



**Defense Contract Management Agency
Mentor-Protégé Program
Executive Summary
FY12**

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Introduction

The following report consists of the DCMA Mentor Protégé Division's results from the 62 Annual Reviews performed for FY12 that includes DCMA Credit (34), Reimbursable Mentor Protégé agreements (28) and 68 Post reviews. (Out of 68 Post reports reviewed, DCMA received 40 first (1st) year and 28 second (2nd) year post reports).

NOTEWORTHY: Based upon the results of the 34 DCMA Credit Agreement Annual Reviews, the Mentors were able to apply \$5,735,062.00 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 FY12. This information was derived from the mentor/protégé DoD MP Semi Annual Reports. Differences among the total number of firms in the various tables are due to omissions within the individual Semi Annual Reports.

Table's A-1 and A-2 present employment information for FY12: 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 Annual Employment Gains and Losses at Protégé Firms

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

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

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

Table A-5 reflects Annual Contract Awards to Protégé Firms

Table B-1 reflects Protégé Two Year Out Performance FY12

A total of 7 DoD Mentor Protégé agreements were terminated during FY12. Two (2) reimbursable agreements were 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. Five (5) credit agreements were terminated during FY12.

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In summary; one (1) Mentor requested termination due to protégé non-compliance in accordance with (IAW) the MPA reporting requirements and the mentor was not able to provide subcontracts to the protégé, which had an economic impact to the protégé. One (1) credit agreement was terminated by mutual parties due to the lack of progress during the first year of their agreement. One (1) credit agreement was terminated due to the company being acquired and the protégé no longer qualified under the MP Program. Two (2) credit agreements were terminated due to the mentor being non-responsive to communication from the DCMA MP Division Chief, Program Manager and non-compliance IAW the MP agreement requirements.

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

Fiscal Year	Active Number of Firms	Employee Gains	Number of Firms Losing	Employee Losses	Number of Firms	Net Employee	Total Firms
	Gaining Employees		Employees		No Change	Gains	
2012	19	1075	43	415	0	660	62
2011	57	1688	17	157	9	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

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

Employees Gained/Lost	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Increase of more than 100	2	3	2	7	8	4
Increase of 51 to 100	2	9	7	7	4	7
Increase of 26 to 50	11	9	7	10	15	5
Increase of 16 to 25	7	5	10	13	9	14
Increase of 6 to 15	13	16	15	25	18	21
Increase of 1 to 5	10	13	22	24	23	27
No Change	2	10	9	17	29	34
Decrease of 1 to 5	5	6	10	8	9	5
Decrease of 6 to 15	3	9	10	12	7	11
Decrease of 16 to 25	2	2	3	3	3	1
Decrease of 26 to 50	2	1	1	2	2	5

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Decrease of 51 to 100	3	0	1	2	2	2
Decrease of more than 100	0	0	2	2	0	1
Total Number of Firms	62	83	99	132	129	137

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 FY12 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
2012	47	728,180,552	14	28,527,409	1	699,653,143	62
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

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

Change in Revenue						
	FY12	FY11	FY10	FY09	FY08	FY07
Increase by more than \$10M	13	11	9	16	14	11
Increase of \$5M to \$10M	9	7	11	12	11	15
Increase of \$1M to \$5M	18	33	32	35	36	26
Increase of \$500K to \$1M	4	5	9	15	8	8
Increase \$100K to \$500K	4	5	9	17	8	8
Increase of \$0 to \$100K	3	2	8	5	9	5
No Change	0	3	1	5	33	46
Decrease of \$0 to \$100K	1	1	2	2	0	2
Decrease of \$100K to \$500K	1	3	5	9	5	3
Decrease of \$500K to \$1M	4	5	7	7	1	2
Decrease of \$1M to \$5M	1	7	3	5	4	11
Decrease of \$5M to \$10M	4	1	2	4	2	0
Decrease of more than \$10M	0	0	1	0	0	0
Total Number of Firms	62	83	99	132	129	137

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Table A-5 Contract Awards to Protégé Firms

