

QUESTIONS AND ANSWERS:

Q1. Can I include direct material and direct travel charges (in addition to the burdened labor charge) while calculating the allowable percentage for subcontracting?

A1. As stated in paragraph 6. (a)(2) of the Small Business Administration's SBIR Program Policy Directive, "For Phase I, a minimum of two-thirds of the research or analytical effort must be performed by the awardee." The two-thirds minimum for the research or analytical effort by the awardee would include those costs directly associated with an awardee's own performance.

Q2: I have searched the DHS SBIR site extensively but I am unable to find the proposal preparation or submission instructions -- Font, page/section limits, submission, construct, example proposals etc. Where do would one find these instructions?

A2: Proposal preparation instructions can be found by clicking on the DHS SBIR 8.1 Solicitation (front page of www.sbir.dhs.gov), section 3.0, see pages 10 - 15, which is available in electronic format at the Federal Business Opportunities (FedBizOpps) web site at www.fbo.gov and www.sbir.dhs.gov (DHS SBIR website).

Q3. Are SBIR award funds considered taxable revenue? If so, are any delineations made regarding how a small business is organized (e.g. sole proprietorship versus C-corp) and/or how award funds are spent (e.g. major equipment purchases versus indirect costs)?

A3. The Department of Homeland Security does not provide advice on, nor make determinations regarding, taxes on taxable revenue.

Q4. For subcontracting to academic Institutions from phase II, can it be a fixed price subcontract?

A4. Under program guidelines, the cost basis for SBIR awards may be firm-fixed-price, cost reimbursement, or cost-plus-fixed fee. However, the government only negotiates the terms and conditions, including contract type, with the awardee. Some of the terms and conditions for the awardee's contract may flow down to subcontracts, but not the contract type. It should be noted that SBIR awardees will only receive payment(s) according to the terms and conditions of the basic contract, regardless of subcontract(s) type.

Q5. We believe we have innovative ideas for all three "parts" of the *H-SB08.1-005* _Smart Sensor System _topic. However, the SBIR funding levels would limit the depth of work done if all three parts (sensors, middleware, intelligent agent management) were bid in the same proposal. The alternative would be to submit two or three separate proposals for each part of the system. Would DHS prefer to see a single, two, or three proposals for the -005 topic?'

A5. Given the Phase I submittal requirements, a combined proposal is possible. However, there is no limit on the number of proposals that may be submitted by a single proposer.

Q6. Will a sensor web deployed in the maritime and coastal environment be of more interest to the reviewers or one deployed in an urban setting for phase I feasibility demonstration? Or in other words is there a preference for a certain scenario?

A6. As long as the scenario is relevant to the Homeland Security missions, they are acceptable. There is no preference in this case.

Q7. Is it desired to have the sensor nodes mobile? Or fixed portable sensing elements will do just fine for this solicitation?

A7. Depending on the applications, the sensor can be fixed, mobile, or portable. For example, most video image sensors are fixed due to power constraint. In most cases, the application scenarios decide what kind of sensors may be needed.

Q8. Does the communication medium have to be wireless? If yes, what is the desired communication range of the sensors?

A8. There is no specific requirement on communication medium. However, the application scenario will usually dictate what type of medium to use and what kind of range is needed.

Q9. The phase II statement of work indicates that the proposer is required to develop and deliver 20 units, which is quite an uphill task given the limited funding of the SBIR program. Is a major challenge of this solicitation to produce and demonstrate 20 sensing units within the budget allocated, or is DHS willing to negotiate on the phase II budget constraint?

A9. The Phase II budget is fixed, however, DHS will match a limited amount based on outside investment the company can raise. (See SBIR solicitation for details.) The reason for a 20-unit sensor web is that most algorithms work fine with fewer units. When reaching a certain threshold, they then start to break down.

Q10. The first link in the "references" part of the fifth SBIR topic this round, H-SB08.1-005, "Smart Sensor System," does not work. Is there an alternate link to this one? I'm referring to this line: "Advanced Research & Development Agency (ARDA) Video Analysis and Content Extraction (VACE) Program (www.ic-arda.org/InfExploit/vace)"

A10. Unfortunately, the link was removed from the ARDA's web site immediately after our solicitation was published. We were unsuccessful in our attempts to locate an alternative link.

Q11. Will data be provided for the assessment study to determine the correlation between Pupillometry (dilation and contraction of the pupil relative to observed stimulus or emotion) and intent to deceive?

A11. The government does not have a collection of data contained in a data base, or any other media, to provide for assessment as part of this study.

Q12. If we have to collect data, do you have an approval for using human subjects in this project or we need to apply one?

A12. If the use of human subjects is proposed as part of any submittal, the offeror must indicate an appropriate methodology for obtaining approval for human subject participation. The cost for obtaining Institutional Review Board (IRB) approval shall also be included in any submittal.

Q13. In Section 5.6 of the Solicitation 8.1, you provide directions with regards to the proprietary markings and state that certain wording must be on the "Cover Page." On most other solicitations, this information is included in the first page and the Offeror is just to fill in the page numbers. There is no such language on the Cover Page provided on the website, so to be in line with the instructions, are we supposed to put the legend language (section 5.6) on the first page of the technical proposal? Please clarify. It is our understanding that the "cover page" was provided through the website.

A13. One of the DHS SBIR proposal cover sheet questions will ask if the proposal contains Proprietary Information. When the response is "yes," the following proprietary statement will appear on the proposal cover sheet header, "Proposal Contains Proprietary Information." The submitter shall note all other Proprietary Information for a particular page by including the word "PROPRIETARY" in both the header and footer text for that page.