

AFWERX AFVENTURES

Open Topic Phase II and D2P2 Customer Memorandum

05 October 2023

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Rules of Engagement

- 1. Call is recorded
- 2. No Classified/Proprietary Information
- 3. Post Questions in Q&A portion

All information subject to change.

Solicitation instructions found on DSIP are the final, authoritative source of information & requirements.

Branch Org Inboxes

- Open Topic Phase I: p1@afwerx.af.mil
- Open Topic Phase II: p2@afwerx.af.mil
- Specific Topic: usaf.team@afsbirsttr.us
- STRATFI/TACFI: stratfi.tacfi@afwerx.af.mil



Visit our website at <u>AFWERX.com</u> and social media channels:

AFVentures

SBIR/STTR Program Quickview

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Strategy: Capital as a Capability

Open Topic, Specific Topic & STRATFI/TACFI programs fall under AFVentures management.

Open Topic:

- Technology-agnostic solicitation
- Encourages commercial industry to submit dual-use technology solutions without having a known end-user
- Used to capture the best capabilities and emerging technologies that can impact our Airmen and Guardians

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Specific Topic:

- Seeks innovative solutions for a particular problem set defined by a DAF end user or customer
- Many times, the topics and requirements are not a dual-use capability and are specific to the DoD
- These topics have clearly-defined requirements and a known DAF customer built in to the topic solicitation

STRATFI/TACFI:

- STRATFI (Strategic Funding Increase) Program
- TACFI (Tactical Funding Increase)
- Awards help scale Phase II efforts to the level needed to achieve better technology transitions
- De-risks development through syndication with multiple transition-focused partners and leveraging outside investment

AFVentures - HOW THE PROGRAM WORKS

PHASE I

Feasibility Study Open & Specific Topics

OPEN TOPIC

- Up to \$75K per award (\$110K for STTR)
- 3 month period of performance
- ~700 awards per year
- "Open door for innovation"

SPECIFIC TOPIC

- Up to \$180K per award
- 6 month period of performance
- ~300 awards per year
- Built in Air Force Customer

OPEN TOPIC Up to \$1.25M per award (\$1.8M for STTR) PHASE II

Prototype

Open, Specific & Direct to

5

Phase II (D2P2) Topics

- Up to 21 month period of performance
- ~350 awards per year
- Customer Memorandum required
- Matched funding encouraged
- D2P2 opportunity if customer is already known and Customer Memorandum is signed

SPECIFIC TOPIC

- Up to \$1.8M per initial award
- Up to 24 month period of performance
- ~200 awards per year
- Built in Air Force Customer
- D2P2 opportunities

STRATFI/TACFI

Strategic Funding Increase (STRATFI) and Tactical Funding Increase (TACFI) Program

PHASE III

Transition

- Notice of Opportunity
- TACFI \$375K \$1.9M SBIR/STTR funds
- STRATFI \$3M \$15M SBIR/STTR funds
- Defense only or dual use matching options
- Private Investor Opportunities



- Continuation, derivation, or extension of SBIR/STTR Phase I, II or STRATFI/TACFI work
- Contract with partnering **US Government customer**
- Utilizes non-SBIR funds

SBIR/STTR

Phase II/D2P2 Review



OPEN TOPIC

- Up to \$1.25M per award (\$1.8M for STTR)
- Up to 21 month period of performance
- ~350 awards per year
- Customer Memorandum required
- Matched funding encouraged
- D2P2 opportunity if customer is already known and Customer Memorandum is signed

SPECIFIC TOPIC

- Up to \$1.8M per award
- Up to 24 month period of performance
- ~250 awards per year
- Built in Air Force Customer
- D2P2 opportunities

Phase II/D2P2: Purpose

- The principal Research or Research and Development (R/R&D) effort
 - Open/Specific Phase II Topic: Aims to continue effort from the completed Phase I effort
 - Open/Specific Direct to Phase II (D2P2) Topic: Aims to continue R&D from prior non-SBIR/STTR research
- Expected to produce a well-defined deliverable prototype

