DEPARTMENT OF WAR SBIR/STTR[1]

Phase III Authority

SBA POLICY DIRECTIVE
15 U.S.C. 638(R)
RFO 6.103-5

PHASE III WORK[3]

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 limit **does not** apply

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

DATA RIGHTS PROTECTION [3]

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

PUBLICATION & REPORTING [4]

- Exempt from publication notification
- FPDS reporting requirements apply

COMPETITION & SOLE-SOURCE AUTHORITY [3,5]

- Satisfies all statutory competition requirements
- Enables sole-source awards with streamlined Justification & Approval (as required)
- Allows non-competitive specified source acquisitions

FOREIGN RISK EVALUATION [6]

Applicable for all Phase III awards, regardless of award amount

PHASE III ADDITIONAL CONSIDERATIONS

PRIORITIZE THE ORIGINATOR [3]

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

NOVATION OR SUCCESSOR IN INTEREST [7]

- 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

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