



Program Announcement

for

Artificial Intelligence Exploration (AIE)

Defense Advanced Research Projects Agency

DARPA-PA-18-02

July 20, 2018

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- MODEL OTHER TRANSACTION (OT) FOR PROTOTYPE

1. Overview Information

- **Federal Agency Name** – Defense Advanced Research Projects Agency (DARPA)
- **Funding Opportunity Title** –AI Exploration
- **Announcement Type** – Initial Announcement
- **Funding Opportunity Number** – DARPA-PA-18-02
- **NAICS Code:** 541715; Small Business Size: 1500
- **Dates** (All times listed herein are Eastern Time.)
 - Posting Date: July 20, 2018 2:00PM
 - Closing Date: July 20, 2019 2:00PM
- **Concise description of the funding opportunity:** Current AI technologies are being successfully exploited to achieve powerful new capabilities. DARPA seeks to invest in focused explorations of what the AI “third wave” science and technologies of the future could be. Awards will be made within 90 days for exploratory research on a range of AI-related topics.
- **Anticipated individual awards** – Multiple awards are anticipated.
- **Types of instruments that may be awarded** – Other Transactions for Prototype Projects
- **Any cost sharing requirements:** Cost sharing may be required under applicable statutory regulations for other transactions for prototype projects awarded under the authority of 10 U.S.C. § 2371b.
- **Agency contact**
 - **Technical POC:** D. Peter Donaghue, Agreements Officer
 - **Email:** DARPA-PA-18-02@darpa.mil
 - **Mailing Address:**
 - DARPA
 - ATTN: DARPA-PA-18-02
 - 675 N. Randolph St.
 - Arlington, VA 22203-1714

2. Funding Opportunity Description

2.1 Introduction

The mission of the Defense Advanced Research Projects Agency is to make strategic, early investments in science and technology that will have long-term positive impact on our nation's national security. In support of this mission, DARPA has pioneered groundbreaking research and development (R&D) in Artificial Intelligence (AI) for more than five decades. Today, DARPA continues to lead innovation in AI research through a large, diverse portfolio of fundamental and applied R&D AI programs aimed at shaping a future for AI technology where machines may serve as trusted and collaborative partners in solving problems of importance to national security. The AI Exploration (AIE) program is one key element of DARPA's broader AI investment strategy that will help ensure the U.S. maintains a technological advantage in this critical area.

Past DARPA AI investments facilitated the advancement of "first wave" (rule based) and "second wave" (statistical learning based) AI technologies. DARPA-funded R&D enabled some of the first successes in AI, such as expert systems and search, and more recently has advanced machine learning algorithms and hardware. DARPA is now interested in researching and developing "third wave" AI theory and applications that address the limitations of first and second wave technologies.

The pace of discovery in AI science and technology is accelerating worldwide. AIE will enable DARPA to fund pioneering AI research to discover new areas where R&D programs awarded through this new approach may be able to advance the state of the art. AIE will enable DARPA to go from idea inception to exploration in fewer than 90 days.

To enable this approach, DARPA will issue AIE Opportunities. These AIE Opportunities will focus on technical domains important to DARPA's goals in pursuing disruptive third wave AI research concepts. More information about DARPA's current AI technical domains and research topics of interest may be found on <http://www.darpa.mil> under individual offices opportunities page.

2.2 AI Exploration (AIE) Opportunities

Future AIE Opportunities will be published as Pre-Solicitation Notices on FedBizOpps issued under Program Announcement (PA) DARPA-PA-18-02. These AIE Opportunities will solicit proposals and will be open for at least 30 days from publication at <https://www.fbo.gov/>.¹ AIE Opportunities will describe rapid projects comprising two phases as described in Section 2.3 of this solicitation. During the periods of performance, very high-risk, high-reward topics will be investigated with the goal of determining feasibility and clarifying whether the area is ready for increased investment. The ultimate goal of each AIE Opportunity is to invest in research that leads to prototype development that may result in new, game-changing AI technologies for U.S. national security. The prototype projects pursued under AIE may include proofs of concept; pilots; novel

¹ Because DARPA is soliciting proposals for the award of Other Transactions (OTs) for Prototype, and OTs are not subject to the Federal Acquisition Regulation (FAR), the 45-day response time required at FAR 5.203 does not apply.

applications of commercial technologies for defense purposes; creation, design, development, demonstration of technical or operational utility; or combinations of the foregoing, related to a prototype. Proposals submitted in response to AIE Opportunities will be evaluated and selected in accordance with Section 6 of this solicitation.

