



AFWERX
AFVENTURES

Open Topic Program (SBIR/STTR) Deep Dive and Q&A

Presented By:

Maj Adam Sheridan, Open Topic Branch Chief

AFVentures/AFWERX

Open Topic

Dual-use problem solving

Webinar Focus

- Open Topic Mission
- Deciphering our annual cycle
- Breaking down our budget
- Behind the scenes after proposal submission
- Demystifying the evaluations & selection process
- Recent solicitation results

Disclaimer: All processes are subject to change. Numbers are aggregated or approximated when needed to avoid sharing sensitive information.

What is an Open Topic?

Technology & mission area agnostic, Air & Space Force wide!

Bottom-up innovation. Industry proposes any dual-use tech to **solve known and unknown problem sets**

Open Topics are solicited through **Commercial Solutions Opening (CSO)** with focus on DAF need & transition potential

Awarded & managed by AFWERX, leveraging TPOCs and “SAGE” fellows to provide link to DAF customer & end user

DAF **launched “open” topics in 2018**; now mandated for all!



Breaking it down: Open Topic Phase I

Objective: Conduct feasibility-related experimental or theoretical research related to agency's requirements to determine the scientific and technical merit and feasibility of the proposed effort and the quality of performance of the offeror. In other words, **find the fit between the commercial product and DAF needs.**

P1 Stats

- Feasibility Study
- 3 months PoP
- \$75k max
- ~700 awards per year
- 2 solicitations per year (SBIR & STTR with each)

What happens next:

- Final report kept with AFVentures team
- Prior to follow-on Phase II submission, company must confirm DAF Customer & End user commitment via Customer Memorandum
- Eligible for Phase III or other transition

Breaking it down: Open Topic Phase II

Objective: Working with DAF Customer & End User, continue the research/R&D effort to develop, test, and/or evaluate the proposed technology applied to a unique DAF mission set. In other words, **validate the fit between the commercial product & the DAF need.**

Direct to Phase II (D2P2): a company may skip P1 and apply for a D2P2 if feasibility-like efforts have already been completed outside previous SBIR/STTR contracts

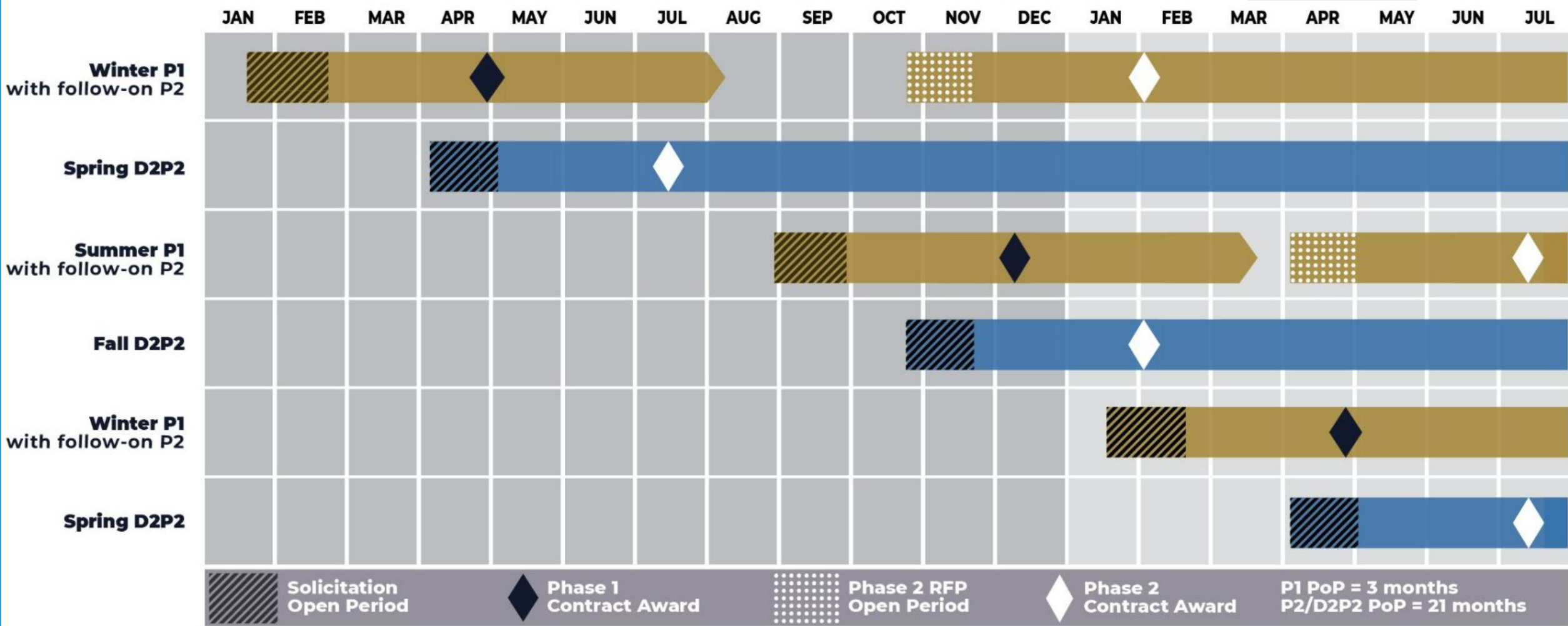
What happens next:

