Shipley
Director DoN SBIR/STTR

Blue Ring Imaging enhances Navy ROV operations with 3D visualization and mixed reality control technology

By Amie Alscheff

Blue Ring Imaging, a small business specializing in 3D visualization and virtual reality for unmanned vehicle control systems, was acquired in September 2023 by underwater robotics company VideoRay, which plans to incorporate Blue Ring's technology into its unmanned vehicles. In November 2024, VideoRay was acquired by BlueHalo, bringing these technologies to a wider audience of defense and commercial customers.

Earlier in 2023, the Navy selected VideoRay's Mission Specialist Defender Remotely Operated Vehicle (ROV) to serve as the foundation for the MK20 Defender ROV platform, supporting the Maritime Expeditionary Standoff Response (MESR) program. The MESR program will equip Navy explosive ordnance disposal (EOD) units with the ROVs to detect and neutralize underwater mines, particularly those found in maritime war zones. In May 2024, VideoRay was awarded a $92.6M five-year indefinite-delivery/ indefinite-quantity (IDIQ) contract, administered by Naval Information Warfare Command Pacific, for the continuous production, sustainment and development of ROVs for the MESR program.

"Subsurface robotics programs of record are quite rare," said Casey Sapp, who founded Blue Ring and is now vice president of strategy and emerging technologies at VideoRay. "This contract vehicle is one of the first production contracts for ROVs in the Navy, which makes it significant. It's a very interestingly worded contract because it's not specific; it's really about meeting an end user need for an ROV rather than a specific type of vehicle and so it allows us to develop a variety of different technology solutions to serve the customer off of one contract."

Blue Ring's technology, which was developed in part through a 2019 Navy SBIR award, will enhance the Defender's environmental situational awareness and underwater depth perception. It provides a camera system capable of wide-angle 360-degree and 3D perception, along with a mixed reality software application which can run on a head mounted display (HMD) in an outdoor ruggedized environment.

Image courtesy of VideoRay

Integrated onto the VideoRay Defender ROV platform, Blue Ring's technology will support the Navy's MESR program.

"The thesis of the business that was sold to VideoRay," said Sapp, "was that visualization and interfaces for robotic control were moving from tablets and phones and PCs to headsets, and that there were a number of benefits to headsets that advanced control, and specifically manipulation, for the operators."

Sapp described how better visualization capabilities enable ROV teleoperators to carry out more complex tasks. "All we're using right now is physical buttons and a single camera to do complex work. We want the robot to behave like a human, able to perform at the level a human can or better, and perception is a significant part of control." If a robot is equipped with a 3D camera that can see in 360 degrees, displaying those sensor feeds in a headset provides enhanced depth perception as well as the capability to overlay augmented reality and mixed reality markers over a 3D view of the physical space rather than a 2D map, Sapp explained. "If you have the right

camera configuration and sensor array on the vehicle, then when you put a headset on it feels like you're actually immersed in that space in real time. You feel more like the robot. The term would be embodiment. And through embodiment, we can really transform the way work is done.

The Guardian XT Blue Ring's mixed reality software application for ROV control runs on a head mounted display (HMD) ruggedized for outdoor use.

"Teleoperation has a number of different levels. It's very common to see setups where someone is looking at streams coming in through a mobile phone or a tablet. Then there are new companies, such as teleoperating cars, that have maybe three or four screens in a concave array. That gives them a little bit more field of view, a little more presence. But the perfect and the most ideal setup is to see the actual physical space exactly the way the robot sees it. That's what headsets are able to do, if you set it up right."

While many small defense technology businesses are founded by veterans with close ties to the military community, or by researchers with deep academic knowledge in a scientific field, Sapp came to the field of defense robotics as an entrepreneur.

"I was trying to start a technology company in the marketing and advertising space," recalled Sapp, "but it failed, and I fell into Hollywood. There were 360-degree cameras for live streaming surgery and sports, and they were being put on autonomous robots. But there was no underwater 360-degree camera, and there was just as much of a need. I began concepting multi lens or multi view camera arrays that allowed you to capture from many different angles and stitch them together to produce a high resolution 360-degree format. I became an expert at synchronizing, building, developing, managing and designing these camera arrays."

With his previous company, VRTUL (pronounced "virtual"), Sapp created the first underwater 360-degree 3D camera and in 2017 produced the first ever underwater 360-degree virtual reality live broadcast for ABC's "Good Morning America." The live broadcast, which brought viewers an immersive view of a shark dive on a Caribbean reef, was a huge achievement but it also sent Sapp's career in a new direction.

"I was looking at the live stream as it was happening, and I was just amazed. I felt immersed. It felt like I was actually diving

because I could put a headset on and look around in real time. I knew that there was something there, to match these novel camera systems with headsets." Sapp approached the Monterey Bay Aquarium Research Institute (MBARI) to test whether headsets would benefit ROV operators in terms of user experience and efficiencies of time and cost.