Each AIE Opportunity will (1) identify specific details regarding the research topic of interest and (2) provide proposal content and submission instructions in addition to those outlined in this PA, including the due date for proposal submissions. Proposals must only be submitted in response to an AIE Opportunity. Proposals submitted in response to this PA without an active, corresponding AIE Opportunity may be disregarded.

2.3 AIE Opportunity Proposal Information and Structure

Proposals submitted in response to an AIE Opportunity must be UNCLASSIFIED and must address two independent and sequential project phases (a Phase 1 Feasibility Study (base) and a Phase 2 Proof of Concept (option)). The periods of performance for these phases are specific to each AIE Opportunity (i.e., may vary slightly), but are anticipated to be approximately 3-9 months for the Phase 1 base effort and 9-15 months for the Phase 2 option effort. Combined Phase 1 base and Phase 2 option efforts for any AIE Opportunity are not anticipated to exceed 18 months. Specific technical objectives to be achieved, task descriptions, intellectual property rights, milestone payment schedule, and deliverables will be addressed in each AIE.

For any proposal selected for award, the Government reserves the right to award only Phase 1 or a combined Phase 1 and 2 effort. In cases where only a Phase 1 award is made at the outset, the Government may award the option effort for Phase 2 depending on the outcome of the Phase 1 effort and funding availability. Due to the potential for awarding follow-on Phase 2 efforts, DARPA is requesting a proposal validity period of 365 days.

The total award value for the combined Phase 1 base and Phase 2 option is limited to \$1,000,000. This total award value includes Government funding and performer cost share, if required. All awards made as a result of an AIE Opportunity issued under this PA will be Other Transactions (OTs) for prototype projects awarded under the authority of 10 U.S.C. § 2371b.

There are currently no follow-on acquisitions planned once a performer has completed Phases 1 and 2. However, the goal of AIE and each selected AIE Opportunity research project is to fund research that leads to prototype development. If, after Phase 2, a performer has successfully accomplished a proof of concept, and a deliverable prototype is within reach or a promising initial prototype has been developed, the Government may elect to modify the OT agreement to fund additional tasks to pursue further prototype development, fabrication, and delivery.

In accordance with 10 U.S.C. § 2371b(f), the Government may award a follow-on production contract or OT for any OT awarded under this PA if: (1) that participant in the OT, or a recognized successor in interest to the OT, successfully completed the entire prototype project provided for in the OT, as modified; and (2) the OT provides for the award of a follow-on production contract or OT to the participant, or a recognized successor in interest to the OT.

The flexibility of the OT award instrument is beneficial to the program because the performer

will be able to apply its best practices as required to carry out the research project that may be outside of the Federal Acquisition Regulation (FAR) process-driven requirements. Streamlined practices will be used, such as milestone-driven performance, intended to reduce time and effort on award administration tasks and permit performers to focus on the research effort and rapid prototyping. Because of this ability, OTs provide the Agreements Officer the flexibility to create an award instrument that contains terms and conditions that promote commercial transition, reduce some administratively burdensome acquisition regulations, and meet DARPA program goals.

Proposers must only propose an OT agreement with fixed payable milestones. Fixed payable milestones are fixed payments based on successful completion of the milestone accomplishments agreed to in the milestone plan. Refer to the model OT provided as an attachment to this solicitation for additional information. Specific milestones will be based upon the Research Project Objectives detailed in the AIE Opportunity.

Please see Appendix A and <http://www.darpa.mil/work-with-us/contract-management> for more information on OTs and DARPA's OT authority.

3. Award Information

3.1 General Award Information

Multiple awards are anticipated. The amount of resources made available under each AIE Opportunity issued under DARPA-PA-18-02 will depend on the quality of the proposals received and the availability of funds.

The Government reserves the right to select for negotiation all, some, one, or none of the proposals received in response to this solicitation and to make awards without communications with proposers. Additionally, the Government reserves the right to award all, some, one, or none of the options on the agreements(s) of the Phase 1 performers based on available funding and Phase 1 technical performance. The Government also reserves the right to communicate with proposers if it is later determined to be necessary. If warranted, portions of resulting awards may be segregated into pre-priced options. Additionally, DARPA reserves the right to accept proposals in their entirety or to select only portions of proposals for award. In the event that DARPA desires to award only portions of a proposal, negotiations may be opened with that proposer. The Government reserves the right to fund proposals in phases with options for continued work, as applicable.

The Government reserves the right to request any additional, necessary documentation to support the negotiation and award process. The Government reserves the right to remove a proposal from award consideration should the parties fail to reach agreement on award terms, conditions, and price within a reasonable time, and the proposer fails to provide requested additional information in a timely manner.