Contract Awards	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Number of Protégé Firms	62	83	99	132	129	137
Prime Contract Award Dollars	843,312,517	594,740,599	1,081,378,714	1,167,932,251	230,453,901	1,284,544,177
Subcontract Award Dollars by Mentor	191,893,904	386,271,648	351,505,011	1,562,928,812	248,995,986	232,369,312
Other Subcontract Award Dollars	235,328,569	436,162,610	494,885,741	5,511,720,887	235,237,614	450,277,139
Total Contract Dollars	1,270,534,990	1,417,174,857	1,927,769,466	8,242,581,950	835,083,819	1,967,190,628

B. Graduated Protégé Two Years Out Performance

The B-1 table addresses FY 2012 Post reports received by DCMA. DCMA validated the information and will continue to report on the progress of protégés for 2 years. Sixty-eight (68) Post program reviews were performed for FY12. Six (6) protégés were non-compliant to the DoD mandated requirement, as the protégé did not report first or second year data. As a corrective action, DCMA requested several times throughout the FY 12, asking for the protégé’s Post reports to no avail. Out of the 68 Post reports received, thirteen (13) had errors or omissions and DCMA requested revisions be submitted to DCMA and OSD.

Table B-1 Identifies Protégé Two Year Out Performance FY12

Number of Protégé Firms Evaluated FY12	68
ANNUAL REVENUE in \$ (MPA)	
Revenue: (Baseline) at Start of Agreement for 68 Post Reviews	\$613,247,055
Revenue at End of Agreement (Beginning Balance) for 68 Post Reviews	\$1,005,632,760
Net Gains at End of Agreement (Beginning Balance) for 68 Post Reviews	\$392,385,705
ANNUAL REVENUE in \$ (1st Yr Post)	

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Revenue at End of 1st Yr Post Reports for 40 Post Reviews	\$1,115,916,046
Net Gains: Revenue at End of 1st Yr Post Reports for 40 Post Reviews (Baseline) at Start of Agreement	\$502,668,991
Net Gains: Revenue at End of 1st Yr Post Reports for 40 Post Reviews (Beginning Balance) at End of Agreement	\$110,283,286
ANNUAL REVENUE in \$ (2nd Yr Post)	
Revenue at End of 2nd Yr Post Reports for 28 Post Reviews	\$433,187,853
Net Loss: Revenue at End of 2nd Yr Post Reports for 28 Post Reviews (Baseline) at Start of Agreement	(\$180,059,202)
Net Loss: Revenue at End of 2nd Yr Post Reports for 28 Post Reports (Beginning Balance) at End of Agreement	(\$572,444,907)
Net Loss: (Revenue from End of 1st Yr Post Reports through End of 2nd Yr Post Reports)	(\$682,728,193)
ANNUAL REVENUE in \$ (Cumulative 1st & 2nd Post)	
Cumulative increase in Annual Revenue	\$1,549,103,899
NUMBER OF EMPLOYEES (MPA)	
Employees (Baseline) at Start of Agreement for 68 Post Reviews	4282
Employees (Beginning Balance) at End of Agreement for 68 Post Reviews	5900
Net Gains Employees (Beginning Balance) at End of Agreement for 68 Post Reviews	1618
NUMBER OF EMPLOYEES (1st Yr Post)	
Number of Employees at End of Agreement 1st Yr for 40 Post Reviews	6404
Net Gains: Employees at End of 1st Yr Post Reports for 40 Post Reviews (Baseline) at Start of Agreement	2122
Net Gains: Employees at End of 1st Yr Post Reports for 40 Post Reviews (Beginning Balance) at End of agreement	504
NUMBER OF EMPLOYEES (2nd Yr Post)	
Number of Employees at End of Agreement 2nd Yr for 28 Post Reviews	2814

