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Driving Small Business Performance

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Mentor-Protégé Program (DoD and SBA)



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Program Objectives

The **DoD Mentor-Protégé Program (MPP)** allows small businesses (Protégés) to partnering with large companies (Mentors) under individual, project-based agreements for up to three years* This helps the protégé to successfully compete for prime contracts and subcontracts and they can be long term suppliers to the Defense Industrial Base (DIB)



Mentor-Protégé Agreements (MPA) consist of business infrastructure developmental assistance and technology transfer. Examples of developmental assistance include activities like human resources training, business development, capture management and proposal development training, or training on implementing a DCAA-compliant accounting system. Examples of technology transfer include manufacturing, certifications, software development and engineering.



Mentor / Protégé Benefits

Mentor Benefits

- Develop business relationships with small businesses
- Develop a high-quality subcontracting pool
- Enhance the technical capability of the firm
- Pursue new market opportunities as part of a team
- Issue subcontracts to their Protégé on a non-competitive basis
- Gain a source selection past performance evaluation factor
- Receive cost reimbursement or small business subcontracting credit

Protégé Benefits

- Technology transfer
- Engineering and technical training
- Business infrastructure enhancement
- Develop business relationship with a Prime Contractor
- Expand subcontracting opportunities
- Business development and planning training
- Leverage technical expertise of the Mentor to bid on small business set-aside contracts
- Improve competitive advantage
- Enhance capabilities resulting in higher quality products and services for their customers



Mentor Eligibility

New Mentor Applications must be approved and may be submitted to and approved by the OSBP of the cognizant Military Service or Defense Agency (if concurrently submitting a reimbursable Agreement) or to the DoD OSBP office prior to the submission of an Agreement.

Mentor eligibility requirements include:

- Currently performing under at least one active approved subcontracting plan negotiated with DoD or another Federal agency pursuant to FAR 19.702, and
- Have DoD contracts totaling at least \$25M* in previous fiscal year.
- Is other than small entity (can be waived)
- Be a prime contractor with an active subcontracting plan or is an 8(a) graduate with documentation of its ability to serve as a Mentor.
- Be eligible for award of a Federal contract
- Must Demonstrate:
 - Qualified to provide assistance;
 - In good financial health and character; and,
 - Is not on debarred/suspended

* *NDA 23 Lowers \$100M to \$25M*



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Protégé Eligibility

To participate as a protégé, a small business must have less than half the size standard corresponding to its primary NAICS code, must not be owned or managed by individuals or entities that directly or indirectly have stock options or convertible securities in the mentor firm and must be:

- a small business concern owned and controlled by socially and economically disadvantaged individuals;
- a business entity owned and controlled by an Indian tribe;
- a business entity owned and controlled by a Native Hawaiian Organization;
- a qualified organization employing severely disabled individuals;
- a small business concern owned and controlled by women;
- a small business concern owned and controlled by service–disabled veterans;
- a qualified HUBZone small business concern; or
- a small business concern that —
- is a nontraditional defense contractor; or
- currently provides goods or services in the private sector that are critical to enhancing the capabilities of the defense supplier base and fulfilling key Department of Defense needs



How to Participate?