Working with MBARI researchers, Sapp reconfigured and rebuilt his system for use with a deep sea ROV, then conducted research studying the user experience. That research showed that "every box was checked," said Sapp. "They had more situational awareness; they performed better. There is somewhat of a flywheel in applied research," Sapp continued. By presenting a technology to other researchers as the missing piece that they need to solve their own research problems, he believes a small business can combine its expertise and R&D funding with others to create something that's ultimately greater than the sum of its parts.

"I think applied research is something you can sell. If you can find the right set of partners, they will pay you a fee to solve that problem for them so that ultimately they have a system or something physical they can continue to use afterwards. And then you just parlay that into the next thing to ultimately build the solution that you have in mind. MBARI still has that camera system and headset from 2017, and I believe they're still using it. They got what they wanted out of it, and I did too."

The work Sapp did at MBARI, which included demonstrations and two published white papers, caught the attention of the Navy. In 2019, an SBIR solicitation asked for essentially the technology Sapp had created adapted for EOD applications. "I didn't even know what an SBIR was. Someone told me about it at the last minute. I looked it up and saw that the solicitation included links to some of the work I had done. I threw my hat in the ring, and I won it."

VRTUL ultimately received six SBIR awards focused on its virtual reality piloting system, including projects for both the Navy and the Air Force. The SBIR program introduced Sapp to VideoRay, as the Navy was evaluating its Defender ROV for the MESR program during the same timeframe. "Through the SBIR contract, we had access to their vehicles and did testing and integrations with them. That was really it—conferences and interaction, being able to ask questions about how the vehicles worked and getting them in the water with our technology. We hadn't sold anything to their customers. It was all R&D." Although the Navy's MESR selection wasn't final, Sapp said it was already clear that "if you weren't working with VideoRay, you weren't going to work with the Navy. They were developing SBIRs to build out the capabilities suite for MESR at that time."

For both camera systems and ROVs, Sapp's technical approach has focused on innovative ways to combine commercially available components rather than designing and manufacturing them.

"Because this industry is changing so quickly, the goal was to use off the shelf everything with a little bit of custom coding and software, with the expectation that the market's going to keep rapidly evolving and we couldn't put our chips on one sensor, one GPU. That's a really key part, I think, of robotics in general—that things are low cost to procure and can be replaced through commercial means. There's nothing proprietary about any of the hardware. You're seeing this in Ukraine and Eastern Europe at the moment. I've been focused on how to push the limit and performance on the lowest cost sensor suite. No company builds every single piece and so you often find yourself working with your competitor because you need something that

they have in order to fill out the entire system."

As the small company pivoted to defense robotics, Sapp phased out VRTUL's cinematography production business and eventually formed a new company, Blue Ring Imaging, "a new entity that looked like a defense company and didn't have any of the baggage of association to Hollywood," said Sapp.

"I put together a nice little portfolio of R&D contract vehicles where I could really develop a decent hardware-software solution for unmanned vehicles. And by the time I had reached maturity for scaling, and I was about to sign customers up in the commercial space to grow this business, VideoRay came in and acquired us. That's how I started," Sapp concluded, "essentially in a commercial space, not even thinking that defense was an opportunity or thinking that I had a way to make inroads there. But once I won the SBIR, I started to become more informed about how small businesses can work with the government and have more of a focus on defense."

Looking back at his journey from the film industry to defense, Sapp pointed out the stark contrast between the two worlds. "I like defense because they invest in R&D. They're patient. They have more of a long-term view on hard concepts. They give you end user feedback. Minus those times when the government shuts down, there is a fair amount of confidence and ability to forecast. That stability allows you to be patient and keep people together on staff to build something special without needing to go to the venture community or private equity community that has potentially

