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From the director:
Navigating SBIR/STTR reauthorization and the path ahead

As the deadline for SBIR/STTR reauthorization approaches, I want to ensure everyone is aware of proposed legislation that will impact the programs.

Brian Shipley with CAPT David Murray, Assistant Chief of Naval Research, at the Navy STP SYSCOM Technical Information Exchange in March.

Senator Joni Ernst introduced the INNOVATE Act of 2025 (Investing in National Next-Generation Opportunities for Venture Acceleration and Technological Excellence) on March 5, 2025, to reauthorize and reform the SBIR/STTR programs, proposing a three-year extension through September 30, 2028. Unlike the last reauthorization cycle, this one is free from existential threats to the program's survival. Instead, legislators and defense stakeholders are focused on improving SBIR and STTR to maximize their impact. While there is no shortage of ideas on how to improve the programs from stakeholders, opinions differ on the best ways to achieve it

Department of the Navy SBIR/STTR Transition Program
Transitions Newsletter 2025 Spring Edition
DISTRIBUTION A. Approved for public release - distribution unlimited. 2025-4-22-876

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and the INNOVATE Act is our first opportunity to work with legislators to get reauthorization across the finish line. Please read the full act at www.congress.gov/bill/119th-congress/senate-bill/853/text.

Key provisions of the INNOVATE Act

1. Sec. 101. Strengthening Phase III Sole Source Authority

This provision clarifies that small businesses that have successfully completed Phase I and Phase II contracts retain Phase III sole source authority, even if an agency does not have an SBIR/STTR program. It also directs federal agencies to include Phase III sole source awards in contracting officer training, including at the Defense Acquisition University, and mandates that the Federal Acquisition Regulatory Council (FAR Council) incorporate Phase III sole source authority into the Federal Acquisition Regulation (FAR).

2. Sec. 102. Enhancing Small Business Success in the STTR Program

A major structural change limits the STTR program to Phase I awards and fundamental research, channeling Phase II and Phase III activities to SBIR. Additionally, the act raises the minimum small business work requirement to 50% and lowers the minimum research institution work requirement to 20%. STTR awards are directed to focus on fundamental or basic research in technology readiness levels 1, 2, or 3 where research institution partnerships offer the greatest benefits.

3. Sec. 103. Phase II Strategic Breakthrough Funding

This proposal redesignates the Commercialization Readiness Program as subsequent Phase II

Strategic Breakthrough Awards, designed to help companies bridge the notorious valley of death between R&D and transition. These substantial Phase II follow-ons—potentially up to $30 million—can be used for:

- design for manufacturing;
- establishing manufacturing facilities, tooling, and supply chain capacity;
- purchasing raw materials or inventory;
- integration of products with open interoperability standards;
- testing, evaluation, and certification of low-rate production units; and
- purchasing and maintaining production units.

Eligible awardees must demonstrate clear commercial potential and integration into end user needs. Companies must also have 100% matching funds from private capital or non-SBIR DoD contracts, less than $50 million in DoD contracts or awards, and a commitment from a program executive officer or other acquisition official for inclusion in a program objective memorandum.

4. Sec. 201. Encouraging New SBIR/STTR Entrants

The INNOVATE Act introduces new participation limits and funding opportunities:

- Companies that have received over $75 million in SBIR or STTR Phase I or II awards are prohibited from applying for additional Phase I or II awards.
- A new Phase 1A award offers smaller, one-time $40,000 awards with a shorter streamlined application focused on commercialization potential.

From the director... continued

5. Sec. 401. Definition of Foreign Risk

This section establishes a clear definition of "foreign risk" to standardize evaluations across federal agencies participating in SBIR/STTR. It specifically defines foreign risk as any affiliation, investment, licensing agreement, joint venture, contractual obligation, or research relationship within the last decade involving a small business, its owner, or key personnel, and entities or individuals from a foreign country of concern. By clarifying these criteria, the INNOVATE Act provides agencies a consistent baseline to assess potential adversarial influence, strengthening the integrity and security of the SBIR/STTR programs.

OUSD(R&E)'s DoD SBIR/STTR Program Office is actively providing feedback to Congressional small business committees on proposed reauthorization legislation. The dialogue remains open, and there is still time for feedback, refinement, and advocacy.

Overall, the foundational message here is overwhelmingly positive: The Department has an opportunity, with strong bipartisan backing, to reauthorize the SBIR/STTR programs, ensuring they continue to drive innovation and bolster national security.

Due Diligence Program

In the past 18 months, the Department of the Navy has implemented a Due Diligence Program to enhance the integrity and security of SBIR/STTR awards. As threats to technology security evolve, this program plays a critical role in protecting innovations vital to maintaining U.S. military advantage.

All small businesses submitting an SBIR or STTR proposal for all program phases must complete and submit a foreign disclosure form. Proposals without a completed form will not be eligible for an award.

This program identifies and mitigates potential security risks, particularly those linked to foreign adversaries. The Department of the Navy places particular scrutiny on relationships with entities from China, Russia, Iran, and North Korea. The Due Diligence Program assesses indicators such as:

- foreign talent recruitment programs,
- intellectual property transfers,
- financial obligations, and
- affiliations with foreign entities.

A Risk Mitigation Review Board assesses proposals identified with medium, high, or very high risk, recommending mitigation strategies or ineligibility when risks cannot be mitigated.

By systematically assessing these indicators, the Due Diligence Program safeguards American technological innovations from undue foreign influence and control. Complete information about the Department of the Navy's Due Diligence Program is in each DoD Broad Agency Announcement and available here: https://media.defense.gov/2024/May/23/2003471996/-1/-1/1/DUE_DILIGENCE_PROGRAM_OSD003584_24_RES.PDF.

Sincerely,

Brian Shipley
Director DoN SBIR/STTR

Bridging the DoD's language gap: Lilt brings AI-powered translation capability to the DoD

"The DoD has a huge capability gap in foreign language translation, and it causes serious problems," observed Phil Stiefel, director of DoD and Asian and Pacific (APAC) programs at Lilt. "There is a universal, across-the-board shortage of people in the DoD who can perform the foreign language translation mission."

Few U.S. citizens eligible for security clearance are fluent in languages important to U.S. intelligence work, such as Chinese, Russian, Korean, Farsi, and Arabic. Training personnel to basic proficiency in an unfamiliar language is slow and expensive. As a result, "The foreign language intelligence we collect is not being used the way it should. By the time it gets translated, it's not useful," he said.

To help close this gap, Lilt recently received Phase III contracts to extend research from two Navy SBIR Phase II projects. These efforts supported the research and development of Lilt's advanced linguistic artificial intelligence (AI) capabilities, including machine translation, natural language processing, and speech recognition technology. The goal is to enhance Lilt's innovative AI-powered translation tool (also called Lilt) for DoD use.

While computer-aided translation tools such as Google Translate exist, Lilt offers robust security features tailored to DoD requirements. Unlike purely automated tools, Lilt integrates human feedback to verify and train the software.

"It's the first foreign language translation software tool that learns from people as they use it. Every time a translator makes a change, the system learns. The more it's used, the smarter and more valuable it gets," Stiefel explained. This continuous learning capability enables Lilt to quickly learn DoD-specific language, including acronyms, names, and scientific and technical terms. It also adapts to the nuances of language—slang, variations between dialects, misspellings, and use of mixed languages in a document.

U.S. Air Force courtesy photo by 2nd Lt. Irene York

Phil Stiefel training new Lilt users at U.S. Forces Japan (Yokota Air Base) in 2024.

Through projects with the Defense Innovation Unit (DIU) in 2023, Lilt demonstrated that its software allows translators to complete tasks 10 times faster than working unaided. "We're getting operational information to the point of need faster, and one person can do the work of 10," Stiefel pointed out. "In an environment where people who can do the work are scarce, that's a huge benefit."

