A close up of a sign

Description automatically generatedDEPARTMENT OF THE AIR FORCE

<<Air Force Organization>>

<<DATE>>

#### MEMORANDUM FOR AFVENTURES TEAM

References: (a) 15 U.S.C. §638

(b) U.S. Small Business Administration SBIR/STTR Policy Directive (May 2019)

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

FROM: <<AF Organization>>

SUBJECT: AFVENTURES SBIR Solicitation No. X21.1 – AF Organization Defense Need and Participation Interest in the Air Force Small Business Innovation Research (SBIR) Program Project under Topic No. AF21.1-DCSO1 with <<SBIR Company>>.

RED TEXT IS JUST INFORMATIONAL (REMOVE ALL RED TEXT BEFORE SIGNING)

NOTE – The use of this template is MANDATORY. All elements of this template MUST BE present and complete. Companies without signed, completed Customer Memoranda in their proposals, based on this template, will not be considered for award. ALWAYS check the “Subject” line of the Memorandum to ensure you have the template for the appropriate SBIR Solicitation Number (e.g., 19.3, 20.R, 20.3 etc.). Customer Memoranda based on templates for other Solicitation numbers will not be accepted.

NEGATIVE FEEDBACK – if you would like to provide negative feedback on a company or their solution (for instance, if a representative of the company was rude or aggressive OR if you are aware of reasons that the Air Force should not adopt their proposed solution), you can send an email to [sbir.feedback@afwerx.af.mil](mailto:sbir.feedback@afwerx.af.mil) - Please reference the company name and SBIR topic number in your email.

SUITABILITY – In order to prevent DoD members from investing their time on ineligible efforts, we’ve added some general definitions and R/R&D suitability language in Attachment 5. This language is NOT exhaustive and is only meant for reference.

To learn more about SBIR Open Topics, we encourage you to attend our weekly DoD only call by registering here: <https://www.eventbrite.com/e/webinar-for-dod-how-you-can-partner-with-industry-using-sbir-open-topics-tickets-90384728155>. There are additional resources (to include videos, sample applications, and more) at <https://www.afwerx.af.mil/sbir-for-airmen.html>.

1. **Purpose:** This Memorandum is executed in furtherance of references (a) and (b) and the applicable Air Force SBIR solicitation, which constitute authority to promote products, services, and enterprises within the meaning of reference (c). The purpose of this Memorandum is to document interest from

an Air Force Organization in working with AFVentures and a SBIR company on a project considered for Air Force SBIR Phase II award.

1. **Defense Mission Need:** <<AF Organization>> has a national defense-related mission need in the area of <<Area of Interest>>. Specifically, <<describe the mission need and impact>>. We believe technology development under the subject SBIR topic may eventually contribute to solving a mission need. The main goals of our involvement in this project are <<measurable goals>>. The mission impact of this project on the Air Force and the Department of Defense will be <<impact statements>>.
2. **Project Timeline:** If the SBIR Phase II proposal is selected and awarded, we expect this project to be executed from <<start month>> to <<end month>>.
3. **Phase II Funding Commitment from** <**<AF Organization>>:** DELETE RED TEXT FROM TEMPLATE BEFORE SIGNING: In general, AF Customer’s Federal funding commitments are not required for Phase II SBIR awards. However, AF Customer may wish to provide its own funds to supplement or match SBIR program funds in order to increase project success and likelihood of selection according to Reference (b), (Appendix I)(e.)§4(b)(1)(v)(B).

Regulatory Basis: Pursuant to Reference (b), AF Customer may expend its non-SBIR funds as matches or supplements to the Phase II award, with or without additional SBIR funds. Such supplements or matches are known as “Phase IIB enhancements.” Reference (b) also authorizes supplemental or matching funds from certain non-Federal sources, including along with non-SBIR Federal funds, for Phase IIB enhancements. DFARS Subpart 204.71, *Uniform Contract Line Item Numbering System*, contains procedures for applying multiple lines of accounting to a single contract, including modifications.

In order to be considered/included, matching funds must arrive at AFRL/SBRF no later than 30 days after

**Close of the Solicitation** (funds may be transferred early).

#### To initiate the fund-transfer process, simply email [AFRL.SBIR.STTR@us.af.mil](http://AFRL.SBIR.STTR@us.af.mil/) – you will get a canned response that contains the fund-transfer request template and additional guidance.

