



**Report to Congress on
Mentor-Protégé Programs
for
Fiscal Year 2016**

Report to Congress on Mentor-Protégé Programs for FY 2016

The Small Business Act (the Act), at Section 45 (c), requires the Small Business Administration (SBA) to submit a report on Mentor-Protégé programs to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate. 15 U.S.C. § 657r(c) requires annual reporting:

“(1) In general. Not later than 2 years after the date of enactment of this section [enacted Jan. 2, 2013], and annually thereafter, the Administrator shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report that--

(A) identifies each Federal mentor-protégé program;

(B) specifies the number of participants in each such program, including the number of participants that are--

(i) small business concerns;

(ii) small business concerns owned and controlled by service-disabled veterans;

(iii) qualified HUBZone small business concerns;

(iv) small business concerns owned and controlled by socially and economically disadvantaged individuals; or

(v) small business concerns owned and controlled by women;

(C) describes the type of assistance provided to protégés under each such program;

(D) describes the benefits provided to mentors under each such program; and

(E) describes the progress of protégés under each such program with respect to competing for Federal prime contracts and subcontracts.

(2) Provision of information. The head of each Federal department or agency carrying out a mentor-protégé program shall provide to the Administrator, on an annual basis, the information necessary for the Administrator to submit a report required under paragraph (1).”

This report identifies, by Agency, 11 federal Mentor-Protégé programs, 9 of which were active in FY 2016. For the 9 active programs, this report specifies the number of program participants that are: Small Business Concerns (SBC), Service Disabled Veteran Owned Small Business Concerns (SDVOSB); Historically Underutilized Business Zone (HUBZone) SBCs, Small Disadvantaged Businesses (SDB), and Woman Owned Small Business (WOSB) Concerns. It describes the type of assistance provided to protégés, the benefits provided to mentors, and the progress of protégés with respect to competing for federal prime contracts and subcontracts. A summary of the 11 Federal Mentor-Protégé programs, and data on the small business protégé participants in the 9 active programs, is provided below.

A. Federal Mentor-Protégé Programs (By Federal Activity)

Federal Activity	Program in Place	Program Active
Department of Defense (DoD)	Yes	Yes
Department of Energy (DOE)	Yes	Yes
Department of Health and Human Services (HHS)	Yes	No
Department of Homeland Security (DHS)	Yes	Yes
Department of Transportation (DOT)	Yes	Yes
Department of Treasury (Treasury)	Yes	No
Environmental Protection Agency (EPA)	Yes	Yes
General Services Administration (GSA)	Yes	Yes
National Aeronautics and Space Administration (NASA)	Yes	Yes
Small Business Administration (SBA)	Yes	Yes
U.S. Agency for International Development (USAID)	Yes	Yes

B. Number of Participants (By Federal Activity and Socio-Economic Category)

Federal Activity	SBC	SDVOSB	HUBZone	SDB	WOSB	Total Agreements
Department of Defense (DoD)	59	23	9	24	24	59
Department of Energy (DOE)	33	7	6	24	12	33
Department of Homeland Security (DHS)	103	49	11	65	27	103
Department of Transportation (DOT)	15	3	1	14	5	15
Department of Treasury (Treasury)	0	0	0	0	0	0
Department of Veterans Affairs (VA)	0	0	0	0	0	0
General Services Administration (GSA)	64	25	5	15	28	64
National Aeronautics and Space Administration (NASA)	18	1	3	9	11	18
Small Business Administration (SBA)	427	66	28	427	128	427
U.S. Agency for International Development (USAID)	5	0	1	1	3	5
Summary:	724	174	64	579	238	724

In addition to the information above, the following additional information is provided relative to the federal Mentor-Protégé programs. NASA reported eighteen Mentor-Protégé program agreements where Small Business Concerns were protégés. NASA also identified two additional Mentor-Protégé program agreements, one each with Historically Black Colleges and Universities (HBCU) and Minority Serving Institutions (MSI). Similarly, DOE reported two Mentor-Protégé program agreements with HBCUs. Two agencies also reported that Small Business Concerns served as mentors. DoD reported that nine Small Business Concerns served as mentors. The Department of Transportation reported that seven Small Business Concerns served as mentors.

