



U.S. Small Business  
Administration

# **Report to Congress on Mentor-Protégé Programs for Fiscal Year 2019**

**September 25, 2020**

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### **List of the 7 CFO Act Agencies**

Department of Homeland Security (DHS)

Department of Defense (DoD)

Department of Energy (DOE)

Department of Transportation (DOT)

General Services Administration (GSA)

National Aeronautics and Space Administration (NASA)

Small Business Administration (SBA)

## Abbreviations

All Small Mentor-Protégé Program (ASMPP)  
Certified Information Systems Security Proficiency (CISSP, note DoD has it as CSSIP)  
Cybersecurity Maturity Model Certification (CMMC)  
Economically Disadvantaged Women-Owned Small Business (EDWOSB)  
Federal Acquisition Regulation (FAR)  
General Services Administration Acquisition Regulation (GSAR)  
Historically Black Colleges and Universities (HBCUs)  
Historically Underutilized Business Zone (HUBZone)  
International Organization for Standardization (ISO) 9000  
Mentor-Protégé Program (MPP)  
Minority-Servicing Institution (MSI)  
Office of Small and Disadvantaged Business Utilization (OSDBU)  
Small Business Concern (SBC)  
Small Disadvantaged Business (SDB)  
Service-Disabled Veteran-Owned Small Business (SDVOSB)  
Software Engineering Institute/Capability Maturity Model (SEI/CMM)  
Veteran-Owned Small Business (VOSB)  
Women-Owned Small Business (WOSB)

# Report to Congress on Mentor-Protégé Programs for Fiscal Year 2019

## I. Introduction

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.*

## **II. Federal Mentor-Protégé Programs**

Six Federal agencies reported six active Mentor-Protégé Programs (MPPs) in Fiscal Year (FY) 2019. One Federal agency, GSA, retired its Mentor Protégé Program; however, this report reflects GSA's active Mentor Protégé agreements in existence prior to the establishment of SBA's All Small Mentor Protégé Program and whose agreements were still active in FY 2019.

SBA's All Small Mentor-Protégé Program (ASMPP), established in FY2017, is the largest of all Federal MPPs, with 879 approved partnerships, followed by SBA's 8(a) MPP with 372 approved partnerships, Department of Defense (DOD), Department of Homeland Security (DHS), Department of Energy (DOE), and NASA. Department of Transportation (DOT) resumed its Mentor-Protégé Program effective March 14, 2019.

## **III. Distribution of Small Business Participants**

The Federal agencies with active MPPs in FY 2019 reported 1,620 Mentor-Protégé partnerships. Nearly 90% of all Federal Mentor-Protégé agreements were administered through SBA's 8(a) and All Small Mentor-Protégé Programs.

Table 1 summarizes the number of program participants that are: non-categorized Small Business Concerns (SBCs), Small Disadvantaged Businesses, including 8(a) firms (SDBs), Woman-Owned Small Businesses (WOSBs), non-Service-Disabled Veteran Owned Small Businesses (VOSBs), Service-Disabled Veteran Owned Small Businesses (SDVOSBs), HUBZone enterprises, and Historically Black Colleges and Universities (HBCUs).

In addition to participating as a protégé, a small business may also participate in program as a mentor. For example, the DOD reported that eleven SBCs served as mentors.

**Table 1**

Mentor-Protégé Programs by Federal Activity with Number of Small Business  
Participants and Socioeconomic Category Representation in FY 2019<sup>1</sup>

<b>Federal Agency</b>	<b>SBC<sup>2</sup></b>	<b>SDB</b>	<b>WOSB</b>	<b>SDVOSB</b>	<b>VOSB<sup>3</sup></b>	<b>HUBZone</b>	<b>HBCU</b>	<b>Total Agreements<sup>4</sup></b>
DoD		13	5	8		3		<b>62</b>
DOE		20	13	10		7	1	<b>33</b>
DOT		3	1	1				<b>3</b>
DHS		15	11	34		4		<b>40</b>
GSA		2	3	2		1		<b>4</b>
NASA		6	7	4		3	2	<b>13</b>
SBA: 8(a)		379	51	59		2		<b>379</b>
SBA: ASMPP	151	307	203	297	16	112		<b>1086</b>
<b>Grand Total</b>	151	745	294	415	16	132	3	<b>1,620</b>

<sup>1</sup> As reported by each Federal Activity. Some agencies authorize participation by entities that are not businesses, including non-profit organizations and Historically Black Colleges and Universities.

<sup>2</sup> Small Business Concerns that do not fall into a category otherwise represented in the table.

<sup>3</sup> Veteran Owned Small Businesses that are not Service Disabled.

<sup>4</sup> Figures in the rows will not add up to Total Agreements because many protégés qualify in multiple categories.

#### **IV. Assistance and Benefits to Protégés (by Federal Activity)**

Federal MPPs throughout the government provide different types of assistance to protégés, and the participant relationships formed through these programs provide benefits to both protégé and mentor. The following section outlines the assistance and benefits provided to protégés through each of the five active MPPs, as submitted by the Agency. One Federal agency, GSA's Mentor Protégé program is not active; however, four (4) agreements were in place before SBA's ASMPP was started. GSA will report on those Mentor-Protégé agreements until they are no longer active.