- Final report kept with AFVentures team & TPOC, deliverables with TPOC
- Focus on transition & commercialization; eligible for STRATFI/TACFI or Phase III
- Phase IIIs occur outside AFWERX with non-SBIR funding; enables streamlined acquisitions; considered the final stage and a successful transition of a SBIR/STTR

P2 Stats

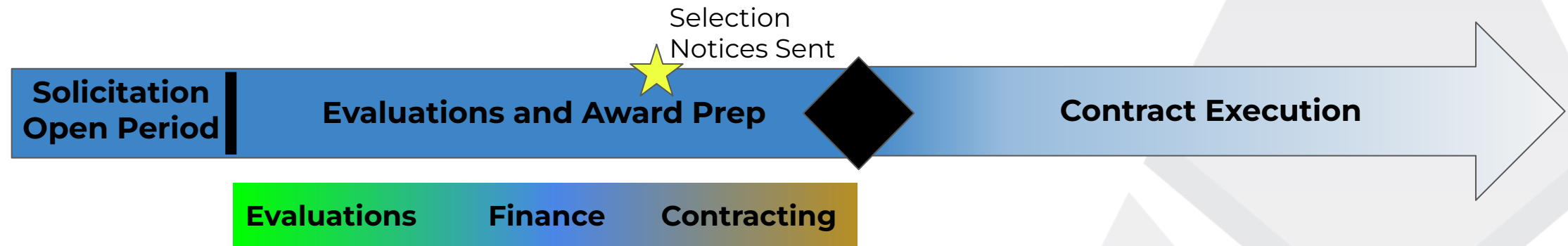
- Prototyping
- 21 months PoP
- \$1.25M max
- ~350 awards per year
- 2 solicitations per year (2x follow-on P2, 2x D2P2)

Open Topic Annual Cycle



Timeline between Submission & Award

Solicitation Close to Contract Award : AFWERX Goal = 80 days (OSD Requirement = 180 days)



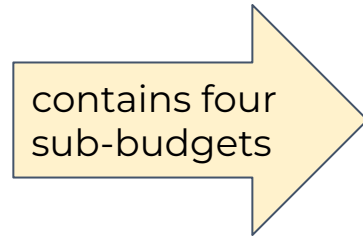
Tasks include:

- Proposals review
- Technical evaluations
- Financial review & funding allocation
- Selection notifications
- TPOC designations (Phase II)
- Contract award prep

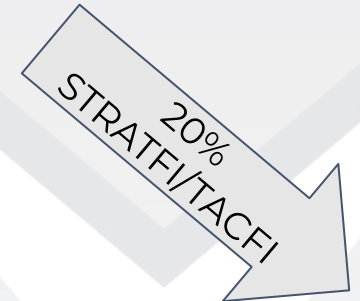
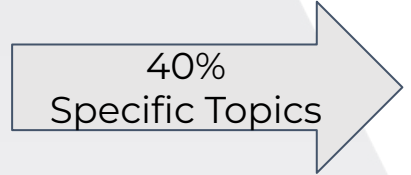
Breaking down the Budget