The success of these DIU projects, combined with Navy SBIR investments, set the stage for Lilt's Phase III SBIR follow-on contract awarded by the Office of the Secretary of Defense Chief Digital and Artificial Intelligence Office (OSD CDAO) in November 2024. This Phase III effort extends the innovation and research work of a Navy SBIR Phase II project with U.S. Forces Japan (USFJ) at Yokota Air Base. During Phase II, Lilt worked with Navy personnel to train a DoD-specific Japanese language model.

"We work very closely with our Japanese allies, but we speak very different languages. Japanese is a notoriously difficult language to translate. The SBIR project with USFJ explored how to best combine AI language model training inputs from different mission areas. For instance, the contracting office uses different vocabulary and language than the Japanese nationals working on U.S. Navy ships at

the Japan Regional Maintenance Center. How much can these language models be mutually reinforcing? Can we combine them, or do we need to keep them separate?"

The Phase III award from OSD CDAO expands this research. "OSD takes the SBIR experiment with USFJ and extends it across more environments," Stiefel explained. "They saw success in a limited test case and now want to explore additional test cases to determine if this approach can work enterprise wide."

During Phase III, which will wrap up in November 2025, Lilt will work with 300 Navy, Army, and Air Force service members, representing more than 20 units from diverse mission areas beyond translation-specific roles. "Ultimately, we want to enable personnel without a foreign language capability to do jobs that had previously required it," said Stiefel. "They'll be doing their everyday jobs while processing foreign language content as they encounter it. As they work in the AI system, they'll help train it to improve accuracy and to accommodate DoD-specific acronyms and specialized terminology." At the project's conclusion, Lilt will evaluate how AI training improved the model's performance and user productivity.

While the DoD intelligence mission is the biggest use case for Lilt, the software has broader applications. For service members and DoD civilian personnel stationed overseas, Lilt could improve daily life by speeding translation in interactions with local service providers.

Stiefel shared a striking example from Yokota Air Base: "Doctors at the on-base hospital told me about a patient who had an MRI at a Japanese hospital. While each Air Force, Navy, and Army base in Japan has an on-base hospital, personnel, and their dependents often need to visit off-base

hospitals for specialized services. When they do, the results are, of course, written in Japanese. In this case, the MRI results showed the patient had cancer, but it took 60 days to get them translated. That person was robbed of 60 days of valuable time that could have been used to fight the disease."

In addition to the Japanese language project, Lilt was awarded a second Navy SBIR Phase II to advance the software's optical character recognition capabilities. This project is part of the Navy SBIR Transition Program (Navy STP) 2024-25 cohort. "At the end of an SBIR project, you want

> *"At the end of an SBIR project, you want to see a transition. You want to utilize the resources that the Navy put in place to connect with other units that need this capability. The goal is to extend the combat effectiveness of this innovation to as many units as possible. I'm optimistic that working with Navy STP will help open doors across the Navy enterprise."*
>
> **- Phil Stiefel, director of DoD and Asian and Pacific (APAC) programs at Lilt**

to see a transition," said Stiefel. "You want to utilize the resources that the Navy put in place to connect with other units that need this capability. The goal is to extend the combat effectiveness of this innovation to as many units as possible. I'm optimistic that working with Navy STP will help open doors across the Navy enterprise."

Before completing the SBIR Phase II, the optical character recognition project had already received Phase III funding from the Navy. With multiple DoD components exploring Lilt's capabilities,

the company is engaging with various defense organizations and funding mechanisms to advance innovation and adoption of the software.

Lilt's first SBIR contract came from the Air Force in 2019. Both of its Navy SBIR contracts were Subsequent (now Catapult) Phase IIs originating from Air Force solicitations. "The Navy picked up the innovative work we started in the Air Force and improved it, extended it, and made it more robust in the Navy environment," said Stiefel.

Lilt is also leveraging non-SBIR funding. The Army Intelligence, Surveillance, Reconnaissance (ISR) Task Force—stood up five years ago to identify and develop emerging ISR technologies with the potential to effect transformational change for Army operations—has supported Lilt's efforts. "They invest a small amount of money to test the capability, gather operational results, and then help you scale the solution in the Army ecosystem once it's proven successful," Stiefel explained. "That is how we were introduced to the Army, and it's been very effective. They're getting incredible value from Lilt's capabilities. We have not done an SBIR with the Army, but fortunately, due to this other group, that didn't slow us down from extending the benefits of our technology and all the SBIR-driven innovation we've developed to Army users as well."

Lilt provides AI-powered linguistic solutions to federal agencies, including the Department of Justice and the National Oceanic and Atmospheric Administration. The National Weather Service uses Lilt to translate weather forecasts and warnings into Spanish, Chinese, and a growing collection of other foreign languages. Several agencies within the U.S. and European intelligence communities fielded Lilt at the enterprise level.
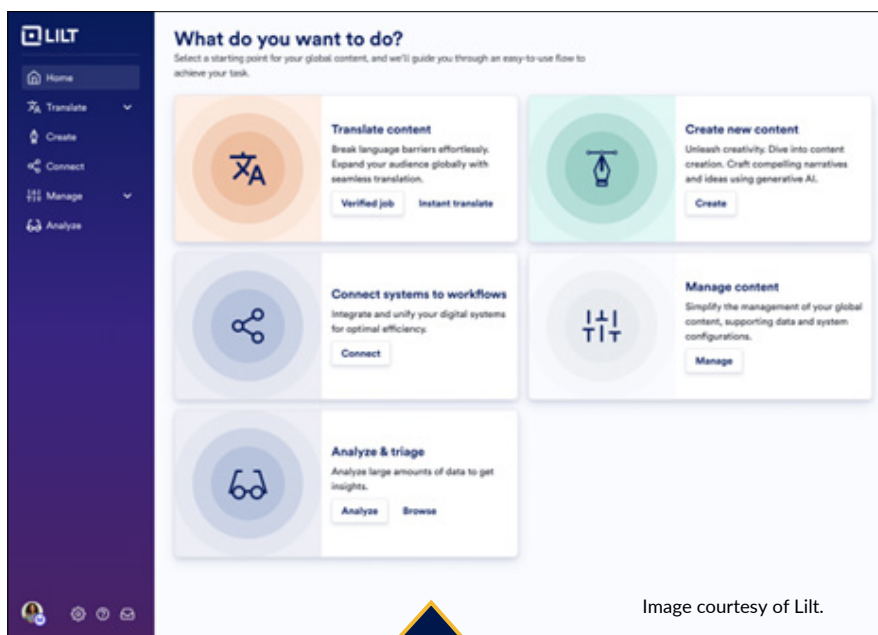

Image courtesy of Lilt.

Lilt's software platform offers users options to analyze and manage content in addition to translation.

Lilt is a dual-use technology with broad applications. It was first established in the commercial market, where it is used by companies such as Intel, NVIDIA, Anduril, ASICS, Lenovo, Canva, Walmart, and Amazon. It has also been adopted by local government, law enforcement, and nonprofit organizations.

Founded in 2015 by Stanford University and the University of California, Berkeley language technology researchers Spence Green and John DeNero, Lilt's mission is to make information available to everyone in their preferred language. To that end, Lilt prioritizes investment in large language models as the foundation to enable enterprise-scale machine translation. For more information, visit www.lilt.com.

From skeptic to champion: Richard McNamara's enduring legacy in Navy SBIR

Richard McNamara is a legendary figure in the Navy acquisition community. Starting at a Navy laboratory as a GS-2 co-op student, he joined NAVSEA in 1977. His career spans four decades and includes accomplishments such as introducing Open Architecture Rapid commercial off-the-shelf (COTS) processing for all submarine combat system elements, contributing to bringing the Tomahawk cruise missile to the submarine fleet, and overseeing the SSGN (guided missile submarines) conversion program.

