

Doing Business with the Government:

Mentor/Protégé

June 2015



Outline

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- ▶ Teaming Arrangements
- ▶ Mentor–Protégé
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Federal Certifications

▶ Small Business	23%
▶ SDB/8(a)	5%
▶ Women	5%
▶ HUBZone	3%
▶ Service Disabled Veteran	3%

Teaming Arrangements

- ▶ Subcontractor
- ▶ Peer to Peer teaming agreements
- ▶ Joint Venture/Partnership
- ▶ Mentor Protégé

Purpose

The mentor/protégé program is designed to encourage approved mentors to provide various forms of business development assistance to protégé firms.

Agencies

- ▶ DOD
- ▶ NASA
- ▶ DHS
- ▶ FAA
- ▶ VA
- ▶ SBA **8(a) Firms Only**
- ▶ Others

SBA

- ▶ Assistance may include
 - technical and/or management assistance;
 - financial assistance in the form of equity investments and/or loans; subcontracts; and/or
 - assistance in performing prime contracts with the Government through joint venture arrangements.

- ▶ Mentors are encouraged to provide assistance relating to the performance of non-8(a) contracts so that protégé firms may more fully develop their capabilities.

Mentor Qualifications

- ▶ Graduated from the 8(a) BD program
- ▶ 8(a) firms that are in the transitional stage of program participation
- ▶ Other small businesses
- ▶ Large businesses
- ▶ Good Standing with Federal Government
- ▶ Financial good health

Protégé Qualifications

- ▶ 8(a) Firms meeting one or more of the following conditions may qualify for an MPA
 - Be in the developmental stage of program 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.
- ▶ Only firms that are in good standing in the 8(a) BD program may qualify as a protégé.



Agreement

- ▶ Written
- ▶ The agreement must provide an assessment of the protégé's needs.
- ▶ The agreement must include:
 - Detailed description of the assistance to be provided
 - Timeline for the delivery of the assistance

Agreement

- ▶ The agreement will **not** be approved if SBA determines:
 - Assistance to be provided is not sufficient to promote any real developmental gains to the protégé
 - agreement is merely a vehicle to enable the mentor to receive 8(a) contracts.

Agreement

- ▶ The agreement must provide that either the protégé or the mentor may terminate the agreement with 30 days advance notice to the other party to the mentor/protégé relationship and to SBA.
- ▶ SBA will review the mentor/protégé relationship annually to determine whether to approve its continuation for another year.
- ▶ SBA must approve all changes to a mentor/protégé agreement in advance.



Proposed rule change

- ▶ The proposed rule would establish a Government-wide mentor-protégé program for all small business concerns, consistent with SBA's mentor-protégé program for Participants in SBA's 8(a) Business Development (BD) program.
- ▶ The proposed rule would amend the current joint venture provisions to clarify the conditions for creating and operating joint venture partnerships, including the effect of such partnerships on any mentor-protégé relationships.
- ▶ Updated SBA/Agency Partnership Agreements



Failures

- ▶ Cultural differences (business/personal)
- ▶ Unclear leadership
- ▶ Clash of management styles
- ▶ Imbalance of expertise or investment
- ▶ Unclear distribution of work
- ▶ Payments

Final Points

- ▶ While firms with an approved Mentor/Protégé Agreement may enter into Joint Venture Arrangements.
- ▶ **Key** purpose of the MPA is development.
- ▶ Regulations are being developed that will require all MPAs to be approved by SBA, except in some limited situations.

Preparedness

- ▶ Disaster
 - Cyber/Security
 - Natural
 - Flood
 - Hurricane
 - Tornado
 - Earthquake
 - Power
 - www.ready.gov

Questions

