

# DoD Mentor- Protégé Program



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**Office of Small Business Programs**

DOD MPP | 27 MAR 17

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# DOD Mentor Protégé Program

*The Department's Mentor-Protégé Pilot Program was established November 5, 1990 (Public Law 101-510) in an effort to respond to concerns, raised by DoD prime contractors, that many SDBs did not possess the technical capabilities to perform DoD subcontract requirements, making it difficult for these prime contractors to achieve their SDB subcontracting goals.*

## *Current Status:*

- Reauthorized **November 25, 2015** via National Defense Authorization Act (NDAA) 2016
- Direct reimbursement of costs and credit towards subcontracting goals maybe incurred through **September 30, 2021 \***
- **\* IAW Public Law 114-92, Section 861, subsection (j)(2)**



# Program Objectives

## **Provide incentives to major DoD contractors by:**

- Furnishing technical and business assistance to Small Disadvantaged Businesses (SDBs), firms that employ the severely disabled, Women-Owned Small Businesses (WOSB), Service-Disabled Veteran-Owned and Controlled Businesses (SDVOSB) and Qualified HUBZone Small Businesses
- Enhancing their capabilities to satisfy DoD and other contract and sub-contract requirements
- Increasing the overall participation of protégé firms to perform as subcontractors and suppliers under DoD, other Federal agency, and commercial contracts
- Fostering the establishment of long-term business relationships which benefit DoD and the Defense Industrial Base (DIB)
- Increasing DoD Protégé firms' technical and business infrastructure capabilities to contract with DoD or other Federal agencies
- Demonstrating benefits to the Warfighter through technology transfer