Disclaimer: These numbers are rounded and approximated. Budget amounts and allocations change each fiscal year as well as throughout the fiscal year

**Fiscal Year 2023
SBIR/STTR Budget
\$1.2B**



	Air Force (~68%)	Space Force (~32%)
SBIR (~87%)	\$690M	\$325M
STTR (~13%)	\$100M	\$50M



OT Air Force SBIR = **\$275M** **\$130M** = OT Space Force SBIR

OT Air Force STTR = **\$50M** **\$25M** = OT Space Force STTR

Meaning...\$480M total for Open Topic from FY23

Number of Awards...Based on the Budget!

3 simple program goals

- **Target 20% conversion from Phase I to Phase II (30% for STTR)**
 - NOTE: actual selection rate is much higher; many P1 companies don't submit a P2 proposal
- **2:1 ratio of D2P2 awards vs traditional SBIR Phase IIs**
- **Allocate evenly across the annual cycle (two Phase I solicitations & two D2P2 solicitations)**

Given the current budget and proposal funding limits (\$75K P1, \$1.25M P2/D2P2)...

Expected Awards:

335 Phase I (Winter)

75 Phase II (Fall follow-on)

105 D2P2 (Fall)

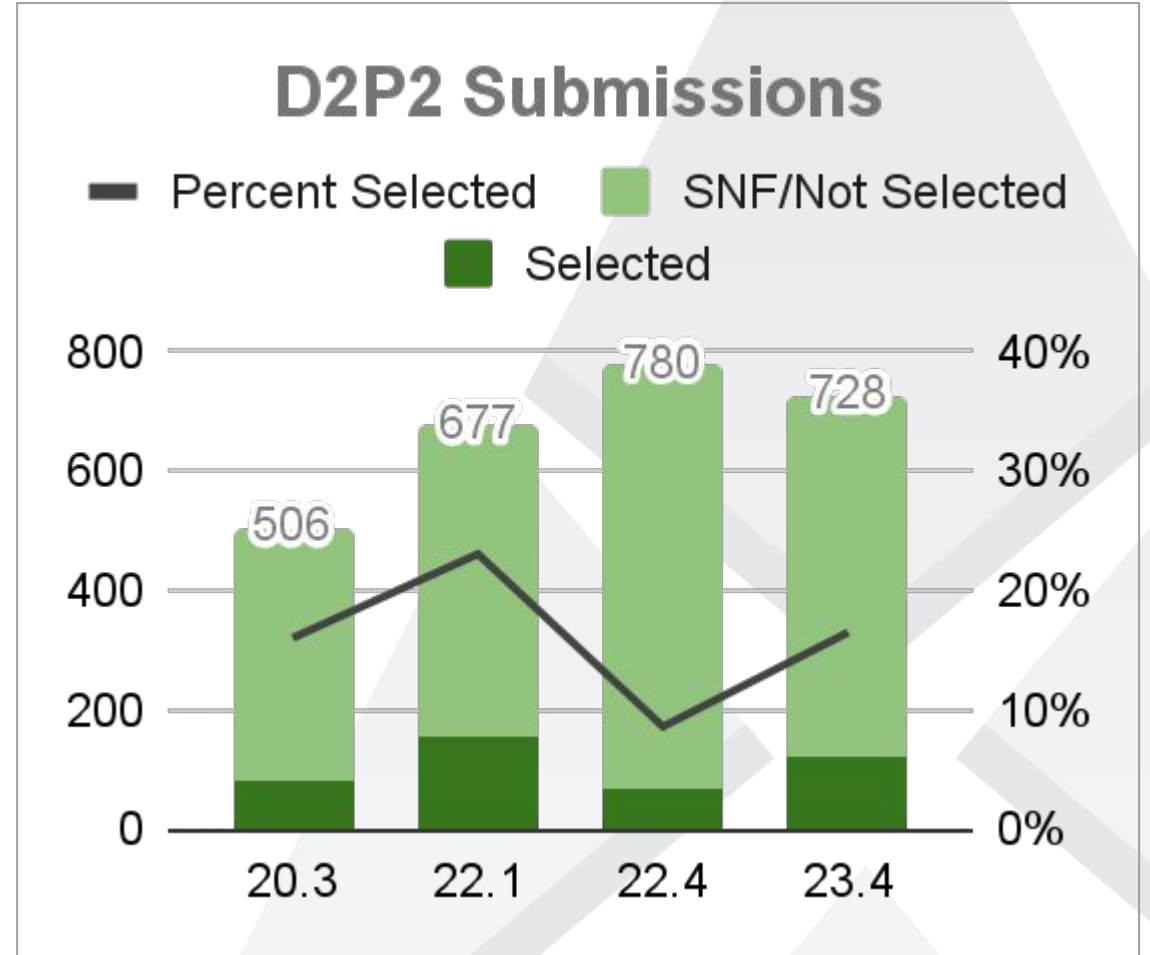
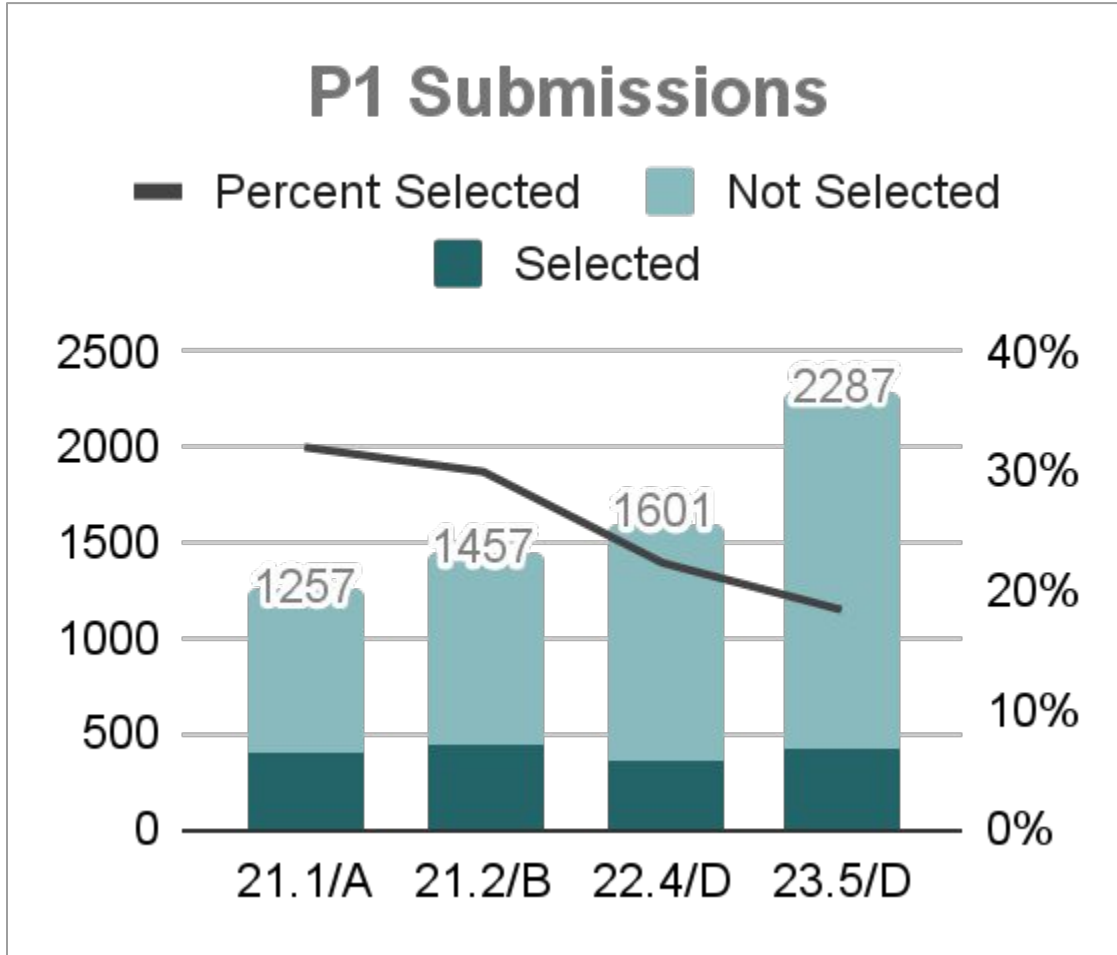
335 Phase I (Summer)

