



DEPARTMENT OF THE AIR FORCE  
WASHINGTON, DC

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MEMORANDUM FOR DISTRIBUTION C  
MAJCOMs/FLDCOMs/FOAs/DRUs

FROM: SAF/AQ  
1060 Air Force Pentagon  
Washington, DC 20330-1060

SUBJECT: Department of the Air Force Guidance Memorandum to AFI 61-102, on DAF Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Due Diligence Program

By Order of the Secretary of the Air Force, this Department of the Air Force Guidance Memorandum (GM) immediately changes Air Force Instruction (AFI) 61-102, *Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs*, which will become a Department of Air Force Instruction. Compliance with this Memorandum is mandatory. To the extent its directions are inconsistent with other Department of the Air Force publications, the information herein prevails, in accordance with Department of the Air Force Instruction (DAFI) 90-160, Publications and Forms Management. This guidance applies to all Regular Air Force, United States Space Force, Air National Guard, Air Force Reserve, and Department of the Air Force civilian personnel. This instruction also applies to contractors if included in the applicable contract or involved in the research, design, development, testing, acquisition, operation, maintenance, or modification of nuclear weapons or their related systems and subsystems. There are no releasability restrictions on this publication.

This GM immediately implements:

(1) the statutory requirements set forth by Section 4, *Foreign Risk Management*, of the SBIR and STTR Extension Act of 2022, Public Law 117-183, which mandates the establishment and implementation of a due diligence program to assess security risks presented by small business concerns seeking a federally funded SBIR/STTR award;

(2) the Memorandum of the Deputy Secretary of Defense, *Defense Small Business Innovation Research and Small Business Technology Transfer Due Diligence Program* (13 May 2024), which directs each DoD Component to establish an SBIR/STTR Due Diligence Program subject to certain minimum standards; and

(3) relevant provisions of the Small Business Administration (SBA)'s *SBIR Program and STTR Program Policy Directive*, as amended effective 03 May 2023.

Compliance with this Guidance Memorandum is mandatory. To the extent its directions are inconsistent with other publications, the guidance herein prevails, in accordance with Department of the Air Force Instruction (DAFI) 90-160, *Publications and Forms Management*.

This Guidance Memorandum is applicable to all personnel and organizations bound to follow DAF policies and procedures, which are involved in the making and/or evaluation of SBIR/STTR Phase I, Phase II, or Phase III awards through funding agreements (i.e., contracts, grants, cooperative agreements, and other transactions) made by, on behalf of, or in support of, the DAF.

Ensure all records generated as a result of processes prescribed in this publication adhere to Air Force Instruction (AFI) 33-322, *Records Management and Information Governance Program*, and are disposed in accordance with the Air Force Records Disposition Schedule which is located in the Air Force Records Information Management System.

This Guidance Memorandum becomes void after one year has elapsed from the date of this memorandum, or upon publication of an interim change (IC) or rewrite of the affected publication, whichever is earlier.

DARLENE J. COSTELLO  
Acting Assistant Secretary of the Air Force  
(Acquisition, Technology & Logistics)

## ATTACHMENT 2

### DAF SBIR/STTR DUE DILIGENCE PROGRAM

#### A2.1. Policy and Scope of Implementation.

A2.1.1. Due Diligence Policy. In consideration of the significant national security risks inherent in small business concerns, persons, or entities with ties to foreign countries of concern, it is the Department of the Air Force (DAF) policy to utilize all available means, consistent with applicable United States law and policy, to safeguard potential DAF investments, including, but not limited to, the factors required by the Deputy Secretary of Defense Memorandum, *Defense Small Business Innovation Research and Small Business Technology Transfer Due Diligence Program*, 13 May 2024 (hereinafter "DEPSECDEF Memo"). The broad spectrum of risks that can be considered as part of due diligence review includes: malign activity (including, but not limited to, espionage, sabotage, coercion, covert influence, technology transfers or Research, Development, Test, and Evaluation [RDT&E] misappropriation affecting the national security or defense interests of the United States, unauthorized access to classified or controlled unclassified information, etc.), direct or indirect involvement or capital investment by foreign countries of concern as referenced in 15 United States Code (USC) 638(e)(17), violation of other related laws or regulations (including, but not limited to, export controls and sanctions, foreign terrorism prohibitions, etc.), program size or status ineligibility due to Foreign Ownership, Control, or Influence (FOCI), FOCI-related deception, risk from foreign affiliation or support, counterintelligence risk, supply chain risk, business relationships with companies on regulatory enforcement lists and sanctions lists (e.g., Section 1260H of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021, Section 1286 of the NDAA for FY 2019 (Public Law 115-232), etc.), undermining of national industrial base policies of the United States (see, e.g, Presidential Memorandum, *America First Investment Policy* (21 February 2025), or other relationships or commitments as identified in 15 USC 638(g)(15)(B) and (o)(19).

