



LARGE BUSINESS MENTORING

13 May 2013

Presented By: Randall Johnston
U.S. Small Business Administration
Supervisory Procurement Center Representative, Area II

How is Mentoring Performed?

- ❑ Large Businesses can mentor small businesses in partnership with the Government in several ways:
 - Teaming Arrangements
 - Joint Ventures
 - Small Business Innovation Research (SBIR) projects
 - Small Business Technology Transfer Research (STTR)
 - Mentor–Protégé Program (MPP) agreements

- ❑ For this event, we will focus on established Mentor Protégé Programs with the SBA and the DoD.

Who Sponsors Mentoring?

- ❑ Several Federal agencies and organizations have established their own Mentor–Protégé programs.

- ❑ For example:
 - The SBA has established a federal–wide mentoring program called: the Mentor–Protégé Program (MPP) at:
<http://www.sba.gov/content/mentor-prot%C3%A9g%C3%A9-program>
 - The DoD has established their own MPP at:
<http://www.acq.osd.mil/osbp/sb/programs/mpp/index.shtml>

- ❑ Other organizations such as PTAC of Virginia in collaboration with the George Mason University have established a robust MPP program at: <http://www.mentorprotege.gmu.edu>

What are Mentor–Protégé Programs?

- ❑ In general, all Mentor–Protégé Programs are designed to encourage the Mentor to provide various forms of assistance in order to broaden and develop the Protégé
- ❑ The purpose of the Mentor–Protégé Agreement is to enhance the capabilities of the Protégé and improve its ability to successfully compete for contracts
- ❑ Mentor assistance may include:
 - technical or management
 - financial assistance
 - assistance in performance of prime contract

SBA's Mentor–Protégé Program

- ❑ The purpose of SBA's MPP:
 - Encourages private–sector relationships and expands SBA's efforts to identify and respond to the developmental needs of 8(a) clients.

- ❑ SBA's MPP is currently offered under SBA's 8(a) Program, under Section 8(a) of the Small Business Act:
 - the 8(a) business development initiative helps socially and economically disadvantaged small business firms gain access to economic opportunity in the Government business sector.

 - As a small business owner, you can join the Mentor–Protégé Program as either the mentor or the protégé.

SBA's 8(a) MPP – The Mentor

- The mentor can be a business that has graduated from the 8(a) Business Development program, a firm in the transitional stage of the program, or a small or large business. A mentor must have the capability to assist the protégé and must make a commitment for at least one year. In addition, the mentor must demonstrate the following:
 - Possess favorable financial health, including profitability for the last two years
 - Does not appear on the Federal List of debarred or suspended contractors
 - Possess good character
 - Provide and impart value to the Protégé firm
 - Once approved, Mentor must certified annually

Protégé Eligibility Requirements

- ❑ In order to qualify as a Protégé, a participant must be:
 - In the development stage of participation.
 - Have never received an 8(a) contract.
 - Have a size that is less than half the size standard corresponding to its primary NAICS code.
 - Must be in good standing with the 8(a) Program and current with all reporting requirements.
 - Protégés have only one mentor at a time.

The SBA MPP Agreement

- ❑ Mentor and protégé firms enter into an SBA–approved written agreement outlining the protégé’s needs and describing the assistance the mentor has committed to providing.
- ❑ The protégé’s servicing district office evaluates the agreement according to the provisions contained in [13 CFR 124.520](#).
- ❑ The Agreement must be approved by the Assistant Administrator for 8(a) Business Development (BD).
- ❑ Agreement is 3 years in length and may be terminated by either party with 30 days advance notice.

The SBA MPP Agreement

- ❑ SBA must approve any changes to the Mentor–Protégé Agreement.
- ❑ SBA conducts annual reviews to determine the success of the mentor–protégé relationship.
- ❑ Qualified 8(a) participants may apply to be considered as a protégé or mentor with the SBA District Office where it is registered.
- ❑ To apply for the program, visit the SBA website at:
 - <http://www.sba.gov/content/mentor-prot%C3%A9g%C3%A9-program>

SBA Benefits

- ❑ The mentor's expertise, resources, and capabilities are made available to the protégé.
- ❑ The Mentor and Protégé may joint venture as a small business for any government procurement.
- ❑ Mentor may own up to 40% of the Protégé in order to raise capital.
- ❑ Notwithstanding the Mentor-Protégé Agreement, the Protégé may qualify as a small business for SBA financial assistance
- ❑ No affiliation or control may be found as result of this relationship

What if I am not Qualified?

