DoD Mentor- Protégé Program

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Acquisition Compliance and Support

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What We Do

- Leadership
- Policy
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The DOD Mentor Protégé Program

The 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.

MPP 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 SBs**
- **Enhancing their capabilities to satisfy DoD and other contract and sub-contract requirements**
- **Increasing the overall participation of protégé firms as of these firms to perform as prime contractors, subcontractors and suppliers under DoD, other Federal agency, and commercial contracts**
- **Fostering the establishment of long-term business relationships which benefit the DoD**
- **Increasing protégé firms technical and business infrastructure capabilities to contract with DoD or other Federal agencies**
- **Demonstrating benefits to the Warfighter through technology transfer**

What is Technology Transfer?

For the purposes of the DoD Mentor-Protégé Program:

- Technology transfer is the process of transferring skills, knowledge, technologies, methods of manufacturing and facilities among and between Government and other institutions or large and small businesses to ensure that scientific and technological innovations are infused into new products processes, application, materials or services

Current Status of the Program

- New Mentor-Protégé agreements accepted through September 30, 2015 *

- Direct reimbursement of costs and credit towards subcontracting goals maybe incurred through September 30, 2018

* IAW Public Law 112-81, Section 867

Current Program Participation

- **Number of Active Agreements as of 15 May 15**

Active Agreements	
Credit	20
Hybrid	2
Reimbursable	44
Total	66

Participants	
DoD Mentors	39
DoD Protégés	66
Total	105

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

A Qualifying Mentor must be one of the following:

- **An entity other than a small business, unless a waiver to the small business exception has been obtained from the DoD Associate Director, Mentor-Protégé Program, that is a prime contractor to DoD with an active subcontracting plan; or**
- **A graduated 8(a) firm that thoroughly demonstrates its ability to serve as a mentor; and**
- **Be eligible for award of Federal contracts**

MPP Protégé Eligibility

A Qualifying Protégé must be one of the following:

- **A Small Disadvantaged Business (SDB) certified by SBA**
- **A qualified organization employing the severely disabled**
- **A Woman-Owned Small Business (WOSB)**
- **A Service-Disabled Veteran-Owned Small Business (SDVOSB)**
- **Socio-economically disadvantaged small business**
- **A qualified HUBZone small business concern certified by SBA**

MPP Protégé Eligibility (cont.)

A qualifying Protégé must also be:

- A small business according to the Small Business Administration (SBA) size standard for the North American Industry Classification System (NAICS) code that represents the contemplated supplies of services to be provided by the protégé firm to the mentor firm if the company is representing itself as an SDB or Women-Owned Business
- Be eligible for award of Federal contracts

Steps to MPP Participation

1. Identify a Mentor / Protégé counterpart
2. Conduct an objective Needs Assessment with sponsoring component and Protégé (recommended)
3. Identify Agreement type
4. Contact a Military Service Component or other DoD Agency (ODA) for reimbursable agreements
5. Contact DCMA for credit and hybrid agreements or additional requirements
6. Develop MP agreement
7. Submit MP agreement for approval
8. Agreement start
9. Comply with all reporting and review requirements

Return on Investment

FY	MPP Budget ($M)	Net Revenue Gains ($M)	Net Employee Gains	Net Revenue Gains Per Company ($M)	Net Employee Gains Per Company
14	20.1	396	808	6.6	13.5
13	25.4	238	743	3.6	11.4
12	28.0	700	660	11.3	10.6
11	27.6	633	1,531	7.6	18.4
10	26.3	660	1,223	6.7	12

Source: *DCMA* FY14 Executive Summary

- Builds competition base for DoD suppliers of goods and services
- Creates jobs in critical DoD industrial workforce
- Significant gains in net revenues and employees for Protégé firms
- Encourages partnerships between large and small firms
- Monetary reimbursements incentivize DoD Mentor firms

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 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 <u>any Federal Agency Subcontracting plan: (FAR 19.703)</u>**
    - » **4x for assistance provided by HBCU/MI/SBDC/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

Criteria for MP Agreement

- May not exceed 3 years
- Must have milestones
- Must have metrics
- Should show value to DoD
- Estimated dollar amount of subcontracts
- Detailed cost breakdown
  - The total amount reimbursed to a mentor for costs of assistance furnished to a 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)

Desired Types of Developmental Assistance:

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

Submit MPP for Approval

- New Mentor-Protégé Agreements are approved by the Office of the Secretary of Defense (OSD), Office of Small Business Programs (OSBP)
- Credit agreements are approved by Defense Contract Management Agency (DCMA)
- Directly reimbursed agreements are approved by the managing Military Service Component or Other Defense Agency (ODA)

MPP Agreements

- Agreements shall clearly outline the technical assistance or technology transfer that contributes to the Department's mission, industrial base priorities, and value to the warfighter
- A protégé firm may have only <u>one</u> active reimbursable DoD MPP agreement at a time
  - The Component Small Business Director may request a waiver to receive funding for a second reimbursable agreement for the same protégé firm
  - The waiver must be submitted to the Director, Office of Small Business Programs, and approval is required <u>prior to funding the agreement</u>
  - Requests for waivers shall include a copy of the proposed agreement and endorsement from the Component SB Director

MPP Agreements (*continued*)

- **Credit agreements are preferred over reimbursable agreements, and may be oriented more towards business development than reimbursable agreements that have a heavy emphasis on technical assistance**
  - **Protégés may not have more than one agreement at a time; however, a protégé firm may enter into a maximum of three different credit agreements if pursued at different times and developmental assistance is not duplicated**
- **Mentors cannot incur cost for credit until the agreement is approved, or for reimbursement until funding is obligated to the contract**
  - **Any prior actions are non-reimbursable**

MPP Reporting and Review Requirements

- DCMA annual performance reviews shall be a major factor in determining the amount of reimbursement that the mentor firm is eligible to receive in the remaining years of agreement participation.

- Other required reports:
  - Semi-Annual reports
  - Protégé Post-Agreement reports (2-Years after completion)
  - Annual DCMA performance reviews

DCMA and MPP Reporting

- Defense Contracting Management Agency (DCMA) authority—operates under:
  - The DoDD 4205.01, DoD small Business Programs, March 10, 2009
  - Federal Acquisition Regulation (FAR) 42.302 (a)(51), (52), (53), (54) and (55)
  - FAR and DoD FAR Supplement (DFARS) Subpart 219.71
- DCMA Roles
  - Post-award contract administration
  - Oversight of Small Business subcontract management plans
  - Past performance Small Business documentation and recommendation
- DCMA Workload Assignments
  - Aligned by Service Component or Other Defense Agency (ODA)

DCMA and MPP Reporting *(continued)*

- **DCMA MPP Statistics and Analytics**
  - 66 active MPAs currently in the Program as of 15 MAY 15
  - Aggregate MPP data collection and reporting of Mentor and Protégé key performance indicators to OSBP
  - Manages all DoD MPP Credit MPAs

- **DCMA MPP Authority: DFARS Appendix I**
  - Review and Approve all Credit (CR) MPAs
  - Review all Reimbursable (RE) MPAs
  - Establish MOUs with all DoD MPAs for oversight and reporting
  - Review all MPAs annually
    - Validate data and ROI
    - Request and disposition DCAA audits
    - Assign risk ratings to active DoD MPAs
  - Conduct semi-annual reviews for MPAs and Semi-Annual Reports (SARs)

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

10 Reasons to Participate

1. Business infrastructure and technical training received from highly skilled large businesses
2. Paid training (high level) for Protégé firms (ISO, CMMI, AS9100, etc.)
3. Increase in innovation and technology
4. Maintain competitive edge over other SDBs
5. Dual prime/subcontractor role for both firms
6. Successes tracked at Congressional levels and recognition of top teams with Nunn-Perry awards
7. Source for hiring qualified employees from HBCU/MIs
8. Attendance at MPP Conferences provides beneficial networking opportunities
9. Foster and establish long term relationship between two firms
10. Gain visibility with OSD AT&L

MPP Lessons Learned

Valuable insight to know up front:

- Communication
- Compatibility
- Commitment (both Mentor & Protégé)
- Expectations (subcontracts, developmental plan, & more)
- Realize possible limitations
  - Geographic location
  - Company size
- Awareness of possible expense
  - There are non-reimbursed costs for both the Mentor and the Protégé
- Development assistance plan - an assessment of the needs of the Protégé which includes measurable milestones is key
  - Assistance should align with the Protégé's strategic vision
- Mentoring - a smaller Mentor firm may respond more easily to Protégé's needs

MPP Challenges

- Continued downward economic pressures
  - Reduced defense budget trends
  - Government hiring freezes
- Limited small business workforce
- DoD uniquely has large and complex contracts