In a significant development, SBA published a final rule, effective August 24, 2016, that created a single, all-inclusive Mentor-Protégé Program that would include veterans and service disabled veteran-owned businesses, women-owned small businesses, and HUBZone small businesses, self-certifying small businesses and 8(a) certified firms. The program was modeled after the 8(a) Mentor-Protégé program. The program began accepting applications October 1, 2016 therefore those new participants will begin to be reported in FY 2017.

C. Types of Assistance provided to Protégés (By Federal Activity)

Department of Defense (DoD)
<p>Assistance by mentor firm personnel in—</p> <p>(1) Helping protégés transform from being Firm Fixed Price subcontractors to Cost Plus prime contractors by helping small businesses create Defense Contract Audit Agency compliant Cost Accounting Systems for Cost-type contracts.</p> <p>(2) Helping protégés receive Facility Security Clearances to review solicitations and submit</p>

proposals for classified work.

(3) Helping protégés obtain certifications; such as ISO 9000, CSSIP and CMMI; required to bid on many DoD contracts.

Department of Energy (DOE)

Technical, business and/or administrative assistance is provided to protégés under the program. Examples of the type of assistance provided include, but are not limited to:

- (1) Program and Project Management;
- (2) Design Basis Threat Analysis;
- (3) Force Protection Planning;
- (4) Protective Force Operations;
- (5) Strategic Planning;
- (6) Vulnerability Assessment;
- (7) Operational Readiness Reviews;
- (8) Sustainability Program Development;
- (9) Logistics;
- (10) Physical Security Programs;
- (11) Computer Analysis And Planning;
- (12) Integrated Safeguards & Security Management;
- (13) Integrated Safety Management;

- (14) Quality Assurance;
- (15) Emergency Preparedness Planning;
- (16) 3-Dimensional System Development;
- (17) Information Security;
- (18) Personnel Security; and,
- (19) Performance Assurance Planning.

Department of Homeland Security (DHS)

In addition to providing small businesses with mutually beneficial developmental assistance, the DHS Mentor-Protégé Program is also designed to :

- (1) Improve the performance of contracts and subcontracts;
- (2) Foster the establishment of long-term business relationships between large prime contractors and small business subcontractors; and
- (3) Strengthen subcontracting opportunities and accomplishments through preaward and postaward incentives.

Department of Transportation (DOT)

The DOT Mentor-Protégé program provides developmental assistance to protégés:

- (1) Assistance with organizational planning management, including strategic planning, business planning, legal/risk management, proposal development;
- (2) Access and review of business opportunities through Deltek, GovWin systems;
- (3) Temporary assignment of personnel;
- (4) Mentors provided compliance training to protégés;

- (5) Assistance with Human Resource Management;
- (6) Meetings with Small Business Specialists and Program Managers from DOT Operating Administrations;
- (7) Cost analysis assistance to prepare Request for Proposals (RFP);
- (8) Develop marketing strategies as part of the protégé's business plan;
- (9) Assistance in proposal writing and business presentations to prospective buyers;
- (10) Assistance with contract administration for current contracts;
- (11) Assistance developing a pricing strategy;
- (12) Strengthen protégé's accounting systems;
- (13) Participants worked together with protégé's processes and procedures to enhance the protégé's capabilities;
- (14) Established a strategic plan to identify potential buyers within DOT Operating Administrations and other federal agencies;
- (15) General guidance on how to do business with federal government;
- (16) Assistance in contract estimating, pricing and scheduling.
- (17) Assistance with contract preparation and negotiation;
- (18) Assistance with business development with DOT Operating Administrations, state and local transportation agencies;
- (19) Monthly meetings to discuss potential opportunities and collaboration;
- (20) Marketing assistance;
- (21) DOT Procurement Forecast analysis and strategy;
- (22) Project management training to protégé staff; and,
- (23) Use of data centers for large projects.

Department of Treasury (Treasury)

Under the Treasury Mentor-Protégé program, mentors provide mutually beneficial development assistance to participating protégés, in addition the program aims to:

- (1) Provide greater assurance that a protégé subcontractor will be able to perform under the contract than a similarly situated non-protégé subcontractor;
- (2) Increase the number and dollar value of contracts and subcontracts awarded to protégé firms by Treasury and other Federal agencies to the protégé firm; and,
- (3) Increase the technical, managerial, financial or other capabilities of the protégé firm.