Because of the desire to streamline the award negotiation and program execution process, proposals identified for negotiation will result in negotiating an award of an OT for prototype project agreement under DARPA's authority to award OTs for prototype projects, 10 U.S.C. §

2371b. Use of an OT provides significant opportunities for flexible execution to assist in meeting DARPA's aggressive AIE Opportunity program goals. This award construct may also facilitate partnerships with non-traditional contractors and non-Government users to maximize future transition opportunities.

In all cases, the Government Agreements Officer shall have sole discretion to negotiate all instrument terms and conditions with selectees. DARPA will apply publication or other restrictions, as necessary, if it determines that the research resulting from the proposed effort will present a high likelihood of disclosing performance characteristics of military systems or manufacturing technologies that are unique and critical to defense. Any award resulting from such a determination will include a requirement for DARPA permission before publishing any information or results on the program. For more information, see the section on Fundamental Research.

3.2 Fundamental Research

It is the Department of Defense (DoD) policy that the publication of products of fundamental research will remain unrestricted to the maximum extent possible. National Security Decision Directive (NSDD) 189 defines fundamental research as follows:

"Fundamental research' means basic and applied research in science and engineering, the results of which ordinarily are published and shared broadly within the scientific community, as distinguished from proprietary research and from industrial development, design, production, and product utilization, the results of which ordinarily are restricted for proprietary or national security reasons."

As of the date of publication of this PA, the Government expects that program goals as described herein may be met by proposed efforts for (1) fundamental research, (2) non-fundamental research, and/or (3) research that may present a high likelihood of disclosing performance characteristics of military systems or manufacturing technologies that are unique and critical to defense. Based on the anticipated type of proposer (e.g., university or industry) and the nature of the solicited work, the Government expects that some awards will include restrictions on the resultant research that will require the awardee to seek DARPA permission before publishing any information or results relative to the program.

Proposers should indicate in their proposal whether they believe the scope of the research included in their proposal is fundamental or not. While proposers should clearly explain the intended results of their research, the Government shall have sole discretion to negotiate all instrument terms and conditions with selectees. Appropriate terms will be included in resultant awards for non-fundamental research to prescribe publication requirements and other restrictions, as appropriate.

For certain research projects, it may be possible that although the research being performed by the prime performer is restricted research, a subcontractor may be conducting contracted fundamental research. In those cases, it is the prime performer's responsibility to explain in their proposal why its subcontractor's effort is contracted fundamental research.

4. Eligibility Information

4.1 Eligible Applicants

All responsible sources capable of satisfying the Government's needs may submit a proposal that shall be considered by DARPA.

4.1.1 Federally Funded Research and Development Centers (FFRDCs) and Government Entities

4.1.1.1 FFRDCs

FFRDCs are subject to applicable direct competition limitations and cannot propose to this PA in any capacity unless they meet the following conditions: (1) FFRDCs must clearly demonstrate that the proposed work is not otherwise available from the private sector, and (2) FFRDCs must provide a letter on official letterhead from their sponsoring organization citing the specific authority establishing their eligibility to propose to Government solicitations and compete with industry, and their compliance with the associated FFRDC sponsor agreement's terms and conditions. This information is required for FFRDCs proposing to be awardees or subawardees.

4.1.1.1 Government Entities

Government Entities (e.g., Government/National laboratories, military educational institutions, etc.) are subject to applicable direct competition limitations. Government entities must clearly demonstrate that the work is not otherwise available from the private sector and provide written documentation citing the specific statutory authority and contractual authority, if relevant, establishing their ability to propose to Government solicitations. This information is required for Government Entities proposing to be awardees or subawardees.

4.1.1.2 Authority and Eligibility

At the present time, DARPA does not consider 15 U.S.C. § 3710a to be sufficient legal authority to show eligibility. While 10 U.S.C. § 2539b may be the appropriate statutory starting point for some entities, specific supporting regulatory guidance, together with evidence of agency approval, will still be required to fully establish eligibility. DARPA will consider FFRDC and Government entity eligibility submissions on a case-by-case basis; however, the burden to prove eligibility for all team members rests solely with the proposer.

4.1.2 Non-U.S. Organizations

Non-U.S. organizations and/or individuals may participate to the extent that such participants comply with any necessary nondisclosure agreements, security regulations, export control laws, and other governing statutes applicable under the circumstances.