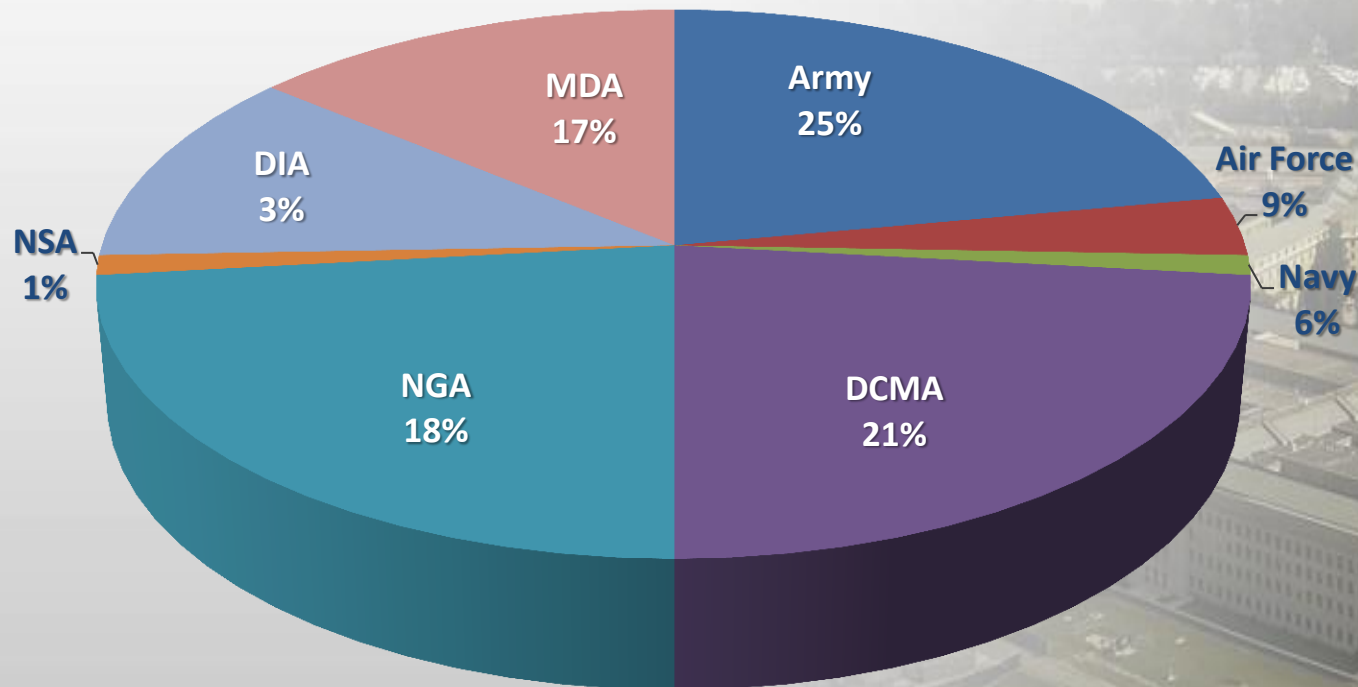
# Current Program Participation

**Current MPAs as of 27 MAR 17:**

# Active Agreements		# DoD Participants	
Credit	15	Mentors	125
Hybrid	3	Protégés	85
Reimbursable	53		
Total	71	Total	210



# DoD MPP Agreement Breakout



■ Army – <b>18</b> (includes 2 – HY)	■ Air Force – <b>6</b>	■ Navy – <b>4</b>	■ DCMA – <b>15</b>
■ NGA – <b>13</b>	■ NSA – <b>1</b>	■ DIA – <b>2</b> (includes 1 – HY)	■ MDA – <b>12</b>



# How is Program Success Measured?

## DOD OSBP MPP Metrics:

- An increase in the dollar value of contract and subcontract awards, and revenue to protégé firms (under DoD contracts, contracts awarded by other Federal/Non-Federal agencies and commercial contracts) from the date of DOD Mentor-Protégé Agreement (MPA) execution until 2-years *after* conclusion of the MPA
- An increase in the number and dollar value of sub-contracts awarded to Protégé firms (and former Protégé firms) by the Mentor firm; and
- An increase in the employment levels of Protégé firms from the date of MPA execution until 2-years after MPA completion





# MPP Mentor Eligibility

**An approved DoD Mentor firm eligible for award of Federal contracts may enter into an agreement with one or more DoD Protégé firms and provide assistance under the program pursuant to that agreement if—**

- (1) the DoD Mentor firm is not affiliated with the DoD Protégé firm prior to the approval of an agreement; and
- (2) the DoD Mentor firm demonstrates that it—
  - (A) is qualified to provide assistance that will contribute to the purpose of the program;
  - (B) is of good financial health and character and does not appear on a Federal list of debarred or suspended contractors; and
  - (C) can impart value to a DoD Protégé firm because of experience gained as a Department of Defense contractor or through knowledge of general business operations and government contracting



# MPP Protégé Eligibility

***A Qualifying Protégé must be one of the following:***

- A “nontraditional defense contractor”
- A qualified HUBZone small business concern
- A Woman-Owned Small Business (WOSB)
- A Service-Disabled Veteran-Owned Small Business (SDVOSB)
- Socio-economically disadvantaged small business
- A qualified organization employing the severely disabled
- An entity currently providing goods or services in the private sector critical to enhancing the capabilities of the defense supplier base and key to fulfilling key DoD needs.





# MPP Protégé Eligibility (continued)

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***A qualifying Protégé must also be:***

- Be eligible for award of Federal contracts
- Less than half the Small Business Administration (SBA) size standard for its primary North American Industry Classification System (NAICS) code.