A2.1.2. Scope and Sequence of Due Diligence Implementation. This policy implements all pertinent provisions of the Small Business Innovative Research (SBIR) Small Business Technology Transfer (STTR) Extension Act of 2022. Specifically, it is DAF policy to implement the Rule of Construction in Section 4(b)(5) of the Extension Act, 15 U.S.C. 638 note, which confirms that the DAF is not restricted from taking due diligence measures in addition to those prescribed in 15 U.S.C. 638(vv).

A2.1.2.1. Implementation. The DAF shall implement this policy by conducting risk-based due diligence and risk decisions based on processes, inputs, information, and factors which include, but are not limited to, the processes and factors specified in the DEPSECDEF Memo and any successor documents, and requirements stipulated in the DODI 5000.83\_DAFI 63-113, *Technology and Program Protection to Maintain Technological Advantage* (8 Mar 2022). Furthermore, in accordance with Executive Order (EO) 12333, *United States Intelligence Activities*, DODI 5240.24, *Counterintelligence Support to Research, Development, and*

*Acquisition*, the Director of National Intelligence's Intelligence Community Directive (ICD) 203, *Analytical Standards*, and AFI 31-332, *Air Force Privacy and Civil Liberties Program*, the DAF shall use all means, consistent with applicable Federal law and this guidance, and with full consideration of the civil liberties, privacy, and other rights of United States persons, to obtain reliable intelligence information to protect the United States and its interests.

A2.1.2.2. Further, the DAF shall implement this policy by carrying out due diligence review as permitted by law and policy, including by incorporating commercially available information, publicly available information, and U.S. Government data, including but not limited to Law Enforcement, intelligence, and counterintelligence information and analytic products, and any other agency-specific information, as appropriate.

A2.1.3. Due Diligence Coverage for Assisted Acquisitions. In any assisted SBIR/STTR acquisitions to which the DAF is a party whether as a performing agency or as a requesting or ordering agency, it is DAF policy for the DAF organizations to exercise due diligence themselves or to ensure by means of a written agreement that due diligence is exercised by another Federal agency or DoD Component on terms that provide materially similar safeguards to the safeguards provided by the DAF SBIR/STTR Due Diligence process. This policy covers assisted acquisitions made under authorities such as: 40 U.S.C. 321, 501, 11302(e), and 11314; 41 U.S.C. 6307; Federal Acquisition Regulation (FAR) Subparts 17.5 and 17.7, Defense FAR Supplement (DFARS) Subparts 217.5 and 217.7, and DAF FAR Supplement (DAFFARS) Subparts 5317.5 and 5317.7; AFI 65-118, Air Force Purchases Using Military Interdepartmental Purchase Requests (MIPRs); and other similar authorities.

A2.1.4. Due Process for Due Diligence. It is DAF policy that SBIR/STTR Due Diligence reviews and actions be accompanied by appropriate due process, consistent with any applicable law, regulation, and guidance, and balancing the DAF's interests in expanding participation in SBIR/STTR Programs with paramount considerations of national defense and security.

## **A2.2. Organizational Roles and Responsibilities.**

A2.2.1. The Assistant Secretary of the Air Force for Acquisition, Technology and Logistics (SAF/AQ) shall: Approve and oversee SBIR/STTR due diligence policy the DAF.

A2.2.2. The Deputy Assistant Secretary of the Air Force (Science, Technology, and Engineering) (SAF/AQR) shall:

A2.2.2.1. Serve as the DAF Point of Contact (POC) for the SBIR/STTR due diligence program, responsible for communicating with OSD and other agencies.

A2.2.2.2. Provide oversight over the SBIR/STTR due diligence program: conduct program reviews and spot checks as needed in collaboration with SAF/SB and SAF/SQT.

A2.2.2.3. Facilitate the adjudication of challenges to Risk Management Review Board (RMRB) decisions.

A2.2.3. The Deputy Assistant Secretary of the Air Force (Acquisition Integration) (SAF/AQX) shall: Establish a memorandum of agreement with AFRL/RG and SAF/OCXA to formalize information sharing and coordination.

A2.2.4. The Deputy Assistant Secretary of the Air Force (Contracting) (SAF/AQC) shall: Ensure DAF contracting policy and guidance is in accordance with this memo and the referenced law.

A2.2.5 The Director of Science, Technology and Engineering, Office of Assistant Secretary for Space Acquisition and Integration (SAF/SQT) shall:

A2.2.5.1. Oversee implementation of this policy within USSF and SPACEWERX.

A2.2.5.2. Support program reviews and spot checks as needed in collaboration with SAF/SB and SAF/AQR.

A2.2.6. The Director, Small Business Programs (SAF/SB) shall:

A2.2.6.1. Collaborate with SAF/AQR and SAF/SQT to provide oversight over the SBIR/STTR due diligence program; provide additional guidance as needed.

A2.2.6.2. Support program reviews and spot checks as needed in collaboration with SAF/SQT and SAF/AQR.