NOTE – For the purposes of evaluating matching or supplemental funds, we will also consider Phase III SBIR awards that derive from, extend, or complete the effort under an SBIR or an STTR Phase I award from the Air Force or from another Federal agency on the same topic, consistent with References (a) and (b). Such Phase III awards must be executed no later than 60 days after **Close of the Solicitation**. This approach enables AF Customers to retain control over the matching or supplemental funds, rather than transferring them to AFRL. Also Note (applies to Direct-to-Phase II only) - if the company has not received a SBIR or STTR Phase I award, then they are ineligible to receive a Phase III SBIR award; however, other contract vehicles are also suitable to be considered for the purposes of matching (e.g.

OTA, IDIQ, etc.), as long as the award in question relates to the proposed Direct-to-Phase II effort.

**If non-SBIR government funding commitments ARE planned, use this language:** If a Phase II award is made, <<AF Organization>> commits to providing <<amount of matching funds>> non-SBIR Federal funds. <<AF Customer Finance Management Office symbol>> concurs with this use of <<AF Customer’s>> funds.

**If funds will be applied directly to Phase II (via funds transfer to AFRL/PK), use this language: Phase II Funding Commitment:** <<AF Organization>> will transfer the funds to AFRL/SBRF no later than 30 days after **Close of the Solicitation** (funds may be transferred early) and recognizes that, if the funds do not arrive at AFRL/SBRF within 30 days of Close of the Solicitation, then the Phase II may not be awarded. If the SBIR company is not selected for Phase II award, the funds will be returned to the providing AF Organization.

**If funds will come in the form of your own Phase III (or other contract), use this language: Phase III (or other Government) Matching:** <<AF Organization>> will award a Phase III SBIR (or other) contract no later than 60 days after **Close of the Solicitation**, and recognizes that, if the Phase III (or other) award is not made within 60 days of Close of the Solicitation, then the Phase II may not be awarded. However, such Phase III award does not guarantee selection and award of this Phase II.

#### **Additional agreement:** If the SBIR Phase II effort is awarded and if it becomes necessary for project success, <<AF Organization>> would consult with Air Force legal, contracting, and SBIR personnel on further steps to formalize cooperation between their organization and the SBIR company in the manner that protects the Government’s interests.

Such steps may include, for example:

* 1. requesting AFRL/SBRK to modify the SBIR Phase II award in order to include information or contract clauses on government-furnished equipment (GFE), use of government facilities for testing or demonstration, contributions of government data or personnel, or use of government-provided licenses;
  2. negotiating a cooperative research and development agreement (CRADA) with the SBIR Company (i.e., an agreement between to collaborate on research and development wherein the Government does not provide funding), or
  3. negotiating a Phase III contract or any other appropriate agreement with the SBIR Company to clearly define project roles, rights, liabilities, and responsibilities, and government involvement or contributions towards applying SBIR technology to the identified defense mission need.

1. **Phase III Interest:** Further, if the Phase II project is successful and the mission need remain unmet,

<<AF Organization>> will consider transitioning the resulting innovations to Phase III contracts, subcontracts, or other instruments made through <<contracting office>> with support by <<small business office>>. The transition effort will give due regard to the Phase III transition preference for SBIR-funded technologies set forth in references (a) and (b). Phase IIIs are subject to applicable acquisition planning, funding availability, security assessments, small business, and legal and other reviews.

**Milestones:** We confirm the proposed milestones in *Attachment 1: Schedule of Milestones* will provide value to us as end-users or customers of the proposed solution.

1. **Stakeholders:** We understand the successful transition of innovative solutions requires multiple engaged and empowered stakeholders. We have assigned responsibilities to, and received concurrence from, the following stakeholders relative to this Phase II project:

**Primary End-User Organization\*:** <<AF End-User Organization>>

#### \* The organization that stands to operationally benefit from the solution

**Primary Customer Organization\*\*:** <<AF Customer Organization>>

#### \*\* The organization that is responsible for acquiring the solution on behalf of the End-User

**Phase II Technical Points of Contact (TPOCs)\*\*\***

**Primary TPOC:** <<Name, Rank, Title, Email>>

**Alternate TPOC:** <<Name, Rank, Title, Email>>

#### \*\*\* TPOCs will work closely with the company during Phase II to achieve project success. This includes, but is not limited to: receiving and accepting/rejecting deliverables; providing feedback to the company on the solution; overcoming tactical barriers to Phase II execution (e.g. ATO, Base Access, Waivers/Certifications, etc.); and driving the effort towards Phase III transition. Note that the TPOC does not have to come from the End-User or Customer organization – they often do, but there are other suitable arrangements as well (for instance, we often have a Subject Matter Expert from Air Force Research Labs who acts as the TPOC on behalf of the Memorandum signatories). TPOCs must be government personnel (i.e. cannot be contractors, to include SETA contractors). The Primary TPOC **must be** an Air Force member.