As a member of the Senior Executive Service (SES), McNamara served for four years as the Deputy Program Manager for the *Virginia Class* Submarine and then for four years as executive director of Program Executive Office Submarines (PEO SUB). He has been recognized with numerous awards from the military and commercial industry, including the Distinguished Civilian Service Medal, Presidential Rank Award, the Navy and DOD Small Business Program Manager of the Year (2002) and National Defense Industrial Association (NDIA) VADM Weakley Award.

McNamara is a long-time proponent of the Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) programs. Under his leadership at PEO SUB, Team Submarine managed over $1 billion in successful SBIR transitions to the fleet. Since retiring from the Department of the Navy in 2008, he continues to perform outreach to share his experiences and promote the SBIR/STTR programs. In his annual webinar for the Navy SBIR Transition Program (Navy STP), he educates Navy STP participants on the Navy acquisition process.

When the SBIR program was introduced in 1982, McNamara didn't immediately see its potential. As a program manager and engineer, he initially
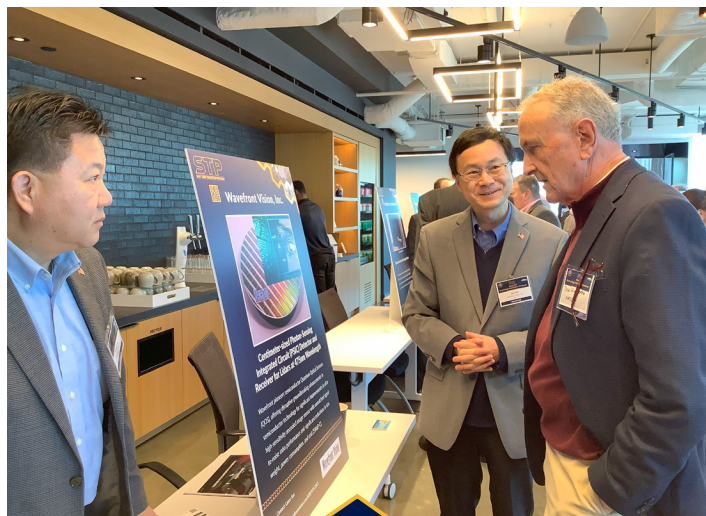
Richard McNamara meets with small business Wavefront Vision, Inc. at the Navy STP SYSCOM Technical Information Exchange in March.

resented losing a percentage of his program budgets to what he called the "SBIR tax," but he says, "It didn't irritate me enough to really go to battle stations." What frustrated him more during the Reagan years was having his budget monopolized by sole source contracts with large primes, especially when those companies routinely missed schedules and overran their budgets.

History with SBIR

In 1990, McNamara became the technical director for PEO SUB. "I suddenly realized that as a staffer to an admiral, who had all these programs reporting to him, you really had no money to spend. As a technical guy, I had always had money to spend on things that I thought were worth doing." The search for additional R&D funding led him to consider the SBIR program seriously for the first time.

With guidance from the NAVSEA SBIR manager, he wrote his first SBIR solicitation topic, focused on the possibility of using COTS electronics for sonar signal processing. Over the course of Phase I and Phase II contracts, Digital Systems Resources (DSR), a Virginia-based small business, successfully demonstrated it could satisfy military specifications

From skeptic to champion: Richard McNamara's enduring legacy in Navy SBIR...continued

using COTS signal processing hardware and deliver it for substantially lower costs than a large prime.

By 1994, as DSR was completing its Phase II work, McNamara was assigned a new role as the head of combat systems work for the new *Virginia*-class submarine program. Congress required the program to equip the new submarines with competitively procured new combat systems, rather than legacy technology. McNamara realized his SBIR project met both those criteria. "We took $34 million out of our *Virginia*-class submarine budget and awarded a Phase III SBIR to DSR," he explains. "Everybody was waiting for the small guy to fail, but DSR performed great. They

Richard McNamara at the Navy STP SYSCOM Technical Information Exchange in March.

delivered within budget and delivered it on time. Both rare. Both things that the big guys hadn't been able to do during the 1980s. In 1997, after a three-year development, we had a full submarine-qualified signal processor. In 1998, it was installed on a ship, taken to sea and got rave reviews for its performance."

DSR's success "opened my eyes to all of the capability that existed in small business," says McNamara. This prompted other organizations within Team Subs to take advantage of what the SBIR program could offer. "Based upon that success, during the rest of the '90s, we started writing

more topics. Each year, within the Team Submarine community, we would actually have the program offices fighting with each other to get their topics written and into the DoD SBIR RFPs."

The DSR Phase III represented success on many levels, says McNamara. "From the standpoint of the government, we got better performance at lower cost. We introduced a new supplier into the combat system industrial base, and they were wildly successful." DSR's technology became the cornerstone of the Acoustic Rapid COTS Insertion (A-RCI) program, transforming submarine combat systems procurement. DSR grew to over 450 employees and was listed among the top 100 federal prime contractors before being acquired by General Dynamics in 2003.

DSR was just one of many companies to transition technology during McNamara's years at PEO SUB. In his 2024 Navy STP webinar, he pointed out that every *Virginia*-class submarine goes to sea with approximately $160 million worth of SBIR-developed products purchased from SBIR companies or former SBIR companies that have been acquired by larger primes.

"The companies that have been successful and

landed products in the major programs continue every year to maintain the development, the delivery and the maintenance and modernization of their innovations and technology. Now, none of those companies is going to build a nuclear submarine or an aircraft carrier, but they can build just about everything that goes on one.

"That's one of the reasons that we're here 30 years later," he concludes. "In 2024 we did $1.553 billion in Phase IIIs across the Navy and I believe NAVSEA did $730 million of that. Both those figures dwarf any of the other services. Of the NAVSEA total, Team Subs probably represents half. I credit a lot of that to the work started in the '90s and those programs that were successful, like DSR, Progeny and 3Phoenix, among others." Hard work by PEOs like Unmanned and Small Combatants (USC) and Integrated Warfare Systems (IWS) and the SBIR Program Office, led by Jason Schroepfer, have added to NAVSEA's reputation as a leader in SBIR, according to McNamara.

Advice for small businesses

Despite the Navy's impressive Phase III transition numbers, McNamara emphasizes that current leaders could do much more to prioritize small business utilization in their acquisition planning. In his outreach efforts, he combats apathy and ignorance about the SBIR/STTR programs, while also conducting "inreach" to promote SBIR as an effective program management tool. Given these challenges, he offers several key recommendations for small businesses seeking to increase their chances of SBIR success today.

1. Be familiar with the SBIR Policy Directive

According to McNamara, many contracting officers have not had recent training on the SBIR Policy Directive. Small businesses should not assume their Navy customer understands the key protections provided to SBIR businesses (such as SBIR data rights) or is committed to guiding them through the program. Be prepared to educate the customer if necessary.

2. Plan for success

Don't assume the customer has planned ahead to integrate your technology with their program. "If the government doesn't have a plan for success for you, you need to generate one and give it to them," McNamara advises. Beyond establishing a good relationship with your TPOC, performing well, and satisfying the terms of your Phase I and Phase II contracts, he emphasizes taking advantage of opportunities to gain insight into the Navy's needs, program timeline and any challenges it may be facing.

This might include attending large program meetings that cover much more than your specific project. "SBIR gives companies a foot in the door to interact with program managers about emerging problems they could help with," he says. It might also mean obtaining security clearances, which individual team members can use to read classified material. "It makes them smarter on the products and how their products are going to be used."

3. Plan ahead for a second Phase II

Keep in mind that every SBIR Phase I is eligible for two Phase II awards. In the Navy, that second Phase II is now called a Catapult.

McNamara recommends thinking about your second Phase II shortly after receiving your first. "Typically, you'll have 30-36 months under your first Phase II. You're going to need a decision to get a second Phase II about six months before the first one ends, assuming you want continuity of cash flow." Consider key questions: What budget will fund your

technology? Will you provide a component? Will you be a subcontractor to a prime?