PHASE II Prototype Open, Specific & Direct to Phase II (D2P2) Topics

OPEN TOPIC

- Up to \$1.25M per award (\$1.8M for STTR)
- Up to 21 month period of performance
- ~350 awards per year
- Customer Memorandum required
- Matched funding encouraged
- D2P2 opportunity if customer is already known and Customer Memorandum is signed

SPECIFIC TOPIC

- Up to \$1.8M per award
- Up to 24 month period of performance
- ~250 awards per year
- Built in Air Force Customer
- D2P2 opportunities

Phase II/D2P2: Proposal Standard

Proposal should provide sufficient information to persuade the DAF the proposed effort represents an innovative solution worthy of support under the stated evaluation criteria.

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Open Topic Phase II & D2P2 Proposal Structure

Vol 1: Proposal Cover Sheet (Basic Information - SAM, UEID, CAGE, Abstract, etc) Vol 2: Technical

- MANDATORY White Paper
- 15 page maximum, excluding Table of Contents and Glossary (pages in excess NOT reviewed)

Vol 3: Cost

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- System formatted inputs
- Vol 4: Company Commercialization Report (CCR)
 - Entered via DSIP, but not considered as part of evaluation
- Vol 5: Supporting Documentation*
 - MANDATORY Customer Memorandum (CM) on <u>Required Template</u>**
 - Various Required Attachments
 - Other Attachments, as Required
 - SBIR/STTR Funding Agreement Certification (Encouraged at proposal submission, required prior to award)
 - Optional Attachments
 - <u>STTR ONLY</u>: Intellectual Property Agreement with Research Institution

Vol 6: Fraud, Waste, and Abuse (FWA) Training (via DSIP)

*Reference actual solicitation(s) for full list of required & recommended documentation **Available via <u>afwerx.com</u> and as attachment to each solicitation in DSIP

The Why

Purpose

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Document interest from DAF/Joint organization(s) to work w/AFWERX and an Open Topic SBIR/STTR Phase II awardee on a proposed Phase II effort

 CUSTOMER MEMORANDUM

 Tor 23.5-CSO1, 23.D-TCSO1, and 24.4 D2P2

 COMPARISON

 DEPARTMENT OF THE AIR FORCE

OPEN TOPIC CUSTOMER MEMORANDUM See page 14 for Form Instructions

References:

- a. 15 U.S.C. §638
- Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program Policy Directive (Oct 2020)
- **c.** 5 C.F.R. §2635.702(c), Exception (1)

*Images are for educational purpose only. Always reference solicitation(s) for current memorandum language and requirements.

X DOES NOT:

Qualify as a support agreement or Memorandum of Understanding (MOU) as defined by DoDI 4000.19

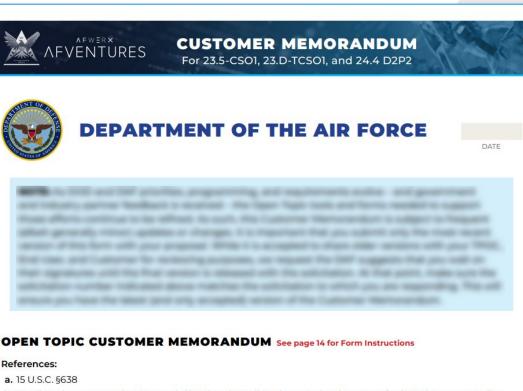
- Involve binding resource sharing
- Require additional review by other legal teams/HQ
- Require lengthy approval



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Simply validation of DAF and/or Joint interest in a proposed solution



- Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program Policy Directive (Oct 2020)
- c. 5 C.F.R. §2635.702(c), Exception (1)

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Open Topic Phase II: Common Disqualifier

- All elements **MUST** be present & complete
- Fill in <u>all</u> fields (if question not applicable to solution, use "N/A")
- Ensure required number of signatures

Proposals w/o completed & signed memoranda accomplished IAW the current template will be determined <u>non-responsive to the solicitation</u> and <u>will not be considered for award</u>.