**Strategic Stakeholders (concurrence not required, just for data collection purposes):**

What [MAJCOM or HQ Function](https://www.dropbox.com/s/nqn6b9wqvhq3u6v/End-Users%20%28MAJCOMs%29%20Cheat%20Sheet.pdf?dl=0) does this proposal most directly impact (required)?: What [PEO or Center](https://www.dropbox.com/s/e00ljab5qdjdb9d/AF%20Acquisitions%20%28PEOs%29%20Cheat%20Sheet.pdf?dl=0) does this proposal most directly impact (required)?:

**Staff Functions (as applicable) Providing Concurrence:**

Finance (required if P2 Government Funding Commitments are proposed):

Contracting:

Strategy, Integration, and Requirements (A5):

Small Business Office:

Commander:

Legal:

Information Assurance/Cybersecurity (required if an RMF is required; see Section 11): Engineering/SPO/Test:

Public Affairs:

Security Office (required if CAC/base access is required; see Section 10):

<<Insert additional stakeholders here as necessary>>

1. **Phase III Transition Strategy**: DELETE RED TEXT FROM TEMPLATE BEFORE SIGNING:

#### The SBIR Program is centered around one core goal – increasing the likelihood of “transition” of small business innovations to Phase III (getting to the operator/warfighter for operational use… AKA NOT gathering dust on a shelf). Describe your strategy for transition – answer the question, “if Phase II is

proving successful, what will we do next?” and address, at a MINIMUM, the **Phase III funding strategy**, the **role of Requirements (if applicable)**, **contract vehicle,** and **Integration plan**.

#### The AF Customer’s Small Business Office or Small Business Professional (SBP) should be able to advise AF Customer on potential contracting, subcontracting, or other opportunities that may be suitable for the SBIR company.

Additional ideas and resources can be found in Attachment 4. NOTE - **Do not** only use boilerplate language from Attachment 4 in this section; rather, tailor the Transition Strategy narrative to your specific organization and this particular solution.

1. **Installation Access:** The SBIR Company <<will/will not>> require access to military installations to perform the proposed work under Phase II. If they will require CAC/Base Access, include the following: <<Security Office>> confirms that, if Phase II is awarded with the requisite terms and conditions, they will support this requirement (to include processing any paperwork as required). NOTE

– AFVentures does not process the DD254 or similar forms.

1. **Cyber Security:** DELETE RED TEXT FROM TEMPLATE BEFORE SIGNING: Every Information Technology (IT) needs a Risk Management Framework (RMF) assessment and possibly an Authority To Operate (ATO) within the Air Force. The first step to achieve the vital RMF assessment is for the Air Force TPOC to consult with the applicable wing-level cybersecurity office and submit a request for RMF of the associated IT. The RMF assessment ascertains the data security requirement of the IT and assigns an Impact Level (IL) of cloud security for the IT (e.g. IL-2 through IL-5). The second key is to establish DevSecOps in a secure Cloud environment, which meets the business’s

needs. Fundamental cybersecurity control requirements for businesses are outlined in NIST SP 800-171 Rev 1 and DFAR PGI 239.76-CLOUD COMPUTING and serve as the backbone to Air Force cybersecurity and data security. Cybersecurity Maturity Model Certification is another measure of cybersecurity and preparation for this future requirement is fulfilled by the steps above. NOTE – AFVentures does not grant the ATO. The proposed solution <<is/is not>> considered an Information Technology. If it IS considered an Information Technology, include the following: <<Information Assurance/Cybersecurity Office>> will work with <<SBIR Company>> to obtain an RMF and follow- on requirements.

1. **Flight Testing or Utilization of Unmanned Aerial Systems (UAS):** The SBIR Company

<<will/will not>> require flight testing or utilization of UAS to accomplish the proposed work under Phase II. NOTE – AFRL/DO has a blanket waiver to “procure Commercial-Off-The-Shelf Unmanned Aerial Systems for the purposes of conducting cyber analysis, signature, system check out, or profile data in a benign or controlled RF environment”, but any contractor proposing a UAS purchase will very likely need to work with the Government TPOC to pursue a “use waiver” as well. The award can be executed before the “use waiver” is complete but it is important to get an early start on the process as completion timing could impact the Phase II milestone schedule.