"Ideally, you want to be part of a large, well-funded mainstream budget and have the program manager commit to allocating dollars. If they tell you they're going to have a separate program just for your thing, that's probably not a great idea. A lot of companies come in thinking that there's going to be a brand-new program built around their innovation but that's very rare, I find. As you execute the first Phase II, you'll understand whether you want to continue working for the organization that you're contracted with. If that's going to be too limiting, you need to find a second customer."

A Catapult Phase II doesn't need to be awarded by the same organization that wrote the original topic, he points out. "Let's say you developed something to do with training. At the end of the first Phase II, maybe NAVSEA wasn't interested, but NAVAIR was, or NAVWAR, or the Marine Corps. The flexibility of this program allows you to be awarded two Phase IIs and the second one may be at a different place altogether."

4. Understand reachbacks

"Reachbacks" are a key concept in the SBIR Policy Directive, referring to reaching back to an older SBIR. There is no time limit on awarding a Phase II, a second Phase II, or a Phase III contract, as long as the current work is a logical extension or derivation from the product or process pursued in the prior SBIR contract. In theory, according to McNamara, a Navy program manager could award a contract to any Phase I awardee, from any participating federal agency, since the start of the SBIR program in 1982.

He encourages program managers to use the SBIR reachback for four purposes: risk reduction, technology insertion, solving parts obsolescence

issues, and introducing competition where there is currently no second supplier—"things that are near and dear to program managers' hearts."

Small businesses should not assume, however, that program managers actively seek out older technologies or innovations. Many are not aware of or don't understand how to use SBIR reachbacks, so small businesses must track how their older SBIRs may meet emerging needs and be ready to showcase them when opportunities arise.

5. Take advantage of resources the government provides

McNamara recommends taking advantage of the educational and supportive programs provided by the DoD and other federal agencies, as well as state-specific resources. Within the Navy, get to know the SBIR/STTR coordinator for each command.

Navy STP is also a valuable resource available to companies working with the Navy. "When companies get that Phase II, the first thing I tell them to do is sign up for Navy STP," he says. "That's a way for them to understand where their specific client or customer fits into the Navy's decision-making process. It gives them context that they probably don't have."

Additionally, "Navy STP has a lot to offer in education to the SBIR companies about what the SBIR Policy Directive allows them to do and requires the government to support." Even for companies that have been working in the SBIR/STTR programs for many years, McNamara feels there is value in revisiting Navy STP. As employees who previously ran SBIR projects retire, he suggests that they give their newer hires exposure to Navy STP "to get their feet on the ground."

From skeptic to champion: Richard McNamara's enduring legacy in Navy SBIR…continued

The nationwide network of APEX Accelerators (formerly Procurement Technical Assistance Centers) often offers training courses on the SBIR/STTR programs, as do state-level economic development organizations. Some states offer matching funds to support small businesses that win an SBIR contract. "If you're not engaged with any of these communities in each state, well, then you don't know," says McNamara. While support varies by state, he encourages small businesses to investigate available resources.

Finally, McNamara advises Phase II winners to meet with their congressional representative, although many small businesses will be uncomfortable doing this. "Let them know that you're a small business in their district and you're doing business with the Department of the Navy. It's a good news story. Eventually, you're going to have to go to them with some bad news. If the only time they ever see you is when you're bringing them a problem, they aren't going to want to see you. So go establish a positive relationship when times are good and then if you need help downstream, they're someone you can turn to for a letter or a phone call."

Final word

McNamara's advocacy for SBIR/STTR stems from his direct experience with their value. "I bought in, but not as a hired advocate. I did it because it was good for the programs I was running in submarine shipbuilding. There's a difference, you see. The advocates who are hired by the Small Business Administration to promote SBIR don't buy anything. They're cheerleaders on the side. I had a breadth of programs to care for and feed, and SBIR became instrumental to their success. That was my outreach."

Upcoming events

Date	Event & Link	Location
Sept. 30-Oct. 3	Future Force Capabilities Conference and Exhibition https://ndiaffc.org/	Fort Woth, Texas
Oct. 6-8	IEEE Military Communications Conference https://milcom2025.ieee-milcom.org/	Los Angeles, Califronia
Oct. 7-10	GridSecCon https://www.nerc.com/pa/CI/ESISAC/Pages/GridSecCon.aspx	Las Vegas, Navada
Oct. 13-15	AUSA Annual Meeting and Exposition https://meetings.ausa.org/annual/2025/index.cfm	Washington, DC
Oct. 14-15	ManuSec USA: Cyber Security Conference https://usa.manusecevent.com/	Chicago. Illinois
Oct. 27-30	Industrial Control Systems (ICS) Cyber Security Conference https://www.icscybersecurityconference.com/	Atlanta, Georgia
Oct. 28-30	ISC2 Security Congress https://web.cvent.com/event/00885cdc-a7ef-4682-81d1-77950c2f3d07	Nashville and Virtual
Nov. 4-6	The SAFE Association 63rd Annual Symposium https://www.safeassociation.com/index.cfm/page/symposium-overview	Mobile, Alabama

Preference and reporting in the SBIR/STTR Policy Directive

By Steve Sullivan, Navy STTR and STP Program Manager

This article is designed to help both small businesses and government organizations properly address Phase III *preference* within the SBIR/STTR Policy Directive. It will explain the meaning of preference, how to apply preference, and the reporting required.

Documenting preference

The SBIR/STTR Policy Directive, §4(c)(7), which was issued pursuant to notice and comment rulemaking procedures, states: "To the greatest extent practicable, agencies...shall issue Phase III awards relating to technology, including sole source awards, to the SBIR/STTR awardee that developed the technology. Agencies shall document how they provided this preference to the SBIR/STTR awardee that developed the technology."

"The greatest extent practicable" includes Phase III awards to companies, regardless of size, that own the SBIR/STTR data rights. In all cases, the contracting officers shall document the preference of an SBIR/STTR Phase III award, which "derives from, extends, or completes prior SBIR/STTR effort."

The term "derives from" means that the requirement or contract has its origins in, or traces to, the previous SBIR/STTR efforts of a firm that received an SBIR/STTR contract. The term "extends" means that the requirement or contract applies or advances prior SBIR/STTR efforts to a different application or uses the prior SBIR efforts in a new way. The term "completes" means that the requirement or contract involves commercialization or productizing of the prior SBIR/STTR efforts. If the agency requirement, intended requirement, or

contract meets any one of these tests, and is funded with non-SBIR/STTR funds, then it is an SBIR/STTR Phase III award.

In order to ascertain whether a requirement in question is a Phase III award, one must compare the SBIR/

Steve Sullivan, Navy STTR and Navy STP Program Manager

STTR firm's prior SBIR/STTR efforts to the agency's intended requirement. This analysis involves a comparison of overall prior research of the SBIR/STTR firm with the specifications and/or statement of work of the agency requirement. An agency will examine the prior research of the SBIR/STTR firm, including but not limited to the functionalities, technical data, findings, reports, specifications, statements of work, prior SBIR/STTR proposals, even the original topics on which the Phase I awards were based. Based on the examination, the contracting officer will determine whether an agency requirement "derives from, extends, or completes prior SBIR/STTR effort." A further analysis must ascertain whether the requirement is funded with non-SBIR funds. If both elements of the Phase III definition are met, the requirement is an SBIR/STTR Phase III award.

The preference is not a right to a contract, but if the definition of Phase III is applicable, an agency must complete the examination of preference with two steps. First, the contracting officer must determine availability by concluding if the firm owning

the data rights is available to perform under a Phase III contract. This assures the company is a going concern and able to receive an award. Second, the contracting officer must determine if the firm owning the data rights is capable of performing the work necessary to achieve the Phase III requirements. The contracting officer may consult with and rely upon knowledgeable agency personnel to assist in this process. For example, program managers and subject matter experts (SMEs) familiar with the SBIR/ STTR technology development history should play a role in the due diligence. If the contracting officer finds the SBIR/STTR awardee either unavailable or incapable, no further obligation to pursue award with the SBIR/STTR awardee is necessary and the determination should be documented.