4.2 Organizational Conflicts of Interest

Without prior approval or a waiver from the DARPA Director, a contractor cannot simultaneously provide scientific, engineering, technical assistance (SETA), advisory and assistance services (A&AS), or similar support and also be a technical performer. As part of the proposal submission, all members of the proposed team (including any potential subawardees or consultants) must affirm whether they (their organizations and individual team members) are providing SETA or similar support to any DARPA office(s) through an active award or subaward. All facts relevant to the existence or potential existence of Organizational Conflicts of Interest (OCI) must be disclosed.

If SETA, A&AS, or similar support is being or was provided to any DARPA office(s), the proposal must include:

- The name of the DARPA office receiving the support;
- The prime contract number;
- Identification of proposed team member (subawardee, consultant) providing the support; and
- An OCI mitigation plan.

Under this section of the proposal, the proposer is responsible for providing this disclosure with each proposal submitted in response to an AIE Opportunity. The disclosure must include the proposer's, and as applicable, proposed team member's OCI mitigation plan. The OCI mitigation plan must include a description of the actions the proposer has taken, or intends to take, to avoid, neutralize, or mitigate such conflict, prevent the existence of conflicting roles that might bias the proposer's judgment, and prevent the proposer from having unfair competitive advantage. Prior to the start of proposal evaluations, the Government will assess potential conflicts of interest based on the proposals submitted. DARPA will promptly notify the proposer if any appear to exist. The Government assessment does NOT affect, offset, or mitigate the proposer's responsibility to give full notice and planned mitigation for all potential organizational conflicts.

If, in the sole opinion of the Government after full consideration of the circumstances, a proposal fails to fully disclose potential conflicts of interest and/or any identified conflict situation cannot be effectively mitigated, the proposal will be rejected without technical evaluation and withdrawn from further consideration for award.

If a prospective proposer believes a conflict of interest exists or may exist (whether organizational or otherwise) or has questions on what constitutes a conflict of interest, the proposer should send his/her contact information and a summary of the potential conflict via e-mail to DARPA-PA-18-02@darpa.mil before time and effort are expended in preparing a proposal and mitigation plan.

5. Application and Submission Information

5.1 Proposal Preparation Instructions

Proposals shall consist of three volumes:

- **Volume 1: Technical and Management Proposal**
- **Volume 2: Price Proposal**
- **Volume 3: Administrative and National Policy Requirements Document**

To assist in proposal development, volume templates have been provided as attachments to the solicitation posted at <http://www.fbo.gov/>. Use of these templates is mandatory.

5.1.1 Volume 1: Technical and Management Proposal

Proposers are required to use the Volume I, Technical and Management Proposal Template and the Volume 1, Summary Slide Template provided as attachments to this announcement.

5.1.2 Volume 2: Price Proposal

Proposers are required to use the Volume 2, Price Proposal Template provided as an attachment to this announcement. As an addendum to the Price Volume, proposers must also provide the Price Summary Spreadsheet provided as an attachment to this announcement.

5.1.3 Volume 3: Administrative and National Policy Requirements Document

Proposers are required to use the Administrative and National Policy Requirements Document Template provided as an attachment to this announcement.

5.1.4 Model Other Transactions Agreement

In order to expedite the negotiation and award process and ensure DARPA achieves the goal of initiating a new investment in less than 90 days from AIE Opportunity inception, a model OT agreement is provided as an attachment. The model OT agreement is representative of the terms and conditions that DARPA intends to award for all AIE Opportunities. The task description document, milestone plan and schedule, and data rights assertions requested under Volumes 1, 2, and 3 will be included as attachments to the OT agreement upon negotiation and award.

Proposers must review the model OT agreement prior to submitting a proposal.

Proposers may suggest edits to the model OT for consideration by DARPA and provide a copy of the model OT with track changes as part of their proposal package. Suggested edits may not be accepted by DARPA. The Government reserves the right to remove a proposal from award consideration should the parties fail to reach agreement on OT award terms and conditions. If edits to the model OT are not provided as part of the proposal package, DARPA assumes that the proposer has reviewed and accepted the award terms and conditions to which they may have to adhere and the model OT agreement provided as an attachment, indicating agreement in principle with the listed terms and conditions applicable to the specific award instrument.

For additional information on DARPA's authority to award OT agreements for prototype projects, please see Appendix A and <http://www.darpa.mil/work-with-us/contract-management>

5.2 Proposal Submission Information

Responses to all AIE Opportunities shall be submitted through one of the following methods: (1) electronic upload (DARPA-preferred); or (2) direct mail/hand-carry. Proposers must submit all parts of their submission package using the same method.

DARPA will acknowledge receipt of *complete* submissions via email and assign identifying numbers that should be used in all further correspondence regarding those submissions. If no confirmation is received within two business days, please contact DARPA-PA-18-02@darpa.mil to verify receipt.