1. **Supplemental Technical Assessment:** Some Air Force End-Users/Customers have requested a way to communicate their assessment of the technical merit of the solution to the evaluation team. If you would like to have a Subject Matter Expert at your organization provide this technical assessment, please include it as Attachment 3 in this Memorandum. NOTE – the individual that provides the Supplemental Technical Assessment will be prohibited from participating in the formal evaluation of the proposal directly. We <<have/have not>> included a supplement assessment of the technical merit of the solution as an attachment to this Memorandum.
2. **Conclusion and Signatures.** We are very committed to this project’s success, and hope that the above information is helpful in making a selection. Please feel free to reach out with questions. NOTE – a certain rank or position is not required to sign, but senior endorsement does reflect positively on the perceived importance of the effort to the organization and we do care that the signatories are in a position to speak for their organization for this effort (e.g. whether the individual has understanding of and influence over the operational need, formal requirements or funding for the effort). Additionally, Customer Memoranda with only one signature will NOT be accepted – in the rare cases that the End- User and Customer are actually the same organization/individual, please sign twice below. Joint organizations may be the End-User or Customer signatory, but they must describe the direct Air Force benefit below.
3. **Defense End-User Suitability.** Short description of how/why the Air Force/Joint End-User signatory below is appropriate for this effort.
4. **Defense Customer Suitability.** Short description of how/why the Air Force/Joint Customer signatory below is appropriate for this effort.

(handwritten or digital signature) (handwritten or digital signature)

**AF End-User**

FIRST M. LAST, Rank, USAF

Job Title Squadron or Unit

**AF Customer**

FIRST M. LAST, Rank, USAF

Job Title Squadron or Unit

Attachment 1: Schedule of Milestones

Attachment 2: Non-Proprietary Work Plan

Attachment 3: Supplemental Technical Merit Assessment (optional)

Attachment 4: Phase III Transition Resources – do not include in the signed Memo

Attachment 5: SBIR Definitions and Suitability Resources – do not include in the signed Memo

Attachment 1: Schedule of Milestones

**ATTACHMENT 1:**

**SCHEDULE OF MILESTONES**

**Note: Contribution of SBIR Program Funds Not to Exceed $750 Thousand**

(*NOTE: THIS PARAGRAPH ADDRESSES REQUIRED MILESTONE SCHEDULE INFORMATION. The following chart*

*will detail the list of milestones. Each milestone will mark the completion of a measurable event (i.e., completing a baseline execution plan, completing development of a part of the prototype, completing a test plan, completing production of the prototype, completing and submitting the final report, etc.). Status reports cannot be milestones. The milestone description will show how the milestone will be demonstrably completed. Payments associated with each milestone must reflect the actual comprehensive costs to achieve completion.) Please fill in your proposed milestones.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TASK**  **(Maximum 15 Milestones)** | **EXPECTED DELIVERY (MONTH AFTER CONTRACT AWARD)**  **(Maximum 15 Months)** | **DELIVERABLE** | **ACCEPTANCE CRITERIA** | **PAYMENT AMOUNT**  **(Maximum SBIR Program contribution**  **$750K; No maximum on non-SBIR federal Phase II funding committments; do NOT include Phase III or private funds). Identify if non-SBIR funds will be used.** |
| NOTE – All milestones in this table are examples only.  **(EXAMPLE) 01** – Deliver 5 working prototypes of the Flux Capacitor | Award + 2 months | Produce, test, and deliver 5 working prototypes of the final design for the Flux Capacitor along with the detailed design package drawings. | The AF end-user will physically accept the adapted widgets | $100,000 (AF Customer 3600) |
| **(EXAMPLE) 02 -** Deliver 3 adapted commercial widgets | Award + 4 months | Three adapted widgets will be delivered to the AF end- user, meeting the specifications XYZ. | The AF end-user will physically accept the adapted widgets | $250,000 |

#### Attachment 2: Non-Proprietary Work Plan

**ATTACHMENT 2:**

**NON-PROPRIETARY WORK PLAN**

(*NOTE: The intent of having this section in the MOU is to allow the Air Force Stakeholders to see the Work Plan before they sign their names against the effort. This is to avoid the scenario where an Air Force Stakeholder signs a Customer Memorandum based on the content of the deliverable schedule in ATTACHMENT 1, only to have the details surrounding that work changed in the Work Plan. This also allows us to easily incorporate the Work Plan into the subsequent award of the Phase II, rather than referencing the proposal which limits distribution.)*

Attachment 3: Supplemental Technical Merit Assessment (Optional)