Steve Sullivan meeting with a Navy STP small business participant at WEST 2025.

Phase III sole source awards are not contrary to law or policy encouraging competition, as an agency will examine such proposals and contracts to ensure that they are, and remain, cost-effective. If a contracting officer determines a company is eligible for a sole source Phase III award, the justification will reference the SBIR/STTR Policy Directive at § 4(c)(3) stating that the "project is an SBIR Phase III award that derives from, extends, or completes efforts performed under prior SBIR

funding agreements and is authorized under 10 U.S.C. 2304(b)(2) or 41 U.S.C. 253(b)(2)."

Reporting

Section 4(c)(7) of the SBIR Policy Directive requires: "SBA report all instances in which an agency pursues research, development, or production of a technology developed by an SBIR awardee, with a business concern or entity *other than the one* that developed the SBIR technology."

If an agency "intend[s] to pursue R/R&D, production, services, or any combination thereof of a technology developed under an SBIR/STTR award, with an entity other than [the] SBIR/ STTR awardee, [the DoD] must notify the SBA in writing prior to such an award." The SBIR awardee or company that developed the technology includes the original awardee as well as a company, regardless of size, that owns the SBIR/STTR data rights. Therefore, an agency will only report to the SBA if it has applied the preference test, found the SBIR awardee to be available and capable, and determined a contract should be awarded to a company other than the SBIR awardee. Section 4(c)(7) of the SBIR/ STTR Policy Directive also instructs the reporting process and format.

Fairbanks Morse Defense: Accelerating innovation through small business partnerships

By Jennifer Reisch, Navy STP Managing Editor

In the ever-evolving landscape of maritime defense, innovation is not just advantageous—it's essential. Fairbanks Morse Defense (FMD), a company with nearly a century of experience supporting naval fleets worldwide, recognizes that some of the most cutting-edge solutions emerge from the agile and creative work of small businesses. To harness this innovation, FMD has developed comprehensive initiatives to strengthen the defense industrial base by supporting small businesses. Through strategic partnerships, dedicated initiatives, and a pioneering accelerator program, FMD is ensuring that small businesses are not only supported but are also positioned to make a significant impact on U.S. maritime defense.

Beyond the immediate benefits to participating small businesses and FMD itself, these initiatives strengthen the entire defense industrial base, ensuring resilience and adaptability in the face of evolving threats and challenges.

FMD builds, maintains, and services the most trusted naval power and propulsion systems on the planet. As a portfolio company of Arcline Investment Management, FMD supports the U.S. Navy, U.S. Coast Guard, Military Sealift Command, and Canadian Coast Guard with innovative marine technologies, OEM parts, and turnkey services. The company is dedicated to ensuring mission-critical reliability and operational excellence across naval fleets worldwide.

The FM Defense Accelerator Program
At the core of FMD's small business support strategy is the FM Defense Accelerator Program, a transformative initiative designed to help startups and small businesses refine their products, navigate the defense market, and accelerate growth. This program is specifically tailored to support innovative technologies for the maritime defense sector, providing participants with access to mentors, investors, industry experts, and a network of entrepreneurs who understand the unique challenges and opportunities in the defense market.

The FM Defense Accelerator offers flexible

FMD CEO, George Whittier, giving opening remarks at the SNA Small Business Showcase.

timelines tailored to each participant's specific needs ranging from three to 15 months, adapting to each participant's unique technology development stage. This flexibility acknowledges the complex nature of defense technology development and allows for a more customized approach to support.

Participants in the program receive a comprehensive suite of resources, including:

- Dedicated mentorship with regular check-ins
- Education and training sessions for defense market entry
- Access to FMD's technical experts, technology team, and decision-makers
- Marketing channel exposure
- Research facilities and testing capabilities
- Opportunities to pitch to industry experts and potential investors

The program focuses on high-potential maritime defense technologies, such as autonomous systems, machine monitoring software, robotics, and augmented/mixed reality tools. The FM Defense Accelerator Program is offered at no cost to participants, removing financial barriers that might otherwise prevent promising innovations from reaching the market.

Fairbanks Morse Defense: Accelerating innovation through small business partnerships...continued

The accelerator program tackles several critical objectives:

- Fostering Innovation: The accelerator program identifies and supports cutting-edge technologies from small businesses, driving innovation in the defense sector.

- Strengthening the Defense Industrial Base: By empowering small businesses, the program diversifies and fortifies the defense supply chain, ensuring resilience and adaptability.

- Bridging Market Gaps: The program provides small businesses with resources and connections needed to overcome barriers to entry in the defense industry.

- Enhancing Mission Readiness: Supporting small businesses accelerates the development of advanced solutions that address critical defense challenges, improving overall mission effectiveness.

- Promoting Collaboration: The program creates opportunities for partnerships between small businesses, FMD, and key defense stakeholders, fostering a collaborative ecosystem.

- Supporting Economic Growth: By nurturing small businesses, the program contributes to job creation and economic development within the defense sector.

- Ensuring Long-Term Sustainability: Encouraging innovation and diversification among small businesses helps future-proof the defense industrial base against evolving threats and challenges.

Surface Navy Association Small Business Showcase

FMD's commitment to small business collaboration led the company to play a pivotal role in the Surface Navy Association's (SNA) first-ever Small Business Showcase at the SNA symposium in January. FMD initiated the idea by contacting SNA and proposing a small business forum modeled after the Sea-Air-Space small business event. FMD collaborated with the Navy League, Navy STP, and Navy SBIR to plan and organize the event, determining its structure, soliciting submissions from small businesses, and assembling a panel of expert judges.

The event successfully highlighted innovation

Rebecca Simpson of Diversified Technologies, a Navy STP participant, presenting at the SNA Small Business Showcase.

Fairbanks Morse Defense: Accelerating innovation through small business partnerships...continued

and entrepreneurship, providing five outstanding small businesses with a platform to pitch their solutions to a panel of experts. More than just a networking opportunity, the event was a launchpad for these small businesses to gain visibility, receive feedback from defense leaders, and establish critical industry connections.

Successful partnerships driving innovation

FMD has an established track record of successful collaborations with small businesses. One notable example is their partnership with Exosite and Yeti CGI to develop FM OnBoard, a cutting-edge digital platform enhancing operational efficiency and fleet management. These partnerships brought together creativity and technical expertise to deliver a solution precisely tailored to the needs of FMD's customers.

Jimmy King of MARi, a Navy STP participant, presenting at the SNA Small Business Showcase.

Another significant achievement came through FMD's collaboration with PureLiFi, resulting in the first-ever LiFi (light fidelity) system on a U.S. Navy platform. This groundbreaking partnership highlights the potential of secure high-speed communication systems and demonstrates the power of collaboration between established defense contractors and innovative small businesses.

These success stories illustrate how FMD's approach to partnership can help small businesses overcome the traditional barriers to entry in the defense market, while simultaneously advancing technological capabilities critical to naval operations.

