8(a) Mentor Protégé Program

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OUTLINE

Purpose of the Program

Selecting a Mentor

Program Rules

Participation/Compliance Requirements

Best Practices
REFERENCE

13 CFR § 124.520

“What are the rules governing SBA’s Mentor/Protégé program?”
Purpose of the Program
8(a) Mentor Protégé Program

Designed to facilitate lasting mutually-beneficial business relationships between partners in the private sector.
Federal Buyers Benefit from:

- Increased industrial capacity.
- Enhanced market research capabilities.
- Expanded solutions from 8(a) offers.
- Expanded list of 8(a) service providers and suppliers.
Mentors Benefit from:

• Relationships with qualified small subcontractors and suppliers in order to:
  • Strengthen proposals.
  • Meet the targets of small business subcontracting plans.
Protégés Benefit from:

- Management and technical assistance from successful government contractors.
- **Beneficial Developmental Assistance Agreements**, which are at the core of your mentor-protégé agreements.
“Selecting” a Mentor
Program Rules
Qualifications for Mentors

MENTORS MUST:

• Have favorable financial health.

• Demonstrate good character.

• Not appear on the Federal list of debarred or suspended contractors.

• Demonstrate knowledge and ability to strengthen Protégé capabilities.
Qualifications for Protégés

PROTÉGÉS MUST:

• Be in good standing with at least six months remaining in the 8(a) program;

• And either:
  • Be in the developmental stage; or
  • Have never been awarded an 8(a) contract; or
  • Have a size less than half your primary NAICS code.
Mentor Protégé Proposal Package

Contains the Developmental Assistance Agreement, including:

• Assessment of the Protégé’s needs.

• Detailed descriptions & timelines for delivering at least one year of assistance.

• Establishing a single point of contact (POC) at the proposed Mentor’s firm.
Mentor Protégé Proposal

Developmental Assistance Agreement must be tied to the Protégé’s SBA-approved business plan.
Mentor Protégé Proposal

Developmental Assistance May Include:

- Identifying opportunities, marketing & teaming;

- Equity investments/loans;

- Enhanced operations (HR, IT infrastructure, financial management system);

- Increased bonding capacity.
Mentor Protégé Approval Process

- Submitted by proposed Protégé;
- Reviewed by District, referred, with recommendations to HQ;
- HQ approval sent to District;
- Approval issued by District.
Mentor Protégé Proposal

- **Must be** sufficient to promote real developmental gains;
- **Must not be** merely a vehicle to obtain 8(a) contracts;
- **Must include** 30-day “op out” clause.
Declined Mentor Protégé Proposal

• Request for reconsideration submitted by proposed Protégé within 45 days.

• Decision on request issued by HQ within 45 days.

• Second request for reconsideration where HQ declines for new reasons.

• Firm may resubmit after 60 days or propose a different Mentor.
Participation/Compliance Requirements
Checklist for Mentors

- Three years of tax returns, audited financials or SEC filings.
- D&B/SAM profile.
- Narrative certifying absence of debarments, suspensions or other responsibility issues.
Checklist for Protégés

• Properly negotiated Developmental Assistance Agreement.

• Updated business plan.

• Most recent approved Annual Review.

• Mentor Protégé worksheet.

• CCR profile.
Needed for Annual Review

• Type/hours of technical/management assistance received;
• Loans/equity investments
• Number/value of subcontracts
• Federal contract/task awards to JV

  • Number and value of set-asides
  • Number and value of unrestricted awards
  • Percentage of work performed/revenue

• Narrative on success/problems
• Changes in the terms of the agreement
Answers to Frequent Questions

• A firm **may not** be both a Mentor and a Protégé at the **same** time.

• Non-profit organizations **may** serve as Mentors.

• A Mentor may have **up to 3** Protégés; however, the Protégé companies **may not** be “competitive” businesses.
Protégés May Have Two Mentors If:

- Added relationship pertains to an unrelated secondary NAICS Code;
- Protégé is seeking expertise the existing mentor does not possess;
- Additional relationship will not compete/conflict with the existing Mentor Protégé relationship.
If Warranted, SBA may:

- Terminate the agreement (Mentor ineligible for 2 years).
- Recommend a stop work order on any 8(a) contract awarded JV.
- Authorize a substitution for the protégé performing under a JV.
- Identify grounds for Government-wide suspension or debarment.
BEST PRACTICES
Best Practices

- Check for indicators that suggest possible affiliation between the proposed entities.

- Provide signed copies of subcontracts and teaming agreements between the Mentor & Protégé.

- Provide a signed copy of any non-SBA MP Agreement.

- Check for the duplication of assistance if the applicant is in an approved non-SBA MP relationship.
Best Practices

- Provide the Mentor’s **most current** CY/FY **three years** of audited financial statements **or signed** Federal tax returns submitted to the IRS.

- Ensure that the DD Letter is signed.

- Ensure that the **How, Who** *(identify title)*, and **When** are thoroughly addressed in the MPA.
Best Practices

- Use only the current templates from the SBA Employee Gateway (YES Page).
- Provide a signed copy of the approval letter from the Protégé’s most current Annual Review.
- Ensure that the file is properly assembled.
Quick Review:

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Best Practices
QUESTIONS?
THANK YOU