



SBA MENTOR-PROTÉGÉ PROGRAM FAQs—EXTERNAL

SMALL BUSINESS MENTOR-PROTÉGÉ PROGRAM LAUNCH

1. What is the new SBA Mentor-Protégé Program (SBA MPP)?

The SBA MPP helps eligible small businesses (protégés) gain capacity and win government contracts through partnerships with more experienced companies that are willing to fill the mentor role.

2. When did the new program begin?

As of November 16, 2020, the 8(a) Mentor-Protégé program and the All Small Mentor-Protégé program have merged into one SBA Mentor-Protégé Program (MPP). The ruling can be found in the [Federal Register](#).

3. Why did the 8(a) Mentor-Protégé Program and the All Small Mentor-Protégé program merge into the SBA Mentor-Protégé Program?

Both former programs helped eligible small businesses (proteges) gain capacity and win government contracts through partnerships with more experienced companies (mentors). Given the programs' identical purpose and benefits to participating businesses, the merger into one program makes it easier for eligible businesses to navigate, saving both time and resources. It also:

- Removes the need for businesses to choose between two mentor-protégé programs.
- Streamlines the new program while keeping the same benefits as the two former programs.
- Requires less SBA involvement for joint ventures.

4. What are the qualifications for a business to participate as a protégé in the SBA MPP?

- Be a [small business](#) with industry experience. You can find out if your business qualifies as small by using the [Size Standards Tool](#), or by referencing the SBA's [table of small business size standards](#). Both the tool and the table help you find the small business classification requirements according to [individual NAICS codes](#).
- Be organized for profit or as an agricultural cooperative.
- Have a proposed mentor prior to applying for the program.



5. What are the qualifications for a business to participate as a mentor in the SBA MPP?

- Be capable of carrying out its responsibilities to assist the protégé firm under the proposed mentor-protégé agreement.
- Does not appear on the Federal list of debarred or suspended contractors; and
- Can impart value to a protégé firm due to lessons learned and practical experience gained or through its knowledge of general business operations and government contracting.

6. What are some of the benefits of the new SBA MPP for participating protégé businesses?

Protégé businesses can get valuable business development assistance from their mentors in several areas, including:

- Guidance on internal business management systems, accounting, marketing, manufacturing, and strategic planning.
- Financial assistance in the form of equity investments, loans, and bonding.
- Contract assistance navigating federal contract bidding, acquisition, and the federal procurement 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.

7. How can I learn more about the program?

- Visit our website: <https://www.sba.gov/mpp>
- Email for general MPP questions: sbampp@sba.gov
- Email for annual evaluation reporting: mppevaluations@sba.gov
- Email for joint venture certificates of completion and financial information: mppjvreporting@sba.gov
- Email for when the application is in the screening process: mppscreening@sba.gov

8. What is the impact of the merger to 8(a) firms with existing mentor-protégé agreements under the 8(a) Mentor-Protégé Program? Will they continue to be serviced by SBA District Office?



8(a) mentor-protégé agreements approved prior to November 16, 2020 will continue to be serviced by the 8(a) protégé firm's SBA District Office; however, the District Office will no longer process new or annual evaluations of the 8(a) mentor-protégé agreements effective November 16, 2020. Instead, 8(a) protégés with active mentor-protégé agreements are now required to complete annual evaluations in Survey Monkey within 30 days of their anniversary month. SBA will provide notification and the Survey Monkey link. However, firms seeking to apply for a new mentor-protégé agreement must apply through certify.sba.gov and not their SBA District Office.

9. What instructions will be given to the current 8(a) Mentor-Protégé Program participants?

All firms participating in the 8(a) MPP prior to the merger were notified by email that their 8(a) mentor-protégé agreement has merged with the new SBA Mentor-Protégé Program. Additionally, 8(a) Mentor-Protégé Program participants were provided instructions on how the annual evaluation process works for the new SBA Mentor-Protégé Program. Any such firm that did not receive these instructions should contact sbampp@sba.gov.

PROGRAM IMPROVEMENTS

1. Beyond merging SBA's two former mentor-protégé programs, how did the final rule revise the SBA MPP?

- For full details of the rule changes, see [Title 13 Part 125.9 of the Code of Federal Regulations \(CFR\)](#).
- [Clarifying certain policies with respect to competing offers and/or applications in the protégé's secondary NAICS codes.](#)
- [New 18-month policy on the regulatory 2-per-lifetime limit.](#)
- [Clarifying reporting requirements in connection with the annual evaluation.](#)
- [Eliminating reconsiderations.](#)
- [SBA intervention process.](#)

2. How will the SBA evaluate that a proposed mentor demonstrates good character to qualify for the SBA MPP?

SBA may determine a prospective mentor does not possess good character upon receipt of any credible information indicating that the applicant mentor lacks business integrity. This may include, but is not limited to:



- Business credit reports for unpaid federal obligations and civil judgments impacting business integrity (e.g., fraud, breaches of trust, embezzlement, false claims, and false statements).
- Any other materials from the applicant or third parties impacting character (including the firm’s websites and other website information on the firm and the individuals involved in the firm).

3. The new rule allows mentors to have more than three protégés at one time if the protégé is a small business that has its principal office in Puerto Rico. How will the SBA monitor this?