General Services Administration (GSA)

Assistance provided to protégés under the mentor-protégé agreements encompasses:

- (1) Business development:
 - i. Added protégés as subcontractors to the mentor’s government-wide contracts (GSA’s Alliant and Connections II, as well as the U.S. Air Force NETCENTS2);
 - ii. Introduced protégé as mentor’s team member at industry events;
 - iii. Refined protégé’s pricing policies and indirect cost pool allocation;
 - iv. Fostered protégé’s participation in mentor’s monthly account review; meetings, including the large customer account planning meetings (SSA, VA, DISA);
 - v. Technically supported protégé’s agile development;
 - vi. Shared market intelligence to identify viable opportunities for the protégé, including access to the mentor’s SharePoint portal;
 - vii. Introduced protégé to government-industry organizations, such as ACT- IAC. Nominated protégé to sit on the ITAP Board of Directors;

- viii. Recommended protégé as a trusted partner to other industry partners needing protégé's capabilities;
- ix. Reviewed protégés' draft responses to Sources Sought and Requests for Proposals. Reviews included analyzing pricing structure, selecting potential subcontractors, assessing supportive narrative and past performance examples; and,
- x. Assisted in proposal preparation, ensuring protégés' success in obtaining the GSA Schedule IT 70 and GSA Professional Services Schedule contracts.

(2) Management/planning:

- i. Added protégés as subcontractors to the mentor's government-wide contracts (GSA's Alliant and Connections II, as well as the U.S. Air Force NETCENTS2);
- ii. Introduced protégé as mentor's team member at industry events;
- iii. Refined protégé's pricing policies and indirect cost pool allocation;
- iv. Fostered protégé's participation in mentor's monthly account review; meetings, including the large customer account planning meetings (SSA, VA, DISA);
- v. Technically supported protégé's agile development;
- vi. Shared market intelligence to identify viable opportunities for the protégé, including access to the mentor's SharePoint portal;
- vii. Introduced protégé to government-industry organizations, such as ACT- IAC. Nominated protégé to sit on the ITAP Board of Directors;
- viii. Recommended protégé as a trusted partner to other industry partners needing protégé's capabilities;
- ix. Reviewed protégés' draft responses to Sources Sought and Requests for Proposals. Reviews included analyzing pricing structure, selecting potential

- subcontractors, assessing supportive narrative and past performance examples; and,
- x. Assisted in proposal preparation, ensuring protégés' success in obtaining the GSA Schedule IT 70 and GSA Professional Services Schedule contracts.
- (3) Organizational management:
- i. Added protégés as subcontractors to the mentor's government-wide contracts (GSA's Alliant and Connections II, as well as the U.S. Air Force NETCENTS2);
 - ii. Introduced protégé as mentor's team member at industry events;
 - iii. Refined protégé's pricing policies and indirect cost pool allocation;
 - iv. Fostered protégé's participation in mentor's monthly account review meetings, including the large customer account planning meetings (SSA, VA, DISA);
 - v. Technically supported protégé's agile development;
 - vi. Shared market intelligence to identify viable opportunities for the protégé, including access to the mentor's SharePoint portal;
 - vii. Introduced protégé to government-industry organizations, such as ACT- IAC. Nominated protégé to sit on the ITAP Board of Directors;
 - viii. Recommended protégé as a trusted partner to other industry partners needing protégé's capabilities;
 - ix. Reviewed protégés' draft responses to Sources Sought and Requests for Proposals. Reviews included analyzing pricing structure, selecting potential subcontractors, assessing supportive narrative and past performance examples; and,
 - x. Assisted in proposal preparation, ensuring protégés' success in obtaining the GSA Schedule IT 70 and GSA Professional Services Schedule contracts.

(4) Training:

- i. Provided rudiments of GSA contracts and pricing under government contracts, including cost-plus-fixed-fee and cost-plus-incentive-fee type contracts;
- ii. Assisted in developing safety programs, and DCAA, CAS and DFAR compliance;
- iii. Suggested benefits of developing a proposal re-use library; and
- iv. Provided access to Skillsoft licenses (25 licenses) enabling protégé employees to partake in online IT and business skills training.

National Aeronautics and Space Administration (NASA)

All protégés, with the exception of HBCU/MSI protégés, receive a minimum 70% Technical Assistance and 30% Business Development based on the total proposed cost of the agreement. Examples of development assistance includes, but is not limited to:

(1) Technical Development, including but not limited to:

- (i) Aerospace and lean manufacturing;
- (ii) Quality Management programs: ISO 9000 Certification, SEI/CMM certification;
- (iii) Technology Transfer;
- (iv) Telecommunication and satellite services; and
- (v) Obtaining Security Clearance for Institutional facilities.

