

SBIR/STTR PHASE II TRANSITION FUNDING INCREASE AND POST-PHASE II OPTIONS

If you're in the midst of a current SBIR/STTR Phase II contract - or have recently completed your Phase II work - you may be wondering what comes next. This document provides a high-level overview of what opportunities exist to continue your research, testing, and technology development. This document is subject to change, so watch the [AFWERX website](#) for the latest information and continue working closely with your TPOC. They will both provide additional guidance when considering your next steps.

STRATFI: STRATEGIC FUNDING INCREASE



PURPOSE:

Scale technology and achieve transition.



ELIGIBILITY:

For successful Phase II projects (within 2 years); PII effort has not already been awarded a second (AKA "sequential") PII.



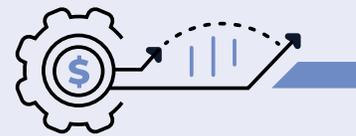
MATCHING REQUIREMENT:

One part SBIR funds for every two parts eligible non-SBIR/STTR government funding (1:2 - Government Only Matching Option), or one part SBIR funds for every one part eligible non-SBIR/STTR government funding AND two parts eligible third-party funding (1:1:2 - Government-Private Matching Option).



FUNDING INCREASE:

\$3M-\$15M for strategic, high-impact capabilities.



As the Strategic Funding Increase name implies, a *STRATFI* is funding that adds additional dollars to a Phase II effort to bridge the gap between early development and full commercialization. This program provides significant funding to scale promising technologies, however, SBCs may only execute one *STRATFI* for their entire firm's lifetime.

QUALIFICATIONS FOR STRATFI

- The SBC must still qualify as an eligible small business under the SBA's definition used for SBIR/STTR awards and work performed under STRATFI must be conducted in the United States
- The SBC must have an active SBIR/STTR Phase II contract with at least 90 days of performance completed OR have completed a Phase II within the last two years
- The SBC hasn't previously been awarded a STRATFI
- The SBC will need strong government engagement at a strategic level – such as a Program Executive Office (PEO), MAJCOM, AFMC center, or similar
- The signatory must be the ranking member of the organization (e.g. the Program Executive Officer) or deputy and must hold, at minimum, the rank of O-6/GS-15 (senior officer or equivalent).
- Uses a matching funds model – meaning your award is contingent on securing investment from government, private investors, or other eligible third parties
- Other qualifications may exist and can be viewed in the annual Notice of Opportunity (when open) at <https://afwerx.com/divisions/sbir-sttr/stratfi-tacfi/> or for Space opportunities, at <https://spacewerx.us/accelerate/stratfi-tacfi/>

SBIR/STTR PHASE II TRANSITION FUNDING INCREASE AND POST-PHASE II OPTIONS

TACFI: TACTICAL FUNDING INCREASE



PURPOSE:

Scale technology and achieve transition.



ELIGIBILITY:

For successful Phase II projects (within 2 years), PII effort has not already been awarded a second (AKA "sequential") PII.



MATCHING REQUIREMENT:

One part SBIR funds for every one part eligible third-party or non-SBIR/STTR government funding (1:1 - Government-Only or Private-Only).



FUNDING INCREASE:

\$375K-\$2M for tactical innovation and rapid transition.



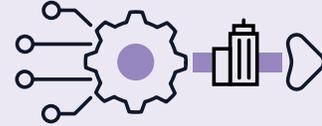
A TACFI, or Tactical Funding Increase, is funding that adds additional dollars to a Phase II effort to bridge the gap between early development and full commercialization. These programs provide significant funding to scale promising technologies. While an SBC may only execute one STRATFI for their entire firm's lifetime, this limitation does not exist for TACFIs. The biggest difference between the two is the money you bring to the table and the potential award value.

QUALIFICATIONS FOR TACFI

- The SBC must qualify as an eligible small business under the SBA's definition used for SBIR/STTR awards and work performed under TACFI must be conducted in the United States
- The SBC must have an active DAF SBIR/STTR Phase II contract with at least 90 days of execution OR at least 90 days must have passed since the last complete TACFI/STRATFI capability package submission
- The SBC must show they can meet the TACFI program's matching requirements, which means at least \$1 of matching investment (government or private) for every \$1 of SBIR/TACFI funds requested
- A DAF end-user and customer signatory must be identified for the effort on the TACFI Collaboration Agreement, and signatories must be at least the rank of O-6/GS-15 (senior officer or equivalent) for TACFI packages
- Other qualifications may exist and can be viewed in the annual Notice of Opportunity (when open) at: <https://afwerx.com/divisions/sbir-sttr/stratfi-tacfi/>

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PHASE III: COMMERCIALIZATION



PURPOSE:

Further development, production, or commercialization.



ELIGIBILITY:

For successful Phase I or Phase II projects.



MATCHING REQUIREMENT:

Sources other than the SBIR/STTR Program - No direct SBIR/STTR funding.



FUNDING INCREASE:

Investment comes from the customer, end-user, and/or other government agencies.

A Phase III is a non-competitive, follow-on contract that uses SBIR/STTR-developed technology for further development, production, or commercialization with no dollar or time limit. It is intended to help transition your technology to operational use for the DAF or into the commercial market, funded by non-SBIR/STTR sources. You must have an existing DAF customer to advance to a Phase III and the work must derive from, extend, or logically conclude the effort performed under prior SBIR funding agreements. There is no limit on the number, duration, type, or dollar value of Phase III awards and there is no limit on the time that may elapse between a Phase I or Phase II award and Phase III award, or between a Phase III award and any subsequent Phase III award.