- ❑ What if I do not qualify for the Mentor–Protégé Program?
 - The SBA has a number of other programs and services available. These include training and educational programs, advisory services, publications, financial programs, and contract assistance. The agency also offers specialized programs for women business owners, veterans, and historically underutilized business zone (HUBZone) for development.
- ❑ See the following SBA website to obtain info on other programs:
<http://www.sba.gov/local-assistance?ms=fp>
 - Just by typing in your zip code or select the state you are in.

New Legislative Authority

- ❑ **Section 1347(b)(3) of the Small Business Jobs Act of 2010** authorizes the Agency to establish mentor-protégé programs for:
 - Service Disabled Veteran Owned SB concerns (SDVOSB)
 - Historically Under-Utilized Business Zones (HUBZone)
 - Woman Owned Small Business concerns (WOSB)

- ❑ The legislation is modeled on the Agency's mentor-protégé program for small business concerns participating in programs under section 8(a) of the Small Business Act.

DoD's Mentor–Protégé Program

- ❑ Authorized under Public Law 101–510, The National Defense Authorization Act, DFARS 219.71
- ❑ The purpose of the DoD Program is to provide incentives to major Prime contractors (mentors) to assist SDB's, SDVOs, HUBZone, WOBs, Indian Tribes, Hawaiian organizations, or organizations for the severely disabled (Protégés) in enhancing their technical and business capabilities.

DoD's Mentor–Protégé Program

- ❑ Firms are eligible to be Mentors if they currently have an active approved Subcontracting Plan negotiated with DoD or another Federal Agency and are currently eligible for award of Federal contracts.
- ❑ Mentors and Protégés are required to execute a formal Agreement (limited to 3 years) that sets forth the type of developmental assistance that will be provided to the Protégé and the type of support the Protégé will provide the Mentor.

DoD's Mentor–Protégé Program

- ❑ Once accepted by the Director (SADBU) of an individual Military Department or Defense Agency, the Agreement must be then approved by the DoD Small and Disadvantaged Business Utilization Office who also provides funding.
- ❑ The Contracting Officer is then notified when funding is available. DCMA will conduct performance reviews, and past performance is a major factor in determining the amount of Mentor reimbursement.

DoD's Mentor–Protégé Program

- ❑ The Mentor is then eligible to be compensated for assistance provided to the Protégé by:
 - Being reimbursed for the cost of assistance provided, up to a maximum of \$1 million per year per Protégé (separately priced contract line item or a separate contract) or
 - By receiving credit towards Subcontracting Goals for developmental assistance that are not reimbursed, or
 - A combination of both of these methods

DoD's Mentor–Protégé Program

- ❑ The Mentor–Protégé Agreement can run for a maximum of three years. Either party can terminate the Agreement voluntarily or the Mentor can terminate for cause.
- ❑ There is a limited amount of funding DoD allocates to this Program each year.

DoD's Mentor–Protégé Program

REMINDERS:

- ❑ A Mentor may have more than one Protégé but a Protégé may have only one active DoD Mentor Protégé Agreement.
- ❑ For monetary reimbursed Agreements, submit the Agreement to the Director of Small Business for the specific military Agency, but for subcontracting credit submissions provide your Proposal to the DCMA.
- ❑ Recognized Mentor–Protégé relationships will not result in finding of affiliation. Protégés may team, joint venture with and subcontract to its Mentor.

Other Mentor–Protégé Programs

- ❑ Department of Energy (DOE):
 - <http://energy.gov/diversity/services/supporting-small-businesses/mentor-prot-g-program>
- ❑ Health & Human Services (HHS):
 - <http://www.hhs.gov/about/smallbusiness/m-pindex.html>
- ❑ PTAC – George Mason University
 - http://mentorprotege.gmu.edu/about_program.php
- ❑ Check other MPP programs with your OSDBUs at:
 - <http://www.osdbu.gov/members.html>