##### ***Department of Defense (DOD)***

Mentors provided Small Business protégés with the following types of assistance:

- 1) Mentors helped protégés transform from Firm Fixed Price subcontractors to Cost Plus Offerors by helping small businesses create Defense Contract Audit Agency compliant Cost Accounting Systems. Pursuant to FAR Part 15.4 this is a requirement of any SBC in order to become a Prime Contractor on any Cost-type contract.
- 2) Mentors helped protégés receive Facility Security Clearances to review solicitations and submit proposals for classified work.
- 3) Mentors helped 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 provided to the protégé includes:

- 1) Quality Assurance and Quality Control
- 2) Marketing Assistance and Networking
- 3) Cost Estimating
- 4) Proposal Writing
- 5) Strategic Business Planning
- 6) Construction Management
- 7) Project Budgeting and Controls
- 8) Risk Management
- 9) Safety and Health Programs and Practices
- 10) Training in Research and Development Technologies, including those in DOE Energy Efficiency and Renewable Energy Office
- 11) Developing Human Resources policies, and administrative support

***Department of Transportation (DOT)***

Below is a list of the developmental assistance provided to protégés under DOT's program:

- Project management training to protégé staff.
- Assistance in contract estimating, pricing, and scheduling.
- Provided assistance in proposal writing and business presentations to prospective buyers.
- Assistance with Human Resource Management.

- Cost analysis assistance for Request for Proposals (RFP), Request for Quotes (RFQ), and assistance with Sources Sought responses.
- Develop marketing strategies as part of the protégé's business plan.
- Assistance with contract administration for current contracts.
- Assistance developing pricing strategy.
- Strengthen Protégé's Accounting systems.
- Participants worked together with Protégé's processes and procedures to enhance the Protégé's capabilities
- Established a strategic plan to identify potential buyers within DOT Operating Administrations and other federal agencies.
- General guidance on how to do business with the Federal government.
- Provided assistance with contract preparation and negotiation.
- DOT Procurement Forecast review and strategy.

### ***Department of Homeland Security (DHS)***

In addition to providing small businesses with mutually beneficial developmental assistance, the 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 pre and post incentives.

## *National Aeronautics and Space Administration (NASA)*

All protégés, with the exception of HBCU/Minority Serving Institutions (MSI) organizations, must receive a minimum of 70% Technical Assistance based on the total proposed cost of the agreement, with the remainder of 30% or less being Business Development.

Examples of MPP development assistance includes, but is not limited to:

1) Technical Development, including:

- a. Aerospace and lean manufacturing
- b. Quality Management programs: ISO 9000 Certification, SEI/CMM certification
- c. Technology transfer
- d. Telecommunication and satellite services
- e. Obtaining security clearances

2) Business Development, including:

- a. Organizational planning management: Strategic and Business Planning, legal/risk management, proposal development
- b. General business/ business development/ marketing/ sales: Market Research, Product Forecasting; web-based marketing, e-commerce
- c. Human Resource Management

HBCU/MSI proteges receive a minimum of 70% Business Development and 30% Technical Assistance. The type of developmental assistance HBCU/MSIs receive has been tailored to assist them in navigating the world of government contracting and harnessing the tools necessary to acquire government contracts in addition to 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)***

Protégés in both the All Small Mentor Protégé and 8(a) Mentor-Protégé Programs share similar benefits including:

- Improved access to the Federal marketplace through joint venture opportunities with mentor;
- Stronger ability to stand-alone and bid independently from mentor on Government contracts;
- Expanded opportunity for subcontracts from mentor;
- Increased wealth and employment growth;
- Enhanced business capabilities and experience through guidance and mentoring from experienced firms in the following areas:
  - Guidance on internal business management systems, accounting, marketing, manufacturing, and strategic planning;
  - Financial assistance in the form of equity investments, loans, and bonding;
  - Assistance navigating Federal contract bidding, acquisition, and performance process;
  - Education about international trade, strategic planning, and finding markets;
  - Business development, including strategy and identifying contracting and partnership opportunities; and

- General and administrative assistance, like human resource sharing or security clearance support.

### ***General Services Administration (GSA)***

Assistance provided to protégés under GSA's program in Fiscal Year 2019 included:

- 1) Business Development: In addition to adding protégés as trusted partners to their subcontracting pool and providing assistance to protégés in obtaining GSA schedule contracts, GSA's mentors provided the following support:
  - a. Continued to oversee protégés' responses to sources sought notices, requests for information, and proposal submissions;
  - b. Assisted protégé in obtaining 8(a) certification from the Small Business Administration;
  - c. Included protégé in mentor's Large Account Management Planning sessions;
  - d. Gave protégé access to the mentor's Vice President of Sales and Marketing;
  - e. Reviewed protégé's website, capabilities statement, briefing slide deck for customers, and the "elevator pitch" for potential clients;
  - f. Assisted protégé in competing on a large acquisition, which included complex submission requirements, multiple team partners over multiple years. Although the protégé did not win the award, the government debriefing was positive and provided lessons learned for future large, multiple team procurements; and
  - g. Worked with protégé to enhance program diagnostics to ensure all program processes operated at optimum efficiency. As a result, problems were detected

and corrected before they impacted delivery to the customer.

2) Organizational Management/ Planning: In FY2019, GSA mentors continued to provide resources to protégés to effectively run their organizations and grow their business,

including:

- a. Continued to provide rent-free use of mentor's facilities;
- b. Granted access to mentor's IT Support and Design team for developing templates for proposals, internal policies, and business cards;
- c. Mentors' accounting personnel met regularly with protégé on timekeeping, internal controls, and financial and budgetary updates;
- d. Guided protégé on annual employee performance reviews, compensation processes, and recruiting;
- e. Oversaw the conversion of the protégé's paper-based workflows into modernized electronic environment to improve proficiency and timeliness; and
- f. Shared business intelligence methods, practices, and resources.

3) Training: In FY2019, GSA mentors:

- a. Included protégé in training on mentor's products, services, and cyber security;  
and
- b. Trained on the federal marketplace, including common government terminology, and recent changes and updates to the Federal Acquisition laws and regulations.

## **V. Benefits Provided to Mentors (by Federal Activity)**

This section describes the assistance and benefits provided to mentors through each of the six active MPPs.