A2.2.7. The Director, Office of Competitive Activities (SAF/OC) shall:

A2.2.7.1. Ensure SAF/OCXA's execution of business reviews in support of SBIR/STTR due diligence.

A2.2.7.1.1. SAF/OCXA shall coordinate with AFRL/RG and AFOSI to coordinate prioritization and timing of requests.

A2.2.7.1.2. SAF/OCXA shall share information related to proposing entities with SAF/AQX's Committee on Foreign Investment in the US (CFIUS) office when requested.

A2.2.7.2. Ensure relevant DAF Information Protection offices are providing security support functions as needed or requested.

A2.2.8. The Commander, Air Force Materiel Command (AFMC) shall:

A2.2.8.1. Ensure any SBIR/STTR award made or managed by AFMC has received a due diligence review.

A2.2.8.2. Convene a RMRB for any medium or high-risk proposals as defined in the DEPSECDEF Memo and as delineated in AFWERX procedures.

A2.2.9. The Commander, US Space Force Systems Command (SSC) shall:

A2.2.9.1. Ensure any SBIR/STTR award made or managed by SSC has received a due diligence review.

A2.2.9.2. Convene a RMRB for any medium or higher risk proposals as defined in the DEPSECDEF Memo and as delineated in AFWERX procedures.

A2.2.10. The Commanders, US Air Force and US Space Force System Centers shall:

A2.2.10.1. Ensure any SBIR/STTR award within their system center has received a due diligence review.

A2.2.10.2. Convene a RMRB for any medium or higher risk proposals as defined in the DEPSECDEF Memo and as delineated in AFWERX procedures.

A2.2.11. The Commanders/Directors, US Air Force Major Commands (MAJCOMs), US Space Force Field Commands (FLDCOMs), and Direct Reporting Units (DRUs) shall:

A2.2.11.1. Ensure that any SBIR/STTR program executed within their MAJCOM/FLDCOM/DRU complies with this policy, the DEPSECDEF Memo, and PL 117-183, *the SBIR and STTR Extension Act of 2022*.

A2.2.11.2. Ensure any SBIR/STTR award made or managed by their MAJCOM/FLDCOM/DRU has received a due diligence review. Coordinate with AFRL/RG to initiate the due diligence process on proposals for Phase III awards.

A2.2.11.3. Convene a RMRB for any medium or higher risk proposals as defined in the DEPSECDEF Memo and as delineated in AFWERX procedures.

A2.2.12. The Commander, Air Force Research Laboratory (AFRL) shall:

A2.2.12.1. Ensure any SBIR/STTR award made or managed by AFRL has received a due diligence review.

A2.2.12.2. Convene a RMRB for any medium or higher risk proposals as defined in the DEPSECDEF Memo.

A2.2.12.3. Resource AFRL/RG as needed to comply with this policy.

A2.2.13. AFRL/RG (AFWERX) shall:

A2.2.13.1. Manage and oversee the SBIR/STTR due diligence process and associated funds for the DAF.

A2.2.13.2. Maintain a written SBIR/STTR Due Diligence procedures guide.

A2.2.13.3. Refer all proposals with appropriate risk or procurement fraud indicators to AFOSI for review and possible further investigative action IAW EO 12333 and DoDI 5505.02, *Criminal Investigations of Fraud Offenses*, 14 Nov 24.

A2.2.14. The Commander, Air Force Office of Special Investigations (AFOSI) shall:

A2.2.14.1. Conduct counterintelligence analysis on SBIR/STTR proposals in coordination with AFWERX and SAF/AQR.

A2.2.14.2. Attend RMRBs when requested.

A2.2.14.3. Conduct assessment, and when deemed appropriate, investigative action for proposals referred by AFWERX IAW EO 12333 and DoDI 5505.02.

A2.2.15. The General Counsel of the Department of the Air Force (SAF/GC) and the Judge Advocate General (AF/JA) shall:

A2.2.15.1. Provide legal review on all aspects of the DAF SBIR/STTR due diligence program, and support IAW HAFMD 1-14, as appropriate and as requested

A2.2.15.2. Assign a representative to advise the RMRBs if requested and if available.

A2.2.16. Deputy Chief of Staff, Intelligence, Surveillance, and Reconnaissance and Cyber Effects Operations (Cyber Operations and Warfighter communications (HAF/A2 IOO) shall: Assist in the administration of intelligence oversight as required by DoDD 5148.13, *Intelligence Oversight*.

A2.2.17. Contracting and Agreements Officers shall: Include language in Broad Agency Announcement (BAA) or other solicitations for SBIR/STTR awards that require offerors to submit and certify foreign disclosure forms, and outline relevant portions of the Due Diligence process to prospective SBIR/STTR applicants.