75 Phase II (Spring follow-on)

105 D2P2 (Spring)

Disclaimer: Subject to change. This is a close approximation; actual award numbers are also dependent on amount of prior year funds, cross-program needs, and balancing the four sub-budgets.

Recent Solicitation Results



Evaluation Criteria

The Criteria is listed in the Solicitation instructions, which we are required to follow exactly.

Here's what 23.6 looks like:

1. The potential for Government or private sector **Commercialization** and benefits expected to accrue from commercialization.
 - a. 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.
 - b. 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.
 - c. A sound transition strategy in the Air Force Customer Memorandum is also evidence of commercialization potential.
2. 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.
3. The technical approach, soundness, **Technical Merit**, and innovation of the proposed technical approach, as well as its differentiation from current customer alternatives. Includes the proposed Principal Investigators'/Project Managers', supporting staff, and consultants' qualifications to execute the proposed approach.

All evaluation criteria other than cost or price, when combined, are significantly more important than cost or price. Where technical evaluations are essentially equal in merit, cost and/or price will be considered in determining the successful offeror(s).

Submission Pitfalls

Most Common Reasons for Proposal Disqualifications:

- 1** Invalid or missing Customer Memo (Phase IIs and D2P2s only) - be sure to use the required template and get TWO valid signatures!
- 2** Exceeding Cost or Duration Limits
 - a. Phase I - \$75K and 3 months max
 - b. Phase II and D2P2 - \$1.25M and 21 months max
- 3** SAM.gov Registration - Firms must have an active registration; Also, be sure “All Awards” is selected
- 4** STTR without a Research Institute - All STTRs require a RI performing at least 30% of work
- 5** Missing Volume 2 (Technical) - Don't forget to attach all required documents! (mostly Phase Is)