Strategic focus areas

FMD focuses small business partnerships in areas aligned with its product portfolio, specifically prioritizing innovations that help improve the
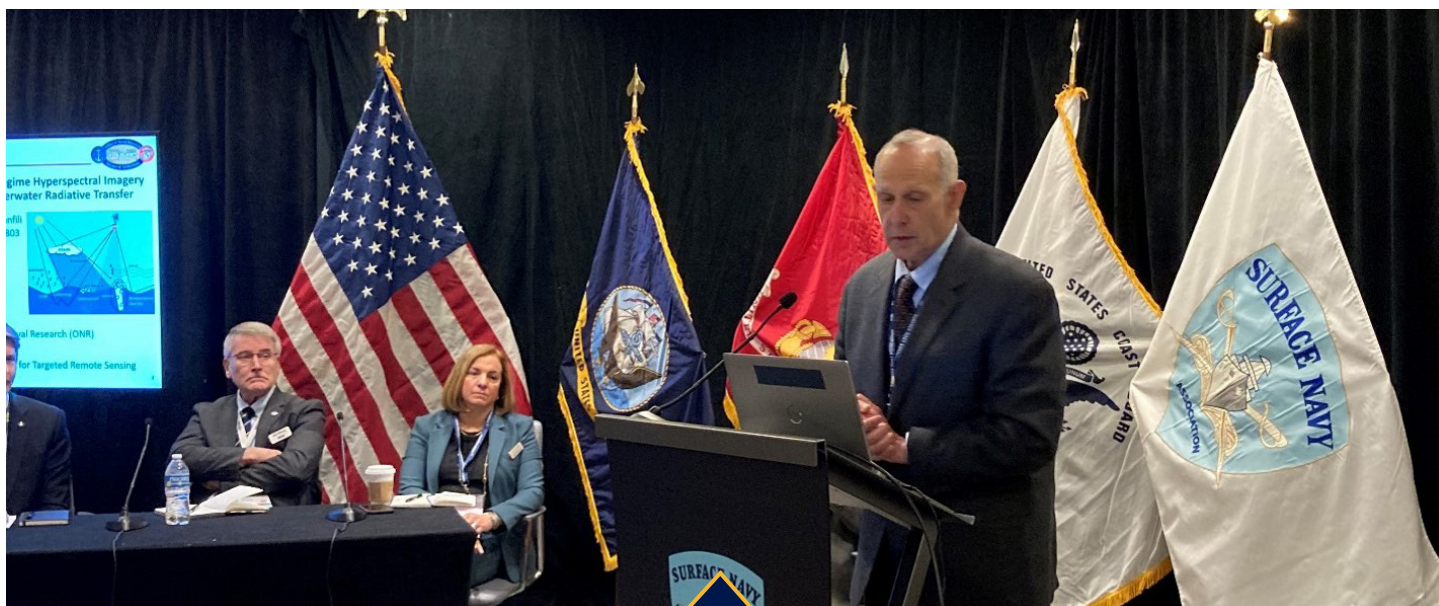
Alexander Berkeley of Spectral Sciences Inc., a Navy STP participant, presenting at the SNA Small Business Showcase.

Fairbanks Morse Defense: Accelerating innovation through small business partnerships...continued

operation and maintenance of hull, mechanical & electrical (HM&E) systems onboard vessels or enhance the efficiency of shipyard maintenance.

The company's core objective is to advance operational availability and maintenance efficiency, ensuring that both FMD and the Navy can operate with greater effectiveness.

How to get involved
For small businesses interested in partnering with FMD, the process is straightforward. Qualified companies can apply for the FM Defense Accelerator Program by completing the application form at: www.fairbanksmorsedefense.com/ accelerator-program-application.

FMD generally follows Small Business

Administration (SBA) size standards for qualification, considering factors like employee count and annual revenue, but prioritizes businesses that bring cutting-edge technologies and solutions that enhance operational availability, maintenance efficiency, and overall mission success.

By creating pathways for small businesses to contribute to maritime defense, FMD is not just strengthening its own capabilities—it's helping provide the U.S. Navy and other defense stakeholders with the most innovative solutions available. Through these efforts, FMD is ensuring that the U.S. maritime defense ecosystem remains resilient, innovative, and prepared for future challenges.

Matt Frichtl of Vision Point Systems, a Navy STP participant, presenting at the SNA Small Business Showcase.

Visit the Navy's Virtual Transition Market Place
https://vtm.navyfst.com/

Phase III Department of Navy Contracts

In fiscal year (FY) 2024, the Department of the Navy (DoN) obligated over $1.5 billion across 138 federally awarded contracts and purchase orders, as well as 299 delivery orders under 123 indefinite delivery vehicles. These Phase III efforts support initiatives across eight DoN Systems Commands, 14 Program Executive Offices (PEOs) and Warfare Centers, and one forward-based operational command. Three-quarters of the FY24 Phase III projects stem from DoN investments in 202 unique DoN topics spanning 14 critical technology areas. The table below lists the firms that received funding and the corresponding SYSCOM or PEO supporting their efforts.

The table is organized first by SYSCOM or PEO, in descending order of total Phase III obligations, with firms listed alphabetically under each command.

SBIR/STTR firms also receive many Phase III awards directly from state governments, DoD prime contractors and others in the private sector, which are not reported in the tables below.

Firm	Total Contracts	Obligated $
NAVSEA	**155**	**$588,544,373**
PEO SUB - (Program Executive Office Attack Submarines)	**69**	**$126,316,037**
ASSETT, INC.	2	$6,530,688
L3 TECHNOLOGIES, INC.	1	$3,521,527
MAKAI OCEAN ENGINEERING INC	1	$984,234
MIKEL, INC.	1	$29,820
PROGENY SYSTEMS CORP	30	$57,883,155
SCIENTIFIC SOLUTIONS, INC.	1	$143,828
SEACORP, LLC	1	$12,057,469
SEEMANN COMPOSITES, LLC	3	$31,391,985
SYSTEMS ENGINEERING ASSOCIATES CORPORATION	26	$6,798,287
THE CONSULTING NETWORK, INC.	1	$2,269,000
ULTRA ELECTRONICS OCEAN SYSTEMS INC	2	$4,706,044
PEO USC - (Program Executive Office Unmanned and Small Combatants)	**6**	**$121,359,189**
ADVANCED ACOUSTIC CONCEPTS, LLC	1	$8,639,775
COMPOSITE ENERGY TECHNOLOGIES, INC.	1	$3,684,290
MARITIME APPLIED PHYSICS CORPORATION	1	$106,951,201
TETAC, INC.	3	$2,083,924
PEO IWS - (Program Executive Office **Integrated Warfare Systems**)	**30**	**$113,634,136**
AMERICAN SYSTEMS CORPORATION	1	$4,963,590
BEACON INTERACTIVE SYSTEMS LLC	2	$1,157,215

Phase III Department of Navy Contracts... Continued

Firm	Total Contracts	Obligated $
BEAM-WAVE RESEARCH, INCORPORATED	1	$270,000
CORVID TECHNOLOGIES, LLC	2	$1,315,900
DANIEL H WAGNER ASSOCIATES INC	1	$1,126,162
FRONTIER TECHNOLOGY INC.	1	$17,621
G2 OPS, INC.	1	$2,722,645
IERUS TECHNOLOGIES INC	1	$3,773,585
INNOVATIVE DEFENSE TECHNOLOGIES, LLC	1	$52,662,572
L3 ADAPTIVE METHODS, INC.	1	$7,074,787
L-3 CHESAPEAKE SCIENCES CORPORATION	1	$282,284
L3 TECHNOLOGIES, INC.	6	$5,644,366
MIKROS SYSTEMS LLC	1	$2,408,626
PACIFIC SCIENCE & ENGINEERING GROUP, INC.	2	$1,339,369
PROGENY SYSTEMS CORP	2	$9,451,742
SIMVENTIONS, INC.	5	$1,380,517
ULTRA ELECTRONICS OCEAN SYSTEMS INC	1	$18,043,155
PEO SHIP - (Program Executive Office Ships manages acquisition and complete life-cycle support for all U.S. Navy non-nuclear surface ships)	**14**	**$95,419,807**
CRITICAL COMMUNICATIONS CONTROLS & INSTRUMENTS LLC	1	$2,938,208
FRONTIER TECHNOLOGY INC.	4	$1,054,953
HUTCHINSON INDUSTRIES, INC	1	$2,279,039
MATERIALS SCIENCES LLC	3	$6,074,221
MI TECHNICAL SOLUTIONS, INC.	1	$62,487,657
SEEMANN COMPOSITES, LLC	2	$19,695,106
TEST & EVALUATION SOLUTIONS, LLC	2	$890,622
PEO UWS - (Program Executive Office Undersea Warfare Systems)	**7**	**$62,258,378**
APPLIED MATHEMATICS INC	1	$474,240
L3 TECHNOLOGIES, INC.	1	$2,163,054
PROGENY SYSTEMS CORP	3	$51,296,247
SCIENTIFIC SOLUTIONS, INC.	1	$688,671
SEDNA DIGITAL SOLUTIONS, LLC	1	$7,636,166
PEO SSN - (Formerly PEO SUB - aligns Virginia-class efforts under one Flag officer)	**2**	**$35,140,740**
PROGENY SYSTEMS CORP	2	$35,140,740
NAVSEA Enterprise (NAVSEA HQ directed efforts)	**26**	**$33,950,478**