### **A2.3. Due Diligence Review Process**

A2.3.1. Risk Mitigation Review Board (RMRB). Within DAF organizations participating in SBIR or STTR Programs, SBIR/STTR Due Diligence risk evaluations of SBIR/STTR proposals and related entities and personnel, as well as decisions regarding potential need to condition, mitigate, or exclude from, the participation in the specific SBIR or STTR project for which the proposal was submitted, shall be carried out by a duly convened RMRB. Proposals which do not contain a sufficient risk level, and are eligible for award, do not require a RMRB and may be awarded without further risk consideration. The risk owner shall decide whether a RMRB is appropriate based on the totality of the circumstances, and taking into consideration the risk rating assigned by AFWERX. The risk owner is responsible for convening and executing the RMRB. DAF organizations may request process compliance validation reviews by SAF/AQR or SAF/SB as needed, such as in the event of a protest or official inquiry.

A2.3.2. Risk Ownership. Within the DAF, risk determinations are inherently discretionary judgements of military, national defense, and national security matters. The overall risk owner for the DAF SBIR/STTR Programs is the Secretary of the Air Force, who delegated this responsibility to SAF/AQR, through SAF/AQ. The Commander or Director of the SBIR/STTR-participating MAJCOM, FLDCOM, DRU, FOA, or Center, is the deemed risk owner for any SBIR/STTR funding agreement awarded by, or on behalf, of such DAF organization. The pertinent DAF source selection authority for the SBIR/STTR funding agreement, or, for assisted acquisitions, the pertinent DAF RDT&E or acquisition program manager, acts as the authorized representative and accountable designee of the MAJCOM, FLDCOM, DRU, FOA, or Center Commander or Director in the exercise of risk ownership decisions.

A2.3.3. Central Support Process for Due Diligence Reviews. AFWERX defines and provides basic due diligence process support for all DAF organizations participating in the SBIR/STTR Programs, as documented in a written SBIR/STTR Due Diligence procedures guide.

A2.3.3.1. For SBIR/STTR projects funded by other agencies but planned to be awarded by the DAF, the awarding organization may choose to accept materially similar due diligence assessments carried out by other Federal agencies or DoD Components but may also request additional SAF/OCXA Office of Commercial and Economic Analysis (OCEA) review or counterintelligence analysis by AFOSI to support their awarding decision. If choosing to use another organization's due diligence assessment, the awarding office will maintain these records as part of the procurement file and make it available for review if necessary.

A2.3.3.2. Contracting or Agreements Officers, Acquisition Program Managers, and other acquisition planners considering the exercise of the Phase III special preference or the recognition of any award as a Phase III award (e.g., by including SBIR/STTR data rights clause) shall coordinate with the AFWERX due diligence office to conduct the necessary due diligence on all proposals received. AFWERX shall review Due Diligence Disclosure forms associated with Phase III awards by the DAF entered into the Defense SBIR/STTR Innovation Portal (DSIP) and shall facilitate written analytical inputs from SAF/OCXA and AFOSI (as appropriate). All Contracting and Agreements Officers will require the offerors to submit their Phase III proposals through DSIP (along with all required due diligence paperwork) in addition to any other submission requirements (e.g., SAM.gov) to facilitate due diligence.

A2.3.4. RMRB Chairmanship. All RMRBs will include functional representation as established by the DEPSECDEF Memorandum, with mandatory participation by a legal advisor to the RMRB Chairman, and are strongly encouraged to add representation from other parties as needed to make a risk decision. The RMRB Chairman makes the award or selection determination.

A2.3.4.1. RMRBs carried out by AFWERX. The Director, AFRL/RG (AFWERX) or their designated delegate, is the source selection official and RMRB Chairman for any SBIR/STTR proposals for any Phase I, Phase II, Direct to Phase II, and STRATFI or TACFI funding agreements that are submitted as part of a AFWERX Broad Agency Announcement, Commercial Solutions Opening, Notice of Opportunity or Request for Proposal.

A2.3.4.2. RMRBs for non-AFWERX awards. For Phase I, II, or III funding agreements that are not part of an AFWERX Broad Agency Announcement, Commercial Solutions Opening, Notice of Opportunity, or Request for Proposal and are planned to be awarded by any DAF organization outside of AFWERX or SpaceWERX, the RMRB Chairman is designated by the Commander or Director of the pertinent MAJCOM, FLDCOM, DRU, FOA, or Center, but cannot be lower than O-5 or equivalent. AFWERX will coordinate the due diligence review—up to but not including planning and executing the RMRB—within the DAF and provide any results of the review along with supporting documentation to the appropriate risk owner

A2.3.4.3. RMRBs for Assisted Acquisitions. For assisted acquisitions where the award of an SBIR/STTR funding agreement on behalf of the DAF is planned to be made by another Federal agency or DoD Component, the RMRB Chairman is to be determined by written agreement between the DAF and the relevant Federal agency or DoD Component prior to commitment of award funds between agencies or components. If agreed upon, AFWERX will coordinate the due diligence review—up to but not including planning and executing the RMRB—within the DAF and provide any results of the review along with supporting documentation to the appropriate risk owner.