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Net Loss: Employees at End of 2nd Yr Post Reports for 28 Post Reports (Baseline) at Start of Agreement	(1468)
Net Loss: Employees at End of 2nd Yr Post Reports for 28 Post Reports (Beginning Balance) at End of Agreement	(3086)
Net Loss: (Employment from End of 1st Yr Post Reports through End of 2nd Yr Post Reports)	(3590)
Employees (Cumulative 1st & 2nd Post Reports)	
Cumulative increase in Employees	9218
Employees (Cumulative -Start of Agreement)	
Cumulative increase in Employees	4936
Employees (Cumulative -Beginning Balance at End of Agreement)	
Cumulative increase in Employees	3318
DOD PRIME CONTACT AWARDS in \$	
DoD Prime Contract Awards (Baseline) at Start of Agreement	\$222,280,945
DoD Prime Contract Awards (Beginning Balance) at End of Agreement	\$425,351,986
DoD Prime Contract Awards End of 1st Yr Report (Beginning Balance) at End of Agreement for 40 Post Reports	\$462,403,746
DoD Prime Contract Awards End of 2nd Yr (Beginning Balance) at End of Agreement for 28 post reports	\$238,582,018
Cumulative dollar amount of DoD Prime Contracts	\$700,985,764
DOD SUBCONTRACT AWARDS in \$	
DoD Sub Contract Awards (Baseline) at Start of Agreement	\$115,856,416
DoD Sub Contract Awards (Beginning Balance) at End of Agreement	\$404,766,438
DoD Sub Contract Awards End of 1st Yr Report (Beginning Balance) at End of agreement) for 40 Post Reports	\$280,411,348

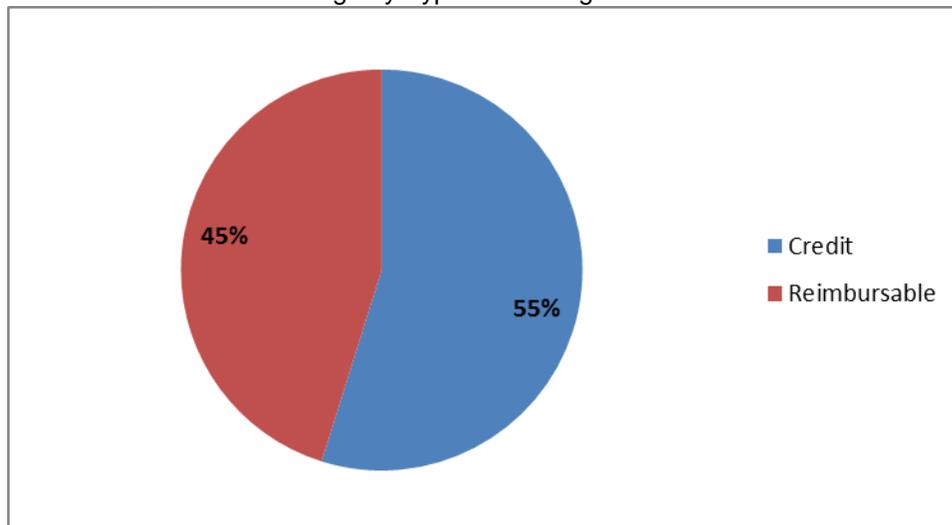
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DoD Sub Contract Awards End of 2nd Yr (Beginning Balance) at End of Agreement for 28 Post Reports	\$196,959,798
Cumulative Dollar Amount of DoD Subcontracts	\$477,371,146
SUBCONTRACT AWARDS from Mentor in \$	
SUBCONTRACT AWARDS from Mentor in \$ Continued	
Total Sub Awarded from Mentor \$ (Beginning Balance) at End of agreement	\$369,114,235
Total Sub Awarded from Mentor \$ (YR1) for 40 post report	\$105,529,192
Total Sub Awarded from Mentor \$ (YR2) for 28 post reports	\$35,232,746
Cumulative Dollar Amount of Sub Awarded from Mentor	\$140,761,938

Percentage by Types of MP Agreements

Out of the sixty-two (62) DCMA Annual Reviews performed and distributed to all parties during FY12, forty-five percent (45%) were reimbursable MPAs and fifty-five percent (55%) were credit agreements.