### ***Department of Defense (DoD)***

Mentors receive the following types of benefits from their participation in the DoD MPP:

- 1) Credit towards achievement of their small business subcontracting goals associated with federal government Prime contracts;
- 2) Access to innovative technology developed by small businesses; and
- 3) Strengthened supply chains consisting of more diverse suppliers.

### ***Department of Energy (DoE)***

Benefits for the mentor under the program include:

- 1) Receipt of credit for subcontracts awarded pursuant to MPP agreement(s) toward subcontracting goals contained in Mentor subcontracting plan;
- 2) Award of subcontracts on a noncompetitive basis as a set-aside subcontract to its protégé;
- 3) Opportunity to utilize the unique/specialized skills of the protégé; and
- 4) Mentors may develop very beneficial business relationships with the protégés that far exceed to term period of the MPP agreement.

DOE selected a Mentor of the Year in 2019, presented during the 18<sup>th</sup> Annual DOE Small Business Forum and Expo.

### ***Department of Transportation (DOT)***

Below is a list of the benefits mentors receive under DOT's Mentor Protégé program:

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

### ***Department of Homeland Security (DHS)***

The benefits to a mentor for their participation includes 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.



### ***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 MPP in the following areas:

- A mentor and protégé may form a joint venture and compete as a small business for any government prime contract or subcontract, 8(a) competitive and 8(a) sole source contracts, provided the protégé qualifies as small for the procurement.
- For those willing to create a joint venture, additional benefits may include:
  - Collective representation of past performance;
  - Shared costs;
  - Shared resources; and
  - Leveraging the other partners' experience and market share.
- The affiliation exception can also be appealing to mentors, as it may allow a mentor to have a closer working relationship with a small business than might otherwise be advisable under SBA's affiliation rules.
- The mentor may own an equity interest of up to 40 percent in the protégé.
- Mentors are able to maintain a formal relationship with the protégé for up to six years, building trust and working together on multiple projects.

## *General Services Administration (GSA)*

Benefits to mentors are limited to the following under GSA's program per GSAR section 519.7004:

- Evaluation credit during source selection process for subcontracts or teaming arrangements under the Mentor-Protégé Agreement;
- 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
- Eligible to receive the GSA OSBU annual mentoring award. The annual non-monetary award is presented to the mentor most effective in developing a protégé.

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

Based on information provided by agencies to SBA, the following section describes the progress of protégés in competing for contracts.

### *Department of Defense (DoD)*

Protégés in the DoD MPP made the following types of progress with respect to competing for Federal prime contracts and subcontracts:

- 1) On average, DoD MPP protégés hired 20.96 new employees as a result of receiving federal contracts in FY2019.
- 2) On average, DoD MPP protégés added \$5.69M in annual revenue as a result of receiving federal contracts in FY2019.
- 3) For every \$1M invested by DoD MPP in FY19, DoD MPP protégés experienced a net

revenue gain of \$20.75M as a result of receiving federal contracts in FY2019.

### ***Department of Energy (DOE)***

- 1) Mentors participating in the DOE MPP were awarded non-competitive and competitive subcontracts to their protégés while participating in the program. DOE protégés received a total of 261 subcontracts totaling \$49,392,422 in FY 2019. Of the 33 protégés participating in the DOE MPP during FY2019, 26 were awarded one or more subcontracts or subcontract actions.
- 2) During FY 2019, participating protégés were awarded 159 Federal prime contract actions totaling \$24,985,162. Of the 33 participating protégés, 16 were awarded one or more federal prime contracts or prime contract actions in FY2019.

### ***Department of Transportation (DOT)***

- Participants formed Teaming Arrangements.
- Protégé staff strengthen cost estimation and contract management skillsets.
- Mentors provided proposal writing training to Protégés staff.
- Protégé staff trained in project management, communications plan, cost accounting and estimating, quality management and schedule management including resource management.
- Protégés received project management training.
- Protégés strengthened their accounting and financial systems to comply with government requirements.
- Protégés developed strategic plans to increase their competitiveness.

- Protégé staff better understood procurement process within DOT and Federal government.
- Protégé staff improved understanding and use of government systems, such as FPDS-NG, FedBizOps, SAM, procurement forecasts and subcontracting directories, to help in their marketing process.

### ***Department of Homeland Security (DHS)***

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

### ***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. Protégés have not only teamed with their mentors on various contracting opportunities but have been successful in winning new contracts as the prime or subcontractors. 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)***

Data from ASMPP was received in FY 2019 and protégés reported the following outcomes:

- 211 contracts awarded to Joint Ventures;
- Protégés won 3,186 offers they submitted independently; and
- Protégés created more than 780 jobs attributed to participation in the program.
- Protégés submitted 6370 offers. 53% won, lost 38% and 12% pending; and
- 398 subcontracts were awarded by the Mentor to the Protégé.

### ***General Services Administration (GSA)***

In addition to the assistance provided protégés in successfully obtaining GSA Schedule contracts, mentors reviewed protégés' proposals for GSA prime contracts or orders issued under GSA contracts, resulted in \$9,519,000 in protégé prime contract awards in FY2019. These include non-GSA contracts and contracts with state governments. One protégé was awarded one of the GSA's Human Capital and Training Solutions SB Pool 1 contracts during the reporting period. Mentors continued to subcontract or team with their protégés, which amounted to \$3,163,159 in subcontract awards in FY2019. One protégé provided personnel to the prime under a GSA Federal Courthouse construction contract. Subcontracting allowed protégés to gain valuable past performance experience. Two mentors designated their protégés as preferred suppliers.

# **ENCLOSURES**

**ENCLOSURE 1**  
**Department of Defense (DoD)**

## DoD Mentor Protégé Program FY19 Agency Report to SBA

(A) The Department of Defense (DoD) Mentor Protégé Program (MPP) provides developmental assistance to Small Businesses of the defense industrial base.

