



**Defense Contract Management Agency
Mentor-Protégé Program
Executive Summary
FY14**

Contents

Tables

Table A-1	Annual Employment Gains and Losses at Protégé Firms
Table A-2	Distribution of Annual Employment Gains and Losses at Protégé Firms
Table A-3	Annual Revenue Gains and Losses at Protégé Firms
Table A-4	Distribution of Annual Revenue Changes at Protégé Firms
Table A-5	Annual Contract Awards to Protégé Firms
Table B-1	Protégé Two Year Out Performance FY14

Introduction

The following report consists of the DCMA Mentor Protégé Group's results from the 60 Annual Reviews performed for FY14 that includes DCMA Credit (13), Reimbursable Mentor Protégé agreements (47) and 25 Post reviews. (Out of 25 Post reports reviewed, DCMA received 11 first (1st) year and 14 second (2nd) year post reports).

NOTEWORTHY: Based upon the results of the 13 DCMA Credit Agreement Annual Reviews, the Mentors were able to apply \$3,696,250.00 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 FY14. 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 FY14: 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 FY14

A total of 3 DoD Mentor Protégé agreements were terminated during FY14. One (1) credit agreement was terminated due to mutual agreement between the Mentor and Protégé. One (1) reimbursable agreement was mutually terminated due to the Mentor and Agencies concern in the Proteges viability. Another reimbursable agreement was terminated due to budgetary impacts and current prime award contracts were not yielding anticipated task orders with the services based on work necessary to warrant the level of resourcing required to sustain the Mentor Protégé Program.

Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued

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

Fiscal Year	Active Number of Firms	Employee Gains	Number of Firms Losing Employees	Employee Losses	Number of Firms	Net Employee Gains	Total Firms
	Gaining Employees						
2014	35	1046	18	238	7	808	60
2013	40	1141	21	398	4	743	65
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

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

Employees Gained/Lost	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Increase of more than 100	2	1	2	3	2	7
Increase of 51 to 100	3	8	2	9	7	7
Increase of 26 to 50	9	8	11	9	7	10
Increase of 16 to 25	5	5	7	5	10	13
Increase of 6 to 15	8	12	13	16	15	25
Increase of 1 to 5	8	6	10	13	22	24
No Change	7	4	2	10	9	17
Decrease of 1 to 5	8	12	5	6	10	8
Decrease of 6 to 15	5	1	3	9	10	12
Decrease of 16 to 25	2	4	2	2	3	3
Decrease of 26 to 50	2	3	2	1	1	2
Decrease of 51 to 100	1	0	3	0	1	2
Decrease of more than 100	0	1	0	0	2	2
Total Number of Firms	60	65	62	83	99	132

**Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued**

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 FY14 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
		\$		\$		\$	
2014	42	421,410,749	15	25,540,394	3	395,970,355	60
2013	45	293,786,841	20	55,661,663	0	238,125,178	65
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

Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued

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

Change in Revenue						
	FY14	FY13	FY12	FY11	FY10	FY09
Increase by more than \$10M	13	9	13	11	9	16
Increase of \$5M to \$10M	3	8	9	7	11	12
Increase of \$1M to \$5M	18	19	18	33	32	35
Increase of \$500K to \$1M	5	6	4	5	9	15
Increase \$100K to \$500K	2	3	4	5	9	17
Increase of \$0 to \$100K	1	0	3	2	8	5
No Change	3	0	0	3	1	5
Decrease of \$0 to \$100K	1	2	1	1	2	2
Decrease of \$100K to \$500K	2	3	1	3	5	9
Decrease of \$500K to \$1M	4	3	4	5	7	7
Decrease of \$1M to \$5M	7	8	1	7	3	5
Decrease of \$5M to \$10M	1	3	4	1	2	4
Decrease of more than \$10M	0	1	0	0	1	0
Total Number of Firms	60	65	62	83	99	132

**Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued**

Table A-5 Contract Awards to Protégé Firms

Contract Awards	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Number of Protégé Firms	60	65	62	83	99	132
Prime Contract Award Dollars	584,392,820	531,068,704	843,312,517	594,740,599	1,081,378,714	1,167,932,251
Subcontract Award Dollars by Mentor	120,274,776	93,539,160	191,893,904	386,271,648	351,505,011	1,562,928,812
Other Subcontract Award Dollars	300,564,500	231,225,333	235,328,569	436,162,610	494,885,741	5,511,720,887
Total Contract Dollars	1,005,232,096	855,833,197	1,270,534,990	1,417,174,857	1,927,769,466	8,242,581,950

B. Graduated Protégé Two Years Out Performance

The B-1 table addresses FY 2014 Post reports received by DCMA. DCMA validated the information and will continue to report on the progress of protégés for 2 years. Twenty-five (25) Post program reviews were performed for FY14. Two (2) protégé was non-compliant to the DoD mandated requirement, as the protégé did not report first or second year data. Three (3) proteges were non-compliant to the DoD mandated requirement, as the protégé did not report first year data. Three (3) proteges were non-compliant to the DoD mandated requirement, as the protégé did not report second year data. As a corrective action, DCMA requested several times throughout the FY 14, asking for the protégé’s Post reports to no avail. Out of the 25 Post reports received, one (1) had errors or omissions and DCMA requested revisions be submitted to DCMA.

Table B-1 Identifies Protégé Two Year Out Performance FY14

Number of Protégé Firms Evaluated FY14	25
ANNUAL REVENUE in \$ (MPA)	
Revenue: (Baseline) at Start of Agreement for 25 Post Reviews	\$214,783,075
Revenue at End of Agreement (Beginning Balance) for 25 Post Reviews	\$346,031,202
Net Gains at End of Agreement (Beginning Balance) for 25 Post Reviews	\$131,248,127
ANNUAL REVENUE in \$ (1st YR Post)	

Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued

Revenue at End of 1st yr Post Reports for 11 Post Reviews	\$369,317,069
Net Gains: Revenue at End of 1st yr Post Reports for 11 Post Reviews (Baseline) at Start of Agreement	\$154,533,994
Net Gains: Revenue at End of 1st yr Post Reports for 11 Post Reviews (Beginning Balance) at End of Agreement	\$23,285,867
ANNUAL REVENUE in \$ (2nd YR Post)	
Revenue at End of 2nd yr Post Reports for 14 Post Reviews	\$227,654,711
Net Loss: Revenue at End of 2nd yr Post Reports for 14 Post Reviews (Baseline) at Start of Agreement	\$12,871,636
Net Loss: Revenue at End of 2nd yr Post Reports for 14 Post Reports (Beginning Balance) at End of Agreement	(\$118,376,491)
Net Loss: (Revenue from End of 1st Yr Post Reports through End of 2nd Yr Post Reports)	(\$141,662,358)
ANNUAL REVENUE in \$ (Cumulative 1st & 2nd Post)	
Cumulative increase in Annual Revenue	\$596,971,780
NUMBER OF EMPLOYEES (MPA)	
Employees (Baseline) at Start of Agreement for 25 Post Reviews	1511
Employees (Beginning Balance) at End of Agreement for 25 Post Reviews	1734
Net Gains Employees (Beginning Balance) at End of Agreement for 25 Post Reviews	223
NUMBER OF EMPLOYEES (1st YR Post)	
Number of Employees at End of Agreement 1st Yr for 11 Post Reviews	1827
Net Gains: Employees at End of 1st yr Post Reports for 11 Post Reviews (Baseline) at Start of Agreement	316
Net Gains: Employees at End of 1st yr Post Reports for 11 Post Reviews (Beginning Balance) at End of agreement	93
NUMBER OF EMPLOYEES (2nd YR Post)	
Number of Employees at End of Agreement 2nd Yr for 14 Post Reviews	1009

Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued

Net Loss: Employees at End of 2nd yr Post Reports for 14 Post Reports (Baseline) at Start of Agreement	(502)
Net Loss: Employees at End of 2nd yr Post Reports for 14 Post Reports (Beginning Balance) at End of Agreement	(725)
Net Loss: (Employment from End of 1st Yr Post Reports through End of 2nd Yr Post Reports)	(818)
Employees (Cumulative 1st & 2nd Post Reports)	
Cumulative increase in Employees	2836
Employees (Cumulative -Start of Agreement)	
Cumulative increase in Employees	1325
Employees (Cumulative -Beginning Balance at End of Agreement)	
Cumulative increase in Employees	1102
DOD PRIME CONTACT AWARDS in \$	
DoD Prime Contract Awards (Baseline) at Start of Agreement	\$40,302,365
DoD Prime Contract Awards (Beginning Balance) at End of Agreement	\$211,918,266
DoD Prime Contract Awards End of 1st YR Report (Beginning Balance) at End of Agreement for 11 Post Reports	\$104,679,663
DoD Prime Contract Awards End of 2nd YR (Beginning Balance) at End of Agreement for 14 post reports	\$56,208,879
Cumulative dollar amount of DoD prime contracts	\$160,888,542
DOD SUBCONTRACT AWARDS in \$	
DoD Sub Contract Awards (Baseline) at Start of Agreement	\$27,162,014
DoD Sub Contract Awards (Beginning Balance) at End of Agreement	\$156,715,202
DoD Sub Contract Awards End of 1st YR Report (Beginning Balance) at End of agreement) for 11 post reports	\$118,833,681

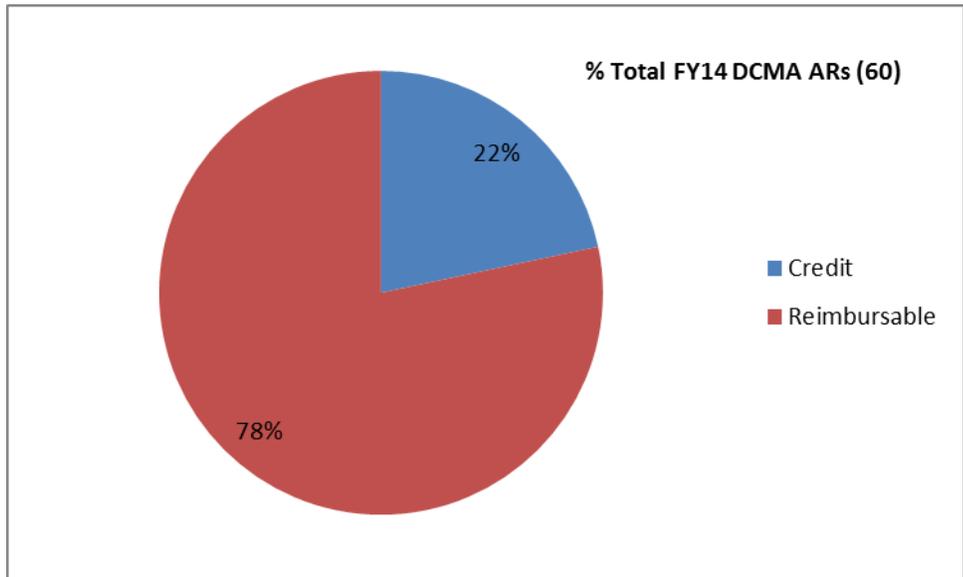
**Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued**

