



U.S. DEPARTMENT OF DEFENSE

NEWS ARTICLE

DoD Seeks 10-year Extension of Small Business Mentoring Program

By Claudette Roulo
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WASHINGTON, Jan. 22, 2015 – The Defense Department intends to request a 10-year extension of a program that improves the ability of socioeconomically disadvantaged small businesses to compete for defense contracts, the program's manager said yesterday.

The Small Business Mentor-Protege Program began in 1991 as a way to foster small businesses and improve technology transfer between the Defense Department and industry, Robert Stewart said in a DoD News interview.

Despite having been in existence for nearly 25 years, the program is still categorized as a pilot and must be reauthorized in a National Defense Authorization Act every few years, he said.

Stewart said that through regular outreach with industry representatives, his office has learned that the periodic reauthorizations give the impression that the program isn't permanent. This has a chilling effect on participation -- particularly as the reauthorization period



approaches, he said.

"Whenever we're about a year, year and a half out from an authorization -- since it's a pilot program and it's still crafted in language as a pilot program -- industry does what's called a chilling-off," Stewart said. From the perspective of a business owner, he said, "If I'm not sure something's going to be reauthorized, I'm going to be less apt to put business development dollars into helping facilitate small business."

Extending the program's authorization period would provide stability, reassure industry and save the department money, he said.

How to Participate

Small businesses seeking to become prime contractors with the department first choose a mentor from one of the more than 50 larger companies participating in the program, he explained. Part of that selection process is ensuring that the strategic goals of the two companies align, Stewart noted.

"We try to put them in a position to be as

successful as possible," he said.

The larger company provides training and mentorship, and in exchange, receives credit toward their small business contracting goals, Stewart said. If the training is provided through a procurement technical assistance center, a small business development center, minority institution or a historically black college or university, they can claim up to four times the amount spent for credit toward their actual small business participation levels.

The agreements may not last longer than three years, and once an agreement is fulfilled, the small business graduates from the program and is able to serve as a prime contractor for DoD contracts.

"Now you have a small business who's a prime contractor [and] whose overhead is significantly lower than your traditional government contractors," Stewart said. "They can do the exact same work, sometimes faster, sometimes cheaper, oftentimes better than larger, more cumbersome agencies or entities."

This is a win-win situation for industry and the Defense Department, Stewart said. Larger businesses now have a pool of capable, responsive partners with which to team up and seek defense contracts, while small businesses gain better-trained employees and, by piggybacking on the capabilities of their larger partner, they can compete for contracts that they otherwise wouldn't have been able to support.

"It works out in a lot of areas," he said. "We're helping grow the manufacturing-industrial base

by ensuring that we're going through our [procurement technical assistance centers], small business development centers, minority institutions and [Historically Black Colleges and Universities], but also identifying tech transfer companies that allow the United States government to be able to fight the threat that the Googles, the Amazons, the Microsofts, the Oracles face every day."

The Way Ahead

"One of the things that we're looking for going forward ... [is that] we want to focus on the evaluation and criteria and factors to drive contracting commands across the DoD enterprise to utilize Mentor-Protege as a way to meet those subcontracting small business participation goals," Stewart said.

To accomplish this, he said, the Office of Small Business Programs plans to develop a defense acquisition regulation that would give participants in the Mentor-Protege Program greater weight during the bid solicitation process.

"You're going to get credit toward being already involved in DoD -- you know DoD's business, you've already got an established working relationship with the DoD," Stewart said. MPP

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