**ATTACHMENT 3:**

**Supplemental Technical Merit Assessment (Optional)**

(*NOTE: The intent of having this section in the Customer Memorandum is to allow the Air Force Stakeholders to provide a supplemental assessment of the technical merit of the solution. This attachment must include a signature of the Subject Matter Expert providing the assessment, as well as the contact information for that individual so that we may seek clarifications and confirmation as needed.)*

Attachment 4: Phase III Transition Resources

# ATTACHMENT 4:

**Phase III Transition Resources**

## (Do not include in the signed Memo)

(*NOTE: This section is for informational purposes only)*

#### Examples of actions that AF Customer can take in transition strategies include, but are not limited to, the following:

* AF Customer would consider transitioning the SBIR technology by pursuing one or more specific transition strategies, such as an acquisition program transition plan, found in *Equipping Warfighter with Small Business Ingenuity: The Air Force SBIR/STTR Phase III Desk Reference* (v. 2.0, JAN 2019). Transition plans may be focused on risk reduction, insertion of new technologies, increased competition, replacement of obsolete equipment, etc. The *Desk Reference* contains several examples of approaches to transition strategies. The *Desk Reference* is found on the website of the Air Force Office of Small Business Programs (SAF/SB): [https://www.airforcesmallbiz.af.mil/Portals/58/Phase%20III%20Desk%20Reference%20V%202%200% 20PhaseIII\_BookletV2-JAN2019-88ABW-2016-0636-low-res.pdf.](https://www.airforcesmallbiz.af.mil/Portals/58/Phase%20III%20Desk%20Reference%20V%202%200%20PhaseIII_BookletV2-JAN2019-88ABW-2016-0636-low-res.pdf)
* AF Customer would consider transitioning the SBIR technology by awarding (or by using an assisted acquisition agreement to award) the SBIR company a Phase III contract via the Phase III special acquisition preference (sole source) and/or via the sole source authority of Section 8(a), HUBZone, WOSB, or SDVOSB programs. This Phase III contract may be for further development, testing, and evaluation, or for production and delivery.
* AF Customer would consider transitioning the SBIR technology by granting the SBIR company a Phase III special acquisition preference (short of sole source) in specific upcoming competitive acquisitions.
* AF Customer would consider transitioning the SBIR technology via assistance and incentives available under the Air Force Commercialization Readiness Program (CRP).
* AF Customer would consider transitioning the SBIR technology into AF Customer’s acquisition program(s) via competitive or noncompetitive subcontracts using tools such as the Phase III special acquisition preference, SBIR technology transition goals, and SBIR transition incentives under small business subcontracting plans of prime contractor(s) supporting AF Customer, as provided in Reference

1. and DoDI 5000.02, *Operation of the Defense Acquisition System* (07 January 2015, Incorporating Change 4, 31 August 2018, Enclosure 1, Table 2).

* AF Customer would consider transitioning the SBIR technology by awarding the SBIR company a slot on, or setting aside work under, AF Customer’s Phase III multiple-award contract authorized by FY2018 NDAA, Public Law 115-91, Section 1710*, Pilot Program for Streamlined Technology Transition from the SBIR and STTR Programs of the Department of Defense.*

#### AF Customer would consider transitioning the SBIR technology by awarding the SBIR company (or a team including the SBIR company) a Phase III non-procurement instrument with or without a follow-on

procurement (e.g., grant, cooperative agreement, or other transaction agreement with or without a follow-on production contract).

* AF Customer would consider transitioning the SBIR technology by supporting funding and/or other assistance for the SBIR company under the Rapid Innovation Fund (RIF), the Defense Production Act (DPA), and/or the Mentor-Protégé Program (MPP) of the Air Force or of any other Federal agency.

Attachment 5: SBIR Definitions and Suitability Resources

**ATTACHMENT 5:**

**SBIR Definitions and Suitability Resources**

***(For information purposes only; do not include in the final memorandum.)***

**Identifying Research, Development, Testing, and Evaluation (RDT&E) in SBIR/STTR Proposals**

The definitions and criteria below govern SBIR/STTR as Research, Development, Test, and Evaluation (RDT&E) programs. These definitions and criteria implement 15 USC 638, the Combined SBIR/STTR Policy Directive (2019), and DoD Financial Management Regulation (FMR), Vol. 2A, Chapter 1, Section 0102, *Funding Policies* (June 2004, as amended). Subject to programmatic phase conditions, SBIR/STTR awards are made for research, development, test and evaluation (RTD&E) efforts.