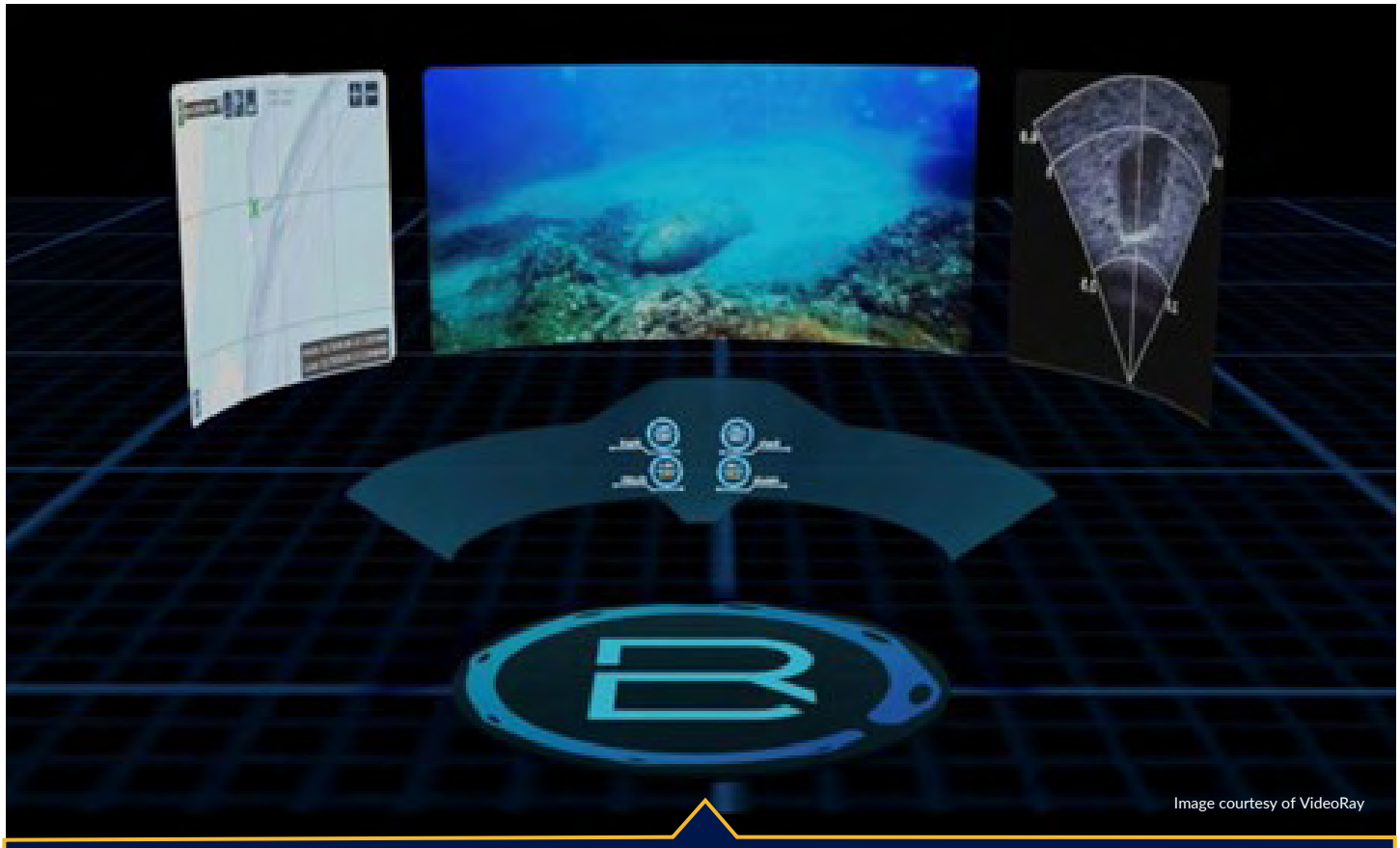


Image courtesy of VideoRay

Blue Ring's 360-degree camera system provides an immersive 3D view of the underwater environment.

a shorter timetable for results. The Navy isn't expecting results in 24 months or 36 months. As long as you're making progress and meeting the milestones agreed upon, it could be 10 years. Hollywood expects something very fast in return. Symbolically, it's like they're pouring gasoline on a fire—if they see something they want to be the first to it. They want to jump in really quickly, spend a lot of money, test it and then move on. The Navy is, obviously, more methodical and patient and willing to write checks over a longer period of time to see you develop it. That's really important for some of these unproven technologies."

Sapp also noted some aspects of working with the defense industry that may be off-putting for entrepreneurs. "When you work with the defense industry, they have what's called the 'time tax.' You get funds, but it takes a long time and there's a lot more hoops to jump through—a lot more paperwork, a lot more reports, a lot more check-ins. It is very, very bureaucratic and intensive. They gave us access to the ocean, which is expensive. They gave us access to VideoRay vehicles, which is expensive. They gave us access to end users, which is expensive. We got things that you can't put a price on, in some respects, but there was a lot that had to go into it. Because of the amount of money we were receiving from the government, my little company of five people had to go to a Defense Contract Audit Agency (DCAA) government accounting system. That effectively meant I was spending 10% of my revenue on just bookkeeping, accounting and invoicing. I went from $150 a month doing bookkeeping to tens of thousands of dollars. So, I think working with the Navy has a lot of pros and it also has a lot of cons. It's not for everybody. SBIRs obviously helped me achieve my end game and in that way it was successful, but it was very painful. I'm glad I was able to have that experience. I don't know that I would go for another SBIR again though. I'm kind of burned out."

In his new role at VideoRay, Sapp has spent a busy first year integrating his team of former Blue Ring employees, doing business development and creating new product roadmaps, while still managing Blue Ring's existing contracts with ONR and others. "Because VideoRay needed to update their primary camera on the vehicle, they used technology we were building. We got Accelerate the Procurement and Fielding of Innovative Technologies (APFIT) funding and accelerated the R&D and development of that individual singular monoscopic camera that was on the front of the VideoRay vehicle. We had to kind of take one step back to take two steps forward. The first six months was getting the team integrated, standing up a software group, accelerating this monoscopic camera." In 2025, Sapp hopes to begin integrating Blue Ring's more complex 360-degree cameras and VR controls into the MESR program's ROVs.