"Attachments" Table of Solicitations Notes*:

Note 1: Applicants must use the latest version of the template in order to fulfill this requirement. Previous versions ... will not be considered for award.

Note 2: Document must contain the term "Customer Memorandum" somewhere in the filename.

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*Example notes provided for educational purpose only. Reference actual solicitation(s) for current and full notes.

Template Updates

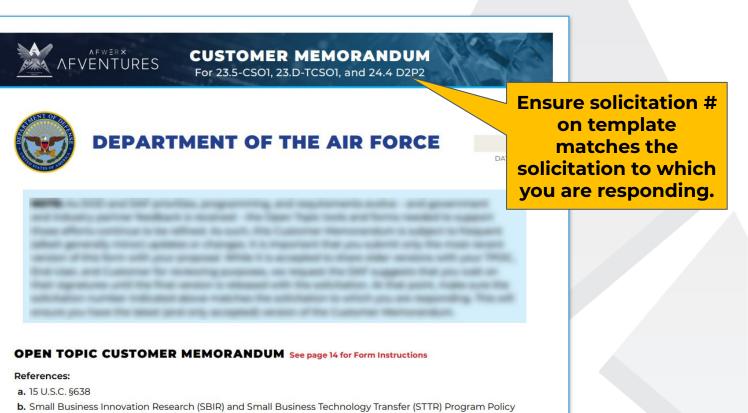
Subject to frequent (generally minor) updates or changes.

It is important that you submit only the most recent version with your proposal.

The most recent version will be made available on afwerx.com and also attached to each Phase II solicitation in DSIP.

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Directive (Oct 2020)

c. 5 C.F.R. §2635.702(c), Exception (1)

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Open Topic Phase II: Criteria A*

The potential for Government or private sector commercialization and benefits expected to accrue from commercialization.

The SBC's record of commercializing SBIR or other research, as indicated by pre-sales, pilots, sales, revenue, active users, subscriptions, downloads, and/or other forms of traction/adoption.

The existence of Phase II follow-on commitments for the subject research, and funding commitments related to the subject effort, whether from Government sources, as documented in the Air Force Customer Memorandum, or private sources, as documented through a letter of commitment, are evidence of commercialization potential.

A sound transition strategy in the Air Force Customer Memorandum is also evidence of commercialization potential.

AFWERX AFVENTURES *Reference actual solicitation(s) for current criteria language.

Open Topic Phase II: Criteria B*

The appropriateness, relevance, and specificity of an identified Defense Need.

A complete and compelling Customer Memorandum using the mandatory template, signed by an appropriate end-user and customer, indicates the appropriateness, relevance, and specificity of an identified Defense Need.

While not required, signed letters of support from other Government personnel may be indicators of the appropriateness, relevance, and specificity of an identified Defense Need.

Adequacy of the proposed effort and its relationship to fulfilling the identified Defense Need.

The What

Sections

- 1. CM Purpose Statement
- 2. Defense Mission Need
- 3. Project Timeline
- 4. Phase II Funding Commitment
- 5. Additional Agreement
- 6. Phase III Interest
- 7. Milestones

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CUSTOMER MEMORANDUM For 23.5-CSO1, 23.D-TCSO1, and 24.4 D2P2



OPEN TOPIC CUSTOMER MEMORANDUM See page 14 for Form Instructions

References:

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- Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program Policy Directive (Oct 2020)
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Sections, Cont'd

- 8. Stakeholders
 - a. Primary Customer Organization
 - b. Primary End-User Organization
 - c. TPOC/Other Stakeholders
- 9. Phase III Transition Strategy
- 10. Security Requirements
- 11. Cybersecurity
- 12. Flight Testing/Utilization of UAS
- 13. Human Subject Research
- 14. Signatories



CUSTOMER MEMORANDUM For 23.5-CSO1, 23.D-TCSO1, and 24.4 D2P2



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OPEN TOPIC CUSTOMER MEMORANDUM See page 14 for Form Instructions

