



U.S. Small Business
Administration

Report to Congress on Mentor-Protégé Programs for Fiscal Year 2021

November 2, 2022

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List of the Agencies in this Report

Department of Homeland Security (DHS)
Department of Defense (DoD)
Department of Energy (DOE)
Department of Transportation (DOT)
National Aeronautics and Space Administration (NASA)
Small Business Administration (SBA)

Abbreviations

Coronavirus disease 2019 (COVID-19)
Economically Disadvantaged Women-Owned Small Business (EDWOSB)
Federal Acquisition Regulation (FAR)
Federal Procurement Data System-Next Generation (FPDS-NG)
Historically Black Colleges and Universities (HBCUs)
Historically Underutilized Business Zone (HUBZone)
International Organization for Standardization (ISO) 9000
Mentor-Protégé Agreement (MPA)
Mentor-Protégé Program (MPP)
Minority-Servicing Institution (MSI)
Office of Small and Disadvantaged Business Utilization (OSDBU)
Request for Proposal (RFP)
Small Business Concern (SBC)
Small Disadvantaged Business (SDB)
Service-Disabled Veteran-Owned Small Business (SDVOSB)
Software Engineering Institute/Capability Maturity Model Certification (SEI/CMMC)
Strategic Acquisition Council (SAC)
System for Award Management (SAM)
Veteran-Owned Small Business (VOSB)
Women-Owned Small Business (WOSB)

Report to Congress on Mentor-Protégé Programs for Fiscal Year 2021

I. Introduction

The Small Business Act (the Act), at Section 45(c), requires the Small Business Administration (SBA) to submit a report on Mentor-Protégé programs to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate. 15 U.S.C. § 657r(c). The Act requires annual reporting as follows:

“(1) In general. Not later than 2 years after the date of enactment of this section [enacted Jan. 2, 2013], and annually thereafter, the Administrator shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report that—

- A. identifies each Federal mentor-protégé program;*
- B. specifies the number of participants in each such program, including the number of participants that are—*
 - i. small business concerns;*
 - ii. small business concerns owned and controlled by service-disabled veterans;*
 - iii. qualified HUBZone small business concerns;*
 - iv. small business concerns owned and controlled by socially and economically disadvantaged individuals; or*
 - v. small business concerns owned and controlled by women;*
- C. describes the type of assistance provided to protégés under each such program;*
- D. describes the benefits provided to mentors under each such program; and*
- E. describes the progress of protégés under each such program with respect to competing for Federal prime contracts and subcontracts.*

II. Federal Mentor-Protégé Programs

Six Federal agencies reported six active Mentor-Protégé Programs (MPPs) in Fiscal Year (FY) 2021. SBA’s Mentor-Protégé Program (MPP) is the largest of all Federal MPPs, with 1,395 approved partnerships, followed by Department of Defense (DOD), Department of Homeland Security (DHS), Department of Energy (DOE), National Aeronautics and Space Administration (NASA), and Department of Transportation (DOT).

III. Distribution of Small Business Participants

SBA reported 1,395 Mentor-Protégé partnerships and five other agencies reported 303 Mentor-Protégé partnerships bringing the fiscal year 2021 total to 1,698⁵ Mentor-Protégé partnerships. Over 90% of all Federal Mentor-Protégé agreements were administered through SBA’s Mentor-Protégé Program.

Table 1 summarizes the number of program participants that are: non-categorized Small Business Concerns (SBCs)¹, Small Disadvantaged Businesses, including 8(a) firms (SDBs), Woman- Owned Small Businesses (WOSBs), non-Service-Disabled Veteran Owned Small Businesses (VOSBs), Service-Disabled Veteran Owned Small Businesses (SDVOSBs), HUBZone enterprises, and Historically Black Colleges and Universities (HBCUs). In addition to participating as a protégé, a small business may also participate in the program as a mentor.

