The purpose of this memorandum is to remind Office of Science (SC) National Laboratories that when acquiring technology developed under Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs Phase I or II agreements, they are to give preference to the small businesses that first developed the technology under SBIR/STTR programs.

When a small business concern has been awarded a funding agreement for an SBIR or STTR program, a federal agency may enter into a Phase III agreement with the SBIR/STTR awardee for additional work to be performed. The Small Business Technology Council (SBTC), who advocates for the SBIR/STTR program, has recently raised concerns to DOE that SC Laboratory's may not be aware of this preference, which is contained in the Small Business Act. Specifically, in 15 USC 638: Research and Development, section (r)(4) it states:

*Competitive procedures and justification for awards*

To the greatest extent practicable, Federal agencies and Federal prime contractors shall-
(A) consider an award under the SBIR program or the STTR program to satisfy the requirements under section 2304 of title 10 and any other applicable competition requirements; and
(B) issue, without further justification, Phase III awards relating to technology, including sole source awards, to the SBIR and STTR award recipients that developed the technology.

This memorandum is not direction to the SC National Laboratories to subcontract with specific entities, rather it is a reminder of the preference to subcontract with small businesses that first developed a technology under an SBIR/STTR program, to the greatest extent practicable.

If you have any questions related to this memorandum, please contact Steven C. Jones at (202) 287-1448 or at Steven.Jones@science.doe.gov.