When planning a response to a AIE Opportunity, proposers should take into account the submission time zone and that some parts of the submission process may take from one business day to one month to complete (e.g., registering for a Data Universal Numbering System (DUNS) number or Tax Identification Number (TIN)).

5.2.1 Electronic Upload

DARPA encourages proposers to submit UNCLASSIFIED proposals via the DARPA Submission website at <https://baa.darpa.mil/>. First time users of the DARPA Submission website must complete a two-step account creation process. The first step consists of registering for an extranet account by going to the URL listed above and selecting the "Account Request" link. Upon completion of the online form, proposers will receive two separate emails; one will contain a user name and the second will provide a temporary password. Once both emails have been received, the second step requires proposers to go back to the submission website and log in using that user name and password. After accessing the

extranet, proposers may then create a user account for the DARPA Submission website by selecting the “Register your Organization” link at the top of the page. Once the user account is created, proposers will be able to see a list of solicitations open for submissions, view submission instructions, and upload/finalize their proposal.

Proposers who already have an account on the DARPA Submission website may simply log in at <https://baa.darpa.mil/>, select this solicitation from the list of open DARPA solicitations and proceed with their proposal submission. *Note: proposers who have created a DARPA Submission website account to submit to another DARPA Technical Office’s solicitations do not need to create a new account to submit to this solicitation.*

All full proposals submitted electronically through the DARPA Submission website must meet the following requirements: (1) uploaded as a zip file (.zip or .zipx extension); (2) only contain the document(s) requested herein; (3) only contain unclassified information; and (4) must not exceed 100 MB in size. Only one zip file will be accepted per full proposal. Full proposals not uploaded as zip files will be rejected by DARPA.

Technical support for the DARPA Submission website is available during regular business hours, Monday – Friday, 9:00 a.m. – 5:00 p.m. Requests for technical support must be emailed to BAAT_Support@darpa.mil with a copy to DARPA-PA-18-02@darpa.mil. Questions regarding submission contents, format, deadlines, etc. should be emailed to DARPA-PA-18-02@darpa.mil. Questions/requests for support sent to any other email address may result in delayed/no response.

Since proposers may encounter heavy traffic on the web server, DARPA discourages waiting until the day proposals are due to request an account and/or upload the submission. Note: Proposers submitting a proposal via the DARPA Submission site MUST (1) click the “Finalize” button in order for the submission to upload AND (2) do so with sufficient time for the upload to complete prior to the deadline. Failure to do so will result in a late submission.

5.2.2 Direct Mail/Hand-carry

Proposers electing to submit proposals via direct mail or hand-carried must provide one paper copy and one electronic copy on CD or DVD of the full proposal package. All parts of the proposal package must be mailed or hand-carried in a single delivery to the mailing address noted in Section 1.

5.3. Submission Deadlines

Full proposal packages (Technical and Management Volume, Price Volume, Price Summary Spreadsheets, National and Administrative Requirements, and Model OT) and, as applicable, proprietary subawardee cost proposals, classified appendices to unclassified proposals, must be submitted per the instructions outlined herein and received by DARPA no later than the due date and time listed in the AIE Opportunity to which the proposal is submitted. Proposals and proposal modifications, unless requested by the Agreements Officer, received after the due date set forth in the AIE Opportunity will be considered late and may not be evaluated. Proposers are warned that submission deadlines outlined in the AIE Opportunity to which they are applying will be strictly enforced.

5.4 Proprietary Information

Regarding proprietary markings, proposers are responsible for clearly identifying proprietary information. Submissions containing proprietary information must have the cover page and each page containing such information clearly marked with a label such as “Proprietary.” NOTE: “Confidential” is a classification marking used to control the dissemination of U.S. Government National Security Information as dictated in Executive Order 13526 and should not be used to identify proprietary business information.

5.5 Security Information

DARPA anticipates that submissions received under this PA will be unclassified. However, should a proposer wish to submit classified information, an *unclassified* email must be sent to the PA mailbox (DARPA-PA-18-02@darpa.mil) requesting submission instructions from the DARPA Program Security Officer (PSO).

Security classification guidance and direction via a Security Classification Guard (SCG) and/or DD Form 254, “DoD Contract Security Classification Specification,” will not be provided at this time, since DARPA is soliciting ideas only. If a determination is made that the award instrument may result in access to classified information, a SCG and/or DD Form 254 will be issued by DARPA and attached as part of the award.