For the future, Sapp looks forward to many further innovations in robotics. "The dream is that any person who walks off the street is able, with little to no training, to put an ROV in the water and have it go perform a complex task, with them in the loop and having the ultimate decision making authority. Making robots easy to use is something that's going to take decades."

For further information on autonomous underwater ROV solutions from VideoRay, see www.videoray.com.

From the program manager: Overview of the data rights environment

By Steve Sullivan, Navy STTR and STP Program Manager

If you revisit pages 6-7 of the Winter 2024 *Transitions* newsletter, you will find an insightful article featuring Eric Blatt, an IP attorney, titled "Understanding SBIR data rights: Intellectual property protection for small defense businesses." That article provides valuable information to help you understand the data rights provided under the SBIR and STTR programs.

This article takes a slightly different approach to show you a broader view of the data rights environment by highlighting data rights with respect to an expense determination. You will see how SBIR/STTR data rights fit uniquely into the data rights landscape, per DFARS 252.227-7018, by providing limited or restricted data rights for 20 years.

The following table shows contract data rights in a quadrant format:

Data Rights and Expense Determination	
Government Expense **Unlimited Rights** *(Unless SBIR Funded)*	**Private Expense** **Limited or Restricted Rights** *(With some exceptions, such as OMIT/FFF data)*
Mixed Government/ Private Expense **Government Purpose Rights** *(Unless SBIR Funded)*	**SBIR Funded** **Limited or Restricted Rights** *(Expires 20 years after start of award)*

As you can see from the above, a contractor is afforded different rights depending on the source of funding used to develop a technology. Generally, if the technology was developed at government expense, the government has unlimited rights, and if a technology is used that was developed at private expense, the government has

Steve Sullivan, Navy STTR and STP Program Manager

limited or restricted rights. If there is a mix of government and private expense, the data rights are considered government purpose rights. SBIR/STTR-funded development is a hybrid in that the technology development is at government expense, yet the data rights are limited or restricted (per DFARS 252.227-7018) much like technology developed at private expense.

Rights in technical data and computer software defined

From the table, the following are the three general categories of government license rights in noncommercial technical data and computer software:

a. Unlimited Rights

- Developed exclusively with government funds (not applicable to SBIR data);
- "Development" does not require reduction to practice;

- Studies, analyses, test data, or the like if the study, analysis, test or the like was specified as an element of performance (not applicable to SBIR data);
- Form, fit and function (FFF) data;
- Operation, installation, maintenance, or training (OMIT) data, except detailed process or manufacture data;
- Corrections or changes to technical data furnished to the contractor by the government;
- Publicly available without further restrictions;
- Data in which government acquired unlimited rights under another contract or as a result of negotiations; or
- Data in which previous restrictions have expired (and not been revived);
- Need not be reduced to practice.

b. Government Purpose Rights (not applicable to SBIR data)

- Developed with mixed funding;
- Applies to component, process-developed or technical data;
- Properly marked.

c. Limited Rights (Technical Data)/Restricted Rights (Computer Software)

- Developed at private expense or with SBIR funding;
- Properly marked (e.g., SBIR Data Rights Clause);
- Government may use, modify, reproduce, release, perform, display, or disclose within the government; may not disclose outside government or use for manufacture (with limited exceptions such as emergency repair and foreign government if in the interest of the United States).

"SBIR/STTR-funded development is a hybrid in that the technology development is at government expense, yet the data rights are limited or restricted (per DFARS 252.227-7018) much like technology developed at private expense."

- Steve Sullivan, Navy STTR and STP Program Manager

Keep in mind, this article has not defined everything, but it can help point you in the right direction when navigating data rights associated with Navy contracts, particularly if you are new to the SBIR and STTR programs. In some instances, you may need to consult a legal expert if this topic becomes confusing as you navigate contracting for research and development. Don't be afraid to ask questions and seek help.

As a final note (and "pro tip" of this article), be sure to assert SBIR/STTR data rights and always mark your deliverables properly, as described in DFARS 252.227-7018.

The DoD Mentor-Protégé Program: Expanding opportunities for small businesses in the defense industrial base

Since 1991, the Department of Defense (DoD) Mentor-Protégé Program (MPP) has been helping small businesses expand their footprint in the defense industrial base. "The biggest objective of the MPP is to establish, increase, and maintain a stronger and more capable small business industrial base to support the warfighter," said Mercedes Thurston, MPP manager within the Navy's Office of Small Business Programs (OSBP). In a recent webinar, Thurston briefed Navy STP participants on the program's history, structure, procedures, and how to participate.

