

## DIRECT TO PHASE II (D2P2) FAQs

**Disclaimer:** This FAQs document is intended to be a helpful resource for understanding the SBIR/STTR program. However, it is critical to understand that the information here does not override or take precedence over the official solicitation or Request for Proposal (RFP). The official solicitation/RFP is the primary document and should be followed in any instance of conflicting information.

## DIRECT TO PHASE II (D2P2) BACKGROUND

### What are Small Business Innovation Research (SBIR) Direct to Phase II (D2P2) topics?

SBIR D2P2 topics are a component of the broader SBIR program designed to streamline the innovation process for qualified small businesses. Unlike the traditional SBIR path, which typically starts with a Phase I study (feasibility and proof-of-concept), the D2P2 allows small businesses to skip Phase I and instead move to apply directly for Phase II funding. D2P2 Proposals require a Customer Memorandum signed by a DAF or Joint customer and end-user. In most cases, the D2P2 opportunities do not apply to Phase I awardees, who should instead be looking to apply for traditional, Follow-on Phase II funding after completion of their Phase I.

### Are there Small Business Technology Transfer (STTR) opportunities for D2P2?

D2P2 solicitations are only for SBIRs. However, Phase I solicitations and Follow-on Phase II solicitations typically host both SBIR and STTR solicitations.

### Where do I find the Phase II solicitation?

Active D2P2 solicitations are posted to DSIP. Follow-on Phase II Requests for Proposal are not published and are only provided to small businesses with recent Phase I awards. They will receive the RFP directly from the Contracting Officer with instructions for proposal submission after completing their Phase I period of performance.

### What is the required Customer Memorandum?

The Customer Memorandum is an official Open Topic memo (not to be confused with a Memo of Understanding, or MOU) that validates interest in your proposed solution by a DAF/Joint Customer, DAF/Joint End-User, and DAF TPOC and must be submitted with your D2P2 proposal. Proposals without a properly executed Customer Memorandum are not accepted for evaluation or award consideration. Other D2P2 topics solicited under the Air Force SBIR CSOs and/or DoD SBIR BAAs generally do not include this requirement. Additional information regarding the Customer Memorandum can be found in the Customer Memorandum FAQs One-Pager.

### How do I receive an authorization to connect software or IT systems to DoD information systems?

Authority to Operate (ATO) utilizes the Risk Management Framework (RMF) to grant ongoing approval with conditions and agreements based on continual re-assessments and cyber hardening by the company and Government program office. Obtaining an ATO requires you to Engage early with a government sponsor, Determine your ATO framework and requirements, Develop the required security documentation, Conduct security testing and validation, and Maintain compliance.

### How are proposals evaluated?

Evaluations are conducted independently, not against other submissions or past applications. Refer to the solicitations Topic Release Instructions (TRI) section, for the specific "Selection Methodology and Evaluation Criteria." Key evaluation factors generally include Technical Approach, Defense Need, and Commercialization, with their relative importance defined. The solicitation also details how cost/price is considered. Understanding these criteria and their relative importance is crucial for a strong proposal.

## D2P2 SUBMISSIONS

### When can I submit a proposal?

Proposals can be submitted during an open solicitation timeframe. For current solicitation information, go to the Defense System Innovation Portal (DSIP). All proposals must be submitted through DSIP. For the current solicitation schedule, please visit the AFWERX Open Topic webpage.

### How many proposals can I submit per solicitation?

A company may submit one proposal per solicitation. USAF and USSF alignment are separate topics in the same solicitation, and you may only apply to one topic per solicitation. If two proposals are submitted to the same solicitation, only the most recent submission will be accepted for review.

### If I am eligible this cycle to apply to a Follow-on Phase II can I also apply to the D2P2?

Yes, you may apply to both the D2P2 solicitation and Follow-on Phase II as they are distinct and separate solicitations. You may only apply to one topic per D2P2 solicitation and one topic per Phase I award for the Follow-on Phase II solicitation. If you submit to both the D2P2 and Follow-on solicitations they must be unique (cannot be identical) proposals. D2P2's require feasibility documentation that cannot be based upon or logically extend from any prior or ongoing federally funded SBIR or STTR work.