Table 1 Mentor-Protégé Programs by Federal Activity with Number of Small Business Participants and Socioeconomic²

Federal Agency	SBC ³	SDB	WOSB/EDWOSB	SDVOSB	VOSB ⁴	HUBZone	HBCU	Total Agreements ⁵
DoD	47		13	16	0	9	0	111
DOE	48	27	17	15	0	9	0	116
DOT	0	0	0	0	0		0	0
DHS	4	9	11	8	17	9	0	58
NASA	0	4	7	2	2	2	1	18
SBA: MPP	187	513	384/287	425	31	200	0	1,395

¹ Small Business Size Regulations- [13-CFR-121](#).

² As reported by each Federal Activity. Some agencies authorize participation by entities that are not businesses, including non-profit organizations and Historically Black Colleges and Universities.

³ Small Business Concerns that do not fall into a category otherwise represented in the table.

⁴ Veteran Owned Small Business Enterprises that are not Service Disabled

⁵ Figures in the rows will not add up to Total Agreements because many protégés qualify in multiple categories

IV. Assistance and Benefits to Protégés (by Federal Activity)

Federal MPPs throughout the government provide different types of assistance to protégés, and the participant relationships formed through these programs provide benefits to both protégé and mentor. The following section outlines the assistance and benefits provided to protégés through each of the six active MPPs, as submitted by the agencies in their annual report ([Enclosures](#)). DOT MMP program reported zero new applications in FY2021.

Department of Defense (DOD)

Mentors provided Small Business protégés with the following types of assistance:

- 1) Business infrastructure development
- 2) Marketing Support
- 3) Manufacturing training
- 4) Quality training
- 5) Engineering and technical training
- 6) Equipment provided
- 7) Corporate management training
- 8) Finance and accounting training and assistance
- 9) Human resource training
- 10) Proposal management training support

Department of Energy (DOE)

Technical, business and/or administrative assistance provided to the protégé includes:

- 1) Business planning and assessment
- 2) Quality assurance and quality control
- 3) Technical and other engineering assistance
- 4) Safety and health program and practices
- 5) Business development and marketing assistance
- 6) Procurement and proposal development
- 7) Cost estimating
- 8) Construction management
- 9) Project budgeting and controls
- 10) Risk management
- 11) Developing human resources policies

Department of Transportation (DOT)

Below is the list of the developmental assistance provided to protégés under DOT's program since the program's inception:

- Review and analysis of DOT's Procurement Forecast
- Establish a strategy to target those opportunities listed in the procurement forecast
- Meetings with Small Business Specialists and Program Managers from DOT Operating Administrations
- Cost analysis assistance to prepare Request for Proposals (RFP)
- Develop marketing strategies as part of the protégé's business plan
- Provided assistance in proposal writing and business presentations to prospective buyers
- Assistance with contract administration for current contracts

- Assistance developing a pricing strategy
- Strengthen Protégé's accounting systems
- Participants work together with Protégé's processes and procedures to enhance the Protégé's capabilities
- Established a strategic plan to identify potential buyers within DOT Operating Administrations and other Federal agencies
- General guidance on how to do business with the Federal government
- Assistance in contract estimating, pricing, and scheduling
- Provide assistance with contract preparation and negotiation
- Assistance with business development with DOT Operating Administrations, state, and local transportation agencies
- Monthly meetings to discuss potential opportunities and collaboration
- Marketing assistance
- Project management and training to protégé staff
- Program participants presented before DOT's Strategic Acquisition Council (SAC)

Department of Homeland Security (DHS)

In addition to providing small businesses with mutually beneficial developmental assistance, the program is also designed to:

- 1) Improve the performance of contracts and subcontracts;
- 2) Foster the establishment of long-term business relationships between large prime contractors and small business subcontractors; and
- 3) Strengthen subcontracting opportunities and accomplishments through pre and post incentives.

National Aeronautics and Space Administration (NASA)

Small Business Protégés must receive a minimum of 70% Technical Assistance and 30% Business Development based on the total proposed cost of the agreement.

HBCU/MSI Protégés must receive a minimum of 70% Business Development and 30% Technical Assistance based on the total proposed cost of the agreement. The type of developmental assistance HBCU/MSI protégés receive has been tailored to assist them in developing the ability to move towards doing contracts instead of grants. HBCUs/MSIs can benefit from business development assistance and mentors can harvest the technology being developed by the HBCU/MSI.