As part of the SBA MPP application, SBA requests information about the prospective mentor’s existing mentor-protégé relationships. Only qualifying relationships with protégé firms based in Puerto Rico will authorize a particular mentor to exceed the three-relationship limit at one time.

4. How will the SBA evaluate the mentor-protégé agreement to determine that the protégé has significant experience in the secondary NAICS?

Generally, a prospective protégé must have experience in the secondary NAICS code for which they are seeking business development assistance. This final rule expands proof of experience to include similar work. Specifically, SBA believes that similar work performed by the prospective protégé to that for which a mentor-protégé relationship is sought should be sufficient, even if the previously performed work is in a different NAICS code than that for which a mentor-protégé agreement is sought. In addition, if the NAICS code in which a mentor-protégé relationship is sought is a logical progression from work previously performed by the intended protégé firm, that too should be permitted. SBA’s intent is to encourage business development, and any relationship that promotes a logical business progression for the protégé firm fulfills that intent. The protégé must demonstrate, through work performed as a prime or subcontractor on federal, state, or commercial contracts, or through the owner, business management experience of at least one year performing or two years managing work in the secondary NAICS code or similar NAICS code.

5. Has SBA eliminated the requirement that a protégé must annually request continuation of its mentor-protégé agreement?

Yes, mentor-protégé agreements are valid for up to six years from the date of acceptance. Participants no longer need to request an extension annually. However, a protégé’s



failure to complete its annual evaluation within 30 days of its anniversary date may result in SBA's decision to terminate the mentor-protégé agreement. Firms can choose to have their mentor-protégé agreement for less than six years but must notify SBA of continuance prior to the expiration date.

6. How many days can a protégé request reconsideration after its mentor-protégé agreement was declined?

The new rule eliminated the reconsideration process. The small business can submit a new (or revised) mentor-protégé agreement to SBA at any point after 60 days from the date of SBA's final decision declining a mentor-protégé relationship.

7. The new rule adds a provision that allows a protégé to substitute another firm to be its mentor for the time remaining in the mentor-protégé agreement without counting against the two-mentor limit. How will the SBA process substitution requests of the mentor?

If a request for substitution is submitted, the mentor's eligibility will be assessed in accordance with 13 CFR § 125.9. If approved, the protégé will be sent an updated letter to reflect the substitution and to indicate that the agreement is still valid until the original expiration date.

8. If a mentor-protégé relationship is terminated within 18 months of SBA's approval, will that relationship count for purposes of the protégé's lifetime limit of two mentor-protégé relationships?

No, if a mentor-protégé agreement is terminated within 18 months from the date approved, that mentor-protégé relationship will not count as one of the two mentor-protégé relationships that a small business may enter as a protégé.

- If a specific protégé appears to use the 18-month test as a means of using many short-term mentor-protégé relationships, SBA may determine that the business concern has exhausted its participation in the MPP and not approve an additional mentor-protégé relationship. If SBA determines that the protégé or mentor is using the 18-month rule to circumvent the two-lifetime limit rule, SBA reserves the right not to approve the request for annulment.



CHANGES TO JOINT VENTURE REQUIREMENTS

1. What are the new rules around the SBA reviewing 8(a) joint ventures?

The new rule eliminates the need for participants to seek and receive SBA's approval to joint venture agreements formed to pursue competitive 8(a) contracts. This includes joint venture agreements formed under the SBA MPP. SBA will continue to review and approve all joint venture agreements formed to receive sole source 8(a) contracts.

2. Does the “three in two” rule requiring that a joint venture can be awarded no more than three contracts over a two-year period still apply?

No, the final rule eliminated the limit of three awards a joint venture may receive in order to reduce the burden and cost of establishing a new joint venture to perform additional contracts during the two-year period. However, to ensure that joint ventures operate as entities of limited scope and purpose, the final rule continues to provide that a joint venture's duration cannot exceed two years from the date of the first contract award or novation. If the same joint venture partners wish to pursue contract opportunities after this two-year period expires, they must form a new joint venture.

3. How are joint venture receipts accounted for in determining the size of each joint venture partner?

SBA does not exclude revenues generated by subcontractors from the revenues deemed to be received by the prime contractor. Where a joint venture is the prime contractor, 100 percent of the revenues will be appropriated to the joint venture partners, regardless of how much work is performed by other subcontractors. The share of revenues assigned to each joint venture partner is the percentage figure corresponding to the partner's share of work performed by the joint venture, unless these revenues are already accounted for in the partner's own receipts. For example, a prime joint venture contractor must generally perform 50 percent of work under a services contract. In a MPP joint venture the protégé must perform at least 40 percent of the work done by the joint venture. Assuming the joint venture and the protégé perform the minimum work share requirements, the protégé will perform 20 percent of the contract. However, for purposes of determining the protégé's size, 40 percent of the revenues under the contract must be appropriated to the protégé.

4. What happens if a small business in a joint venture goes through a merger, sale, or acquisition in between the date of offer and award?



Under the new rule, if the merger, sale, or acquisition occurs after the offer but prior to award, the firm must recertify its size to the contracting officer prior to award. If the merger, sale or acquisition occurs within 180 days of the date of offer and the firm is unable to recertify as small, it will not be eligible as a small business for the award of the contract. If the merger, sale or acquisition occurs more than 180 days after the date of offer, award can be made but it will not count as an award to a small business.