Mentor-Protégé Awareness

Courtship: Court Mentor or Protégé with corporate philosophy that either mirrors or compliments your own corporate philosophy, don't make a hasty commitment**,** take time to develop relationship and set clear expectations.
Engagement: Create your own experience by individualizing your agreement and maximize your strengths and address/mitigate your weaknesses.
Realistic Self Assessment: Mentor should encourage Protégé to honestly analyze current capabilities and commitment of time and energy. Mentor should provide honest, constructive feedback and both must understand the boundaries and requirements of the relationship.
Relationship Building: Communicate clearly and frequently. Develop a firm, reliable understanding of goals and expectations**,** address problems promptly, and make decisions thoughtfully and as **partners**.
Mutual Respect: Protégé should acknowledge the Mentor's knowledge and experience. Mentor should appreciate the Protégés commitment and both should recognize and celebrate their successes.
Trust: Is essential for both parties and it comes from honest communication, reliability, consistency, and sense of loyalty.
Dedication and Enthusiasm: Both Mentor and Protégé must make an honest commitment to each other and to the partnership. Both Mentor and Protégé should regard the relationship as an opportunity for self-growth rather than a task that must be done.
Time: Schedule regular, uninterrupted blocks of time for meetings and other communication. "Check in" informally between scheduled meetings and conversations.

MPP Resources

DFARS Appendix I: Regulations governing DoD Mentor-Protégé Programs:

DFARS SUBPART 219.71--PILOT MENTOR-PROTEGE PROGRAM:

www.acq.osd.mil/dpap/dars/dfars/html/current/219_71.htm

(Appendix I):

www.acq.osd.mil/dpap/dars/dfars/html/current/appendix_i.htm

List of active DOD Mentors:

http://www.acq.osd.mil/osbp/sb/programs/mpp/participants/active_agreements.shtml

Historically Black Colleges & Universities (HBCU) & Minority Institutions (MI)

List of HBCUs:

http://www.ed.gov/edblogs/whhbcu/one-hundred-and-five-historically-black-colleges-and-universities/

List of MIs:

http://www2.ed.gov/about/offices/list/ocr/edlite-minorityinst-list-tab.html

Procurement Technical Assistance Centers (PTACs)

http://www.dla.mil/SmallBusiness/Pages/ptac.aspx

Small Business Development Centers (SBDCs):

http://americassbdc.org/

Acronyms

- DCMA – Defense Contract Management Agency
- DFARS – Defense Federal Acquisition Regulation Supplement
- DoD – Department of Defense
- FAR – Federal Acquisition Regulation
- HBCU – Historically Black College / University
- HUBZone – Historically Under-utilized Business Zone
- MI – Minority Institution
- MPA – [DoD] Mentor Protégé Agreement
- ODA – Other Defense Agency
- OSBP – Office of Small Business Programs
- PTAC – Procurement Technical Assistance Center
- SAR – Semi-Annual Report
- SBDC – Small Business Development Center
- SDB – Small Disadvantage Business
- SDVoSB – Service-Disabled Veteran-owned Small Business
- WoSB – Woman-owned Small Business

Contact Information

DoD Mentor-Protégé Program

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DoD - www.acq.osd.mil/osbp
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Program Information - dodmpp@osd.mil

MPP Contacts

- ***Contact any Military Service Component or Other Defense Agency (ODA) OSBP Office:***
  - **OSD MPP: Mr. Rob Stewart** **(571) 372-6313**
  - **Air Force: David Sikora** **(571) 256-7756**
  - **Army: Ms. Pamela Monroe** **(703) 695-3220**
  - **Navy: Mr. Brad Taylor** **(202) 685-6485**
  - **CECOM: Ms. Stacey Gaddis** **(443) 861-4373**
  - **DCMA: Ms. Shelly Thomas** **(214) 573-2168**
  - **DHA: Mr. Dan Duckwitz** **(703) 681-7046**
  - **DIA: Ms. Maria Kersey** **(202) 231-2166**
  - **DLA: Ms. Trish Culbreth** **(703) 767-1657**
  - **MDA: Ms. Ruth Dailey** **(256) 450-5281**
  - **NGA: Ms. Sandra Broadnax** **(571) 557-2397**
  - **NSA: Mr. Jim Higgins** **(443) 479-2467**
  - **PEO STRI: Mr. Randy Edney** **(407) 384-3656**

DoD Pilot Mentor-Protégé Program

November 5, 1990 – November 5, 2015

Proud of our past …

Excited about our future.