A2.3.4.4. For assisted acquisitions where the DAF is making an award of an SBIR/STTR funding agreement on behalf of another DoD Component or Federal agency, RMRB Chairmanship and due diligence processes shall be addressed in a written agreement between the DAF and the pertinent agency or Component consistent with this Guidance Memorandum and the DEPSECDEF Memorandum.

A2.3.5. National Security Determination. The RMRB will determine whether a reasonable and articulable national security risk exists to Departmental or U.S. Government interests. This determination and justification will be articulated in writing if the RMRB makes a non-award decision or a decision that award must be conditioned on mitigation.

A2.3.6. Permissible Information. While conducting its review, the RMRB may consider any information available to the Board as permitted by law and policy, including by incorporating commercially available information, publicly available information, and U.S. Government data, including but not limited to Law Enforcement, intelligence, and counterintelligence information and analytic products, and any other agency-specific information, as appropriate. The RMRB will not consider any factors or grounds in violation or contradiction of law or policy, including prohibited factors listed in the DEPSECDEF Memo.

A2.3.6.1. All proposals shall go through SAF/OCXA to determine if there is relevant information from publicly available information (PAI) or commercially available information (CAI) data sources.

A2.3.6.2. Referral to AFOSI for additional counterintelligence analysis may be triggered by either AFWERX review or SAF/OCXA review; the awarding agency is also allowed to request counterintelligence analysis from AFOSI via AFWERX and subject to AFWERX prioritization.

A2.3.7. Mitigation considerations. DAF resourcing, administrative difficulty of monitoring compliance, and the nature of the threat to national security from mitigation failure may all be considered in RMRB deliberations on possible mitigation of risk.

A2.3.8. Monetary Threshold for Defense Counterintelligence and Security Agency (DCSA) Review of SBIR/STTR funding agreements with ceiling. For purposes of referral to DCSA once available, the ceiling amount shall be compared to the \$5 million referral threshold.

A2.3.9. Incorporation into Solicitations and Funding Agreements. The intent of the DAF is to establish a DAFFARS clause that will be incorporated in all SBIR/STTR solicitations and awards capturing the requirements set forth in this document.

A2.3.10. Assisted Acquisitions. For SBIR/STTR assisted acquisitions:

A2.3.10.1. If the DAF is the funding agency but not the awarding agency, then, as part of establishing the agreement for assisted acquisition, either DAF performs its own due diligence and provides due process and defense of any claim or litigation subject to DAF guidance and standards, or the awarding agency agrees to perform due diligence and provide due process and defense of any claim or litigation consistent with DAF guidance and standards.

A2.3.10.2. If the DAF is the awarding agency but not the funding agency, then, as part of establishing the agreement for assisted acquisition, either DAF performs its own due diligence and provides due process and defense of any claim or litigation subject to DAF guidance and standards (paid by the funding agency), or the funding agency agrees to perform due diligence and provide due process and any claim or litigation defense consistent with DAF guidance and standards.

#### **A2.4. Relationships To Other Processes.**

A2.4.1. Relationship to Other Risk Processes. All organizations involved in the SBIR/STTR due diligence process shall continuously monitor other due diligence processes across the DAF and the DOD to identify areas of collaboration, information sharing, and cost-saving, such as with the CFIUS program.

A2.4.2. Relationship to Technical Merit, Procurement Responsibility, Eligibility, and Exclusion Processes.

A2.4.2.1. RMRB risk determinations may be treated, in the Contracting or Agreements Officer's reasoned discretion, as independent elements of responsiveness or technical merit of proposal or application, as elements of responsibility, or as elements of SBIR/STTR program eligibility. The DAF's authority in 15 U.S.C. 638(g)(15)(B) and (o)(19) to deny SBIR/STTR awards based on certain results of due diligence analysis constitutes the authority to impose and enforce

regulatory requirements outside of the scope of the Certificate of Competency (CoC) Program under FAR 19.601(b). If the Contracting or Agreements Officer determines that the information suggests an SBIR/STTR program eligibility concern, the Contracting or Agreement Officer shall refer the matter for a size and/or status protest. Restrictions on foreign ownership or control under SBIR/STTR program eligibility standards in 13 Code of Federal Regulations (C.F.R.) 121.702 overlap, but are not co-extensive, with standards under the DAF SBIR/STTR Due Diligence program.

A2.4.2.2. RMRB determinations, even those that result in a finding of risk without mitigation, are made on case-by-case basis as per 15 USC 638(vv2), taking into account, for example, the sensitivity of the proposed technology and any potential operational considerations. Further, RMRB determinations apply only to particular SBIR/STTR proposals or applications for specific DAF SBIR/STTR projects and with case-specific mix of participating entities and covered individuals. Due to their limited scope, such risk determinations do not constitute suspension or debarment under FAR Subpart 9.4, *Debarment, Suspension, and Ineligibility*. The Contracting or Agreements Officer can make a Suspension or Debarment referral if the information supports such a referral under FAR 9.4 standards. The Contracting or Agreements Officer also may make referrals for civil or criminal fraud action under applicable procedures, if the information supports such a referral.