The MPP provides incentives to major DoD contractors to help small businesses improve their technical and business infrastructure capabilities. The program offers significant benefits for both mentors and protégés: It helps small businesses become better equipped to fulfill contract work and contribute to the defense industrial base, while at the same time helping prime contractors achieve their Small Disadvantaged Business (SDB) subcontracting goals. For the DoD, the program is valuable in addressing critical gaps and vulnerabilities in manufacturing, research and development, and knowledge-based services.

The MPP was established in fiscal year (FY) 1991 as part of that year's National Defense Authorization Act (NDA). Initially launched as a pilot program, it continued under pilot status for decades. In FY23, the NDA officially codified the MPP as a permanent program. "This is a huge win for us, and we're very excited," said Thurston. "It highlights the value and impact this program has on the Department of Defense."

In codifying the MPP, the NDA also made some changes to address industry concerns about the program. These changes include:

- Lowering the threshold for mentor eligibility from $100 million to $25 million in total defense contracts during the prior fiscal year. This total can include both prime and subcontracting work.
- Increasing the duration of participation in the program. MPP relationships now last for three years rather than two.
- Enhancing data collection. The DoD OSBP is required to maintain outcome-based performance goals and annually collect data.
- Increasing the post-award reporting period from two years to five years.
- Introducing a new pilot program, the Protégé Technical Reimbursement Program, to incentivize participation in MPP. This pilot program will run for the next five years.

Mercedes Thurston, DoN OSBP Mentor Protégé Program Manager

According to Thurston, the Protégé Technical Reimbursement Program is probably the most exciting change for small businesses. It allows protégés to receive funding from the program for the first time, covering up to 25% of the total Mentor-Protégé Agreement. This funding

is separate from the mentor's reimbursement. Additionally, the mentors can receive an additional 3% to cover their expenses for administering the funding and completing the required reporting.

The additional funding received by the protégé must be used to support the integration of the protégé's technology into a DoD program or system, which may mean engineering, software development or manufacturing customization. "It can cover almost anything for the protégé," according to Thurston, "with the exception of payroll." That might include doing necessary maintenance on equipment the company already owns, licensing software required to make the small business's technology work with the mentor's system, or purchasing new equipment and materials. "We have even seen it used to pay a bonus to an engineer in order to keep them, because we recognize that the industry is competitive. That 25% can be used for any of these things."

In order to participate in the program, mentor and protégé companies must meet certain criteria. In order to act as a mentor, a company must be a for-profit business that is eligible to receive federal contracts and is actively performing under at least one approved subcontracting plan. Under current guidelines, the mentor company must have DoD contracts totaling at least $25 million in the prior fiscal year. Additionally, mentors must demonstrate that they are qualified to provide assistance to smaller companies, are in good financial health and are not disbarred or suspended. Mentor companies should not be small business entities themselves, although it is possible to have this requirement waived. As an example, a small business might be allowed to serve as a mentor if it is a graduate of the Small Business Association's 8(a) Business Development training program and can document that it is able to serve as a mentor. Before entering into any mentor-protégé agreement, mentor companies must first be approved by the DoD. Applications can be submitted through the DoD's online MPP portal, and a list of mentors that are already approved can be found on the DoD MPP webpage.

In order to participate as a protégé, a business must be eligible to be awarded federal contracts and must also fall within one of the following socioeconomic categories:

- Small Disadvantaged Business (SDB)
- Women-Owned Small Business (WOSB)
- HUBZone Small Business (HUBZone)
- Service-Disabled Veteran-Owned Small Business (SDVOSB)
- A business employing the severely disabled
- A business owned and controlled by a Native American tribe
- A business owned and controlled by a Native Hawaiian Organization
- An entity providing goods/services in private sector critical to enhancing DoD supplier base

Additionally, Thurston emphasized that a protégé must not be owned by the mentoring company, which is an important distinction between the DoD MPP and the similar Mentor-Protégé Program run by the SBA. "With the SBA's Mentor-Protégé Program, you can have some type of ownership but for the DoD we're here to maintain and increase the small business industrial base. That can't be done if a large company has stake in you."

The MPP benefits both mentors and protégés. For protégés, the benefits are obvious: They can leverage the technical expertise and assistance of the mentor, enhance their business infrastructure, improve their competitive advantage and future subcontracting opportunities, and develop a long-

term business relationship with a prime. However, large companies also find value in forming this kind of relationship with smaller companies: They develop a high-quality pool of subcontractors and potential partners with whom they can team to pursue new opportunities in the future.

"All of these benefits translate into benefits for the government and for the Department of Navy," said Thurston. "The mentor-protégé relationship can bring innovative technology into an established acquisition program, develop a more capable small business industrial base and a robust supply chain, and ensure contractors have both the capabilities and the capacity to meet government requirements. Just because you're small doesn't mean you can't make a difference."