(B) There were 73 Small Businesses participating as (11) Mentors and (62) Protégés in FY19 across the following categories:

(i) 73 were small business concerns (11 Mentors, 62 Protégés);

(ii) 10 were small business concerns owned and controlled by service-disabled veterans (2 Mentors, 8 Protégés);

(iii) 4 were qualified HUBZone small business concerns (1 Mentor, 3 Protégés);

(iv) 15 were small business concerns owned and controlled by socially and economically disadvantaged individuals (2 Mentors, 13 Protégés); or

(v) 8 were small business concerns owned and controlled by women (3 Mentor, 5 Protégés).

(C) Mentors provided Small Business protégés with the following types of assistance:

(i) Mentors helped protégés transform from being Firm Fixed Price subcontractors to Cost Plus Offerors by helping small businesses create Defense Contract Audit Agency compliant Cost Accounting Systems. Pursuant to FAR Part 15.4 this is a requirement of any SB concern in order to become a Prime Contractor on any Cost-type contract.

(ii) Mentors helped protégés receive Facility Security Clearances to review solicitations and submit proposals for classified work.

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

(D) Mentors received the following types of benefits from their participation in the DoD MPP:

i) Credit toward achievement of their small business subcontracting goals associated with federal government Prime contracts.

(ii) Access to innovative technology developed by small businesses.

(iii) Strengthened supply chains consisting of more diverse suppliers.

(E) Protégés in the DoD MPP made the following types of progress with respect to competing for Federal prime contracts and subcontracts:



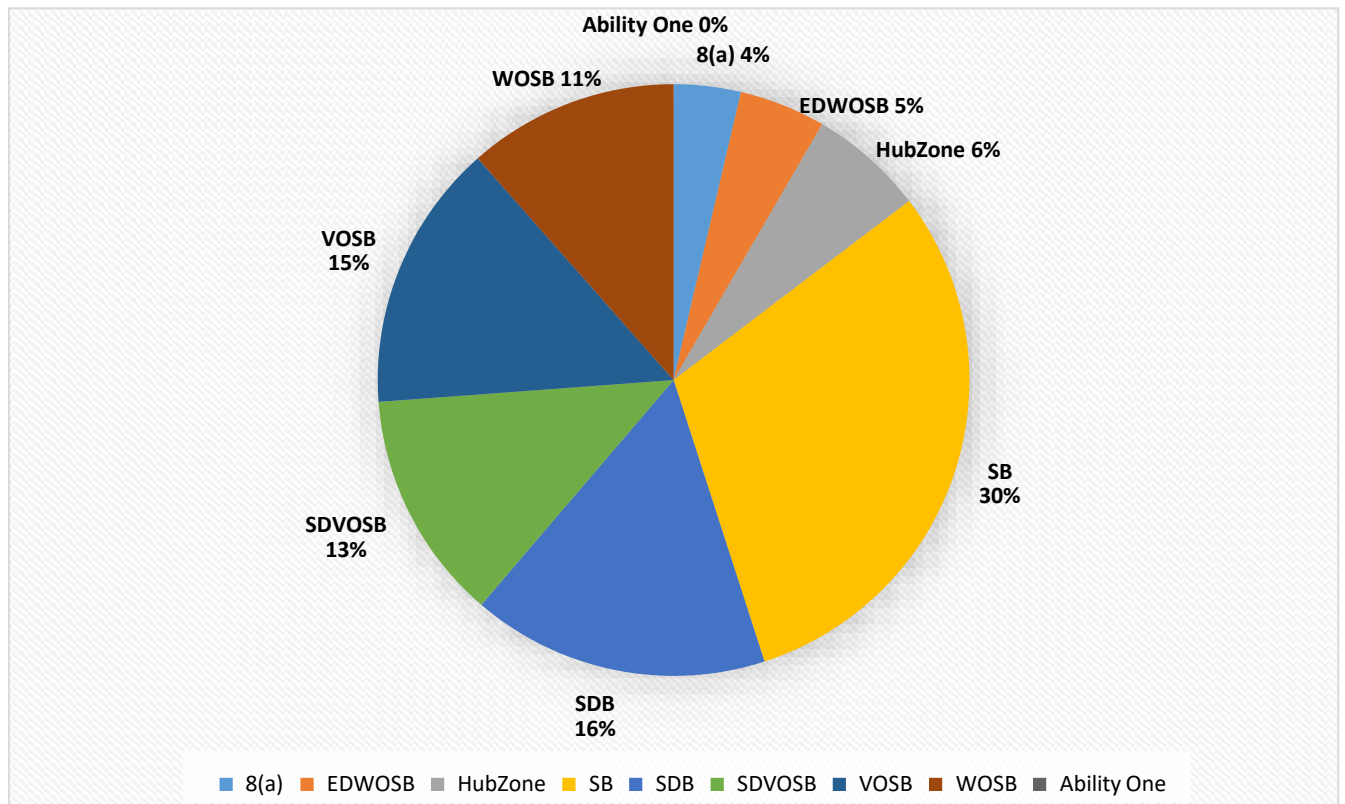
i) On average, DoD MPP protégés hired 20.96 new employees as a result of receiving federal contracts in FY19.

(ii) On average, DoD MPP protégés added \$5.69M in annual revenue as a result of receiving federal contracts in FY19.

(iii) For every \$1M invested by DoD MPP in FY19, DoD MPP protégés experienced a net revenue gain of \$20.75M as a result of receiving federal contracts in FY19.