A2.4.2.3. The SBIR/STTR Extension Act of 2022, the DEPSECDEF Memorandum, and this Guidance Memorandum provide complete authority for taking all appropriate actions as a result of due diligence reviews, including mitigation, denial of award or non-selection. Such actions may be taken without additional findings that the proposal or application for SBIR/STTR award does not merit award on other grounds, e.g., failure to tender required SAM.gov certifications, proposal quality, technical innovativeness, or commercialization plans.

## **A2.5. Due Process and Access To Records In Due Diligence Reviews.**

A2.5.1. Overview and Timing of Due Process. This section provides guidance on due process afforded to applicants or offerors for SBIR/STTR awards, as well as their affiliates or covered individuals (collectively, “affected parties”), to DAF RMRB determinations of risk.

A2.5.1.1. Due process in the DAF SBIR/STTR Due Diligence program is intended to provide affected parties the following types of unclassified (protected up to Controlled Unclassified Information [CUI] controls) notice of reasons for the finding of risk after the RMRB decision:

A2.5.1.1.1. When appropriate, an unclassified (protected up to CUI controls) notice of risk factors impacting a decision to deny an award, along with those disclosable facts which negatively influenced the evaluation of those factors; or

A2.5.1.1.2. Where necessary to protect critical defense or national security information such as intelligence sources and methods, an unclassified (protected up to CUI controls) notice of the general factual areas of risk to the extent such disclosures would not harm national security; or

A2.5.1.1.3. Other type of unclassified (protected up to CUI controls) notice in exceptional situations where even the disclosure of general factual areas of risk would present risk to national security.

A2.5.1.1.4. Where a proposal or application is not in line for award or selection based on factors outside of the due diligence process, the source selection authority or the Contracting or Agreements Officer have the discretion to: (1) pause or complete the diligence review process; and (2) defer the resolution of due diligence issues to the potential negotiation of award and inform the SBIR/STTR offeror or applicant of any grounds for rejection.

A2.5.1.1.5. The awarding organization must provide notice to the SBC of denial/non-selection at the conclusion of RMRB proceedings, or may request supplemental information while the proposal or application is pending evaluation or negotiation, as directed by the RMRB Chairman and upon legal, SAF/OCXA, and/or AFOSI reviews.

A2.5.2. Preparation of Classified and Unclassified Documents for RMRB Consideration. The following documentation requirements apply to all DAF RMRBs:

A2.5.2.1. When classified information forms a basis for award denial, non-selection, or risk mitigation requirements, that information will be shared with appropriately cleared members of the RMRB. Classified information will not be shared in whole or in part with any Applicant, or attorney representing applicant, whether or not either or any party is cleared. When classified information is utilized, prior to the RMRB, SAF/OCXA and/or AFOSI will review to determine the possibility of an unclassified summary to be released to the RMRB. The RMRB will prepare an unclassified basis for the denial that outlines the reasons for denial without disclosing sensitive sources and methods or any classified information. Consistent with national security, the unclassified summary should contain enough information for due process; a copy of this summary shall be provided to SAF/GC for further review. Upon determination that the substitution affords the applicant a substantially similar opportunity to respond, the RMRB Chairman will approve the unclassified basis for the denial and approve it to be released to the affected party in accordance with DoDI 5200.48, *Controlled Unclassified Information*, 6 Mar 2020.

A2.5.2.2. Upon request of government counsel, AFOSI will share the classified information that formed a material basis for the RMRB's denial decision with reviewing authorities (including, but not limited to the Court of Federal Claims, the Government Accountability Office, and any internal reviewing authorities) as appropriate and authorized. For compelling national security reasons, the Director, Office of Competitive Special Security (SAF/OCS), may deny the release of classified information to reviewing authorities.

A2.5.2.3. Classified information used to inform a RMRB's denial or mitigation decision may be shared with the U.S. Government Contracting or Agreements Officer of any active proposals and contracts between the government and Applicant as appropriate and authorized. U.S. Government Contracting or Agreements Officers are not bound by the prior RMRB decision and are responsible for making their own determination based on the provided information and their internal policies and procedures.

**A2.6. Resourcing.** Nonavailability of funds shall not excuse compliance with the requirement of a due diligence review. Awarding agencies are required to provide the resources to execute the RMRB. AFRL/RG (AFWERX) shall not provide reimbursement for non-AFWERX RMRB implementation and/or execution.

**A2.7. Due Diligence Program Updates and Review.** The AFWERX Director (AFRL/RG), in collaboration with the Commander, AFOSI, and the Director, SAF/OC OCXA, shall provide annual updates, at a minimum, to SAF/AQ, SAF/SQ, and SAF/SB on the issues and trends in the DAF SBIR/STTR Due Diligence program. Each fiscal year, SAF/AQ, SAF/SQ, and SAF/SB, with assistance from SAF/GC and SAF/OC, will conduct an annual SBIR/STTR Due Diligence program review.