> ***"The mentor-protégé relationship can bring innovative technology into an established acquisition program, develop a more capable small business industrial base and a robust supply chain, and ensure contractors have both the capabilities and the capacity to meet government requirements. Just because you're small doesn't mean you can't make a difference."***
>
> - Mercedes Thurston, MPP Manager

At the heart of the MPP is the Mentor-Protégé Agreement (MPA), which spells out what the mentor and protégé plan to accomplish together and what assistance the mentor will provide.

MPAs must include a detailed developmental program for the protégé containing specific milestones, goals, and the dollar amounts of potential subcontracts that the mentor plans to offer the protégé during the three-year period of the mentor-protégé relationship.

Thurston reminded small businesses that "just because you see those estimated dollar amounts in your mentor-protégé agreement, it typically does not mean you are guaranteed these subcontracts. These are potential opportunities that the mentor is providing to you. But make sure you keep in mind that there's work that still has to be done and it won't just be given to you."

MPAs must also include a statement of the value the mentor-protégé partnership will provide to the DoD and how it will enhance the defense industrial base, including specific quantitative and qualitative metrics.

Finally, MPAs must include a detailed cost breakdown. The total amount reimbursed to a mentor for the costs of assistance provided to a protégé may not exceed $1 million in any fiscal year. On average, the total cost of a directly reimbursed MPA is $500,000 to $750,000 across all three years.

There are three types of MPAs used in the DoD MPP.

- A Reimbursable Agreement provides monetary reimbursement only for the cost of the developmental assistance incurred by the mentor firm and provided to the protégé. Allowable costs might include direct labor costs incurred by mentor firm employees, cost for developmental training and conferences, or costs for assistance provided by approved subcontractors to the MPP, such as the DoD OSBP's Apex Accelerators program.
- A Credit Agreement allows the mentor firm to receive credit toward its subcontracting goals in exchange for the costs incurred in providing assistance to the protégé. Credit Agreements are administered by the Defense

Contract Management Agency (DCMA), which calculates the credits it will allow based on the type of assistance provided.

- A Hybrid Agreement blends reimbursements and credits. One year of the agreement must be reimbursable and one year must be credit. Hybrid Agreements are administered by the DoD OSBP but require approval from the DCMA before any developmental assistance costs are incurred.

For businesses that may be interested in participating in the MPP, Thurston described the two-step process the Navy follows (and other DoD organizations follow a very similar process).

The Navy does not release any solicitation or BAA related to the MPP. Instead, Thurston explained, the process is initiated by the mentor selecting a protégé and submitting an agreement proposal for review.

"In order to kick off your practice of getting a Mentor-Protégé Agreement, you come to our office and tell us that mentor and protégé have aligned as a team; we believe that our product or service or solution could help fill some of the challenges and capability gaps that you might be having in the Department of the Navy and we would like to get an agreement."

The DoD is not involved at all in matching mentors and protégés; however, it does provide a list of companies which are already approved to serve as mentors on the MPP webpage.

"We think it's easier for you to find a mentor in somebody that you're already working with," said Thurston. "If you're already working with somebody and you want to codify your relationship in a more permanent state, look to do it through the MPP. I'm happy to have those conversations with you and your mentor on whether you qualify."

Next, the mentor identifies a major buying activity (MBA) for sponsorship and provides a white paper or other initial documentation identifying how the proposed agreement would support the customer. MBAs are the Navy or Marine Corps contracting activities responsible for purchasing specific products and services to support the war fighter. The DoN has 10 MBAs, including two Marine Corps commands. Each command has identified challenges and capability gaps within the organization that small business can fill, and small business specialists within each command can help businesses review upcoming opportunities unique to their activity.

"When you're selecting an activity for sponsorship, please ensure that you are working with an activity that would specialize in your product or service," said Thurston. For example, "If you specialize in construction, you should be going to NAVFAC."

At this stage, the stakeholders will hold an introductory briefing to reach a tentative agreement and solidify sponsorship from the MBA. The MBA's small business team will review the proposal presented by the mentor and may request changes.

In the second step of the process, the mentor and protégé work together to finalize their proposal submission and the formal MPA is submitted to the DoN OSBP for approval through the MBA's small business office with endorsement.

When the final MPA is approved, the DoN's OSBP Center Of Excellence (COE) issues a contract to the mentor. Funding for the MPA is also issued to the mentor through the COE.

A detailed flow chart of this process, along with further details on all aspects of the MPP, can be found in the Navy's MPP Guidebook, located on the DoN OSBP website: www.secnav.navy.mil/smallbusiness.

Learn about emerging tech at Navy STP Showcase and Technical Information Exchange events

The Navy SBIR Transition Program (Navy STP) Showcase events feature participating Navy STP Phase II companies' technologies at multiple events throughout the year. These events are designed to engage fleet representatives, prime contractors, and acquisition stakeholders by promoting mature technologies that are ready for transition, connecting small business innovators with Navy decision-makers and industry partners across the country, identifying transition possibilities, and facilitating transition.