6. Evaluation of Proposals

6.1 Evaluation Criteria for Award

Proposals will be evaluated using the following evaluation criteria, listed in descending order of importance:

1. Overall Scientific and Technical Merit

The proposed technical approach is innovative, feasible, achievable, and complete. The proposed technical team has the expertise and experience to accomplish the proposed tasks. Task descriptions and associated technical elements provided are complete and in a logical sequence with all proposed deliverables clearly defined such that a final outcome that achieves the goal can be expected as a result of award. The proposal identifies major technical risks and planned mitigation efforts are clearly defined and feasible.

2. Potential Contribution and Relevance to the DARPA Mission

The potential contributions of the proposed effort are relevant to the national technology base. Specifically, DARPA’s mission is to make pivotal early technology investments that create or prevent strategic surprise for U.S. National Security. The proposed intellectual property

restrictions (if any) will not significantly impact the Government's ability to transition the technology.

3. Price

A price analysis will be conducted to ensure that the final agreed-to price is fair and reasonable. Adequate price competition as described in this PA is anticipated to establish price reasonableness. If needed, the Government may use various price analysis techniques and procedures to ensure the proposed price is fair and reasonable. This includes a comparison of proposed prices to historical prices paid for the same or similar scope of research or a comparison of proposed prices with independent Government price estimates.

Unrealistically low or unreasonably high proposed prices, may be grounds for eliminating a proposal from competition on the basis that the Proposer does not understand the requirement and cannot be found Responsible. Prices should be sufficiently detailed to demonstrate its reasonableness. The burden of showing price reasonableness rests with the proposer. An assessment that the proposal is not reasonable or responsible may result in the offer being non-selectable for award.

6.2 Review and Selection Process

It is the policy of DARPA to ensure impartial, equitable, comprehensive proposal evaluations based on the evaluation criteria listed above and to select the source (or sources) whose offer meets the Government's technical, policy, and programmatic goals.

DARPA will conduct a scientific/technical review of each conforming proposal. All proposal evaluations will be based solely on the evaluation criteria in Section 6.1: (1) Overall Scientific and Technical Merit, (2) Potential Contribution and Relevance to the DARPA Mission, and (3) Price.

Using the evaluation criteria, the Government will evaluate each proposal in its entirety, documenting the strengths and weaknesses relative to each evaluation criterion, and, based on these identified strengths and weaknesses, make a determination of the proposal's overall selectability. Proposals will not be evaluated against each during the scientific review process, but rather evaluated on their own individual merit to determine how well the proposal meets the criteria stated in this solicitation.

An award will be made to a proposer(s) whose proposal is determined to be the most advantageous to the Government, consistent with instructions and evaluation criteria specified in the PA herein and availability of funding. Given the limited funding available for each AIE Opportunity, not all proposals considered selectable may be selected for funding.

For the purposes of this proposal evaluation process, a selectable proposal is defined as follows:

Selectable: A selectable proposal is a proposal that has been evaluated by the Government against the evaluation criteria listed in the PA, and the positive aspects of the overall proposal

outweigh its negative aspects. Additionally, there are no accumulated weaknesses that would require extensive negotiations and/or a resubmitted proposal.

For the purposes of this proposal evaluation process, a non-selectable proposal is defined as follows:

Non-Selectable: A proposal is considered non-selectable when the proposal has been evaluated by the Government against the evaluation criteria listed in the PA, and the positive aspects of the overall proposal do not outweigh its negative aspects. Additionally, there are accumulated weaknesses that would require extensive negotiations and/or a resubmitted proposal.

Regarding price analysis, a price is based on adequate price competition if two or more responsible proposers, competing independently, submit priced offers that satisfy the Government's expressed research requirement and if an award will be made to the proposer whose proposal is considered most advantageous to the Government where price is a factor in selection, and there is no finding that the price of the otherwise successful proposer is unreasonable.

Conforming: Conforming proposals comply with all requirements detailed in this PA and the AIE Opportunity to which the proposal is submitted. Proposals that fail to comply may be deemed nonconforming. **Non-conforming submissions may be rejected without further review. A proposal will be deemed non-conforming if the proposal fails to meet one or more of the following requirements:**

- The proposed concept is applicable to the technical area(s) described in the AIE Opportunity to which they are applying.
- The proposers meet the eligibility requirements of the solicitation.
- The proposal met the submission requirements of the solicitation.
- The proposal met the content and formatting requirements of the solicitation.
- The proposal provided sufficient information to assess the validity/feasibility of its claims.
- The proposed work will provide insights into possible technical elements of third wave AI technologies.
- The proposed work has not already been completed (i.e., the research element is complete but manufacturing/fabrication funds are required).
- The proposer has not already received funding or a positive funding decision for the proposed concept (whether from DARPA or another Government agency).