Socioeconomic Categories As of End of FY19	Total FY19 AR's
8(a)	7
EDWOSB	9
HubZone	12
SB	58
SDB	31
SDVOSB	24
VOSB	28
WOSB	22
Ability One	0
<b>Total FY19 DCMA AR's (62)</b>	<b>191</b>

Distribution Chart: Annual Reviews Performed – Percentage by Socioeconomic Category



**ENCLOSURE 2**  
**Department of Energy (DOE)**



**Office of Small and Disadvantaged  
Business Utilization**

**Fiscal Year 2019 Mentor-Protégé Annual Report**

**Submitted to:**

**The U.S. Small Business Administration**

## **Introduction**

In accordance with Section 15 of the Small Business Act (15 U.S.C. 657r(c) Reporting, the U.S. Department of Energy (DOE) is providing the U.S. Small Business Administration (SBA) with the following narrative of its Mentor-Protégé Program.

The DOE Mentor-Protégé Program (MPP) was implemented in December 1999. It was established to provide an opportunity for eligible small businesses to receive developmental assistance in business and/or technical areas from experienced large and small businesses performing as DOE prime contractors. Through this developmental assistance, participating small businesses can improve and expand their capabilities to more successfully compete for prime federal contracts and/or subcontracts.

The DOE Office of Small and Disadvantaged Business Utilization (OSDBU) is responsible for the management and administration of the MPP. The program regulatory and program guidance are found in 48 Code of Federal Regulations Part 919 – Small Business Program and in the DOE Acquisition Regulations Part 919.70. DOE contractors eligible under 48 CFR 919.7005 may enter into MPP agreements with businesses certified by the SBA in the 8(a) Program, other small disadvantaged businesses (SDBs), women-owned small businesses (WOSBs), historically black college or universities (HBCUs), other minority-serving institutions (MSIs), small businesses in Historically Underutilized Business Zones (HUBZones), and small business concerns owned and controlled by service-disabled veterans (SDVOSBs).

## **The Number of Participants in the DOE Program**

During Fiscal Year (FY) 2019, thirty-three (33) Protégés actively participated in the DOE MPP. (Several of the Protégés qualified for multiple socio-economic categories):

- i. 32 Protégés were small business concerns
- ii. 10 Protégés were small business concerns owned and controlled by service-disabled veterans
- iii. 7 Protégés were certified HUBZone small business concerns
- iv. 19 Protégés were SDBs and 9 are 8(a) small business concerns owned and controlled by socially- and economically-disadvantaged individuals
- v. 13 Protégés are small business concerns owned and controlled by women
- vi. 1 HBCU

### **Description of the Type of Assistance Provided to Protégés Under the DOE MPP**

Technical, business, and/or administrative assistance is provided to the Protégé under the program. Examples of the type of assistance provided include:

1. Quality Assurance & Quality Control
2. Marketing Assistance and Networking
3. Cost Estimating
4. Proposal Writing
5. Strategic Business Planning
6. Construction Management
7. Project Budgeting and Controls
8. Risk Management
9. Safety and Health Programs and Practices
10. Training in Research and Development Technologies, including those in the DOE Energy Efficiency and Renewable Energy Office
11. Developing Human Resources policies, and administrative support

### **Description of the Benefits Provided to Mentors Under the DOE Program**

Benefits for the Mentor under the program include:

1. Receipt of credit for subcontracts awarded pursuant to MPP Agreement(s) toward subcontracting goals contained in Mentor subcontracting plan
2. Award of subcontracts on a noncompetitive basis as a set-aside subcontract to its Protégé
3. Opportunity to utilize the unique/specialized skills of the Protégé
4. Mentors may develop beneficial business relationships with their Protégés that exceed the term period of the MPP agreement.

DOE is selecting a 2019 Mentor of the Year for recognition at the 19th Annual DOE Small Business Forum & Expo, May 5, 2020, in Charleston, SC.

### **Description of the Progress of Protégés Under the Program with Respect to Competing for Federal Prime Contracts and Subcontracts**

Mentors participating in the DOE MPP were awarded non-competitive and competitive subcontracts to their Protégés while participating in the program. DOE Protégés received a total of 261 subcontract actions, totaling \$49,392,422.39 in FY 2019. Of the 33 Protégés participating in the DOE MPP during FY 2019, 26 were awarded one or more subcontracts or subcontract actions.

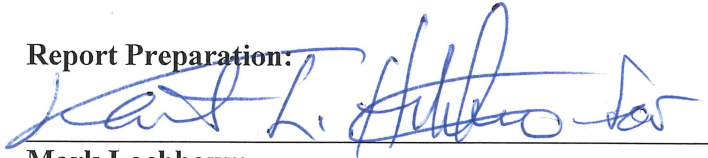
During FY 2019, participating Protégés were also awarded 159 Federal prime contract actions totaling \$24,985,161.53. Of the 33 participating protégés, 16 were awarded one or more federal prime contracts or prime contract actions in FY 2019.

DOE is also selecting a 2019 Protégé of the Year for recognition at the 19th Annual DOE Small Business Forum & Expo, May 5, 2020, in Charleston, SC.

**Agency Information:**

U.S. Department of Energy  
Office of Small and Disadvantaged Business Utilization  
1000 Independence Avenue, SW  
Washington, DC 20585

**Report Preparation:**

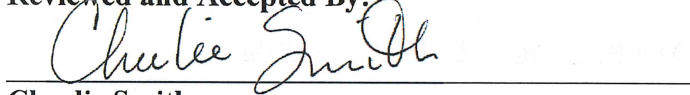


**Mark Lochbaum**  
Procurement Analyst,  
Office of Small and Disadvantaged Business Utilization

6 March 2020

Date

**Reviewed and Accepted By:**



**Charlie Smith**  
Director,  
Office of Small and Disadvantaged Business Utilization

3/6/20

Date

**ENCLOSURE 3**  
**Department of Transportation**  
**(DOT)**

**U.S. DEPARTMENT OF TRANSPORTATION  
OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION (OSDBU)  
MENTOR PROTÉGÉ FY 2019 REPORT**

On October 2018, the U.S. Small Business Administration (SBA) performed a review of all federal Mentor Protégé Programs(MPP) pursuant 13 C.F.R. § 125.10. After a review of the U.S. Department of Transportation's (DOT) MPP, the SBA did not approve the continuation of the program for fiscal year 2018 and beyond.