QUALIFICATIONS FOR PHASE III

- The SBC's work must logically derive from your prior SBIR/STTR Phase I and/or Phase II work
- Must be funded with non-SBIR/STTR funds
- Technology is proven in relevant environments and/or past prototypes have demonstrated value
- The SBC must have a clear transition or production path for scaling, fielding, and integration
- The SBC must have an existing DAF customer

PLANNING FOR TRANSITION

STEP 1

Stay plugged into the AFWERX ecosystem by monitoring the [AFWERX website](#), subscribing to AFWERX social media channels, and attending sanctioned events/AMAs.

STEP 2

Confirm strong customer support and engagement.

STEP 3

Work closely with your TPOC, but understand the responsibilities for transition do not rest solely on them. Often, it is a different organization or purchasing office that will be needed to meet STRATFI/TACFI requirements.

STEP 4

Review the annual Notice of Opportunity (when open) at <https://afwerx.com/divisions/sbir-sttr/stratfi-tacfi/> or for Space opportunities, at <https://spacewerx.us/accelerate/stratfi-tacfi/>

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FREQUENTLY ASKED QUESTIONS

HOW IS A STRATFI/TACFI SUBMITTED?

A STRATFI/TACFI package is submitted via the STRATFI/TACFI Submission Application which will be made available at the opening of the Opportunity window. A Government POC is responsible for submitting the package.

CAN A PHASE III SUBMIT FOR A STRATFI/TACFI IF THEY HAVE NEVER HAD A PHASE II AWARD?

No, STRATFI/TACFI is only available for Phase IIs that are active, completed within the last 2 years, have not received a “sequential” Phase II, and at least 90 days have passed since Phase II activation.

DOES THE STRATFI/TACFI PROGRAM REQUIRE THE SAME TPOC AND CUSTOMER MEMORANDUM SIGNERS OF THE PHASE II EFFORT?

The Phase II Customer/End User/TPOC will likely be involved in a STRATFI or TACFI effort, however, this is not required. The STRATFI/TACFI Program is to be built off the Phase II effort, but a company could bring different and/or additional customers/end users to the table.

WHAT ARE THE ROLES AND RESPONSIBILITIES TO BE AWARE OF?

All supporting functional POC’s are identified in the Collaboration Agreement and include:

- **End User:** DAF organization is and/or will be the primary user/supporter of solicitation.
- **Customer:** Organization which will procure and/or sustain the effort/solution Callout: (to include PK and FM).
- **TPOC (Technical Point of Contact):** Works closely with the company during STRATFI/TACFI execution to achieve project success. Provides concurrence on DAF need.
- **FM (Financial Management):** The support financial manager who is responsible for transmitting the matching funds to the executing contracting office. Help facilitate the smooth utilization of the funds coming from AFWERX and other offices that may be contributing funds to the efforts.
- **PK (Contracting):** The supporting contracting office who is responsible for the creation of the request for proposal, award of the contract action, and administration of the action.

CAN THE END-USER AND/OR CUSTOMER BE FROM ANOTHER DOD COMPONENT/OUTSIDE THE DAF?

The Primary End User must be from the DAF; however, the Customer can be from another service in the case of Joint Organizations (i.e. SOCOM, F-35 JPO). If you use another service as the Customer, you will need to explain why that Customer is supporting the DAF End User.

CAN A PII OUTSIDE OF DAF BE SUBMITTED FOR STRATFI/TACFI?

The STRATFI/TACFI can be based on a PII from another service, however, the effort must have a DAF End-User and meet signatory requirements outlined in the Collaboration Agreement. Example: If the DAF and USN have a radar improvement PII, even if the PII was Navy-led, it can transition to a DAF STRATFI/TACFI. DAF SBIR funds cannot be used for another service’s project.

WHO IS RESPONSIBLE FOR ISSUING THE CONTRACT SHOULD AN EFFORT BE SELECTED FOR SUPPLEMENTAL FUNDING?

The Customer is responsible for providing or identifying a DAF Contracting Office that will award the contract/ agreement. See the Collaboration Agreement for further guidance.

WHAT IS THE DIFFERENCE BETWEEN A PHASE IIB AND A SEQUENTIAL CONTRACT?

A Phase IIB is a modification to the current Phase II contract. A Sequential is a new Phase II contract issued to increase the scope of the original Phase II effort.

ADDITIONAL QUESTIONS?

- Visit the AFWERX or SpaceWERX website to learn more about [STRATFI/TACFI](#) and review the [PY26 STRATFI/TACFI FAQs](#)
- Watch the [recorded presentation](#) on latest updates and requirements for the PY26.1 STRATFI/TACFI cycle
- Work with your TPOC for additional guidance and direct lingering questions to the STRATFI/TACFI Team at afrl.rgv.stratfi-tacfi@us.af.mil
- [LEARN](#) about SpaceWERX STRATFIs and TACFIs
- [LEARN MORE](#) about Phase IIIs
- For questions not outlined in the guidance documentation, email afrl.rgv.stratfi-tacfi@us.af.mil