Any deviation from the above shall be justified in writing and pre-approved by the NASA MPP Manager.

Examples of MPP development assistance includes:

I. Technical Development, including but not limited to:

- a) Aerospace and lean manufacturing
- b) Quality Management programs: ISO 9000 Certification, SEI/CMMC
- c) Technology transfer
- d) Telecommunication and satellite services
- e) Obtaining security clearances

II. Business Development, including but not limited to:

- a) Organizational planning management: Strategic and Business Planning, legal/risk management, proposal development
- b) General business/ business development/ marketing/ sales: Market Research,
- c) Product Forecasting; web-based marketing, e-commerce
- d) Human Resource Management

Small Business Administration (SBA)

Protégés receive benefits including:

- Improved access to the Federal marketplace through joint venture opportunities with mentor;
- Stronger ability to stand-alone and bid independently from mentor on Government contracts;
- Expanded opportunity for subcontracts from mentor;
- Increased wealth and employment growth;
- Enhanced business capabilities and experience through guidance and mentoring from experienced firms in the following areas:
 - Guidance on internal business management systems, accounting, marketing, manufacturing, and strategic planning;
 - Financial assistance in the form of equity investments, loans, and bonding.
 - Assistance navigating Federal contract bidding, acquisition, and performance process;
 - Education about international trade, strategic planning, and finding markets;
 - Business development, including strategy and identifying contracting and partnership opportunities; and
 - General and administrative assistance, like human resource sharing or security clearance support.

V. *Benefits Provided to Mentors (by Federal Activity)*

This section describes the assistance and benefits provided to mentors through each of the six active MPPs, as submitted by the agencies in their annual report ([Enclosures](#))

Department of Defense (DoD)

Mentors receive the following types of benefits from their participation in the DoD MPP:

- 1) Credit towards achievement of their small business subcontracting goals associated with Federal government Prime contracts;
- 2) Access to innovative technology developed by small businesses; and
- 3) Strengthened supply chains consisting of more diverse suppliers.

Department of Energy (DoE)

Benefits for the mentor under the program include:

- 1) Receipt of credit for subcontracts awarded pursuant to MPP agreement(s) toward subcontracting goals contained in Mentor subcontracting plan;
- 2) Award of subcontracts on a noncompetitive basis as a set-aside subcontract to its protégé;
- 3) Opportunity to utilize the unique/specialized skills of the protégé; and
- 4) Mentors may develop very beneficial business relationships with the protégés that far exceed to term period of the MPP agreement.

Department of Transportation (DOT)

Below is a list of the benefits mentors receive under DOT's Mentor Protégé program:

- Goodwill and corporate responsibility (mentors receive no financial incentive for participation)
- Long-term relationship with a potential subcontractor
- Develop innovative approaches and technology

- Potential Joint Venture with small business

Department of Homeland Security (DHS)

The benefits to a mentor for their participation includes a pre-award incentive and post-award incentive phase of applicable DHS contracts:

Pre-Award Incentive

For unrestricted acquisitions that require a subcontracting plan, mentors are eligible to receive evaluation credit in accordance with Homeland Security Acquisition Regulation 3052.219-72. In order to receive credit under the source selection factor or subfactor, the offeror must provide an approved mentor-protégé agreement from the DHS Office of Small and Disadvantaged Business Utilization (OSDBU) before initial evaluation of proposals. Moreover, the mentor's intent to diversify and incorporate socioeconomic programs as identified in the evaluation criteria is also taken under consideration.

Post-Award Incentive

Subcontracting credit is applied to the mentor's small business subcontracting plan goal achievement. The mentor can receive dollar-for-dollar subcontracting credit for costs incurred for development assistance to the protégé.

National Aeronautics and Space Administration (NASA)

Mentors receive benefits in a variety of ways. Through these established relationships, mentors are able to team with viable high-tech small businesses, receive additional points on proposals, form strategic partnerships, which serves as a foundation for future prime and subcontracts with any agency. With a wide array of small businesses available in all socio-economic categories, mentors are also able to benefit from the subcontracting credit.

