

**Defense Contract Management Agency
Mentor-Protégé Program
Executive Summary
FY11**

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Introduction

The following report consists of the DCMA Mentor Protégé Division's results from the 83 Annual Reviews performed for FY11 that includes DCMA Credit (37), Reimbursable Mentor Protégé agreements (46) and 84 Post reviews. (Out of 84 Post reports reviewed, DCMA received 46 first (1st) year and 38 second (2nd) year post reports).

NOTEWORTHY: Based upon the results of the 37 DCMA Credit Agreement Annual Reviews, the Mentors were able to apply \$6,427,785.00 to their Small Business Goals.

A. Trends in the progress of protégé employment, revenues, and participation in Department of Defense contracts.

This section shows in tabular form the trends in employment, revenues, and contractual participation for protégé firms over the fiscal year FY11. This information was derived from the mentor's semi-annual reports. Differences among the total number of firms in the various tables are due to omissions within the individual DoD Mentor Protégé Semiannual reports.

Table's A-1 and A-2 present employment information for FY11: Table A-1 is a macro view displaying the total employment gains, losses and no changes with the number of firms fitting into each category. Table A-2 further breaks down the categories into numerical subcategories, thereby giving a sense of the distribution of employment changes. The distribution of employment and revenue gains and losses shown is reflective of the variances in the characteristics of the protégé firms and the ever-changing Program population.

Table A-1 reflects a FY11 net increase of Protégé employees

Table A-2 reflects Distribution of Employment Gains and Losses at Protégé Firms

Table A-3 reflects Revenue Gains and Losses at Protégé Firms

Table A-4 reflects Distribution of Revenue Changes at Protégé Firms

Table A-5 reflects Contract Awards to Protégé Firms

Table B-1 reflects Protégé Post Two Year out Performance FY11

A total of 5 DoD Mentor Protégé agreements were terminated during FY11. One (1) reimbursable agreement was terminated due to an acquirement by a larger firm and resulted in the company's ineligibility to be a continuing participant in the Mentor-Protégé Agreement. One (1) credit agreement terminated due to budget reductions mandated by the Government for the BCTM program, which the MP agreement supported. One (1)

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credit agreement was terminated due to the downturn in the economy and was not able to meet the deliverables IAW the MPA. One (1) credit agreement when the mentor went under new leadership and protégé changed their firm name. And one (1) reimbursable agreement terminated as the protégé lost their Small Disadvantaged Business classification caused by a change in ownership which resulted in the firm's ineligibility to be a continuing participant in the DoD Mentor Protégé program.

Table A- 1. Annual Employment Gains and Losses at Protégé Firms

Fiscal Year	Number of Firms Gaining	Employee Gains	Number of Firms Losing	Employee Losses	Number of Firms No Change	Net Employee Gains	Total Firms
2011	57	1688	17	157	09	1531	83
2010	63	1807	26	584	10	1223	99
2009	86	3355	29	673	17	2682	132
2008	77	8935	23	386	29	8549	129
2007	78	6170	25	740	34	5430	137
2006	88	3060	34	421	25	2639	147

Table A-2: Distribution of Annual Employment Gains and Losses at Protégé Firms

Employees Gained/Lost	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
Increase of more than 100	3	2	7	8	4	7
Increase of 51 to 100	9	7	7	4	7	9
Increase of 26 to 50	9	7	10	15	5	12
Increase of 16 to 25	5	10	13	9	14	14
Increase of 6 to 15	16	15	25	18	21	26
Increase of 1 to 5	13	22	24	23	27	20
No Change	10	9	17	29	34	25
Decrease of 1 to 5	6	10	8	9	5	11
Decrease of 6 to 15	9	10	12	7	11	13
Decrease of 16 to 25	2	3	3	3	1	5
Decrease of 26 to 50	1	1	2	2	5	5
Decrease of 51 to 100	0	1	2	2	2	0
Decrease of more than 100	0	2	2	0	1	0
Total Number of Firms	83	99	132	129	137	147

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Tables A-3 and A-4 illustrate revenue gains, losses, and no changes in a similar fashion, as were presented previously with respect to employment.

Table A- 3. Total Annual Revenue Gains and Losses at Protégé Firms

(Based upon data submitted FY11 DCMA Annual Reviews)

FY	Number of Firms Gaining	Annual Revenue Gains \$	Number of Firms Losing	Annual Revenue Losses \$	Number of Firms No Change	Annual Net Revenue Gains \$	Total Firms
2011	68	656,039,173	15	22,882,679	0	633,156,495	83
2010	78	703,971,153	20	44,210,755	1	659,760,398	99
2009	100	679,338,437	27	46,552,897	5	632,785,540	132
2008	86	1,191,974,343	10	13,167,767	33	1,178,806,576	129
2007	73	1,019,086,316	18	53,519.60	46	965,566,714	137
2006	99	527,156,773	32	91,112,606	17	436,044,168	148