The Department was prohibited to operate the program or accept new applications until a plan was submitted and approved by the SBA. Accordingly, the DOT was not able to perform any activities related to the MPP in FY2018 and first semester of FY2019. Although the Department received approval to continue with the program in March 2019, this situation put DOT's Mentor Protégé Program in a quagmire and might have impacted the entrance of new participants into the program.

**Section 15 USC 657r(c)(1)(A)- Identify each Federal mentor-protégé program**

DOT's Mentor-Protégé Program enhances the capability of disadvantaged and small business owners to compete for federal procurement opportunities. The program encourages private-sector relationships and expands DOT's efforts to identify and respond to the developmental needs of small and disadvantaged businesses.

The program is also designed to improve the performance of DOT contractors and subcontractors, foster the establishment of long-term business relationships between small businesses and prime contractors, and increase the overall number of small businesses that receive DOT contract and subcontract awards.

**Program eligibility**

A 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. For this program, mentors will consist of DOT prime contractors. A protégé should be a Small Business (SB), HUBZone, small disadvantaged business, women-owned small business, veteran-owned small business, or service-disabled veteran-owned small business.

In addition, potential mentors and protégés should be able to show that it are currently eligible for Federal contracting opportunities, are not under a suspension and/or debarment action, and are not in the EPLS database.



**Section 15 USC 657r(c)(1)(B)- Specify the number of participants in the agency’s mentor-protégé program**

<b>Socioeconomic group</b>	<b>Mentor</b>	<b>Protégé</b>
small business concerns	1	3
small business concerns owned and controlled by service-disabled veterans	1	1
qualified HUBZone small business concerns	0	0
small business concerns owned and controlled by socially and economically disadvantaged individuals	0	3
small business concerns owned and controlled by women	0	1

**Section 15 USC 657r(c)(1)(C)- Describe the types of assistance provided to protégés**

Below is a list of the developmental assistance provided to protégés under DOT’s program:

- Project management training to protégé staff.
- Assistance in contract estimating, pricing and scheduling.
- Provided assistance in proposal writing and business presentations to prospective buyers.
- Assistance with Human Resource Management.
- Cost analysis assistance for Request for Proposals (RFP), Request for Quotes, and assistance with Sources Sought responses.
- Develop marketing strategies as part of the protégé’s business plan.
- Assistance with contract administration for current contracts.
- Assistance developing pricing strategy.
- Strengthen Protégé’s accounting systems.
- Participants worked together with Protégé’s processes and procedures to enhance the Protégé’s capabilities.
- Established a strategic plan to identify potential buyers within DOT Operating Administrations and other federal agencies.
- General guidance on how to do business with federal government.
- Provided assistance with contract preparation and negotiation.
- DOT Procurement Forecast review and strategy.

**Section 15 USC 657r(c)(1)(D)- Benefits provided to mentors under DOT’s Mentor Protégé program**

Below is a list of the benefits mentors receive under DOT’s Mentor Protégé program

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

**Section 15 USC 657r(c)(1)(E)**- Describe the progress of protégés under each such program with respect to competing for Federal prime contracts and subcontracts.

- Participants were able to form Teaming Arrangements.
- Protégé staff strengthen cost estimation and contract management skillsets.
- Mentors provided proposal writing training to Protégés staff.
- Protégé staff was able to be trained in project management, communications plan, cost accounting and estimating, quality management and schedule management including resource management.
- Protégés received project management training.
- Protégés were able to strengthen their accounting and financial systems to comply with government requirements.
- Protégés were able to develop strategic plans to increase their competitiveness.
- Protégé staff has better understanding of the procurement process within DOT and federal government.
- 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.

**ENCLOSURE 4**  
**Department of Homeland Security**  
**(DHS)**

## **DHS FY19 Mentor-Protégé Report – Due Date: Friday, March 6, 2020**

In accordance with Section 15 of the Small Business Act (15 U.S.C. 657r(c)), DHS provides the following information:

- **15 USC 657r(c) Reporting.**
  - **(A)** DHS has an active Mentor-Protégé Program. The Mentor-Protégé program is primarily designed to motivate and encourage large business prime contractor firms to provide mutually beneficial developmental assistance to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.
  - **(B)** There are 40 active mentor-protégé agreements. The protégé (small business) participants are comprised of the following socio-economic categories:
    - **(i)** 18 - small business concerns;
    - **(ii)** 34 - service-disabled veteran owned small businesses (which includes veteran owned small businesses);
    - **(iii)** 4 - qualified HUBZone small business concerns;
    - **(iv)** 33 - small disadvantaged businesses (including 8(a) firms);
    - **(v)** 11 - women-owned small business concerns (which includes (3) economically-disadvantaged woman owned small businesses);
  - **(C)** In addition to providing small businesses with mutually beneficial developmental assistance, the program is also designed to:
    - improve the performance of contracts and subcontracts;
    - foster the establishment of long-term business relationships between large prime contractors and small business subcontractors, and
    - strengthen subcontracting opportunities and accomplishments through pre and post incentives.
  - **(D)** The benefits provided to a mentor for their participation includes 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.
  - **(E)** The progress of the mentor-protégé team is evaluated by the submission of an 18<sup>th</sup>-month Mid-Progress Report (jointly), a 36<sup>th</sup> 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).