Small Business Administration (SBA)

A mentor benefits from the MPP in the following areas:

- A mentor and protégé may form a joint venture and compete as a small business for any government prime contract or subcontract, 8(a) competitive and 8(a) sole source contracts, provided the protégé qualifies as small for the procurement.
- For those willing to create a joint venture, additional benefits may include:
 - Collective representation of past performance;
 - Shared costs;
 - Shared resources; and
 - Leveraging the other partners' experience and market share.
- The affiliation exception can also be appealing to mentors, as it may allow a mentor to have a closer working relationship with a small business than might otherwise be advisable under SBA's affiliation rules.
- The mentor may own an equity interest of up to 40 percent in the protégé.
- Mentors are able to maintain a formal relationship with the protégé for up to six years, building trust and working together on multiple projects.

VI. Progress of Protégés with Respect to Competing for Federal Prime Contracts and Subcontracts (By Federal Activity)

Based on information provided by agencies to SBA, the following section describes the progress of protégés in competing for contracts.

Department of Defense (DoD)

Protégés in the DoD MPP made the following types of progress with respect to competing for Federal prime contracts and subcontracts:

Based on the 47 annual reviews completed in FY21, 87% (41) of the Protégé firms experienced revenue growth during the reporting period, and 13% (6) of the Protégé firms experienced a decrease in revenue during the reporting period. During the same review period, 81% (38) of the Protégé firms experienced employee growth during the reporting period, 17% (8) of the Protégé firms experienced a decrease in employee growth, and 2% (1) Protégé firm had no change in the employee growth for FY2021. Employee decreases in several of the Protégé firms were attributed to the COVID-19 Pandemic and Mentor-Protégé technological transfer, which allowed the companies to operate their businesses in a more efficient manner using less personnel.

Department of Energy (DOE)

Mentors participating in the DOE MPP were awarded non-competitive and competitive subcontracts to their protégés while participating in the program. DOE protégés received a total of 1091 subcontracting actions through the program in FY2021. Of the 48 Protégés participating in the DOE MPP, 42 were awarded one or more subcontracts or subcontract actions. During FY2021, 6 participating Protégés were awarded 21 DOE prime contract actions. On average, DOE MPP Protégés added \$4.49M in annual revenue from subcontract and prime awards through the DOE and its MPP.

Department of Transportation (DOT)

- Protégés strengthened their accounting systems to comply with government requirements.
- Protégé staff enhance their proposal writing skills
- Protégés developed strategic plans to increase the number and quality of proposals submitted
- Protégés developed strategic plans to increase their competitiveness and target specific DOT Operating Administrations based on the protégé's core competencies
- Protégés staff has better understanding of the procurement process within DOT and Federal Government
- Protégé staff improved the understanding and use of government systems, such as FPDS-NG, SAM.gov, procurement forecasts and subcontracting directories, to help them in the marketing process
- Protégé staff strengthened cost analysis, contract pricing, and contract management skillsets
- Protégés were able to get contracts as a prime and a subcontractor

Department of Homeland Security (DHS)

The progress of the mentor-protégé team is evaluated by the submission of an 18-Month Mid-Progress Report (jointly), a 36-Month Lessons Learned Report (separately), and a Protégé Post Mentor-Protégé Program Report, which is submitted annually for two years after the protege firm exits the mentor-protégé program (protégé only). The 18-Month Mid- Progress Report summary is as follows: (2018) One mentor-protégé team submitted them mid-progress report; (2019) Ten progress reports were submitted for their 2018 mentor-protégé agreements. One protégé submitted it individually and followed it up be a decision to voluntarily terminate their

agreement; (2020) One mentor-protégé team submitted its progress report for their 2017 mentor-protégé agreement; (2021) One mid-progress report for a 2018 mentor-protégé agreement; one report for 2020 mentor-protégé agreement.

During this time-period six out of seven (90%) of the protégés received at least one subcontract from their respective mentor. In 2021, the DHS OSDBU received one notification of a planned acquisition, resulting in the purchase of the protégé's company. Note: the mentor or protégé did not follow up to formally terminate their 2020 mentor-protégé agreement.

There were two 36th Month Lessons Learned reports submitted of the 11 that expired in 2021. Notably, during this time-period, both participating protégés reported a 100% increase in the number of employees and revenue.

