



GSA Office of Governmentwide Policy

Acquisition Letter MV-21-01  
February 17, 2021

MEMORANDUM FOR: CHRIS BENNETHUM  
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FAS OFFICE OF ASSISTED ACQUISITION SERVICES (QF)

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ASSISTANT COMMISSIONER  
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FROM: JEFFREY A. KOSES DocuSigned by:  
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SENIOR PROCUREMENT EXECUTIVE  
OFFICE OF ACQUISITION POLICY (MV)

SUBJECT: Promoting Responsible Innovation through the Small Business  
Innovation Research (SBIR) / Small Business Technology  
Transfer (STTR) Program

**1. Purpose.**

This Acquisition Letter (AL) expands authorities for FEDSIM and the Region 5 Client Support Center (CSC) in providing assisted acquisition services for Small Business Innovation Research (SBIR) / Small Business Technology Transfer (STTR) Programs. It also authorizes the CSCs in Regions 4 and 8 to provide Assisted Acquisition Services for SBIR Phase III work. Finally, it updates internal controls based on these enhanced authorities and based on lessons and challenges of the last year.

## **2. Background.**

On May 30, 2018, I issued SPE Memo SPE-2018-01 to authorize FEDSIM and the Region 5 Client Support Center (CSC) to provide Assisted Acquisition Services (AAS) for Phase III work under the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs on a pilot basis.

This pilot authorization was limited to the two named organizations noting any expansion would require separate approval.

The authority was also limited to SBIR/STTR Phase III work noting AAS could request expansion plans as it mastered Phase III work.

Over the next two years, the FAS FEDSIM and Region 5 CSC demonstrated good management and oversight of SBIR Phase III work. On March 27, 2020, Acquisition Letter MV-20-06 announced the pilot was complete and authorized SBIR Phase III as a permanent offering.

Over the last year, GSA assisted acquisition support for the SBIR program has continued to grow. FAS has proposed adding two additional client support centers to Phase III work and permitting the more experienced CSCs to begin supporting Phase I and Phase II work.

This AL continues the phased roll-out of FAS's SBIR offerings by permitting controlled expansion to two more CSCs and by permitting a limited move into SBIR Phase I and II work for FEDSIM and the Region 5 CSC.

The AL also updates authorities for FEDSIM and the Region 5 CSCs in response to successes and challenges identified over the last year.

## **3. Effective Date.**

This AL is effective immediately and remains in effect until rescinded or incorporated into the GSAR.

## **4. Cancellation.**

Acquisition Letter MV-20-06 signed March 27, 2020 is hereby cancelled in its entirety.

## **5. Authority.**

As detailed below, the FAS FEDSIM and Region 5 CSC are authorized to provide limited assisted acquisition support for SBIR/STTR Phase I, II, in addition to the current authority for Phase III awards.

The FAS Region 4 and Region 8 CSCs are authorized to provide limited assisted acquisition support for SBIR/STTR Phase III awards consistent with the control environment FAS developed for FEDSIM and the Region 5 CSC in response to my May 30, 2018 memorandum.

Any expansion to additional offices, including other parts of the FAS AAS organization, will require separate approval.

## **6. Requirements.**

New SBIR/STTR acquisitions are subject to the following requirements.

### **a. General**

- The Assistant Commissioner for FAS AAS must ensure alignment between the SBIR/STTR efforts in FEDSIM, Region 4, Region 5, and Region 8.
- Per SBA's interpretation, GSA's SBIR/STTR authority is limited. All Interagency Agreements (IAAs) must ensure GSA has a means to address SBA's limitation regarding termination of the IAA if necessary.
- All SBIR/STTR Phase I, II, and III awards must be reported in FPDS, under the Competition Information tab, which allows selection of SBIR/STTR from the drop down menu.
- AAS will report results, progress, lessons learned, and challenges to the FAS Office of Policy and Compliance (QV) and the Office of Acquisition Policy (MV) on a quarterly basis.
- SBIR/STTR toll gate meetings with QV and MV are required quarterly for all work newly authorized by this AL.
- Authorized GSA contracting officers must familiarize themselves with the [SBA SBIR/STTR Policy Directive](#) prior to making awards.

### **b. FAS AAS FEDSIM and Region 5**

- FEDSIM and Region 5 are authorized to provide assisted acquisition support for SBIR/STTR Phase I, II, and III procurements.
- The number of SBIR/STTR Phase I solicitations are limited to an initial 10 over the next 2 years pending review of these initial actions. This 10 may be divided in any way between the two organizations. The dollar threshold and period of performance limitations for these awards per the SBA SBIR/STTR Policy Directive still apply.
- The number of SBIR/STTR Phase II solicitations are limited to 10 over the next 2 years pending review of these initial actions. This 10 may be divided in any way between the two organizations. The dollar threshold and period of performance limitations for these awards per the SBA SBIR/STTR Policy Directive still apply.
- Acquisition Plans for SBIR/STTR awards are approved through normal review and approval procedures per FAR Subpart 7.1 and GSAM Subpart 507.1. Acquisition Plans for Phase III procurements should include the history of the Phase I or II success.

- Consistent with SBA regulations, Justifications and Approvals (J&As) for SBIR/STTR Phase III awards or modifications are no longer required, unless otherwise specified.
- Justifications for SBIR/STTR Phase I and Phase II awards where only one proposal is received are still required.
- Determinations for SBIR/STTR Phase II awards of the commercial potential and that the topics of the relevant awards are the same as Phase I are still required.
- Acquisition Review Boards (ARBs) are required for:
  - The authorized 10 SBIR/STTR Phase I and II solicitations and awards regardless of dollar amount.
  - SBIR/STTR Phase III awards over \$75M and any modification bringing the total value over \$75M.
  - Any SBIR/STTR award with a period of performance longer than 5 years.

**c. FAS AAS Region 4 and Region 8**

- Region 4 and Region 8 are authorized to provide assisted acquisition support for SBIR/STTR Phase III procurements only.
- Acquisition plans for SBIR/STTR awards must be signed by the HCA regardless of dollar amount.
- J&As are required for SBIR/STTR Phase III awards.
- ARBs are required for:
  - All SBIR/STTR Phase III awards at or above \$50M and any modification bringing the total value over \$50M.
  - Any SBIR/STTR award with a period of performance longer than 5 years.

**7. Observations and Recommendations.**

FAS should be prudent in establishing appropriate dollar values for its SBIR/STTR acquisitions. Overly large IDIQs may increase risk, inflate contractor expectations, and lead to lost opportunities to leverage better pricing.

Operationally, SBIR/STTR Phase III work is a Congressionally authorized sole source. It's purpose is to promote a spirit of innovation in American small business. FAS should ensure SBIR awards being placed for Phase III work are truly innovative.

Speed of acquisition is not the same as innovation.

GSA does not have a deep history in R&D work. As such, the movement into Phase I and II work must be thoughtful and deliberative.

**8. Point of Contact.**

Any questions regarding this letter may be directed to Clarence Harrison Jr at [GSARPolicy@gsa.gov](mailto:GSARPolicy@gsa.gov).