**If I had a previous Phase I SBIR can I apply to a D2P2 opportunity?**

AFWERX currently allows only one opportunity to apply for a Follow-on Phase II per successful Phase I award. If you were unable to apply to the follow-on opportunity or were not selected, you have a couple options:

1. SBIR/STTR Phase III: You may be awarded a Phase III contract based on your Phase I success. Phase III contracts are not funded with SBIR money, and thus not funded through AFWERX. You would have to secure a customer willing to fund and negotiate a Phase III with your firm. Learn more about Phase III efforts here.
2. D2P2: To qualify for a D2P2, you must detail how your firm met Phase I-type feasibility. Feasibility documentation cannot be based upon or logically extend from any prior or ongoing federally funded SBIR or STTR work.
  - a. Phase I-type feasibility evaluation: The technical team will conduct a fact specific inquiry on a case-by-case basis to evaluate whether any specific feasibility documentation is based upon or logically extended from any prior or ongoing federally funded SBIR or STTR work. AFWERX will only conduct this feasibility evaluation during the evaluation and negotiation stages following a successful application within the stated parameters of the solicitation..

**FUNDING****Do the Customer or End-User Organization have to commit funding?**

Non-SBIR Government funding, also referred to as Second Phase Funding Commitments, is not required for a D2P2 proposal or award.

**Do DAF matching funds have to be Research, Development, Test and Evaluation (RDT&E)?**

Proposals do not require matching funds, but all funding types must be used in compliance with applicable fiscal law. SBIR/STTR Phase I and II awards constitute research and development activity and as such typically only RDT&E funds are appropriate for use on SBIR/STTR awards. If selected for negotiations and award, some awards will allow for use of non-RDT&E funding, but it must be specifically identified and separately tracked in SBIR/STTR awards and applied to tasks in support of the primary research and development.

**Our company has funding commitments from outside investors. Will this increase the chances of proposal selection?**

While outside funding is not required, it is seen as an indicator of potential success with an increased likelihood of long-term success. However, investment by venture capital operating companies, private equity firms, or hedge funds is not a guarantee for selection or award. Remain focused on demonstrating DAF alignment and technical merit/feasibility.

**Can award funds be used to pay for Platform One services to achieve an Air Tasking Order (ATO)?**

No, SBIR funds are paid directly to the awarded contractor. ATO Services typically require payment from a Government source, however AFWERX is not structured to directly pay for ATO services on SBIR/STTR efforts.

**Is our company eligible for post Phase II funding to help with additional R&D prior to a Phase III?**

In an effort to help bridge the “Valley of Death” between Phase II and Phase III, the Ventures program has developed the Strategic Funding Increase (STRATFI) and Tactical Funding Increase (TACFI) Programs. Small businesses that have been awarded a Phase II contract within the last two years are eligible to apply for this annual notice of opportunity. The program provides various levels of matching funding (between \$375k-\$15M).

**USEFUL RESOURCES****Navigating the SBIR/STTR Process**

AFWERX Ventures [afwerx.com/divisions/ventures/overview](https://afwerx.com/divisions/ventures/overview)

SpaceWERX Ventures [spacewerx.us/space-ventures/overview](https://spacewerx.us/space-ventures/overview)

SBA - America's Seed Fund [sbir.gov](https://sbir.gov)

Defense SBIR/STTR Innovation Portal [dodsbirsttr.mil/submissions/login](https://dodsbirsttr.mil/submissions/login)

**Navigating DAF and Identifying Signatories**

DAF Tech Connect [airforcetechconnect.org](https://airforcetechconnect.org)

AFLCMC Small Business Support [aflcmc.af.mil/small-business-office](https://aflcmc.af.mil/small-business-office)

DoD Military Departments [defense.gov/Resources/Military-Departments/Defense](https://defense.gov/Resources/Military-Departments/Defense)

Innovation Marketplace [defenseinnovationmarketplace.dtic.mil/industry-portal](https://defenseinnovationmarketplace.dtic.mil/industry-portal)

AF Units Social Media [af.mil/AF-Sites](https://af.mil/AF-Sites)

**Registration**

System for Award Management [sam.gov](https://sam.gov)