Between 2018 and 2019, there were three mentor protégé teams that voluntarily terminated their agreements. The protégé exercised this option in two out of three instances.

National Aeronautics and Space Administration (NASA)

Through NASA's Mentor-Protégé Program, Protégés have strengthened and increased their core competencies, hired additional personnel, and increased revenues with some receiving direct subcontracting opportunities from the Mentor. In order to measure the Protégé's progress during the life of the agreement, NASA conducts informal semi-annual reviews and requires the Protégé to submit independently developed annual reports.

Every six months, both Mentor and Protégé provide a briefing on the status of each developmental task based on their milestone chart. Semi-annual reviews afford all parties the opportunity to address any challenges early and prior to the annual reporting period

Protégés are required to document the status of milestones/tasks, and accomplishments made

every 12 months in their annual reports. Protégés are encouraged to rate their Mentor's performance of the developmental assistance provided by milestone/task. To ensure the Protégé is getting what they need from the program, they are also required to outline the progress made in employment growth, contract opportunities awarded, and gross revenue. For a period of two years after the conclusion of the agreement, Protégés are required to submit two Post Agreement reports.

This allows tracking of the Protégé's gross revenue, and employment growth for each of the two years. These reports document the developmental assistance provided to the Protégé, which enhances their ability to perform successfully under prime contracts and/or subcontracts within NASA and other Federal agencies.

Small Business Administration (SBA)

Data from SBA MPP was received in FY2021 and protégés reported the following outcomes:

- Protégés submitted 16,872 offers; won 33%; lost 28%; and pending is 39%⁶
- 538 subcontracts were awarded by the Mentor to the Protégé

⁶ SBA reported stats, there is no similar information available information for the federal government at this time.

ENCLOSURES

VII. ENCLOSURE 1 Department of Defense (DoD)

Department of Defense

FY 2021 Mentor-Protégé Report

Office of Small Business Programs

Office of the Under Secretary of Defense for Acquisition and Sustainment

March 2022

Department of Defense FY 2021 Mentor-Protégé Report

In support of the requirement from Section of the Small Business Act for the Small Business Administration (SBA) (15 U.S.C. 657r(c)) shall provide to the Administrator, on an annual basis, the information necessary for the Administrator to submit a report that-

- A) Identifies the DoD Mentor-Protégé program
- B) Specifies the number of participants within the DoD program that are:
 - i. Small business concerns;
 - ii. Small business concerns owned and controlled by service-disabled veterans;
 - iii. Qualified HUBZone small business concerns;
 - iv. Small business concerns owned and controlled by socially and economically disadvantaged individuals; or
 - v. Small business concerns owned and controlled by women;
- C) Describes the type of assistance provided to protégés

- D) Describes the benefits provided to mentors
- E) Describes the progress of protégés with respect to competing for Federal prime contracts and subcontracts.

Report Requirements

A) The DoD Mentor-Protégé program

The Department of Defense Mentor-Protégé Program is the oldest continuously operating federal mentor-protégé program in existence. Originally established in the midst of the First Gulf War, the MPP helps eligible small businesses expand their footprint in the defense industrial base.

B) The number of participants within the DoD program

The DoD had 50 active agreements in FY 2021

- i. Small business concerns: **47**
- ii. Small business concerns owned and controlled by service-disabled veterans: **16**
- iii. Qualified HUBZone small business concerns: **9**
- iv. Small business concerns owned and controlled by socially and economically disadvantaged individuals: **26**
- v. Small business concerns owned and controlled by women: **13**

** Please note that numbers for socio-economic categories may exceed the number for total agreements due to small business concerns certified under multiple categories*

C) The type of assistance provided to protégés

- a. Business infrastructure development
- b. Marketing Support
- c. Manufacturing training
- d. Quality training
- e. Engineering and technical training
- f. Equipment provided
- g. Corporate management training
- h. Finance and accounting training and assistance
- i. Human resource training
- j. Proposal management training support

D) Benefits provided to mentors

- a. Credit toward achievement of their small business subcontracting goals associated with federal government Prime contracts
- b. Access to innovative technology developed by small businesses
- c. Strengthened supply chains consisting of more diverse suppliers