Table A-4 Distribution of Annual Revenue Changes at Protégé Firms

Change in Revenue	FY11	FY10	FY09	FY08	FY07	FY06
Increase by more than \$10M	11	9	16	14	11	15
Increase of \$5M to \$10M	7	11	12	11	15	14
Increase of \$1M to \$5M	33	32	35	36	26	35
Increase of \$500K to \$1M	5	9	15	8	8	13
Increase \$100K to \$500K	5	9	17	8	8	17
Increase of \$0 to \$100K	2	8	5	9	5	5
No Change	3	1	5	33	46	17
Decrease of \$0 to \$100K	1	2	2	0	2	2
Decrease of \$100K to \$500K	3	5	9	5	3	4
Decrease of \$500K to \$1M	5	7	7	1	2	5
Decrease of \$1M to \$5M	7	3	5	4	11	15

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Decrease of \$5M to \$10M	1	2	4	2	0	3
Decrease of more than \$10M	0	1	0	0	0	2
Total Number of Firms	83	99	132	129	137	147

Table A-5 Contract Awards to Protégé Firms

Contract Awards	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006
Number of Protégé Firms	83	99	132	129	137	147
Prime Contract Award Dollars	594,740,599	1,081,378,714	1,167,932,251	230,453,901	1,284,544,177	647,485,610
Subcontract Award Dollars by Mentor	386,271,648	351,505,011	1,562,928,812	248,995,986	232,369,312	155,382,259
Other Subcontract Award Dollars	436,162,610	494,885,741	5,511,720,887	235,237,614	450,277,139	300,117,673
Total Contract Dollars	1,417,174,857	1,927,769,466	8,242,581,950	835,083,819	1,967,190,628	1,102,985,542

B. Graduated Protégé Two Year Out Performance

The chart addresses FY 2011 Post reports received by DCMA. DCMA validated the information and will continue to report on the progress of protégés for 2 years. Eighty-four (84) Post program reviews were performed for FY11. Two (2) were non-compliant to the DoD mandated requirement, as protégé did not report first or second year data. As a corrective action, DCMA requested revision reporting of the protege's. Out of the 84 Post reports received, fifteen (15) had errors or omissions and DCMA has requested revisions to be submitted to DCMA and OSD.

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Table B-1 identifies Post Reviews Accomplished for FY11

Number of Protégé Firms Evaluated FY 11		84
ANNUAL REVENUE in \$		
Revenue at Start of Agreement for 84 Post Reports		\$558,310,661
Revenue at End of Agreement for 84 Post Reports		\$865,393,893
Revenue at End of 1st yr Post Reports for 46 Post Reports		\$1,016,064,096
Net Gains		\$457,753,435
ANNUAL REVENUE in \$		
Revenue at End of 2nd yr Post Reports for 38 Post Reports		\$398,324,526
Net Loss		\$159,986,135
Net Loss Note: (Revenue from end of 1st Yr Post Reports through end of 2nd Yr Post Reports)		
NUMBER OF EMPLOYEES		
Number of Employees at End of Agreement 1st YR for 46 Post Reports		6087
Number of Employees at Start of Agreement for 84 Post Reports		4006
Net Gains		2081
NUMBER OF EMPLOYEES		
Number of Employees at Start of Agreement for 84 Post Reports		4006
Number of Employees: at End of Agreement 2 nd YR for 38 Post Reports		1962
Net Loss		2044
Net Loss Note: (Employment from end of 1st Yr Post Reports through end of 2nd Yr Post Reports)		
DOD PRIME CONTRACT AWARDS in \$		

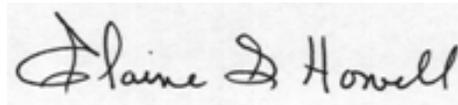
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DoD Prime Contract Awards At Start of Agreement (Baseline)	\$271,987,103
DoD Prime Contract Awards At End of Agreement (Beginning Balance at end of agreement)	\$412,823,779
DoD Prime Contract Awards (End of 1st YR Report Since Program Completion) for 46 post reports	\$475,011,156
DoD Prime Contract Awards (End of 2nd YR Since Program Completion) for 38 post reports	\$69,095,985
Cumulative dollar amount of DoD Prime contracts	\$544,107,141
DOD SUBCONTRACT AWARDS in \$	
DoD Sub Contract Awards At Start of Agreement (Baseline)	\$89,292,888
DoD Sub Contract Awards At End of Agreement (Beginning Balance at end of agreement)	\$306,270,122
DoD Sub Contract Awards (End of 1st YR Report Since Program Completion) for 46 post reports	\$208,359,256
DoD Sub Contract Awards (End of 2nd YR Since Program Completion) for 38 post reports	\$78,611,724
Cumulative dollar amount of DoD Subcontracts	\$286,970,980
SUBCONTRACT AWARDS from Mentor in \$	
Total Sub Awarded from Mentor \$ (Baseline)	\$107,949,895
Total Sub Awarded from Mentor \$ (Beginning Balance at End of agreement)	\$247,637,236
Total Sub Awarded from Mentor \$ (YR1) for 46 post reports	\$167,664,098
Total Sub Awarded from Mentor \$ (YR2) for 38 post reports	\$44,095,955
Cumulative dollar amount of DoD Sub Awards	\$211,760,053

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Conclusion

The following report consisted of the DCMA Mentor Protégé Division's findings for the FY11 Annual Reviews along with the Post Reviews that require follow-up for 2 years after completion of the agreements.

A handwritten signature in black ink that reads "Elaine S. Howell". The signature is written in a cursive style with a large initial 'E'.

ELAINE S. HOWELL

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