NOTE: HBCU/MSI protégés receive a minimum of 70% Business Development and 30% Technical Assistance. The type of developmental assistance HBCUs/MSI protégés receive has been tailored to assist them in developing the ability to move towards doing contracts instead of grants. HBCUs/MSIs can benefit more from business

development assistance and mentors can harvest the technology being developed by the HBCU/MSI.

Small Business Administration (SBA)

- (1) Mentors may provide the following forms of assistance to protégés:
 - i. Technical and/or management assistance;
 - ii. Financial assistance, in the form of equity investments and/or loans;
 - iii. Subcontracts; and/or
 - iv. Assistance in performing prime contracts with the Government through joint venture arrangements.
- (2) 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.
- (3) Capital assistance: to assist the protégé to raise capital, the mentor may own an equity interest of up to 40 percent in the protégé despite the more limited, general ownership restrictions on eligibility in 13 CFR 124.105(g) and (h).

U.S. Agency for International Development (USAID)

The USAID Mentor-Protégé Program provides developmental assistance to U.S. small businesses that will enhance their capabilities to perform as subcontractors and/or prime contractors on USAID procurements. USAID's Mentor-Protégé Program is not an acquisition program and does not waive affiliation rules. USAID ensures that small businesses that are willing to work internationally and in challenging environments have access to the mentorship of large concerns that work primarily with USAID. Under this program, protégés are provided management guidance and assistance related to:

- (1) Financial management;

- (2) Organizational management;
 - (3) Overall business management/planning;
 - (4) Business development;
 - (5) Technical assistance;
 - (6) Temporary use of facilities and/or equipment;
 - (7) Temporary assignment of personnel to the protégé firm for the purpose of training;
- and,
- (8) Loans and any other mutually beneficial assistance.

D. Benefits provided to Mentors (By Federal Activity)

Department of Defense (DoD)
<p>Mentors received the following types of benefits from participation in the DoD MPP.</p> <ul style="list-style-type: none"> (1) Credit toward achievement of their small business subcontracting goals associated with federal government Prime contracts. (2) Access to innovative technology developed by small businesses. (3) Strengthened supply chains consisting of more diverse suppliers.
Department of Energy (DOE)
<p>Benefits for the mentor under the program include, however are not limited to:</p> <ul style="list-style-type: none"> (1) Award of subcontracts on a noncompetitive basis as a set-aside subcontract to its protégé; (2) Receipt of credit for subcontracts awarded pursuant to MPP Agreement(s) toward subcontracting goals contained in mentor subcontracting plan; (3) Opportunity to utilize the unique/specialized skills of the protégé;

- (4) Equipping small businesses with the knowledge, skills and capabilities needed to successfully compete for DOE prime contract; and,
- (5) Recognition: DOE will be selecting a 2016 mentor of the Year that will be presented during the 16th Annual DOE Small Business Forum & Expo, May 17, 2017 in Kansas City, MO.

Department of Homeland Security (DHS)

The benefits provided to a mentor for their participation include a pre-award incentive and post-award incentive. A pre-award incentive applies to acquisitions that require a subcontracting plan. Mentors are eligible to receive credit in the source selection/evaluation criteria process for their participation. Additionally, a post-award incentive is applied to the subcontracting plan credit, which is available by recognizing costs incurred by a mentor firm in providing assistance to a protégé firm. This credit is used for the purpose of determining whether the mentor firm attains a subcontracting plan participation goal applicable to the mentor firm under a Homeland Security contract.

Department of Transportation (DOT)

Mentors receive multiple benefits under DOT's Mentor-Protégé program:

- (1) Goodwill and corporate responsibility (mentors receive no financial incentive for participation);
- (2) Long-term relationship with a potential subcontractor;
- (3) Develop innovative approaches and technology; and,
- (4) Potential Joint Venture with small business.

Department of Treasury (Treasury)

Benefits to mentors for participating in the program include:

- (1) Supporting documentation for determination of contractor responsibility and evaluation of contractor proposals. Before awarding a contract that requires a subcontracting plan, the existence of a mentor-protégé arrangement, and performance (if any) under an existing arrangement, may be considered by the Contracting Officer in:
 - i. evaluating the quality of a proposed subcontracting plan;
 - ii. assessing the prime contractor's compliance with the subcontracting plans submitted in previous contracts as a factor in determining contractor responsibility.
- (2) Recognition: A non-monetary Mentor-Protégé Partnership Team award is presented annually to the mentor firm providing the most effective developmental support to a protégé.