E) Progress of protégés with respect to competing for Federal prime contracts and

subcontracts

Based on the forty-seven annual reviews completed in FY21, 87% (41) of the Protégé firms experienced revenue growth during the reporting period, and 13% (6) of the Protégé firms experienced a decrease in revenue during this reporting period. During this same review period, 81% (38) of the Protégé firms experienced employee growth during the reporting period, 17% (8) of the Protégé firms experienced a decrease in employee growth, and 2% (1) Protégé firm had no change in the employee growth for FY21. Employee decreases in several of the Protégé firms were attributed to the COVID-19 Pandemic and Mentor-Protégé technological transfer which allowed the companies to operate their businesses in a more efficient manner using less personnel.

Summary

In fiscal year 2021, the DoD Mentor-Protégé Program had fewer participants in the program than recent years. This was due to the delay of reauthorization in fiscal year 2019 to 2020 and the subsequent inability to award new agreements during this period. This delay resulted in a reduction in total agreement numbers as agreements came to completion in fiscal years 2019 and 2020.

VIII. ENCLOSURE 2 Department of Energy (DOE)



**Office of Small and Disadvantaged
Business Utilization**

Fiscal Year 2021 Mentor-Protégé Annual Report

**Submitted to:
The U.S. Small Business Administration**

Introduction

In accordance with Section 15 of the Small Business Act (15 U.S.C. 657r(c)), the U.S. Department of Energy (DOE) is providing the U.S. Small Business Administration (SBA) with the following narrative of its Mentor-Protégé Program.

The DOE Mentor-Protégé Program (MPP) was implemented in December 1999. It was established to provide an opportunity for eligible small businesses to receive developmental assistance in business and/or technical areas from experienced large and small businesses performing as DOE prime contractors. Through this developmental assistance, participating small businesses can improve and expand their capabilities to more successfully compete for prime federal contracts and/or subcontracts.

The DOE Office of Small and Disadvantaged Business Utilization (OSDBU) is responsible for the management and administration of the MPP. The program regulatory and program guidance are found in 48 Code of Federal Regulations Part 919 – Small Business Program and in the DOE Acquisition Regulations Part 919.70. DOE contractors eligible under 48 CFR 919.7005 may enter into MPP agreements with businesses certified by the SBA in the 8(a) Program, other small disadvantaged businesses (SDBs), women-owned small businesses (WOSBs), historically black college or universities (HBCUs), other minority-serving institutions (MSIs), small businesses in Historically Underutilized Business Zones (HUBZone), and small business concerns owned and controlled by service-disabled veterans (SDVOSBs).

The Number of Participants in the DOE Program

During Fiscal Year (FY) 2021, forty-eight (48) Protégés actively participated in the DOE MPP. Several Protégés qualified for multiple socio-economic categories:

- i. 48 Protégés were small business concerns
- ii. 15 Protégés were small business concerns owned and controlled by service-disabled veterans
- iii. 9 Protégés were certified HUBZone small business concerns
- iv. 27 Protégés were SDBs and 12 are 8(a) small business concerns owned and controlled by socially and economically disadvantaged individuals
- v. 17 Protégés were small business concerns owned and controlled by women

Description of the Type of Assistance Provided to Protégés under the DOE MPP

Technical, business, and/or administrative assistance is provided to the Protégé under the program. Examples of the type of assistance provided include:

1. Business Planning and Assessment
2. Quality Assurance & Quality Control
3. Technical and Other Engineering Assistance
4. Safety and Health Programs and Practices

5. Business Development and Marketing Assistance
6. Procurement and Proposal Development
7. Cost Estimating
8. Construction Management
9. Project Budgeting and Controls
10. Risk Management
11. Developing Human Resources policies

Description of the Benefits Provided to Mentors under the DOE Program

Benefits for the Mentor under the program include:

1. Receipt of credit for subcontracts awarded pursuant to MPP Agreement(s) toward subcontracting goals contained in Mentor subcontracting plan
2. Award of subcontracts on a noncompetitive basis as a set-aside subcontract to its Protégé
3. Opportunity to utilize the unique/specialized skills of the Protégé
4. Mentors may develop beneficial business relationships with their Protégés that exceed the term period of the MPP agreement.