Phase I and Phase II Conditions: Consistent with 15 USC 638 and Combined SBIR/STTR Policy Directive (2019, both Phase I and Phase II awards are aimed at furthering “scientific and technical merit and feasibility” of ideas in the proposals. The object of Phase I is to conduct feasibility-related experimental or theoretical research/research and development related to agency’s described broad or narrow requirements, as to determine the scientific and technical merit and feasibility of the proposed effort and the quality of performance of the offeror. The object of Phase II is to continue the research/research and development effort from the completed Phase I (or from prior non-SBIR/STTR research in case of Direct-to-Phase II award). Phase II also includes a Special Phase II Testing and Evaluation authority.

Scientific and Technical Feasibility Determination IAW 15 USC 638(cc): Direct to Phase II awards are conditioned upon the awarding agency’s determination that the offeror’s idea has sufficient scientific and technical feasibility and merit despite the lack of Phase I award.

Research or Research and Development (R/R&D): Any activity that is: (1) A systematic study directed toward greater knowledge or understanding of the subject studied; (2) a systematic study directed specifically toward applying knowledge and innovation to meet a recognized but unmet need; or (3) a systematic application of knowledge and innovation toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements. The term "research and development (R&D)" is intended broadly to include the work performed under a funding agreement with the government. It includes R&D in all fields, including the physical sciences, engineering, etc. **Research** is systematic study directed toward ***fuller scientific knowledge or understanding*** of the subject studied. **Development** is systematic use of ***the knowledge and understanding gained from research***, for the production of useful materials, devices, systems, or methods, including the design and development of prototypes and processes.

Treatment of Commercial Off-the-Shelf (COTS) and Non-Developmental Items (NDIs):

*COTS/NDIs*: Items purchased directly from a commercial source that can be utilized **without alteration through design and development, or without modification,** are classified as **COTS or ND**I. This includes, for example, ready-to-use products, training services, and software licenses for ready-to-use software to satisfy service needs, including Software as a Service (SaaS). **Purchases of COTS and**

**NDIs for use, including the first article and associated first article acceptance testing and related minor adjustments** are not suitable for SBIR/STTR funding. The acquisition of commercial items or NDIs for testing and operational evaluation **that do not require RDT&E engineering, design or integration effort** will not be funded by SBIR/STTR funds. **However, if an end item requires design and development in order to accept the COTS or NDI**, funding for design and development effort could be funded by SBIR/STTR funds. If a COTS or NDI is required for RDT&E test purposes, the cost could be funded by SBIR/STTR funds.

*Modified COTS/Modified NDIs*: Commercially available items **that must be modified** to satisfy user requirements are classified as **"modified COTS"** or **"modified NDI"** articles. **In this instance, the first article, modification of the first article**, and **first article testing** could be funded by SBIR/STTR funds. Follow-on purchases will not be funded by SBIR/STTR funds. The number of **“modified” first articles** bought with SBIR/STTR funds will not exceed the quantity needed to conduct the RDT&E acceptance tests. **Modification** is technology refreshment that **significantly changes** the performance envelope of the end item. If the commercially available item **is modified and requires testing prior to approval** for service use or inventory it may be funded by SBIR/STTR funds, as all developmental items. In contrast to modification, **continuous technology refreshment** is the intentional, incremental insertion of newer technology to improve reliability, improve maintainability, reduce cost, and/or add minor performance enhancement, typically in conjunction with depot or field level maintenance. The insertion of such technology into end items as part of maintenance is not funded by SBIR/STTR funds.

#### INSTRUCTIONS TO OFFERORS: The offeror shall describe its proposed RDT&E effort, i.e., is it research? If so, explain. It is development? Based on the research, what constitutes the development activity?

Developing COTs or commercial product: If adapting a commercial product/process, what is the intended modification to the COTs or commercial product? Explain.

The offeror’s proposal must also identify scientific and technical baseline based on relevant literature, and describe the RDT&E effort’s advancing this baseline. As part of the Direct to Phase II proposal, the offeror shall provide information sufficiently enable thing agency to make a scientific and technical feasibility and merit determination IAW15 USC 638(cc). The Team discussion shall address qualifications for conducting RDT&E, as well as commercialization.

Tie to Defense Acquisition Program**:** In furtherance of 15 USC 638(y), the offeror must identify any Defense Acquisition Program to which the proposal is tied, if known. This information will be used to identify any resulting Phase I or Phase II award in the Federal Procurement Data System (FPDS). If this information is not known, the proposal shall so state.