Firm	Total Contracts	Obligated $
ADVANCED TECHNOLOGY AND RESEARCH CORPORATION	1	$3,475,226
APTIMA, INC.	1	$1,600,000
ARETE ASSOCIATES	2	$11,969,351
CAPE HENRY ASSOCIATES, INC.	1	$88,877
INNOVATIVE DEFENSE TECHNOLOGIES, LLC	8	$219,096
JANUS RESEARCH GROUP, LLC	7	$9,419,645
KARAGOZIAN & CASE, INC.	2	$1,952,632
LA JOLLA LOGIC, INC.	1	$1,399,468
PROGENY SYSTEMS CORP	1	$3,634,001
VRC METAL SYSTEMS, LLC	2	$192,182
Training Systems (Naval Training Systems for Surface and Undersea Warfare Systems)	**1**	**$465,609**
APTIMA, INC.	1	$465,609
NAVAIR	**94**	**$437,698,045**
NAVAIR Warfare Centers (Naval Air Systems Command Warfare Centers: Aircraft Division, Weapons Division)	**25**	**$106,046,110**
AMERICAN SYSTEMS CORPORATION	1	$46,421,171
AVIATION SYSTEMS ENGINEERING CO INC	1	$460,540
CHESAPEAKE TECHNOLOGY INTERNATIONAL, CORP.	5	$5,462,087
EPSILON C5I, INC.	1	$10,364,626
JARDON & HOWARD TECHNOLOGIES LLC	1	$19,347
KARAGOZIAN & CASE, INC.	1	$278,357
MERCURY SYSTEMS INC	10	$24,550,263
NAVMAR APPLIED SCIENCES CORP	3	$4,814,157
SOAR TECHNOLOGY INC	2	$13,675,563
PEO(T) - (Program Executive Office Tactical Aircraft Programs)	**25**	**$105,854,064**
ARCHITECTURE TECHNOLOGY, INC.	1	$1,249,992
CHESAPEAKE TECHNOLOGY INTERNATIONAL, CORP.	1	$945,000
COHERENT TECHNICAL SERVICES, INC.	1	$1,804,077
CREARE LLC	1	$51,706
MERCURY MISSION SYSTEMS, LLC	3	$1,301,315
NORTH STAR SCIENTIFIC CORP	2	$16,260,480
OCEANIT LABORATORIES INC	1	$8,928,255
PHYSICAL OPTICS CORPORATION	6	$38,158,084
R CUBED ENGINEERING, LLC	4	$32,525,711

* Counter Improvised Explosive Devices (C-IED)

Phase III Department of Navy Contracts... Continued

Firm	Total Contracts	Obligated $
SCIENTIFIC SYSTEMS CO INC	1	$43,804
SYSTEMS & TECHNOLOGY RESEARCH LLC	3	$3,388,030
TOYON RESEARCH CORPORATION	1	$1,197,609
PEO(U&W) - (Program Executive Office, Unmanned Aviation and Strike Weapons)	**14**	**$73,140,440**
ALLIANT TECHSYSTEMS OPERATIONS LLC	3	$31,449,314
COHERENT TECHNICAL SERVICES, INC.	1	$2,998,249
DZYNE TECHNOLOGIES INCORPORATED	1	$486,585
FUSE INTEGRATION, INC.	2	$32,578,931
INNOVATIVE DEFENSE TECHNOLOGIES, LLC	1	$1,883,788
INSITU, INC.	1	$714,194
LAMBDA SCIENCE, INC.	1	$493,807
LOGIS-TECH, INC.	1	$12,562
METAMAGNETICS INC	1	$827,882
MONTEREY TECHNOLOGIES, INC.	1	$1,318,373
NORTHWEST ULD, INC	1	$376,755
F-35 JPO (Program Executive Office Joint Strike Fighter (F-35))	**1**	**$68,069,169**
FRONTIER TECHNOLOGY INC.	1	$68,069,169
PEO(A) - (Program Executive Office Air Anti-Submarine Warfare, Assault & Special Mission)	**22**	**$38,559,878**
ADAPTIVE METHODS, INC.	1	$1,830,000
AEROSPACE MASS PROPERTIES ANALYSIS INC	1	$5,073,258
AZURE SUMMIT TECHNOLOGY, INC.	5	$1,573,298
MERCURY MISSION SYSTEMS, LLC	1	$1,771,960
METIS DESIGN CORPORATION	1	$64,967
NAVMAR APPLIED SCIENCES CORP	2	$589,459
NLIGN ANALYTICS, INC.	3	$217,901
PHYSICAL OPTICS CORPORATION	1	$5,354,000
PROGRAMS MANAGEMENT ANALYTICS & TECHNOLOGIES INC	1	$3,100,000
RDA INC.	2	$6,768,948
RDRTEC INCORPORATED	1	$1,719,210
SEALANDAIRE TECHNOLOGIES, INC.	1	$5,440,817
SIGNAL SYSTEMS CORPORATION	1	$2,981,800
STOTTLER HENKE ASSOCIATES, INC.	1	$2,074,260
NAVAIR Enterprise (NAVSEA HQ directed efforts)	**2**	**$29,791,298**

Phase III Department of Navy Contracts... Continued

Firm	Total Contracts	Obligated $
COMPASS SYSTEMS, INC.	1	$4,814,462
SHIPCOM FEDERAL SOLUTIONS LLC	1	$24,976,836
PEO(CS) - (Program Executive Office Aviation Common Systems & Commercial Services)	**5**	**$16,237,087**
AECHELON TECHNOLOGY INC	1	$52,400
CREARE LLC	2	$14,209,680
PC KRAUSE AND ASSOCIATES, INC.	1	$975,067
SOAR TECHNOLOGY INC	1	$999,941
Other SYSCOMs/DoN Programs	**80**	**$177,059,336**
ONR (Office of Naval Research)	**37**	**$84,673,506**
AEROVIRONMENT, INC.	4	$17,107,320
APTIMA, INC.	2	$1,441,967
ARETE ASSOCIATES	2	$2,362,007
BOSTON ENGINEERING CORPORATION	1	$313,314
CMLASER TECHNOLOGIES, INC.	2	$277,334
CRAFT ENGINEERING ASSOCIATES, INC.	1	$632,788
DANIEL H WAGNER ASSOCIATES INC	2	$1,054,355
EXPEDITION TECHNOLOGY, INC.	1	$331,077
H S OWEN LLC	1	$210,272
HYDRONALIX, INC.	1	$32,900
INNOVATIVE DEFENSE TECHNOLOGIES, LLC	1	$9,608,218
INTRAMICRON INC	1	$7,620,000
KAZAK TECHNOLOGIES, INC	1	$300,000
KNEXUS RESEARCH LLC	1	$100,000
OCEANIT LABORATORIES INC	1	$8,761,528
PACIFIC DEFENSE STRATEGIES, INC.	1	$15,907,056
PLATFORM SYSTEMS, INCORPORATED	1	$1,302,000
QORTEK INC	1	$800,000
SCIENTIFIC TOOLWORKS INC.	1	$3,329,906
SENSEICS CORPORATION	1	$499,922
SIGNAL SYSTEMS CORPORATION	1	$400,535
SONALYSTS INC	1	$249,554
SYNOPTIC ENGINEERING LLC	1	$859,908
SYNTONICS LLC	1	$2,300,000
SYSTEMS & TECHNOLOGY RESEARCH LLC	1	$2,114,300
TOUCHSTONE RESEARCH LABORATORY, LTD.	1	$4,421,762