**ENCLOSURE 5**  
**National Aeronautics and Space**  
**Administration (NASA)**



**A.) Identifies each Federal Mentor-Protégé Program**

The National Aeronautics Space Administration's (NASA's) Office of Small Business Program's Mentor-Protégé Program (MPP) provides incentives for NASA's large prime contractors to assist eligible small businesses, as defined in NASA Federal Acquisitions Regulation (FAR) Supplement (NFS) 1819.72, in enhancing their capabilities to perform as prime and subcontractors under Government and commercial contracts.

**B.) Specifies the number of participants in each such program, including the number of participants in each socio-economic concern**

In FY19 the NASA Mentor-Protégé Program had 13 active Mentor-Protégés agreements. The length of the agreements ranged from 6 months to 3 years, which is the maximum length for participation in the MPP. The NASA Protégés span all socio-economic categories (\*) cited below:

- Service-Disabled Veteran-Owned Small Business (SDVOSB) – **2 Protégés;**
- Historically Underutilized Business Zone (HUBZone) Concern – **3 Protégés;**
- Small Disadvantaged Business (SDB) – **4 Protégés;**
- Women-Owned Small Business (WOSB) – **7 Protégés;**
- 8(a) Small Businesses – **0 Protégés;**
- Veteran-Owned Small Business (VOSB) – **2 Protégés;**
- Historically Black College and Universities (HBCU) – **2 Protégés;**
- Minority Serving Institutions (MSI) – **0 Protégés;**

\*Note: Protégés can be classified in multiple socio-economic categories

Other eligible Protégés in the MPP include:

- Entities participating in the AbilityOne Program;
- A small business with an active NASA Small Business Innovation Research (SBIR) Phase II contract; or
- A small business with an active NASA Small Business Technology Transfer (STTR) Phase II contract

When submitting a NASA Mentor-Protégé Agreement application, the participants have an option of selecting a credit based agreement or an award fee agreement. Costs incurred under a credit MPA, are applied on a one-to-one basis toward their applicable small business subcontracting goals. The credit is reported on the Mentor's Individual Subcontracting Report.

Under the Award Fee Program, a Mentor providing assistance to a NASA SBIR Phase II or STTR Phase II company is eligible to receive a separate award fee at the end of the agreement period. The award fee evaluation criterion is based on the amount and quality of technology transfer and business development skills that will increase the Protégé's Technology Readiness Levels (TRLs). TRLs measure technology readiness on a scale of 1 to 9. To receive full credit the Mentor must increase the Protégé's TRL a minimum of 3 levels above their TRL level at the beginning of the agreement.

**C.) Describes the type of assistance provided to Protégés under each such program**

All Protégés, with the exemption of HBCU/MSI Protégés, must receive a minimum of 70% Technical Assistance and 30% Business Development based on the total proposed cost of the agreement.

Examples of Mentor-Protégé Program development assistance includes, but not limited to:

- ❖ Technical Development, including but not limited to:
  - Aerospace and lean manufacturing
  - Quality Management programs: ISO 9000 Certification, SEI/CMM certification, AS9100 Certification
  - Technology Transfer
  - Telecommunication and satellite services
  - Obtaining Security Clearance for Institutional facilities
  
- ❖ Business Development, including but not limited to:
  - Organizational planning management: Strategic and Business Planning, Legal/Risk management, Proposal Development
  - General business/Business development/Marketing/Sales: Market Research, Product Forecasting, Web-based marketing, e-commerce
  - Human Resource Management

HBCU/MSI protégés must receive a minimum of 70% Business Development and 30% Technical Assistance. The type of developmental assistance HBCU/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.

**D.) Describes the benefits provided to Mentors under each such program**

Mentors receive benefits in a variety of ways. Through these establish 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.

**E.) Describes the progress of Protégés under each such program with respect to competing for Federal prime contracts and subcontracts**

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. Protégés have not only teamed with their Mentors on various contracting opportunities, but have been successful in winning new contracts as the prime or sub. 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.

**ENCLOSURE 6**  
**General Services Administration**  
**(GSA)**



## General Services Administration (GSA) Annual Mentor Protégé Program Report Fiscal Year (FY) 2019

As reported in FY 2018, GSA's Mentor Protégé Program was removed from the Agency's regulations in 2019. This report reflects GSA's active Mentor Protégé agreements which were in existence prior to the establishment of SBA's All Small Mentor Protégé Program in 2016 and whose agreements were still active in FY 2019. GSA will continue to report to SBA until existing agreements complete their terms in the next year or so.

1. **15 USC 657r(c)(1)(B).** In FY 2019, there were four (4) active mentor-protégé agreements, compliant with annual reporting requirements. The FY 2019 protégés represent the following socio-economic categories<sup>1</sup>:
  - 4 small businesses
  - 1 small disadvantaged business (SDB)
  - 2 service disabled veteran-owned small businesses (SDVOSB)
  - 3 women-owned small businesses (WOSB)
  - 1 HUBZone small businesses
2. **15 USC 657r(c)(1)(C).** Assistance provided to protégés under GSA's Program in FY 2019 includes:
  - a. Business development: In addition to adding protégés as a trusted partner to their subcontracting pool and providing assistance to protégés in obtaining GSA Schedule contracts, GSA's mentors:
    - Continued to oversee protégés' responses to sources sought notices, requests for information and proposal submissions
    - Assisted protégé in obtaining 8(a) certification from the Small Business Administration
    - Included protégé in mentor's Large Account Management Planning sessions
    - Gave the protégé access to the mentor's Vice President of Sales and Marketing
    - Reviewed protégé's website, capabilities statement, briefing slide decks for customers and the "elevator pitch" for potential clients
    - Assisted protégé in competing on a large acquisition which included complex submission requirements, multiple team partners over multiple years. Although the protégé did not win the award, the government debriefing was positive and provided lessons learned for future large, multiple team procurements.
    - Worked with protégé to enhance program diagnostics to ensure all program processes operated at optimum efficiency. As a result, problems were detected and corrected before they impacted delivery to the customer.