**BY ORDER OF THE  
SECRETARY OF THE AIR FORCE**

**AIR FORCE INSTRUCTION 61-102**

**16 NOVEMBER 2012**



**Scientific/Research, and Development**

**SMALL BUSINESS INNOVATION  
RESEARCH (SBIR) AND SMALL BUSINESS  
TECHNOLOGY TRANSFER (STTR)  
PROGRAMS**

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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Certified by: SAF/AQR  
(Dr. David E. Walker)

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This instruction provides guidance concerning effective management and integration of the Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) Program in support of the Air Force mission. This instruction implements Air Force Policy Directive (AFPD) 61-1, *Management of Science and Technology*, and is consistent with Air Force Policy Directive 61-1, *Management of Science and Technology*, AFPD 90-18, *Small Business Programs*, AFPD 63-1, *Acquisition Sustainment Life Cycle Management* and AFI 63-101/20-101, *Integrated Life Cycle Management*. It also implements 15 United States Code, Section 638, the Small Business Administration SBIR and STTR Policy Directive, and is consistent with DoD Directive 5000.01, *The Defense Acquisition System*, and DoD Instruction 5000.02, *Operation of the Defense Acquisition System*. This Instruction applies to Air Force military and civilian members involved in Small Business research and technology transfer initiatives. This publication does not apply to Air Force Reserve Command or the Air National Guard units. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual (AFMAN) 33-363, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) maintained in the Air Force Records Information System (AFRIMS) located at <https://www.my.af.mil/afirms/afirms/afirms/rims.cfm>. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*; route AF Forms 847s from the field through the appropriate functional chain of command. After coordination with SAF/AQR, this publication may be supplemented by Air Force organizations having SBIR/STTR financial or management responsibilities.

**1. Goals and Objectives.** The goals of the Air Force SBIR/STTR Program are to: 1) stimulate small businesses to conduct research, development, and demonstration of technological innovation and 2) transition SBIR/STTR-developed technologies and processes into operational and/or commercial use in support of Air Force needs.

**2. General. The Air Force will:**

2.1. Focus SBIR/STTR funding on technology innovation and development activities consistent with Air Force strategic planning goals and priorities as identified in the Air Force Strategic Plan.

2.2. Establish and execute the SBIR/STTR Program in full compliance with governing statutes, directives, and other regulatory and policy guidance.

2.3. Develop and select research and development topics (i.e., technology areas) based on their potential to meet recognized Air Force mission capability needs and technology opportunities.

2.4. Competitively select the best proposals from industry and award contracts in a manner consistent with Air Force small business and technology development goals.

**3.1. The Assistant Secretary of the Air Force for Budget (SAF/FM):** Reviews and validates the SBIR/STTR extramural budgets and the application of the statutory percentages.

**3.2. The Deputy Assistant Secretary for Science, Technology, and Engineering (SAF/AQR):**

3.2.1. Serves as the Air Force OPR for the Air Force SBIR/STTR Programs and liaison with the Air Force Small Business Office (SAF/SB) and the United States Small Business Administration (SBA), through the Office of the Secretary of Defense (OSD) Office of Small Business Programs (OSBP).

3.2.2. Appoints a Program Element Monitor (PEM) for the SBIR/STTR Program.

3.2.3. Submits annual SBIR, STTR, and other required reports to Congress or the U.S. Small Business Administration (SBA) through the Office of Secretary of Defense (OSD) Office of Small Business Programs (OSBP).

3.2.4. Is the primary Air Force representative at Department of Defense and Federal SBIR/STTR meetings.

3.2.5. Drafts, coordinates, and promulgates SBIR/STTR Program policy and guidance.

3.2.6. Coordinates with Air Force Office of Small Business Programs (SAF/SB) on reports to OSD/OSBP and the SBA, as appropriate, and on other relevant programmatic activity.

**3.3. The Air Force Technology Executive Officer (TEO):**

3.4.1. Oversees the execution of Air Force SBIR/STTR Program.

3.4.2. Develops and approves all SBIR/STTR topic (i.e., technology areas) allocations and topic selections, and ensures topics comply with OSD criteria/guidance and meet

recognized Air Force mission capability needs and technology opportunities consistent with documented capability needs.

3.4.3. Prior to the release of SBIR/STTR funds to the executing organization, ensure appropriate staffing and procedures are in place to support timely and effective execution of those funds in support of the Air Force SBIR/STTR Program objectives and goals.

3.4.4. Integrates SBIR/STTR Research and Development (R&D) into strategic technology planning processes, including Core Function Master Plans, and:

3.4.4.1. Includes SBIR/STTR technologies on roadmaps for capability development areas, and incorporate them into core Science and Technology (S&T) programs, when applicable.

3.4.5. Conducts an annual AF SBIR/STTR program review with SAF/AQR, to evaluate how all SBIR/STTR program funds are being used in a cost-effective manner in support of Air Force technology needs. As a minimum, the review should include program and financial management, fraud, waste and abuse, etc.