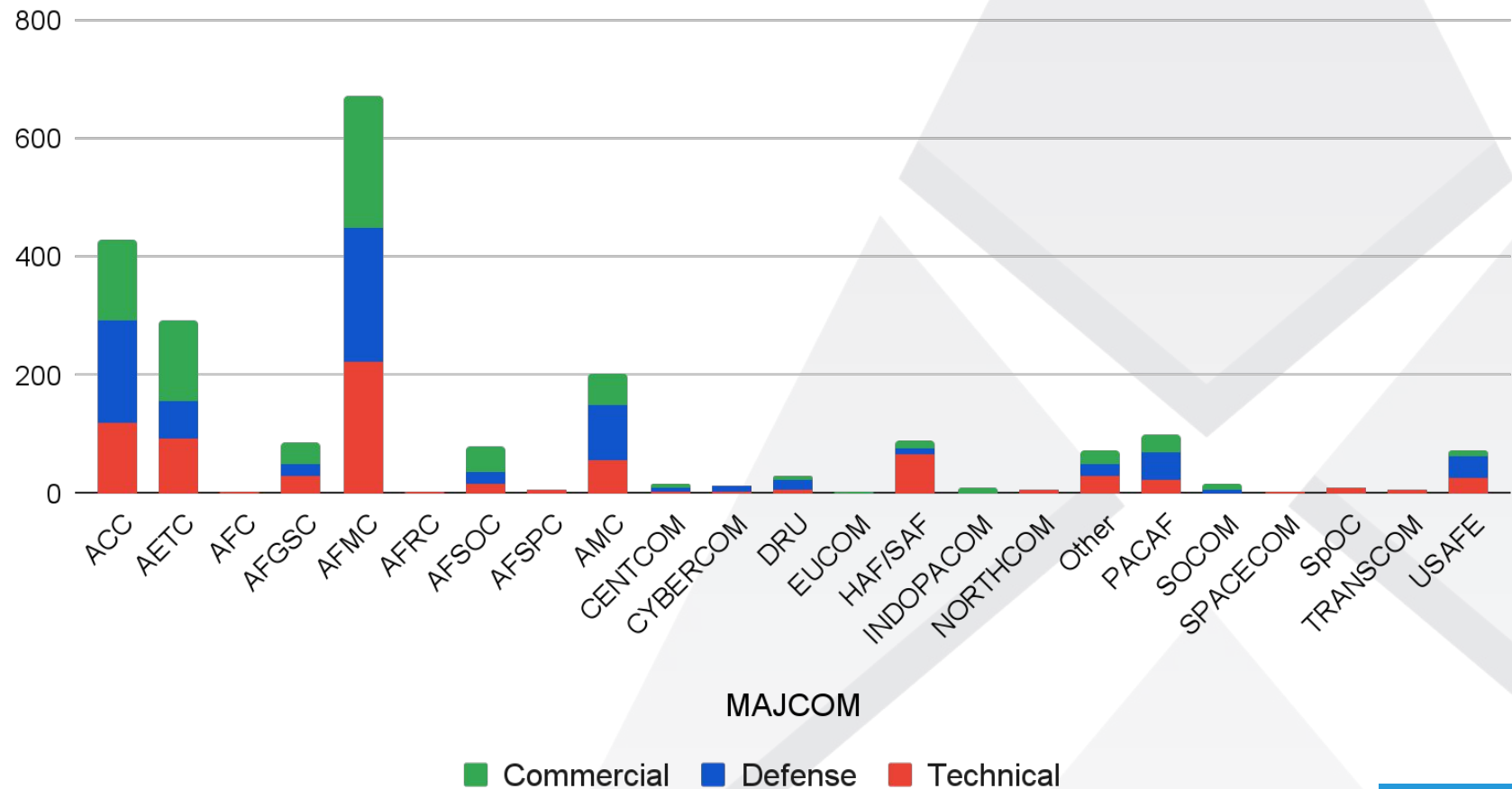
Evaluators... where they come from

23.4 Evaluations Completed by MAJCOM Augmentees

Evaluator Categories

- A. Scientists & Engineers
- B. Acquisition Professionals
- C. Ops & End Users

We leverage hundreds of experts from each category!



Selectable, Not Funded (SNF)

What does it mean?

- Your D2P2 proposal was evaluated favorably, but did not meet the AFWERX funding cut line
- It's a non-award decision... with an incredible opportunity for some
- Your Gov customer can rapidly award the proposal themselves!
 - Gov customer must use their own contracting shop and funding (RDT&E, non-SBIR)
 - Often saves 6-12 months from the standard acquisition cycle
 - Streamlined due to already being determined as competitively selectable

I have an interested Gov customer! What's next?

- To start the process, have your Gov customer request a proposal transfer at AF.SBIR.STTR.Workflow@us.af.mil
- More info can be found on our website

What if I can't leverage this opportunity?

- You are in the majority! There are many other routes forward, including:
 - Incorporate feedback and apply to future solicitations (Open Topic and others across the Gov!)
 - Seek other Government customers
 - Seek non-DoD commercialization

Open Topic Program - Looking Ahead

- Continuing to build a predictable, repeatable and accountable program
- Improve program transparency and ease-of-use to reduce knowledge barriers for startups and companies not already familiar with Government contracts
- Implementing required updates, such as:
 - DoD policy of 1 proposal per company per topic - implemented as of 23.6
 - FOCI Due Diligence, per SBIR reauthorization act of 2022
 - Streamlining solicitation format & documents
- Increased focus on STTR with higher award limits
- Roadshows across DAF to increase understanding and participation in Open Topic
- Improved customer discovery
 - Consistent Colliders calendar aligned with P1 cohorts
 - Matchmaking program implementation, may replace Focus Areas



AFWERX
AFVENTURES

Questions?

Please type your questions in the Q&A section.

<https://afwerx.com/open-topic/>