The events promote mature SBIR/STTR technologies developed by small businesses participating in the Navy STP to address needs of the Navy and Marine Corps. These technologies may also have application across the Department of Defense and in commercial markets. The events provide excellent opportunities for national security and defense stakeholders to review technology breakthroughs that may improve defense readiness and response capabilities. Navy STP Showcase events also connect these companies with government and industry personnel through on-demand Tech Talks and an enhanced online presence via the Navy STP Virtual Transition Marketplace (Navy STP VTM), found at https://vtm.navyfst.com/.

Three Navy STP Showcases are scheduled for early 2025:

WEST 2025

The first Navy STP Showcase of the year will be held at WEST 2025 from January 28-30 in San Diego. Visit the Navy STP Showcase booth #1725 for live technology displays and opportunities for discussion with small businesses to learn more about their innovations. Tech Talk presentations will be available on-demand online before the event at https://navystp.com/announcements/west-2025/.

Over two days, the booth will feature Navy

The Navy STP booth at WEST 2024 connected military and industry with Navy STP small businesses.

STP cohort members presenting cutting-edge technologies in:

- Advanced Electronics
- Air Platforms
- Autonomy
- Battlespace Environments
- Command, Control, Communications, Computers, & Intelligence (C4I)
- Electronic Warfare
- Ground and Sea Platforms
- Human Systems
- Materials & Manufacturing Processes
- Modeling and Simulation Technology
- Sensors
- Sustainment
- Weapons Technologies

WEST, the premier Naval conference and exposition on the West Coast, connects industry professionals who design and build platforms, equipment and weapons with designers of communications and technical systems. WEST brings the military and industry together to

explore current and future Naval platforms and technologies. Register for WEST 2025 at https://www.westconference.org.

Navy STP SYSCOM Technical Information Exchange

The second Navy STP event of the year will be the Navy STP SYSCOM Technical Information Exchange on March 11-12 in Arlington, Virginia. Tech Talk presentations will be available on-demand prior to the event at https://navystp.com/announcements/syscom-technical-information-exchange-2025/.

Email navystp@atsicorp.com with the subject: "Technical Information Exchange" if you would like to be notified when registration opens. Attendance is open to both government and industry personnel but is limited.

The Navy STP SYSCOM Technical Information Exchange will showcase innovative technologies from Navy STP cohort members in:

- Advanced Electronics
- Air Platforms
- Autonomy
- Battlespace Environment
- Counter Improvised Explosive Devices (C-IED)
- Cyber
- Directed Energy
- Electronic Warfare
- Energy & Power Technologies
- Ground and Sea Platforms
- Human Systems
- Kinetic Weapons
- Materials & Manufacturing Processes
- Modeling and Simulation Technology
- Sensors
- Weapons Technologies

Sea-Air-Space 2025

The final Navy STP Showcase of the season will be held at Sea-Air-Space 2025, the Navy League's Global Maritime Exposition, from April 7-9 at the Gaylord National Resort and Convention Center in National Harbor, Maryland. Visit booth #336 to learn more about Navy STP participants' technologies, designed to advance maritime systems and warfighting capabilities. Tech Talk presentations will be

Vice Chief of Naval Operations Admiral James W. Kilby talks with a Navy STP small business at S-A-S 2024.

Learn about emerging tech at Navy STP Showcase and Technical Information Exchange events...Continued

available on-demand prior to the event at https://navystp.com/announcements/sea-air-space-2025/.

Over two days, technologies featured at Sea-Air-Space 2025 will support advancements in:

- Advanced Electronics
- Air Platforms
- Autonomy
- Command, Control, Communications, Computers, & Intelligence (C4I)
- Energy & Power Technologies
- Engineered Resilient Systems
- Ground and Sea Platforms
- Human Systems
- Materials & Manufacturing Processes
- Modeling and Simulation Technology
- Sensors
- Sustainment

Sea-Air-Space, sponsored by the Navy League of the United States, brings together the U.S. defense industry and key military decision-makers. Register for Sea-Air-Space 2025 at https://seaairspace.org/.

Navy STP Connect

In the spring of 2025, Navy STP will offer virtual one-on-one meetings between industry or government representatives and current Navy STP participants, enabling in-depth discussions about each small business's technology and potential transition opportunities.

For updates on showcased technologies, upcoming events, and additional Navy STP Showcase opportunities, visit wwww.NavySTP.com and click on "Events" at the top of the page.

NAVSEA Chief Technology Officer Thomas Perotti speaks at the 2024 Navy STP SYSCOM Technical Information Exchange.