General Services Administration (GSA)

Benefits to mentors under GSA's program are outlined in GSAR 519.7004. Mentor benefits include:

- (1) Evaluation credit during source selection process for subcontracts or teaming arrangements under the Mentor-Protégé Agreement;
- (2) If the mentor is other than a small business, favorable assessment under the mentor's subcontracting plan and as a factor in evaluating past performance; and,
- (3) Eligibility to receive the GSA OSBU annual Mentoring Award. The annual non-monetary award is presented to the mentor most effective in developing a protégé.

National Aeronautics and Space Administration (NASA)

Mentors receive benefits in a variety of ways. Through these established relationships, mentors are able to team with viable high-tech small businesses, receive additional points on proposals, form strategic partnerships, which serves as a foundation for future prime and subcontracts with any Agency. With a wide array of small businesses available in all socio- economic categories, mentors are also able to benefit from the subcontracting credit.

Small Business Administration (SBA)

A mentor benefits from the Mentor-Protégé Program in a four primary areas:

- (1) A mentor and protégé may joint venture as a small business for any government prime contract or subcontract, including procurements with a dollar value less than half the size standard corresponding to the assigned NAICS code and 8(a) sole source contracts, provided the protégé qualifies as small for the procurement, and for purposes of 8(a) sole source requirements the protégé has not reached the dollar limit set for in 13 CFR 125.519.
- (2) The mentor may own an equity interest of up to 40 percent in the protégé despite the more limited, general ownership restrictions on eligibility in 13 CFR 124.105(g) and (h). The amount of capital injection by the mentor will determine the percentage of ownership the mentor receives. The percentage of ownership the mentor receives will be commensurate with the value of the capital injection made by the mentor.
- (3) In the event the mentor/protégé relationship ends, the mentor may retain its ownership percentage in the protégé existing at the time the relationship ends to avoid any detrimental impact on capital.

(4) No determination of affiliation or control may be found between a protégé firm and its mentor based solely on the Mentor-Protégé Agreement or any assistance provided pursuant to the Agreement. However, a long-standing inter-relationship or contractual dependence between the same parties may lead to a finding of general affiliation between and among the parties.

U.S. Agency for International Development (USAID)

Under the USAID Mentor-Protégé Program, mentor firms assist in the business development of small firms. The program fosters the establishment of business relationships and facilitates the development of prime contractor/subcontractor teams that help USAID increase subcontracting opportunities for US small businesses. By mentoring small businesses, the mentor firms are able to help develop small businesses that are better equipped to partner as their subcontractors. This, in turn, helps the mentoring firms to meet their subcontracting goals on USAID contracts. As the small businesses develop their capabilities and gain past experience, they become better equipment to serve as prime contractors.

E. Progress of Protégés with Respect to Competing for Federal Prime Contracts and Subcontracts (By Federal Activity)

Department of Defense (DoD)
<p>Protégés in the DoD MPP made the following types of progress with respect to competing for Federal prime contracts and subcontracts:</p> <ol style="list-style-type: none">(1) On average, DoD MPP protégés hired 22.6 new employees as a result of receiving federal contracts in FY16.(2) On average, DoD MPP protégés added \$8.5M in annual revenue as a result of receiving federal contracts in FY16.(3) For every \$1M invested by DoD MPP in FY16, DoD MPP protégés experienced a net revenue gain of \$17.8M as a result of receiving federal contracts in FY16.
Department of Energy (DOE)
<p>DOE Management and Operations Contractors award non-competitive subcontracts to their protégés while in the program.</p> <p>I-3 Global’s accomplishments as a protégé in 2016 highlight some of the progress experienced by participants in the DOE Mentor-Protégé Program. I-3 Global has been a protégé to Mission Support Alliance (MSA) since October 2015, providing Staff Augmentation and Cloud End User Support to all DOE/Contractor staff at the DOE Hanford site. I-3 Global specializes in providing cutting edge IT, security, and staff augmentation services at the federal and commercial level. As a HUBZone protégé, it has grown from five employees to over 40 employees in less than a year. The growth and experience gained from the Program this year enabled the company to redefine their business model and enhance</p>

their core capabilities, enabling I-3 Global to move beyond staff augmentation and into Fixed Price service-based contracts within the IT industry.