Description of the Progress of Protégés under the Program with Respect to Competing for Federal Prime Contracts and Subcontracts

Mentors participating in the DOE MPP award non-competitive and competitive subcontracts to their Protégés as part of their development in the Program. DOE Protégés received a total of 1091 subcontracting actions through the Program in FY 2021. Of the 48 Protégés participating in the DOE MPP, 42 were awarded one or more subcontracts or subcontract actions. During FY 2021, 6 participating Protégés were awarded 21 DOE prime contract actions. On average, DOE MPP Protégés added \$4.49M in annual revenue from subcontract and prime awards through the DOE and its MPP.

Agency Information:

U.S. Department of Energy
Office of Small and Disadvantaged Business Utilization
1000 Independence Avenue, SW
Washington, DC 20585

Approval:

Ron Pierce
Director
Office of Small and Disadvantaged Business Utilization

Date

IX. ENCLOSURE 3 Department of Homeland Security (DHS)

U.S. Department of Homeland Security Mentor Protégé Annual Report

Fiscal Year 2021



Homeland Security

U.S. Department of Homeland Security (DHS)
Fiscal Year (FY) 2021 Mentor-Protégé Annual Report

In accordance with Section 15 of the Small Business Act (15 U.S.C. 657r(c)), DHS provides the following information:

• **15 USC 657r(c) Reporting.**

- **(A)** DHS has an active Mentor-Protégé Program. The Mentor-Protégé program is primarily designed to motivate and encourage large business prime contractor firms to provide mutually beneficial developmental assistance to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small-disadvantaged business, and women-owned small business concerns.
- **(B)** There are 28 active mentor-protégé agreements. The small business protégé participants also identify in several socioeconomic categories:
 - **(i)** 4 of the 28 protégé firms have no socioeconomic designation. They only represent as general small business concerns.
 - **(ii)** 8 of the 28 protégé firms are designated as service-disabled veteran-owned small businesses and 9 protégé firms are designated as veteran-owned small businesses.
 - **(iii)** 9 of the 28 protégé firms are certified as HUBZone small business concerns
 - **(iv)** 2 of the 28 protégé firms are only designated as 8(a); 9 of the 28 protégé firms are only designated as small-disadvantaged businesses (SDB); and 6 of the 28 protégé firms are categorized as both 8(a)/SDB.
 - **(v)** 11 of the 28 protégé firms are designated as women-owned small business concerns (which includes one economically disadvantaged women-owned small business).

The type of assistance provided by a mentor is mutually agreed and specified in the DHS Mentor-Protégé Agreement. In accordance with National Defense Authorization Act 2013, Section 1623, the Office of Small and Disadvantaged Business Utilization Director will provide opportunities for the participation of small business concerns during acquisition planning processes and in acquisition plans. These opportunities include at the prime award level and subcontracting.

- **(C)** In addition to providing small businesses with mutually beneficial developmental assistance, the program is also designed to:
 - improve the performance of contracts and subcontracts,
 - foster the establishment of long-term business relationships between large prime contractors and small business subcontractors; and
 - strengthen subcontracting opportunities and accomplishments through pre and post award incentives.

- (D) The benefits provided to a mentor for their participation occurs in the pre and post award phase of applicable DHS contracts:

- **Pre-Award Incentive**

For unrestricted acquisitions that require a subcontracting plan, mentors are eligible to receive evaluation credit in accordance with Homeland Security Acquisition Regulation 3052.219-72. To receive credit under the source selection factor or subfactor, the offeror must provide an approved mentor-protégé agreement from the DHS Office of Small Business and Disadvantaged Business Utilization (OSDBU) before initial evaluation of proposals. Moreover, the mentor's intent to diversify and incorporate socioeconomic programs as identified in the evaluation criteria is also taken under consideration.

- **Post-Award Incentive**

Subcontracting achievement credit can be applied to the mentor's small business subcontracting plan goal achievement. The mentor can receive dollar-for-dollar subcontracting achievement credit for costs incurred for developmental assistance to a protégé that is acting in a subcontractor capacity.