Non-conforming proposals may be removed from consideration. Proposers will be notified of non-conforming determinations via letter.

DARPA's intent is to review proposals as soon as possible after they arrive.

6.2.1 Handling of Source Selection Information

It is the policy of DARPA to treat all proposals as source selection information and to disclose their contents only for the purpose of evaluation. Restrictive notices notwithstanding, during the evaluation process, submissions may be handled by DARPA support contractors for administrative

purposes and/or to assist with technical evaluation. All DARPA support contractors are expressly prohibited from performing DARPA-sponsored technical research and are bound by appropriate nondisclosure agreements. Input on technical aspects of the proposals may be solicited by DARPA from non-Government consultants/experts who are strictly bound by the appropriate non-disclosure requirements. No submissions will be returned. Upon completion of the source selection process, an electronic copy of each proposal received will be retained at DARPA and all other copies will be destroyed. A certification of destruction may be requested, provided that the formal request is received at this office within five (5) business days after notification that a proposal was not selected.

7. Award Administration Information

7.1 Award Notices

The following notices will be provided as applicable:

- Request for clarification (if applicable)
 - May occur at any time during the evaluation process
 - Proposal changes are not permitted
- Request for open communications (if needed)
 - Proposers shall be advised of any deficiencies and/or major weaknesses in their proposals and given an opportunity to respond, to include offering proposal revisions
- Notice of non-selection
- Notice of selection

As soon as the evaluation of proposals is complete, the proposers will be notified that: (1) the proposal has been selected for funding, subject to OT agreement negotiations, or (2) the proposal has not been selected for funding. The above listed notifications will be sent via Electronic Mail to the Technical and Administrative point of contacts identified on the proposal coversheet.

7.2 Administrative and National Policy Requirements

7.2.1 System for Award Management (SAM) Registration and Universal Identifier Requirements

All proposers must be registered in SAM and have a valid Data Universal Numbering System (DUNS) number prior to award of an OT agreement from this solicitation. You must maintain an active registration in SAM with current information at all times during which you have an active Federal award or idea under consideration by DARPA. Information on SAM registration is available at www.sam.gov. This is a quick process and you must be registered in order to be paid under any resultant agreement. See www.darpa.mil/work-with-us/additional-baa for further information.

NOTE: new registrations can take an average of 7-10 business days to process in SAM. SAM registration requires the following information:

- DUNS number
- TIN
- Commercial and Government Entity Code (CAGE) Code. If a proposer does not already have a CAGE code, one will be assigned during SAM registration.
- Electronic Funds Transfer information (e.g., proposer's bank account number, routing number, and bank phone or fax number).

7.2.2 Controlled Unclassified Information on Non-DoD Information Systems

All proposers and awardees will be subject to the DARPA requirements related to Controlled Unclassified Information on Non-DoD Information Systems as detailed at www.darpa.mil/work-with-us/additional-baa.

7.2.3 Intellectual Property

Proposers should note that the Government generally does not ultimately own the intellectual property or technical data or computer software developed under awards made as a result of this PA. Based on the terms of a negotiated OT agreement, the Government acquires a license right to use the technical data or computer software. Regardless of the scope of the Government's rights, awardees may freely use their same data/software for their own commercial purposes (unless restricted by U.S. export control laws or security classification). Therefore, it is anticipated that technical data and computer software developed under an award will remain the property of the awardee, and the Government will receive the license rights to the technical data or computer software, as negotiated under the terms of the OT agreement.

7.2.4 Human Subjects Research/Animal Use

Proposers that anticipate involving human subjects or animals in the proposed research must comply with the approval procedures detailed at www.darpa.mil/work-with-us/additional-baa, to include providing the information specified therein as required for proposal submission.

7.2.5 Electronic Invoicing and Payments

Awardees will be required to submit invoices for payment electronically via Wide Area Work Flow (WAWF) at <https://wawf.eb.mil>, [unless an exception applies](#). Registration in WAWF is required prior to any award under this solicitation.

8. Communications

DARPA intends to use electronic mail for all correspondence regarding solicitation DARPA-PA-18-02. Proposals must NOT be sent by fax or e-mail; any proposals sent by fax or e-mail will be disregarded.

Administrative, technical, and award questions should be emailed to DARPA-PA-18-02@darpa.mil. All questions must be in English and must include the name, email address, and the telephone number of a point of contact.

DARPA will attempt to answer questions in a timely manner; however, questions submitted within 7 days of the proposal due date listed in the AIE Opportunity may not be answered. DARPA will post a Q&A list under the designated AIE Opportunity on www.darpa.mil. The list may be updated on an ongoing basis until the solicitation closing date stated in Part 1.