As a result of mentoring, I-3 Global successfully completed a pre-award audit for a subcontract opportunity, covering the method and justification of labor category rates proposed as well as their accounting system. Upon their successful completion of the audit, I-3G is now better equipped to adequately and accurately propose and manage a multi-million dollar fixed price contracts. In August of 2016, I-3 Global was awarded a subcontract for Cloud End User support in the amount of \$2.1 Million. Its awarded staff augmentation subcontracts at the Hanford site total \$2.4 Million.

In addition, I-3 Global created an internship program that successfully elevated two employees into full time positions within their career fields. The internship program provides real world experience interns and fosters a valuable relationship with the community by supporting local colleges, which helps secure IT talented individuals to stay within the local community.

During FY 2016, 17 of the 35 participating protégés were awarded one or more federal prime contracts or prime contract action(s). One of the participating protégés, Boston Government Services (BGS), an SBA Certified Small Disadvantaged Business, was awarded \$3,302,121 in prime contracts from DOE in FY 2016.

BGS started the Program in July of 2014 and recently graduated in July 2016. BGS credits the Mentor-Protégé Program by assisting them in making the necessary improvements to its business processes in the areas of accounting and contract management. Through developmental activities and guidance, BGS gained a better understanding of DOE requirements and learned to perform more compliantly in the Government Market. Through

the Program, subcontracting opportunities were provided that allowed BGS to further develop and demonstrate capabilities in several technical areas key to its strategic business plan. As a result, BGS competed and won small business contracts elsewhere in the DOE complex. According to BGS, the mentor-protégé relationship afforded them the opportunity to support DOE missions at other locations and has positioned BGS to be a long-term asset for DOE.

Department of Homeland Security (DHS)

The progress of the mentor-protégé team is evaluated by the submission of an 18th-month Mid-Progress Report (jointly), a 36th Month Lessons Learned Report (separately), and a protégé Post Mentor-Protégé Program Report, which is submitted annually for two years after the protégé firm exits the Mentor-Protégé Program (protégé only).

Department of Transportation (DOT)

Protégés are showing increased competitiveness under DOT's program:

- (1) Protégé staff was able to be trained in project management, communications plan, cost accounting and estimating, quality management and schedule management including resource management.
- (2) Protégés received project management training. Protégés were able to increase their understanding and compliance with government procurement. Protégés were able to strengthen their accounting and financial systems to comply with government requirements.
- (3) Protégés staff has been able to enhance their proposal writing skills.
- (4) Protégés have been able to increase the number and quality of proposals submitted.

- (5) Protégés were able to develop strategic plans to increase their competitiveness and target specific DOT Operating Administrations based on the protégé’s core competencies.
- (6) Protégé staff has better understanding of the procurement process within DOT and federal government.
- (7) Protégé staff improved the understanding and use of government systems, such as FPDS, FedBizOps, SAM, procurement forecasts and subcontracting directories, to help them in the marketing process.
- (8) Protégé staff strengthens cost analysis, contract pricing, and contract management skillsets.
- (9) Protégés were able to get contracts as a prime and a subcontractor.

Department of Treasury (Treasury)

Progress of protégés participating in the Treasury Mentor-Protégé program is assessed through submission of an annual evaluation, a close-out evaluation, and most recently, through the use of a 24 Month Post Completion Report for protégés that have completed the agreement term.

General Services Administration (GSA)

GSA mentors are existing GSA Schedule contract-holders or other GSA contract-holders. Mentors have assisted protégés in successfully competing for GSA prime contracts, partnered with their protégés in teaming arrangements and subcontracted with protégés for GSA and other federal agency opportunities. Protégés reported \$3.8 million in prime contract awards in FY 2016 and \$31 million in subcontracts. GSA mentor-protégé teams partnered on VA and DoD requirements, as well as winning GSA’s capital construction project for the Nashville Courthouse in 2016. Two of our WOSB protégés reported in 2016

remarkable growth both in number of employees and revenue:

- (1) A WOSB, SDB reported growth from 95 to 150 permanent employees since entering into its Mentor-Protégé Agreement in March, 2016.
- (2) The WOSB protégé in GSA's Annual Mentor-Protégé award in June, 2016, noted a 60% win rate in prime contracts and subcontracts received as a direct result of the Agreement with its mentor (8 awarded as a prime, 6 awarded as a subcontractor out of 22 opportunities competed for). This resulted in an increase in revenue from \$8 million to \$12 million and personnel growth from 55 to 90 permanent employees in the two years since entering GSA's Mentor-Protégé Program.

