

SBIR, OTA and CRADA: Research to Delivery

How Small Business Innovation Research awards, other transaction authorities, and cooperative research and development agreements stack up.

SBIR 15 U.S.C. § 638 Phased R&D funding for U.S. small businesses.	OTA: Research 10 U.S.C. § 4021 Basic, applied and advanced research outside the FAR.	OTA: Prototype 10 U.S.C. § 4022 Rapid prototypes with a built-in on-ramp to production.	Experimental buys 10 U.S.C. § 4023 Test articles bought quickly, exempt from full competition.	CRADA 15 U.S.C. § 3710a Joint research with a federal lab; no federal dollars out.
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What Each Vehicle Does Across The Development Life Cycle

	RESEARCH	PROTOTYPE	TEST AND EVALUATION	PRODUCTION
SBIR	Phase I · feasibility	Phase II · prototype and demonstration		Phase III · sole-source
§ 4021 OTA	Research only	No follow-on production authority		
§ 4022 OTA		Prototype project		Follow-on § 4022(f)
§ 4023			Test quantities	Residual capability only
CRADA	Collaborative lab R&D		Commercialize through licensing	

Key Terms Compared

	SBIR	§ 4021 OTA: Research	§ 4022 OTA: Prototype & Production	§ 4023 Experimental Purpose Procurement	CRADA
INSTRUMENT	Contract or grant; FAR, DFARS, or other agency acquisition regs apply	Other transaction authority; FAR/DFARS do not apply	Other transaction authority; FAR/DFARS do not apply	Can be FAR/DFARS contract, OTA prototype or OTA research, grant or cooperative agreement	Collaborative agreement, FAR/DFARS do not apply
WHO CAN PERFORM	U.S.-owned small business, 500 or fewer employees	Any party, traditional contractors included	Smalls, non-traditional defense contractors, consortia with smalls and non-traditional	No limitations	Industry, academia, nonprofits, state and local governments
MONEY FLOW	Government → contractor	Government → contractor	Government → contractor	Government → contractor	No federal funds to partner; partner may pay the lab
COST SHARE	Not required	Default is a 50-50 resource share between govt and contractor	One-third non-federal share is one path to eligibility	Not required	Lab gives in-kind support; partner often funds
Used For	Phase I: Feasibility and merit to the scientific or technical R&D – can it get to commercial Phase II: Further develop Phase I work, can start here Phase III: Can be sole-source, no dollar cap, fed govt funded or commercial funding	Basic, applied and advanced research	Develop a prototype from R&D can move to an OTA production agreement Production need not be competed if prototype OTA was competed	Fast acquisition of products, suppliers, prototypes etc. needed for experimental or testing purposes to develop supplies for defense	Federal government sharing resources with industry, academia, gives a path to license developed IP
IP AND DATA RIGHTS	SBIR data rights, usually a 20-year protection period	Fully negotiable	Fully negotiable	Contract terms, typically DFARS clauses	Exclusive license option; data FOIA-shielded up to five years

SBIR		§ 4021 OTA: Research	§ 4022 OTA: Prototype & Production	§ 4023 Experimental Purpose Procurement	CRADA
BEST FIT	Early-stage small business innovation	Any company looking to do R&D at scale without acquisition reg requirements creating cost burden	Non-traditional defense contractors, non-profit research, small businesses	Selling products, prototypes, supplies, or even designs for emerging defense needs	Businesses, especially small looking for access to research resources