Appendix A: Other Transactions (OT) Authority

OTs for prototype projects are awarded under the authority of 10 U.S.C. § 2371b. This authority allows DARPA to use OTs for prototype projects directly relevant to enhancing the mission effectiveness of military personnel and the supporting platforms, systems, components, or materials proposed to be acquired or developed by the Department of Defense (DoD), to the improvement of platforms, systems, components, or materials proposed to be acquired or developed by the DoD, or to the improvement of platforms, systems, components, or materials in use by the Armed Forces.

OTs for prototype projects are instruments that are generally not subject to the Federal laws and regulations governing procurement contracts. OTs are not subject to the Federal Acquisition Regulation (FAR) and the DoD supplement (DFARS) or applicable grant and cooperative agreement regulations, and the clauses in OT awards can be negotiated between the awardee and the Government. Further, OT awardees are not subject to the FAR cost accounting standards. As a result, the use of OTs should streamline the award process, making it faster than the traditional Government contracting process and more akin to a commercial contract award timeline. Once the selections are made, the negotiation time will vary from awardee to awardee. Quick negotiations between responsive parties will enable fast awards.

With the passing of the National Defense Authorization Act (NDAA) of 2018, an update to the statutory language under section 2371b(d)(1) permits DARPA's OT authority to be used only when one of the following conditions are met:

- (A) There is at least one nontraditional defense contractor or nonprofit research institution participating to a significant extent in the prototype project.
- (B) All significant participants in the transaction other than the Federal Government are small businesses (including small businesses participating in a program described under section H. R. 2810—213 9 of the Small Business Act (15 U.S.C. 638)) or nontraditional defense contractors.
- (C) At least one third of the total cost of the prototype project is to be paid out of funds provided by sources other than the Federal Government.
- (D) The senior procurement executive for the agency determines in writing that exceptional circumstances justify the use of a transaction that provides for innovative business arrangements or structures that would not be feasible or appropriate under a contract, or would provide an opportunity to expand the defense supply base in a manner that would not be practical or feasible under a contract.

As defined by 10 U.S.C. § 2302(9), a nontraditional defense contractor, with respect to a procurement or with respect to a transaction authorized under section 2371b of this title, means an entity that is not currently performing and has not performed, for at least the one-year period preceding the solicitation of sources by the Department of Defense for the procurement or transaction, any contract or subcontract for the Department of Defense that is subject to full coverage under the cost accounting standards prescribed pursuant to section 1502 of title 41 and the regulations implementing such section. To be considered as participating to a significant extent, the proposal should substantiate that the effort being performed by the nontraditional defense contractor is critical to the technical success of the project.

If the proposer requests award of an OT as a non-traditional defense contractor, as defined by section 2302(9), as a nonprofit research institution, or as a small business, as defined under section 3 of the Small Business Act (15 U.S.C. § 632), information must be included in the price proposal to support the claim. Additionally, if the proposer requests award of an OT agreement without the required one-third (1/3) cost share, information must be included in the price proposal supporting that: there is at least one nontraditional defense contractor, nonprofit research institution or small business participating to a significant extent in the proposed prototype project or (2) all significant participants in the transaction other than the Federal Government are small businesses, nonprofit research institutions or non-traditional defense contractors. Proposers shall provide in their price proposal an explanation of why the proposer believes the non-traditional defense contractor is participating to a significant extent.

Nonprofit research institutions, which include nonprofit universities, are not required to provide one third cost share in order to be awarded an OT for prototype project agreement under Section 2371b.

If cost share is required, proposers have wide latitude in satisfying the cost share provisions. Acceptable forms of cost share include (but may not be limited to): Cash contributions (application of discretionary resources) from prime proposer and/or subcontractor(s); unreimbursed labor; materials and equipment; use of materials or equipment for program duration (lease value equivalent); and intellectual property with established market value. Non-acceptable forms of cost share include (but may not be limited to): foregone fee; foregone G&A and COM if using independent research and development (IRAD) funds as cost share; valuation of intellectual property with no established market value; facilities or other assets accounted for in overhead rates applied to labor; and capital assets without clear and direct contribution to the program.

Alternative management constructs such as use of spin-off entities, independent research and development (IR&D) resources, or direct project funding may also impact how OT provisions for non-traditional entities and/or cost share can be met. Proposers are encouraged to ask questions during the proposal period to ensure adequate understanding and acceptable implementation of the OT provisions.

If proposers meet the conditions under the statutory guidance for not providing cost share, proposers may still provide cost share at their discretion or in kind.