Participating Departments and Agency's



Army



Navy



Air Force



NGA



DIA



MDA



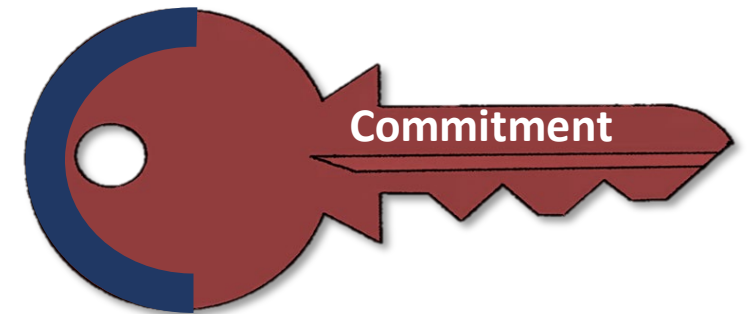
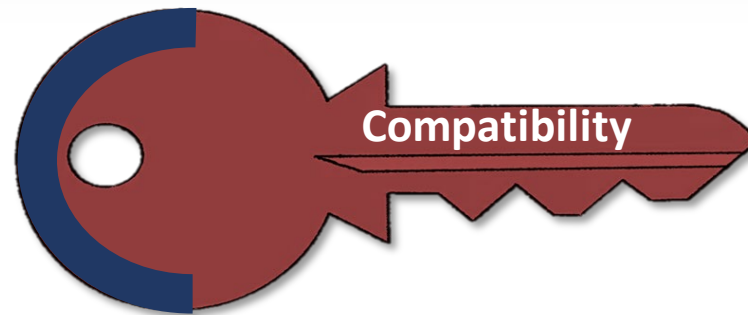
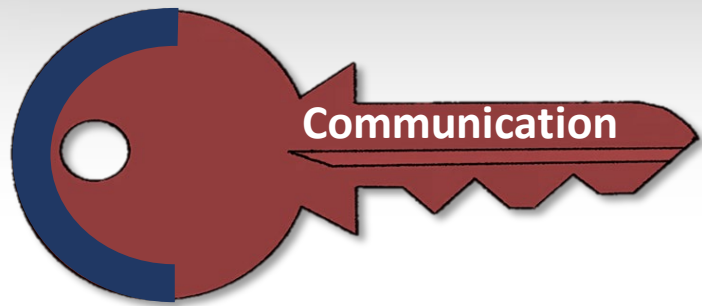
DTRA



DCMA (Credit)



Keys for Successful Agreements



Communication, Compatibility, and Commitment are keys to a successful Agreement!



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Program Update

On December 15, the Senate passed the National Defense Authorization Act (NDAA) for the FY 2023

one of those changes this year is that Section 856 codifies the Department of Defense's (DOD) Mentor-Protégé Program (MPP)

- Lower Threshold for Mentor Eligibility
 - \$100,000,000 or more in DOD contracts. Section 856 would significantly lower that threshold to \$25,000,000, allowing a broader swath of previously ineligible firms to become mentors
- Increased Duration for MPP Relationships
 - NDAA adds a year to the participation period allowing MPP relationships to last three years.
- Enhanced Data Collection
 - requires the Director of the Office of Small Business programs to “maintain outcome-based performance goals and annually collect data through an automated information system (if practicable) assessing such goals” and undertake an independent review of the MPP every three years.
- Pilot Program to Incentivize Protégé Participation
 - Section 856 also establishes a pilot program that allows protégés to receive up to 25% of the reimbursement their mentor is eligible for when implementing “an engineering, software development, or manufacturing customization...in order to ensure that a technology developed by the protégé firm will be ready for integration with a program or system of the Department of Defense.” The pilot program will end in five years.



SBA Vs DoD Mentor-Protégé Program

Both **DoD** and **SBA** must determine that the mentor-provided assistance will promote real developmental gains for the protégé, not just act as a vehicle to receive federal small business set-asides. An applicant protégé and its prospective mentor may not be affiliated at the time of application.

DoD MPP

- DoD MPP is the only Congressionally funded federal MPP
- Protégé eligibility: Must qualify in one of the socio-economic categories
- May not exceed 5 years (POP is a 3 year with additional possible extensions)
- DoD's MPAs focus to enhance SB performance, competition and must show value to the DoD's Defense Industrial Base
- Protégé may only have one active DoD agreement at a time (one active mentor)
- DoD MPP does not form joint ventures

SBA MPP

- SBA is not a funded MPP
- Protégé eligibility: All small businesses
- A Mentor-Protégé Agreement may perform up to six years. If the initial MPA is for less than six years, it may be extended by mutual agreement
- SBA's MPAs helps eligible SB gain capacities and win government contracts
- A protégé may have two mentors at the same time—as long as those relationships do not conflict or compete. However, a protégé can have no more than two mentors over the life of the business.
- Form joint ventures with protégés that are eligible to perform federal contracts set aside for small businesses



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Questions?



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