3.4.6. Approves SBIR/STTR pilot activities to improve program execution and effectiveness.

3.4.7. Appoints, in writing, an Air Force SBIR/STTR Program Manager (PM) and provides program support staff.

3.4.8. Ensures all reports required by statute or regulation, including annual Program reports, are submitted to SAF/AQR in a timely manner.

3.4.9. Maintains and, on a quarterly basis, validates the accuracy of databases for compiling reports to Congress, to minimize the risks of Fraud, Waste, and Abuse, etc.

**3.5. The Air Force Small Business Program Office (SAF/SB):** Monitors the SBIR/STTR Program and leverages Program results and Air Force relevant technologies developed by small businesses, to meet prime and subcontracting goals, when appropriate.

**3.6. Air Force Materiel Command:**

3.6.1. Appoints, in writing a lead SBIR/STTR technology manager to coordinate development of approved topics with Air Force Research Laboratory (AFRL) Subject Matter Experts (SMEs) and assists in transition of technologies into their programs, as appropriate. A single SBIR/STTR technology manager may support multiple offices, where appropriate.

3.6.2. Provides and retains a designated Sponsor Point of Contact (SPOC) for each topic.

3.6.3. Ensures topics continue to align with, and support, programs throughout the acquisition lifecycle. Should a topic lose relevance, takes corrective action (amendment, recommendation for termination, etc.) as appropriate.

3.6.4. Ensures PEOs and acquisition program managers and personnel receive SBIR/STTR training and information so that they may identify and give favorable consideration to transitioning SBIR/STTR technologies into programs in all phases of the acquisition lifecycle.

3.6.5. Provides information to AFRL on the extent to which SBIR/STTR technologies have been considered and incorporated into capability concepts or pre-acquisition programs. This information will be incorporated into the annual SBIR/STTR Program Review.

3.6.6. Ensures PEOs and acquisition program managers plan and budget for SBIR efforts, including developing and coordinating POM inputs, as appropriate.

**3.7. Air Force Space Command:**

3.7.1. Designates, in writing, a lead SBIR/STTR technology manager to coordinate development of relevant topics with AFRL Subject Matter Experts (SMEs), and assist in transitioning technologies. A single SBIR/STTR technology manager may support multiple offices where appropriate.

3.7.2. Provides, assigns, and reassigns as necessary, or until operational acceptance, a designated Sponsor Point of Contact (SPOC) for each topic.

3.7.3. Ensures topics are aligned with or support one or more programs in any phase of the acquisition lifecycle.

3.7.4. Identifies and, as appropriate, transitions SBIR/STTR technologies into programs throughout all phases of an acquisition lifecycle.

3.7.5. Provides information to AFRL on the extent to which SBIR/STTR technologies have been considered and/or incorporated into capability concepts or pre-acquisition programs. This information will be incorporated into the annual SBIR/STTR Program Review.

CHARLES R. DAVIS, Lt Gen, USAF  
Military Deputy, Office of the Assistant Secretary  
of the Air Force (Acquisition)

## Attachment 1

## GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

*References*

15 United States Code, Section 638 (“*The Small Business Act*”)

Small Business Administration, Small Business Innovation Research Policy Directive, September 24, 2002

Small Business Administration, Small Business Technology Transfer Policy Directive, December 16, 2005.

DoD Directive 5000.01, *The Defense Acquisition System*, May 12, 2003

DoD Instruction 5000.02, *Operation of the Defense Acquisition System*, December 8, 2008

Air Force Policy Directive 61-1, *Management of Science and Technology*, August 18, 2011

Air Force Policy Directive 63-1, *Integrated Life Cycle Management*, July 3, 2012

Air Force Instruction 63-101, *Acquisition and Sustainment Lifecycle Management*, April 8, 2009

Air Force Policy Directive 90-18, *Small Business Programs*, March 23, 2011

Air Force Manual 33-363, *Management of Records*, March 1, 2008

*Adopted Forms*

Air Force Form 847, *Recommendation for Change of Publication*

*Abbreviations and Acronyms*

**AFPD**—Air Force Policy Directive

**AFRL**—Air Force Research Laboratory

**DOD**—Department of Defense

**OPR**—Office of Primary Responsibility

**OSBP**—Office of Small Business Programs

**OSD**—Office of the Secretary of Defense

**PEM**—Program Element Monitor

**PM**—Program Manager

**POM**—Program Objective Memorandum

**R&D**—Research and Development

**SAF/AQ**—Assistant Secretary of the Air Force for Acquisition

**SAF/AQR**—Deputy Assistant Secretary for Science, Technology, and Engineering

**SAF/SB**—Air Force Office of Small Business Programs

**SBA**—U. S. Small Business Administration

**SBIR**—Small Business Innovation Research

**SME**—Subject Matter Expert

**SPOC**—Sponsor Point of Contact

**STTR**—Small Business Technology Transfer

**TEO**—Technology Executive Officer

**TRL**—Technology Readiness Level