<sup>1</sup> Three of the four proteges represented more than one socio-economic category.

- b. Organizational management/planning: In FY 2019, GSA mentors continued to provide resources to protégés to effectively run their organizations and grow their business. Specifically:
- Continued to provide rent-free use of mentor's facilities
  - Granted access to the mentor's IT Support and Design team for developing templates for proposals, internal policies and business cards
  - Mentors' accounting personnel met regularly with protégé on timekeeping, internal controls and financial and budgetary updates
  - Guided protégé on annual employee performance reviews, compensation processes and recruiting
  - Oversaw the conversion of the protégé's paper-based workflows into modernized electronic environment to improve proficiency and timeliness
  - Shared business intelligence methods, practices and resources
- c. Training: In FY 2019, GSA mentors:
- Included protégé in training on mentor's products, services and cyber security
  - Trained on the federal marketplace, including common government terminology, and recent changes and updates to federal acquisition laws and regulations
3. **15 USC 657r(c)(1)(D)**. Benefits to mentors are limited to the following under GSA's program in accordance with the legacy GSAR section 519.7004:
- Evaluation credit during source selection process for subcontracts or teaming arrangements under the Mentor-Protégé Agreement
  - 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
  - Eligible to receive the GSA OSBU annual Mentoring Award. The annual non-monetary award is presented to the mentor most effective in developing a protégé
4. **15 USC 657r(c)(1)(E)**. GSA mentors are existing GSA Federal Supply Schedule contract-holders or other GSA contract-holders. Progress of protégés competing for prime federal contracts and subcontracts:
- Reviews by mentors of protégés' proposals for GSA prime contracts or orders issued under GSA contracts, resulted in \$9,519,000 in protégé prime contract awards in FY 2019. These include non-GSA contracts and contracts with state governments. One protégé was awarded one of the GSA's Human Capital and Training Solutions SB Pool 1 contracts during the reporting period.

- Mentors continued to subcontract or team with their protégés which amounted to \$3,163,589 in subcontract awards in FY 2019. One protégé provided personnel to the prime under a GSA Federal Courthouse construction contract. Subcontracting allowed protégés to gain valuable past performance experience.
- Two mentors designated their protégés as preferred suppliers.

**ENCLOSURE 7**  
**Small Business Administration**  
**(SBA)**

## **SBA FY19 Mentor-Protégé Report**

In accordance with Section 15 of the Small Business Act (15 U.S.C. 657r(c)), SBA provides the following information:

- (A) SBA has two active Mentor-Protégé Program. The small business mentor-protégé program is designed to enhance the capabilities of protégé firms by requiring approved mentors to provide business development assistance to protégé firms and to improve the protégé firms' ability to successfully compete for federal [contracts](#). This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; sub [contracts](#) (either from the mentor to the protégé or from the protégé to the mentor); trade education; 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 [contracts](#) set aside or [reserved](#) for small business so that protégé firms may more fully develop their capabilities.

The 8(a) mentor/protégé program is designed to encourage approved mentors to provide various forms of business development assistance to protégé firms. This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; sub[contracts](#) (either from the mentor to the protégé or from the protégé to the mentor); trade education; 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. The purpose of the mentor/protégé relationship is to enhance the capabilities of the protégé, assist the protégé with meeting the goals established in its SBA-approved business plan, and to improve its ability to successfully compete for [contracts](#).

- (B) There were **372** active 8(a) mentor-protégé agreements.

There were **879** active all small mentor-protégé agreements.

- (C) Describe the type of assistance provided to [proteges](#) under each such program: Proteges may benefit from participation in the All Small Mentor Protégé and 8(a) Mentor Protégé Programs as follows:

- Improved access to the federal marketplace through joint venture opportunities with mentor;
- Stronger ability to stand-alone and bid independently from mentor on government contracts;
- Expanded opportunity for sub-contracts from mentor;
- Increased wealth and employment growth;

- Enhanced business capabilities and experience through guidance and mentoring from experienced firms in the following areas:
  - Guidance on internal business management systems, accounting, marketing, manufacturing, and strategic planning;
  - Financial assistance in the form of equity investments, loans, and bonding;
  - Assistance navigating federal contract bidding, acquisition, and performance process;
  - Education about international trade, strategic planning, and finding markets;
  - Business development, including strategy and identifying contracting and partnership opportunities;
  - General and administrative assistance, like human resource sharing or security clearance support.

**(D)** Describes the benefits provided to [mentors](#) under each such program:

- A mentor and protégé may joint venture as a small business for any government prime contract or subcontract, 8(a) competitive and 8(a) sole source contracts, provided the protégé qualifies as small for the procurement.
- For those willing to create a joint venture, additional benefits may include:
  - Collective representation of past performance;
  - Shared costs;
  - Shared resources’
  - Leveraging the other partners’ experience and market share.
  - The affiliation exception can also be appealing to mentors, as it may allow a mentor to have a closer working relationship with a small business than might otherwise be advisable under the SBA’s affiliation rules.
  - The mentor may own an equity interest of up to 40 percent in the protégé.
  - Mentor’s are able to maintain a formal relationship with the protégé for up to six years, building trust and working together on multiple projects.

**(E)** Describe the progress of [proteges](#) under each such program with respect to competing for Federal [prime contracts](#) and [subcontracts](#).

- For FY19, protégés submitted 6370 offers. 53% won, lost 38% and 12% is pending.
- For FY19, 398 subcontracts were awarded by the Mentor to the Protégé.