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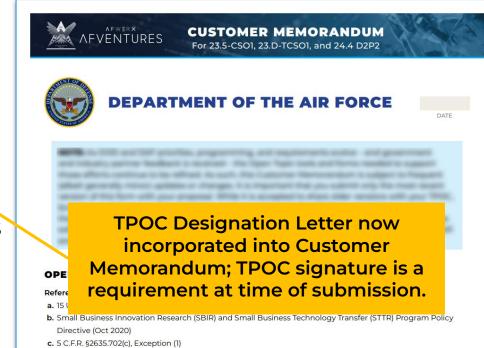
Attachments

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1.1 Schedule of Milestones (REQUIRED)
1.2 Non-Proprietary Work Plan (REQUIRED)
1.3 TPOC Designation Letter (REQUIRED)
1.4 SBIR/STTR Definitions & Suitability Resources

1.4 only: Do not include w/signed memo

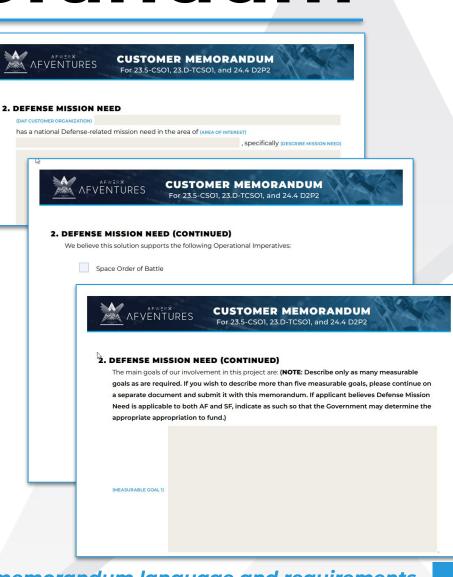


The How: A Deeper Dig

2. Defense Mission Need

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- Details and describes the customer's national Defense-related mission need
- Identifies solution alignment with Operational Imperatives
- Describes how technology developed under the effort could contribute to future mission-need fulfillment and describes the mission impact on the DAF (Air or Space Forces) and DoD
- Identifies and describes main, measurable goals of your involvement in the project



4. Phase II Funding Commitment

- Documents non-SBIR/STTR Government
 - Matching Funds

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- aka Supplemental Funding Requirements
- Non-AFWERX Gov't Org adds funding to Phase II contract prior to award
- Funding documents (Form 9s/MIPRs) must be provided to AFRL/RGF w/in 45 calendar days after corresponding solicitation closing date
- Once selection letters sent, CERTIFIED funding documents are due five business days later.



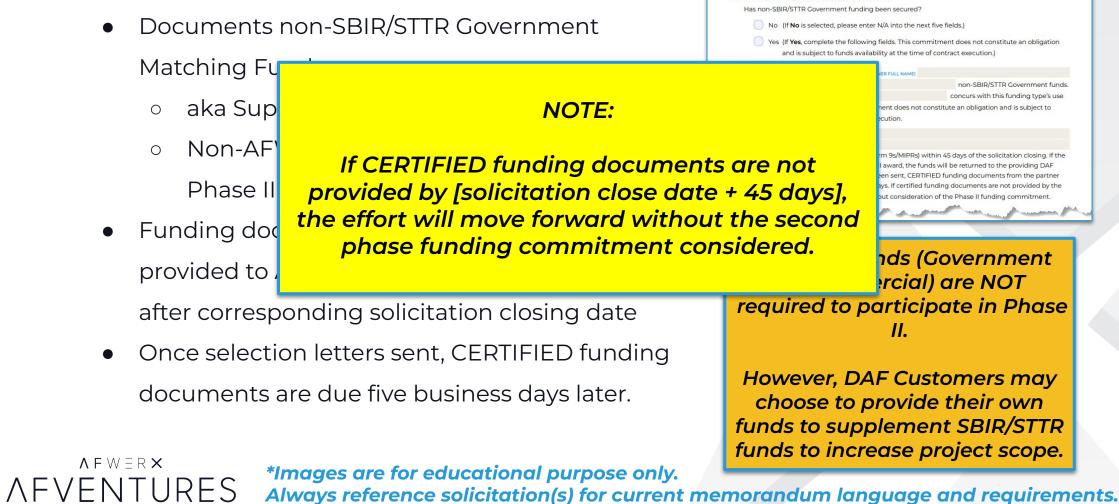
Matching funds (Government or Commercial) are NOT required to participate in Phase II.