Phase III Department of Navy Contracts... Continued

Firm	Total Contracts	Obligated $
TRIDENT SYSTEMS LLC	1	$308,408
TRIVERUS, LLC	1	$11,185
XIPHOS PARTNERS, INC.	1	$350,000
ZIVKO AERONAUTICS, INC.	1	$1,665,890
NAVSUP (Naval Supply Systems Command)	**10**	**$54,011,254**
JJR SOLUTIONS, LLC	1	$42,428,541
PREMIER SOLUTIONS HI, LLC	4	$2,550,850
SONALYSTS INC	1	$549,661
UNITED MESH SOLUTIONS LLC	4	$8,482,202
NAVWAR (Naval Information Warfare Systems Command)	**18**	**$26,626,491**
BASCOM HUNTER TECHNOLOGIES, INC.	1	$716,395
BASIC COMMERCE & INDUSTRIES INC	1	$881,917
CHARLES RIVER ANALYTICS, INC.	1	$2,972,400
FUSE INTEGRATION, INC.	2	$4,029,589
H S OWEN LLC	1	$102,954
HYPRES, INC.	1	$1,956,779
LEARNTOWIN INC	1	$4,548,000
PHASE SENSITIVE INNOVATIONS INC	1	$4,526,764
SOLUTE	8	$6,348,836
STILMAN ADVANCED STRATEGIES, LLC	1	$542,857
MCSC/USMC	10	$8,689,828
CHESAPEAKE TECHNOLOGY INTERNATIONAL, CORP.	1	$2,481,482
CRITICAL FREQUENCY DESIGN LLC	1	$682,479
HYPERION TECHNOLOGY GROUP INC	3	$1,383,772
PREMIER SOLUTIONS HI, LLC	1	$29,913
TACTICAL EDGE, INC.	1	$1,452,036
TRIDENT SYSTEMS LLC	3	$2,660,145
SSP (Strategic Systems Programs)	**1**	**$1,641,988**
ADVANCED SCIENTIFIC CONCEPTS, LLC	1	$1,641,988
NAVFAC (Naval Facilities Engineering Systems Command)	**1**	**$797,100**
MAKAI OCEAN ENGINEERING INC	1	$797,100
Other	**3**	**$619,169**
AGILEDELTA, INC.	1	$464,425
DOUBLESHOT CORPORATION	1	$19,744
INGENIA SERVICES INC	1	$135,000
Total DoN Investment in DoN Topics	**329**	**$1,203,301,755**

Phase III Department of Navy Contracts... Continued

The remaining quarter of FY24 funding was awarded to 42 small businesses whose prior SBIR/STTR work originated with other agencies. Recognizing the value of these innovations, the DoN executed Phase III authorities. The table below lists the firms that received funding and the corresponding SYSCOM or PEO supporting their efforts.

Firm	Total Contracts	Obligated $
Other SYSCOMs/DoN Programs	**45**	**$211,918,676**
NAVCENT	1	$108,978,726
PRESCIENT EDGE CORPORATION	1	$108,978,726
MCSC/USMC	24	$54,025,725
AQYR TECHNOLOGIES, INC.	1	$88,832
CORVID TECHNOLOGIES, LLC	1	$353,065
GEOSPARK ANALYTICS, INC.	1	$200,000
IST RESEARCH, LLC	2	$6,940,395
SABEL SYSTEMS TECHNOLOGY SOLUTIONS, LLC	3	$3,131,070
SEHLKE CONSULTING LLC	16	$43,312,364
NAVWAR	3	$16,806,057
AI2 INCORPORATED	1	$673,064
AUTONODYNE LLC	1	$1,293,997
INNOVATIVE DEFENSE TECHNOLOGIES, LLC	1	$14,838,996
Other	13	$14,158,684
ANSOL INC	1	$626,650
BETTERUP, INC.	2	$1,093,300
DARK WOLF SOLUTIONS, LLC	1	$955,322
NEUROFLOW INC	1	$330,000
ONEBRIEF, INC.	1	$1,900,000
RESOLUTION IMAGERY LLC	1	$1,975,000
SEV1TECH, LLC	1	$1,146,116
STREET SMARTS VR INC.	1	$50,000
VALID EVALUATION, INC.	2	$525,254
VANA SOLUTIONS LLC	2	$5,557,042
ONR	2	$10,560,184
BLUE STORM ASSOCIATES INC.	1	$1,641,034
PHASE SENSITIVE INNOVATIONS INC	1	$8,919,150
NAVSUP	2	$7,389,299
THE DCODE GROUP INC	2	$7,389,299
NAVSEA	**24**	**$130,048,867**
NAVSEA Enterprise	8	$83,175,763
ANSOL INC	1	$325,870
BEAST CODE LLC	2	$12,140,753

Phase III Department of Navy Contracts... Continued

Firm	Total Contracts	Obligated $
BILT INC	2	$478,973
G2 OPS, INC.	1	$27,753,703
THE KENIFIC GROUP INC	1	$36,289,223
VALKYRIE ENTERPRISES, INC.	1	$6,187,241
PEO SSBN - (Program Executive Office Strategic Submarines [SSBN] (formerly PEO Columbia) proactively manages the Ohio-to-Columbia transition, including strategic shore infrastructure and industrial base capacity)	**5**	**$25,898,423**
DEFENSE UNICORNS, INC.	5	$25,898,423
Training Systems	**1**	**$10,216,564**
TRANSTECS CORPORATION	1	$10,216,564
NECC	**1**	**$4,588,629**
FRONTIER TECHNOLOGY INC.	1	$4,588,629
PEO SUB - (Program Executive OfficeAttack Submarines)	**7**	**$4,329,228**
ANSOL INC.	3	$4,156,988
ORBIS SIBRO, INC.	4	$172,239
PEO Carrier - (Program Executive Office Aircraft Carriers)	**1**	**$1,190,340**
PHOENIX GROUP OF VIRGINIA INC	1	$1,190,340
PEO IWS - (Program Executive Office Integrated Warfare Systems)	**1**	**$649,920**
THE DCODE GROUP INC	1	$649,920
NAVAIR	**11**	**$33,028,106**
PEO(U&W) - (Program Executive Office, Unmanned Aviation and Strike Weapons)	**1**	**$15,000,000**
CASTELION CORPORATION	1	$15,000,000
NAVAIR Warfare Centers	**5**	**$8,801,945**
AEROSTAR TECHNICAL SOLUTIONS, LLC	1	$2,629,501
DISTI, LLC	1	$374,709
TAKEFLIGHT INTERACTIVE LLC	1	$4,001,598
TIER 1 PERFORMANCE SOLUTIONS LLC	1	$659,756
VERTEX SOLUTIONS, LLC	1	$1,136,381
NAVAIR Enterprise	**4**	**$6,791,161**
ANSOL INC	2	$2,867,171
ARCTOS TECHNOLOGY SOLUTIONS, LLC	1	$1,500,000
TECHNOLOGY SERVICE CORP	1	$2,423,989
PEO(A) - (Program Executive Office Air Anti-Submarine Warfare, Assault & Special Mission)	**1**	**$2,435,000**
ANDURIL INDUSTRIES, INC.	1	$2,435,000
Total DoN Investment in Other Agency Topics	**80**	**$374,995,649**
Grand Total DoN Investment in All Topics		**$1,578,297,404**

Connect with us!

The Navy SBIR Transition Program (Navy STP) has a media presence on three platforms. For information on our participating small businesses, transition opportunities and SBIR/STTR news connect with us here:

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