

COURSE 2, TUTORIAL 1

**DEPARTMENT OF DEFENSE
(DOD) AIR FORCE**



2 020 was a pivotal year for the Air Force SBIR/STTR program when the office moved to [AFWERX](#) and was adopted under its [AFVentures](#) arm. So what is AFWERX and how have things changed for the Air Force SBIR/STTR programs? AFWERX was established in 2017 by the Secretary of the Air Force to facilitate collaboration among the Air Force, industry and academia. Removing barriers and speeding up the process of innovation have been fundamental to AFWERX mission. As a result, today's Air Force SBIR/STTR programs are unique.

Approximate Schedule





**MANY SMALL BETS
(PHASE I)**

- “Open door for innovation”
- Up to \$50,000 per award
- 1,000-1,500 awards per year
- Three solicitations per year



**SOME MEDIUM BETS
(PHASE II)**

- Up to \$750K per initial award
- Matched funding encouraged
Up to \$1.5M
- 300-500 awards per year
- Live and virtual customer
matchmaking



**A FEW BIG BETS
(TACFI/STRATFI)**

- Annual solicitation
- TACFI: \$375-\$1.7M
- STRATFI: \$3M-\$15M
- Defense only or dual-use
matching option

Most Air Force Phase I SBIR awards are made in response to open topic [Commercial Solution Openings \(CSO\)](#). The CSO's are still released at the same time as the traditional Broad Agency Announcements (BAA) – but are released in a CSO document used to acquire innovative commercial items. The open topics invite industry to propose solutions to Air Force problems which may or may not be identified in the CSO. Proposed solutions are based on existing products that can be adapted to meet the needs of the Air Force. If you are not sure what the Air Force needs, take a look at the [AFVentures Focus Areas](#) or participate in the numerous events AFWERX has designed to facilitate the exchange of information within this ecosystem.

Air Force Phase I SBIR awards are described as “small bets.” The Air Force provides between 1,000 and 1,500 Phase I awards annually. Each award is for \$50,000 and covers a period of three months. The proposal preparation process is streamlined with the Technical Volume submitted as a 25-page slide deck accompanied by other required items. Awards are made within 90 days. Approximately, a third of Air Force Phase I awards transition to Phase II. Air Force SBIR Phase II awards are referred to as “medium bets” and are for up to \$750,000 for 15 months prototype development. Matching funds are encouraged.

Funding for the STTR program Phase I awards is structured in a similar way, but by definition the STTR program must include a research institution. Businesses (the applicant) that apply to STTR awards must complete at least 40% of the proposed work, while the research institution must perform at least 30% of the proposed work. The remaining 30% can be split in a discretionary fashion.

The Air Force SBIR/STTR program provides additional Phase II funding through the Supplemental Funding Pilot Program. This funding is referred to as a “few big bets” and comes in two

flavors STRATFI and TACFI. In both cases matching funds are required and different levels of funding are available depending on whether the application is defense only or dual use. To be eligible for either form of supplemental funding, the small business must have a current Phase II or have completed a Phase II award within the past three years.

The purpose of STRATFI/TACFI is to catalyze relationships between Air Force and Space Force end-users and acquisition professionals, private-sector innovators, and investors. STRATFI/TACFI bridge the capability gap between current SBIR/STTR Phase II efforts and Phase III scaling efforts, facilitating delivery of strategic capabilities for the Department of the Air Force (DAF).

Phase III involves non-SBIR funding from any source – the Air Force and other Department of Defense (DoD)/federal agencies, major defense contractors and non-DoD investors – which translates to a small business selling its products in a commercial manner. Phase III is defined as: “Work that derives from, extends; or completes an effort made under prior SBIR/STTR funding arrangements ... but is funded by sources other than SBIR/STTR set-aside funding.”

Be sure to monitor the AFventure website for upcoming opportunities regarding special [Pitch Day events](#) and useful [Open Topic Webinar series](#).

QUICK LINKS

- [AFWERX](#)
- [AFVentures](#)
- [Commercial Solution Openings \(CSO\)](#)
- [AFVentures Focus Areas](#)
- [STRATFI and TACTFI](#)
- [Pitch Day events](#)
- [Open Topic Webinar series](#)