Department of the Navy achieves historic milestones in small business awards for fiscal year 2024

The Department of the Navy (DoN) Office of Small Business Programs (OSBP) has once again delivered record-breaking results in its commitment to small business advocacy. With fiscal year (FY) 2024 now closed, the DoN OSBP is proud to announce that it exceeded its small business goals, further solidifying its leadership in fostering innovation, equity, and resilience within the small business community.

The DoN OSBP promotes small business participation in Navy and Marine Corps procurement opportunities. By providing resources, mentorship, and assistance, the program fosters a competitive and diverse industrial base that supports the mission of the DoN.

In FY24, DoN OSBP surpassed expectations in prime awards across all socio-economic categories. Highlights from FY24 include achieving $21 billion in small business awards, with a 20.41% performance rate against a 15.80% goal. This achievement builds on the $20.1 billion awarded to small businesses in FY23 and underscores the department's continued dedication to making small business the "first option."

Results also exceeded targets for Women-Owned Small Business (WOSB) (2.91% performance against a 2.37% goal) and HUBZone Small Business (1.96% performance against a 1.49% goal). WOSB had $2.99 billion in awards, HUBZone Small Business had $2.01 billion in awards, and Small Disadvantaged Business (SDB) and Service-Disabled Veteran-Owned Small Business (SDVOSB) had record-setting performances with $7.85 billion and $2.99 billion in awards, respectively.

The department's buying activities played a critical role in driving these successes. NAVFAC achieved a $1.4 billion increase in small business awards since FY21, while NAVWAR's innovative HUBZone Challenge led to a 47.91% increase in HUBZone awards in FY24 alone. The Office of Naval Research (ONR) contributed significantly with a 61.18% increase in awards to small businesses. Activities such as NAVAIR, NAVSEA, and MCSC demonstrated exceptional year-over-year growth, showcasing the collective commitment to fostering equity and opportunity.

These achievements are not just numbers—they represent opportunities created, barriers broken, and a strengthened industrial base capable of meeting the Navy and Marine Corps' evolving needs. As DoN OSBP looks to the future, it remains steadfast in its mission to set higher benchmarks and provide opportunities for small businesses to thrive. For more information, visit www.secnav.navy.mil/smallbusiness.

Upcoming events

DATE	EVENT & LINK	LOCATION
April 6-9	Sea-Air-Space Conference and Exposition https://seaairspace.org/	National Harbor, Maryland
April 8-9	Border Security Expo https://www.bordersecurityexpo.com/	Phoenix
April 8-10	MRO Americas Aviation Week https://mroamericas.aviationweek.com/en/home.html	Atlanta
April 13-17	SPIE Defense + Commercial Sensing https://spie.org/conferences-and-exhibitions/defense--commercial-sensing?SSO=1	Orlando, Florida
April 15-18	AIAA Defense Forum https://www.aiaa.org/defense	Laurel, Maryland
April 29-May 1	Modern Day Marine https://marinemilitaryexpos.com/modern-day-marine/home/	Washington
May 5-8	SAE International AeroTech https://www.sae.org/attend/aerotech	Vancouver, British Columbia
May 6-8	TechNetCyber https://events.afcea.org/afceacyber25/Public/enter.aspx	Baltimore
May 6-9	ACM SenSys 2025 https://sensys.acm.org/2025/	Irvine, California
May 12-15	Marine Corps Aviation Association (MCAA) Annual Symposium https://www.flymcaa.org/annualsymposium	Dallas
May 13-15	Submarine Technology Symposium https://navalsubleague.org/event/submarine-technology-symposium-2/	Laurel, Maryland
May 14-16	Army Aviation Mission Solutions Summit https://s7.goeshow.com/aaaa/missionsolutions/2025/index.cfm	Nashville, Tennessee.
May 19-22	AUVSI XPONENTIAL https://www.auvsi.org/events/xponential/xponential-2025	Houston
May 19-22	CLEANPOWER 2025 Conference & Exhibition https://cleanpower.org/expo/	Phoenix
May 31-June 3	Institute of Industrial and Systems Engineers Annual Conference and Expo https://iise.org/Annual/	Atlanta
June 3-5	Defense Industrial Base Conference 2025 https://www.dibcon.net/	Oklahoma City
June 9-11	SBIR/STTR Spring Innovation Conference https://techconnectworld.com/SBIRSpring2025/	Austin, Texas
June 10-12	MegaRust https://www.navalengineers.org/symposia/MegaRust-2025	Hampton, Virginia
June 16-19	OCEANS 2025 https://brest25.oceansconference.org/	Brest, France
July 12-15	Safety and Security Summit at Esri UC 2025 https://www.esri.com/en-us/about/events/es3/save-date	San Diego
July 21-25	AIAA Aviation Forum https://www.aiaa.org/aviation	Las Vegas
July 28-30	AFLCMC's Life Cycle Industry Days 2025 https://www.aflcmc.af.mil/LCID/	Dayton, Ohio

To submit an article idea, make comments or ask questions about this newsletter, e-mail: navystptransitions@atsicorp.com