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However, DAF Customers may choose to provide their own funds to supplement SBIR/STTR funds to increase project scope.

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4. Phase II Funding Commitment



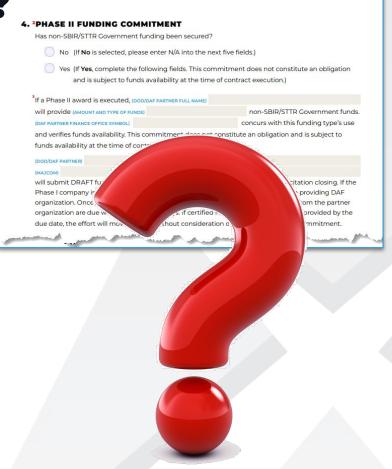
²PHASE II FUNDING COMMITMENT

Matching Funds - Do They Help?

- Proposals with matching funds (Gov't or Commercial) are not automatically scored better during evaluation and selection
- However, matching funds can help indicate higher Commercialization Potential and Defense Need
- See solicitation and CM instructions for more information

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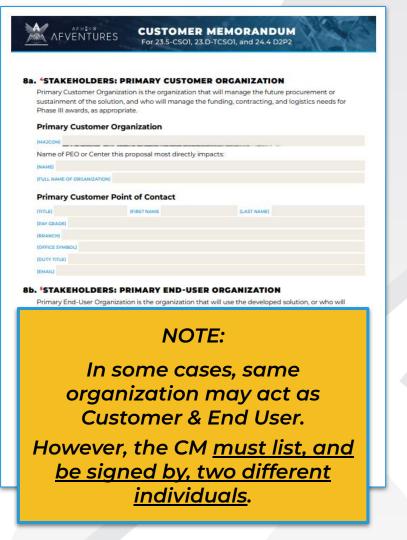


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8. Stakeholders

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- Primary Customer Organization
 - Will manage future procurement/sustainment of solution
 - Will manage funding, contracting, & logistics needs for Phase III awards, as appropriate
- Primary End-User Organization
 - Will use or benefit from developed solution Ο
 - Provides input, requirements, & feedback Ο throughout development process
 - Ensure solution aligns w/operational needs 0



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8. Stakeholders, Cont'd

- Technical Points of Contact (TPOCs)
 - Designated primary Gov't Representative
 - Liaison between SBC, Customer, End-User,
 & AFVentures Open Topic PM Team
 - Must be notified of duties prior to Memo signature
 - Must be DAF

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Maintain Format of Name; Rank/Grade;
 Organization; Email; Phone

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Customer Memorandum will not be accepted. The Primary TPOC may also be your End-User or Customer. ILEI IFIGST NAME (LAST NAME) SANCH		and the second second second		
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JANCH)	the customer Memorandum Wi			
	(TITLE)		(LAST NAME)	
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ILL NAME OF ORGANIZATION) (OFFICE SYMBOL)			(LAST NAME)	

Responsible for day-to-day management of project

- Monitors project performance
- Provides input on/acceptance of contract deliverables
- Resolves tactical barriers
 - approvals and waivers
 - base access
 - software accreditation, etc.