DoD Sub Contract Awards End of 2nd YR (Beginning Balance) at End of Agreement for 14 post reports	\$62,370,929
Cumulative Dollar Amount of DoD Subcontracts	\$181,204,610
SUBCONTRACT AWARDS from Mentor in \$	
Total Sub Awarded from Mentor \$ (Baseline) at Start of Agreement	\$5,028,187
Total Sub Awarded from Mentor \$ (Beginning Balance) at End of agreement	\$70,908,183
Total Sub Awarded from Mentor \$ (YR1) for 11 post report	\$38,467,412
Total Sub Awarded from Mentor \$ (YR2) for 14 post reports	\$13,455,063
Cumulative Dollar Amount of Sub Awarded from Mentor	\$51,922,475

Percentage by Types of MP Agreements

Out of the sixty (60) DCMA Annual Reviews performed and distributed to all parties during FY14, Seventy-eight percent (78%) were reimbursable MPAs and Twenty-two percent (22%) were credit agreements.

Distribution Chart: Percentage by Types of MP Agreements

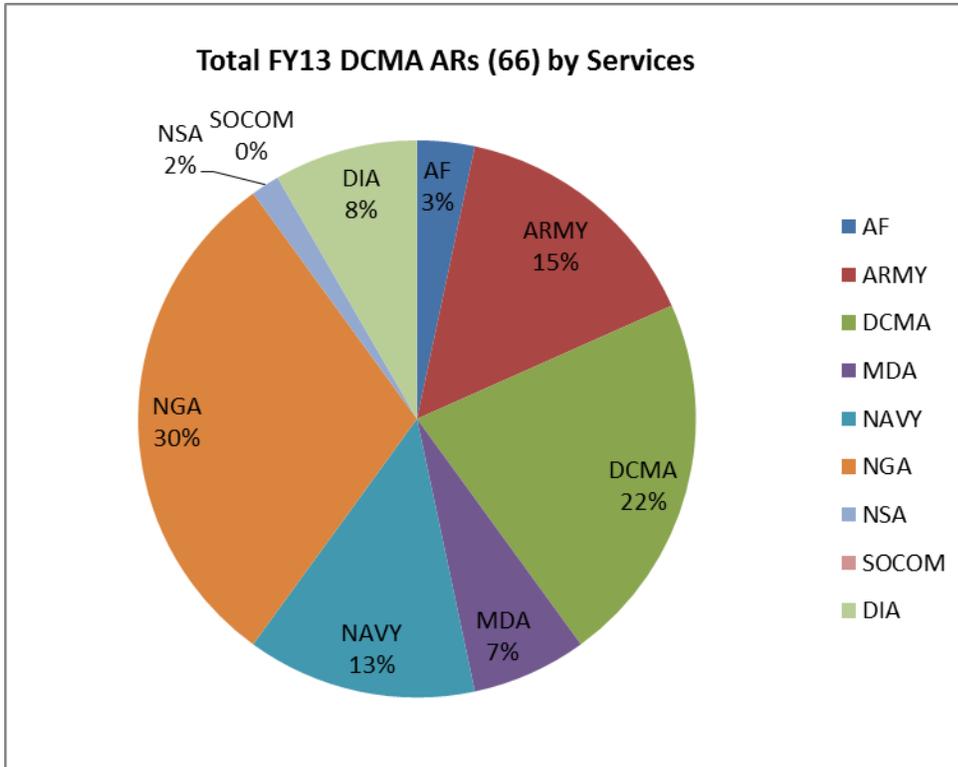


**Defense Contract Management Agency
Mentor-Protégé Program Executive Summary
FY14 Continued**

Annual Review Performed -- Percentage by Services or Sponsoring Agencies

The following chart breaks out the sixty annual reviews performed by DCMA during FY14 and broken down by Services or Sponsoring Agencies. NGA had the largest percentage of annual reviews (30%). Followed and ranked as shown in the chart below; DCMA 22%, Army 15%, Navy 13%, DIA 8%, MDA 7%, AF 3%, NSA 2% and SOCOM 0% .

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



Conclusion

The following report consisted of the DCMA Mentor Protégé Group's findings for the FY14 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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