



PHASE III WORK³

Derives from, extends, or completes ANY effort made under prior SBIR/STTR funding agreements

No limitation on:
Award count
Duration
Dollar value

No time limit between:
Phase I/II and Phase III
OR
Subsequent Phase IIIs

Non-SBIR/STTR funds:
Any color of money
Must meet appropriation rules

Phase I/II small business size standard **does not** apply

Products, production, services, research/research & development, or a combination

DATA RIGHTS PROTECTION³

Must include SBIR/STTR data rights protection and appropriate data rights clause

PUBLICATION & REPORTING⁴

- Exempt from publication notification
- FPDS-NG reporting requirements apply

COMPETITION & SOLE-SOURCE AUTHORITY^{3,5}

- Satisfies all statutory competition requirements
- Enables sole-source awards; no Justification and Approval required
- Allows non-competitive specified source acquisitions

FOREIGN RISK EVALUATION⁶

Applicable for all Phase III awards, regardless of award amount

PHASE III ADDITIONAL CONSIDERATIONS

PRIORITIZE THE ORIGINATOR³

- Must prioritize original Phase I/II technology developer
- Priority applies if practical, and company is capable performer

NOVATION OR SUCCESSOR IN INTEREST⁷

- Acquiring company eligible if work continues/extends/completes original project
- Sole-source authority remains valid for acquiring company
- Size status does not restrict the acquiring company's eligibility

CLEARED
For Open Publication
Aug 20, 2026

Department of War

OFFICE OF PREPUBLICATION AND SECURITY REVIEW

REFERENCES

¹ Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs

² Small Business Administration (SBA)

³ SBA Policy Directive, 4(c)

⁴ SBA Policy Directive, 2(j)

⁵ Revolutionary FAR Overhaul (RFO) 6.103-5

⁶ Due Diligence Program Memo

⁷ SBA Policy Directive, 6(a)(5)

RESOURCES

SBA SBIR/STTR Policy Directive – May 2023

SBA Policy Site

Due Diligence Program Memo

POC osd.innovate@mail.mil

The appearance of external hyperlinks does not constitute endorsement by the United States Department of War (DoW) of the linked websites, or the information, products or services contained therein. The DoW does not exercise any editorial, security, or other control over the information you may find at these locations.