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8. Stakeholders, Cont'd

- Staff Functions Providing Concurrence
 - Optional but <u>encouraged!</u>
 - Requirements based on program needs
 - Security Office if base access, CAC's or classified access required
 - Information Assurance (IA) if solution is software/IT
 - Finance if Gov't Funds are to be added
- Remaining Stakeholder Fields

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- Not required, but will aid future transition
- Use "N/A" for fields that do not apply

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	SECURITY OFFICE NAME
10	INFORMATION ASSURANCE/CYBERSECURITY NAME)
P	FINANCE NAME)

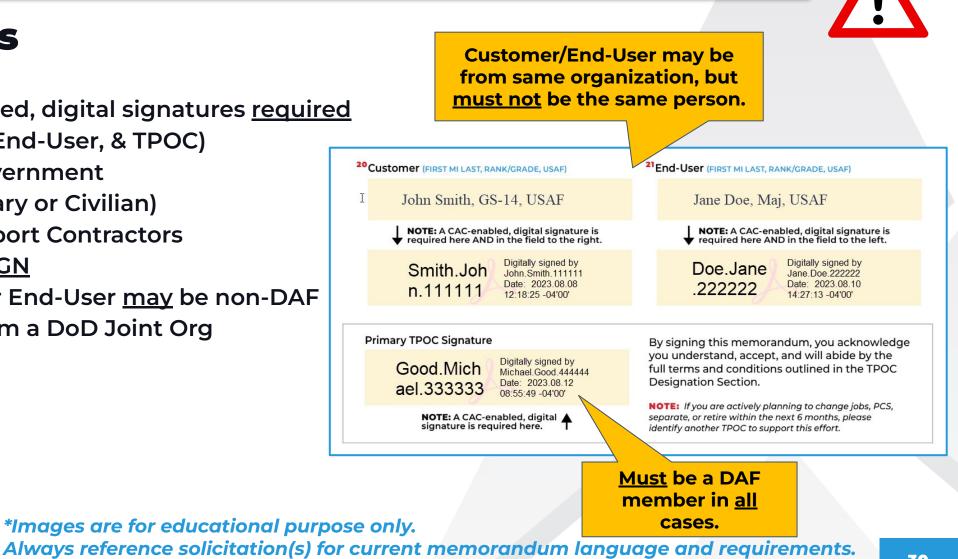
Note:

Identifying and engaging stakeholders early, and as the program progresses, will significantly increase likelihood of transition at the end of a successful Phase II!

Signatures

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- 3 CAC-enabled, digital signatures required (Customer, End-User, & TPOC)
- Must be Government (either Military or Civilian)
- FFRDC/Support Contractors MAY NOT SIGN
- Customer or End-User <u>may</u> be non-DAF member from a DoD Joint Org



What are the Customer & End-User Agreeing To?

In the context of an Open Topic Phase II program, typically a few things, including:

- Providing Phase II awardee w/access to necessary support & information
- Participating in tech demonstrations (test & evaluations) to provide feedback
- Investigating transition of the tech solution into operational use
- Providing ongoing support & feedback to the Phase II awardee as the tech solution is refined & improved over time

20 C	ustomer (first mi last, rank/grade, usaf)	²¹ End-User (FIRST MI LAST, RANK/GRADE, USAF)
I	John Smith, GS-14, USAF	Jane Doe, Maj, USAF
	♦ NOTE: A CAC-enabled, digital signature is required here AND in the field to the right.	♦ NOTE: A CAC-enabled, digital signature is required here AND in the field to the left.
	Smith.Joh Digitally signed by n.111111 Date: 2023.08.08 12:18:25 - 04'00' Digitally signed by	Doe.JaneDigitally signed by Jane.Doe.222222Date:2023.08.10 14:27:13 -04'00'