National Aeronautics and Space Administration (NASA)

Through NASA's Mentor-Protégé Program, protégés have strengthened and increased their core competencies, hired additional personnel and increased revenues with some receiving direct subcontracting opportunities from the Mentor. The protégés have also teamed with the mentors on future contracting opportunities. Every six months, protégés are required to submit independently developed semi-annual reports, which outline the progress made in employment growth, contract opportunities awarded and revenue.

In addition, protégés are required to submit data on employment and revenue for each of the two years following the end of the Mentor-Protégé Agreement.

Small Business Administration (SBA)

SBA is working to develop a methodology to accurately capture the value of prime contract and subcontract awards to protégé firms. As all the Mentor-Protégé agreements were limited to 8(a) firms in FY 2016, SBA is able to measure Mentor-Protégé progress towards competing for prime contracts by reference to 8(a) firms that participated in Joint Ventures

by comparing prime contract awards in the prior fiscal year with current fiscal year prime contract awards. In FY 2015, 8(a) firms received prime contract awards totaling \$1,660,813,359 as Joint Ventures. In FY 2016, 8(a) firms received prime contract awards totaling \$1,619,542,481 as Joint Ventures, a reduction of 3.87% from the prior fiscal year. Using a parametric from the SBA Office of Size Standard analysis, the \$1,660,813,359 in prime contract awards is estimated to represent 9656 small business jobs created by award of prime contracts to 8(a) Joint Ventures under the SBA 8(a) Mentor-Protégé Program.

U.S. Agency for International Development (USAID)

USAID is a small agency with a unique mission in the federal government. As USAID's Mentor-Protégé Program is a small business development program and not an acquisition program, progress is not measured by the number of contract awards to firms in the program. The development of small businesses with the potential to serve as USAID prime and/or subcontractors is the objective of the USAID program. The progress that protégé firms make in the program is the result of how well they do in conducting a needs assessment, develop taskings to be completed during the agreement term that will address the needs identified during the needs assessment phase, execute the agreement to accomplish the taskings, and achieve the objectives for which the taskings were developed. In many cases, the mentor firm does utilize the protégé firm as a subcontractor. Each Mentor-Protégé agreement in USAID's program is different, as the needs and capabilities of each firm are different.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

May 3, 2017

The Honorable Steve Chabot
Chairman
Committee Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed with this letter please find the U.S. Small Business Administration's (SBA) Report to Congress on Mentor Protégé Programs for Fiscal Year 2016. The report is prepared pursuant to Section 45 of the Small Business Act, (15 U.S.C. § 657r(c)).

Thank you for your continued support of SBA's government contracting programs and small businesses nationwide.

Sincerely,

Robb N. Wong
Associate Administrator
Government Contracting and Business Development

Enclosure



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

May 3, 2017

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Representative Velázquez:

Enclosed with this letter please find the U.S. Small Business Administration's (SBA) Report to Congress on Mentor Protégé Programs for Fiscal Year 2016. The report is prepared pursuant to Section 45 of the Small Business Act, (15 U.S.C. § 657r(c)).

Thank you for your continued support of SBA's government contracting programs and small businesses nationwide.

Sincerely,

Robb N. Wong
Associate Administrator
Government Contracting and Business Development

Enclosure



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

May 3, 2017

The Honorable James E. Risch
Chairman
Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Enclosed with this letter please find the U.S. Small Business Administration's (SBA) Report to Congress on Mentor Protégé Programs for Fiscal Year 2016. The report is prepared pursuant to Section 45 of the Small Business Act, (15 U.S.C. § 657r(c)).

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Warmest regards,

Robb N. Wong
Associate Administrator
Government Contracting and Business Development

Enclosure



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

May 3, 2017

The Honorable Jeanne Shaheen
Ranking Member
Committee on Small Business and Entrepreneurship
United States Senate
Washington, DC 20510

Dear Senator Shaheen:

Enclosed with this letter please find the U.S. Small Business Administration's (SBA) Report to Congress on Mentor Protégé Programs for Fiscal Year 2016. The report is prepared pursuant to Section 45 of the Small Business Act, (15 U.S.C. § 657r(c)).

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Sincerely,

Robb N. Wong
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Government Contracting and Business Development

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