# Criteria for MP Agreements

- Must show value to DoD and enhance Defense Industrial Base
- May not exceed 3 years
- Must have milestones
- Must have metrics
- Must provide estimated dollar amount of subcontracts
- Must provide detailed cost breakdown
  - **The total amount reimbursed to a DoD Mentor for costs of assistance furnished to a DoD Protégé in a fiscal year may not exceed \$1M**
  - **The average cost of a 3-year direct reimbursed agreement is \$500,000 — \$750,000 (for all three years)**



# Types of MPP Agreements

- DoD Mentor-Protégé Agreements (MPAs)
  - Direct Reimbursement MPAs
  - Credit MPAs
  - Hybrid MPAs (Credit MPA + Reimbursement MPA)





# Directly Reimbursed (RE) MP Agreements (MPAs)

## *Direct Reimbursement of cost of developmental assistance:*

- Identify specific contract vehicle/contracting officer endorsement
- Highly encouraged to use HBCU/MI/SBDC/PTAC
- Direct cost reimbursement of allowable costs outlined in **Appendix I**, including:
  - Direct labor costs (for assistance by Mentor firm employees)
  - Assistance provided by HBCU/MI/SBDC/PTAC
  - Other costs
    - Detailed Cost Breakdown
- Service Components/Other Defense Agencies (ODAs) may have additional mission priorities and requirements
- Requires Service Component/Other Defense Agency (ODA) Approval



# Credit (CR) MP Agreements

## *Provides credit toward DoD subcontracting goals:*

- Requires Defense Contract Management Agency (DCMA) approval
- More focused on business infrastructure
- Costs incurred under Credit Agreement
  - May be applied (in the following multiples) towards SDB subcontracting goals under any Federal Agency Subcontracting plan: (FAR 19.703)
    - » 4x for assistance provided by HBCU/MI/SBDC/PTAC  
i.e. **\$400,000** SubK credit given if **\$100,000** in SDB assistance is provided by a DoD Mentor via an HBCU/MI, SBDC, or PTAC
    - » 3x for labor assistance by Mentor firm employees
    - » 2x other costs (example: travel or training)



# Hybrid (HY) MP Agreements

- Utilizes some credit and some reimbursement instead of exclusively one or the other
  - Hybrid Agreements start out as a Credit Agreement for the first year and then can be modified to include Reimbursable Agreement provisions for remainder of the agreement
- Process
  - Development procedures similar to a reimbursement proposal
  - Agreement transformed to a formal contract document signed by both parties
  - Proposals can be submitted to DCMA MP Program Manager (PM) and servicing DoD Component PM for consideration
  - The base year (credit) amount must be commensurate with the reimbursable amounts for Option Years 1 and 2





# Desired Types of Developmental Assistance:

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- Assistance by Mentor firm personnel in:
  - Engineering and technical matters
  - General business management
  - Any other approved developmental assistance
- Assistance from HBCU/MI/SBDC/PTAC
- Award of subcontracts under DoD contracts or other contracts on a non-competitive basis



# Capability Gaps / Industrial Gaps

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- **Top Focus**

- Autonomous Systems
- Logistics
- Advanced Manufacturing
- Operational Energy
- Information Assistance
- GPS Technology
- Telecommunications
- Cyber Initiatives
- ISO 9001-2000
- ISO/IEC 20000
- ISO/IEC 27000 series
- Capability Maturity Model Integration
- Robotics
- Satellite Services
- Systems Engineering
- Aerospace Manufacturing
- Chemical & Biological Defense



# Potential MPP Benefits

## ***Potential Mentor Benefits:***

- Develop long-term business relationships with SDB concerns
- Develop SDB subcontracting base
- Direct cost reimbursement and/or SDB credit
- Teaming opportunities with the Protégé to win new contracts and/or subcontracts
- Participation in the MP Program as a marketing tool
- Networking opportunities

## ***Potential Protégé Benefits:***

- Relevant technical assistance
- Participation in the MP Program as a marketing tool
- Networking opportunities
- Teaming opportunities with the Mentor to win new contracts and/or subcontracts





# Potential MPP Benefits (*continued*)

- *Potential Benefits to DoD*
  - Stimulate and transition innovative technologies into established Defense Acquisition programs
  - Resolve operational challenges and other critical national security requirements
  - Train and develop business acumen and capabilities of Protégés
    - Provides developmental and technical assistance to Protégé for potential business opportunities with DoD agencies