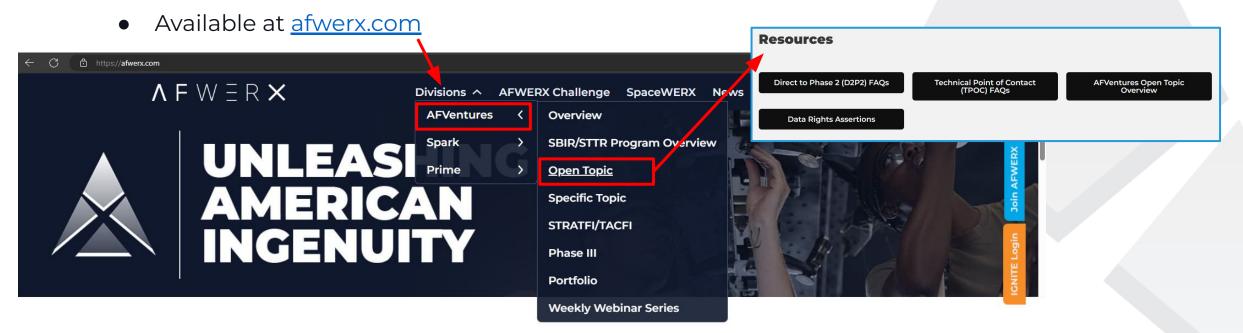
Exact commitments/expectations will vary depending on program & circumstances.

In general, the CM serves as understanding that the customer, end-user, & SBIR Phase II awardee will work together towards the successful development of the tech solution.

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Where do I find the most current version?

• Attached to Solicitation in DSIP (<u>https://www.dodsbirsttr.mil/</u>)



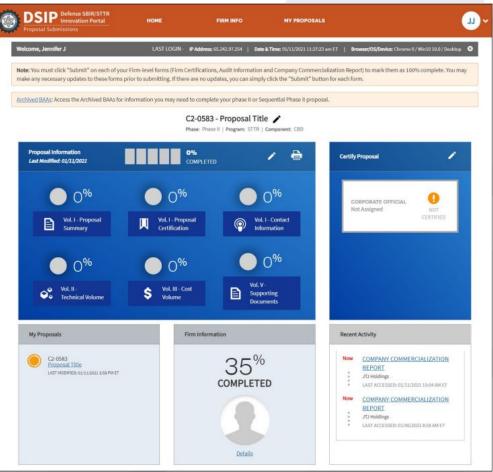
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How do I submit the Customer Memorandum?

Via the Defense SBIR/STTR Innovation Portal (DSIP), as part of your overall Proposal Package

https://www.dodsbirsttr.mil

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Wrap-Up

Takeaways & Reminders

Takeaways

- Ensure you have the correct template version
- Read instructions carefully
- Remember the "Why"
- Check for completeness
- Enter "N/A" if a field is not applicable
- Check your stakeholder signatures!

AFVENTURES CUSTOMER MEMORANDUM For 23.5-CSO1, 23.D-TCSO1, and 24.4 D2P2
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What's Next?

- Open Topic 24.4 D2P2
 - Opens at Noon ET on Tuesday, 24 October
 - Proposals due at Noon ET on Wednesday, 22 November
 - Do not wait until end of submission period to submit proposal materials
 - All proposals must be submitted via DSIP (<u>https://www.dodsbirsttr.mil/</u>)
- Be familiar with Evaluation Criteria (Solicitation Section 6)
 - Commercialization Potential
 - Defense Need
 - Technical Merit

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- Questions must be answered via DSIP Q&A or AMA webinars
 - Solicitation instructions provide the best source of information
 - Upcoming D2P2 AMAs
 - October 12
 - November 2
 - November 16

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Solicitation Resources

Contracting Officer: Mr. Daniel Brewer

Program Manager: Ms. Rachel Braun

For questions, utilize DSIP Q&A section https://www.dodsbirsttr.mil/submissions/baa-schedule/active-baa-announcements

Additional resources, including the most up-to-date CM Template, can be found at <u>AFWERX.com</u>.



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Questions?

Please type your questions in the Q&A section.



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Specific Topic: usaf.team@afsbirsttr.us Open Topic Phase I: pl@afwerx.af.mil Open Topic Phase II: p2@afwerx.af.mil STRATFI/TACFI: stratfi.tacfi@afwerx.af.mil

Let us know how we are doing. Please complete the survey as you leave today's meeting.