

OVERVIEW

The Small Business Innovation Research (SBIR) program uses a three-phase structure. Phase I tests technical merit and feasibility. Phase II develops successful Phase I work. Phase III is the follow-on stage. It covers products, services, production, or further research that derive from, extend, or complete prior SBIR work, but are funded with non-SBIR money. When an agency determines that a requirement qualifies as Phase III, the earlier Phase I and Phase II competitions satisfy the competition requirement for that follow-on award.

HOW TO GET STARTED

1. Start With the Prior SBIR Award

Identify the original SBIR award number, agency, topic title, and a short description of what was developed. If the current requirement cannot be tied back to a specific prior SBIR award, it should not be treated as a Phase III action.

Find out more about eligibility at: [Am I eligible to participate in the SBIR/STTR programs?](#)

2. Confirm That the Procurement Fits a Phase III Follow-on

Ask whether the government is buying work that derives from, extends, or completes earlier SBIR work. If yes, it may qualify as a Phase III follow-on. If the effort is still at the early feasibility or development stage, it is likely not a Phase III requirement.

3. Confirm That the Agency Is Procuring a Product or Service for Government Use

For this guide, the focus is procurement. That means the agency is buying a product, service, follow-on development effort, production effort, or support activity for direct government use, rather than funding a new SBIR research project.

4. Check Agency Procedures Early

SBIR is a federal program, but agencies do not all handle implementation the same way. Before the package is drafted, confirm the approach with the program office, contracting office, and the agency's SBIR contact.

5. Write a Clear SBIR Lineage Statement

The acquisition package should clearly explain how the new requirement relates to the prior SBIR work. State what was developed under the original award, what the government now needs, and how the new effort derives from, extends, or completes that earlier work.

6. Define Exactly What You Are Buying

State the product or service, technical scope, deliverables, deployment environment, integration needs, support requirements, documentation, training, and schedule. Clear acquisition language makes it easier for the agency to structure the procurement correctly.

7. Address SBIR Data Rights Up Front

If the procurement involves software, technical data, source code, reports, or related deliverables, those items should be identified early. Data rights and deliverables should be understood before release so they can be reflected appropriately in the acquisition.

8. Make Sure the Agency Designates the Action as Phase III

This is a critical step. A sole-source Phase III follow-on depends on the agency treating the action as Phase III. That status should be explicit in the acquisition file.

9. Use the Phase III Path Only When the Requirement Qualifies

When the requirement is properly tied to prior SBIR work and fits the Phase III definition, the agency may use the Phase III sole-source pathway under 15 U.S.C. § 638(r)(4).

10. Engage Vigilant Aerospace Systems Before the Package Is Final

Contact us once the requirement is defined and before the acquisition package is released. At that stage, we can help confirm the prior SBIR lineage, clarify deliverables, and support the Phase III write-up.