Distribution Chart: Percentage by Types of MP Agreements

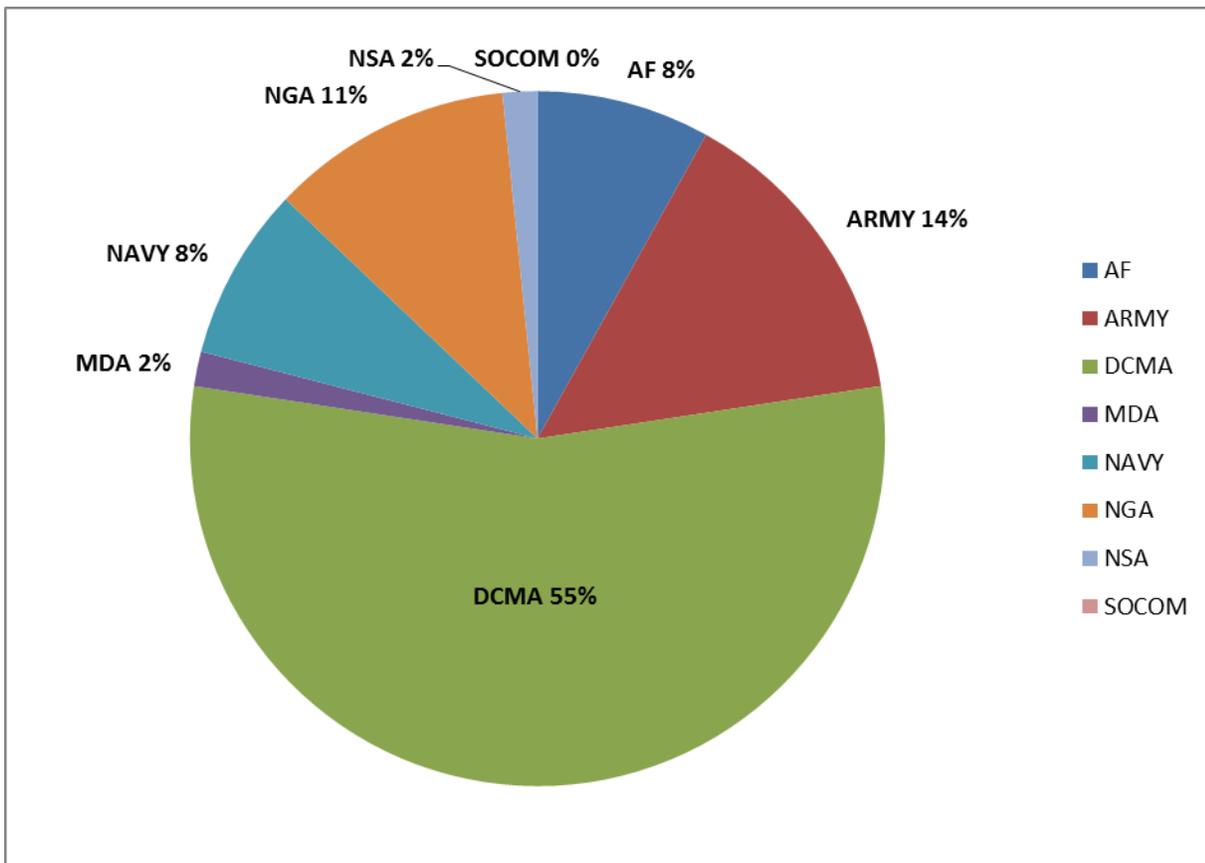


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Annual Review Performed -- Percentage by Services or Sponsoring Agencies

The following chart breaks out the sixty-two annual reviews performed by DCMA during FY12 and broken down by Services or Sponsoring Agencies. DCMA had the largest percentage of annual reviews (55%). Followed and ranked as shown in the chart below; Army 14%, NGA 11%, AF and Navy tied at 8%, MDA and NSA tied at 2%.

Distribution Chart: Annual Review Performed -- Percentage by Services or Sponsoring Agencies



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Conclusion

The following report consisted of the DCMA Mentor Protégé Division's findings for the FY12 Annual Reviews, along with the Post Reviews that require follow-up for 2 years after completion of the Mentor Protégé agreements.



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