- (E) The progress of the mentor-protégé team is evaluated by the submission of an 18th month Mid-Progress Report (jointly), a 36th Month Lessons Learned Report (separately), and a Protégé Post Mentor-Protégé Program Report, which is submitted annually for two years after the protégé firm exits the mentor-protégé program (protégé only).

The following data points and/or metrics capture a cyclical reporting period of active mentor-protégé agreements from 2018-2021. The mentor-protégé teams submitted seven mid-progress reports, two final lessons learned reports, and no protégé post mentor-protégé program reports were received.

18th Month Mid-Progress Reporting:

- (2018) One mentor-protégé team submitted their mid-progress report.
- (2019) Ten progress reports were submitted for their 2018 mentor-protégé agreements. One protégé submitted it individually and followed it up by a decision to voluntarily terminate their agreement.
- (2020) One mentor-protégé team submitted its progress report for their 2017 mentor-protégé agreement.
- (2021) One mid-progress report for a 2018 mentor-protégé agreement; one report for a 2020 mentor-protégé agreement.

During this time-period six out of seven (90%) of the protégés received at least one subcontract from their respective mentor. In 2021, the DHS OSDBU received one notification of a planned acquisition, resulting in the purchase of the protégé's company. Note: the mentor or protégé did not follow up to formally terminate their 2020 mentor-protégé agreement.

36th Month Final Lessons Learned Reporting:

There were two 36th Month Lessons Learned reports submitted of the 11 that expired in 2021. Notably, during this time-period, both participating protégés reported a 100% increase in the number of employees and revenue.

Between 2018 and 2019, there were three mentor protégé teams that voluntarily terminated their agreements. The protégé exercised this option in two out of three instances.

Mentor-Protégé Team of the Year Award (Incentive)

A mentor-protégé team is eligible to submit a nomination for the Mentor Protégé Team award category under DHS-OSDBU's annual small business awards ceremony. The submittals average five per year and a selection is established by an OSDBU consensus. Those teams who qualify must have an active agreement during the entire previous fiscal year to be eligible. The award is presented to the mentor and protégé based on teamwork and the most effective developmental support provided to the protégé.

X. ENCLOSURE 4 National Aeronautics and Space Administration (NASA)



A.) Identifies each Federal Mentor-Protégé Program

The National Aeronautics Space Administration's (NASA's) Office of Small Business Program's Mentor-Protégé Program (MPP) provides incentives for NASA's large prime contractors to assist eligible small businesses as well as Historically Black Colleges and Universities (HBCU) and Minority Serving Institutions (MSI), as defined in NASA Federal Acquisitions Regulation (FAR) Supplement (NFS) 1819.72, in enhancing their capabilities to perform as prime and subcontractors under government and commercial contracts.

B.) Specifies the number of participants in each such program, including the number of participants in each socio-economic concern

In FY21 the NASA Mentor-Protégé Program had 7 active Mentor-Protégé agreements (MPAs). The length of the agreements ranged from 18 months to 36 months, which is the maximum length for participation in the MPP. Listed below are the number of NASA Protégé participants in each eligible socio-economic concern (*) for the FY21 reporting period:

- Service-Disabled Veteran-Owned Small Business (SDVOSB) – 2 Protégés;
- Historically Underutilized Business Zone (HUBZone) Concern – 2 Protégés;
- Small Disadvantaged Business (SDB) – 2 Protégés;
- Women-Owned Small Business (WOSB) – 4 Protégés;
- Veteran-Owned Small Business (VOSB) – 2 Protégés;
- Historically Black College and Universities (HBCU) – 1 Protégé;

*Note: Protégés can be classified in multiple socio-economic categories.

Other eligible Protégés in the MPP include:

- 8(a) Small Businesses
- Minority Serving Institutions (MSIs)
- Entities participating in the AbilityOne Program;
- A small business with an active NASA Small Business Innovation Research (SBIR) Phase II contract; or
- A small business with an active NASA Small Business Technology Transfer (STTR) Phase II contract

When submitting a NASA Mentor-Protégé Agreement application, the participants have the option of selecting a credit-based agreement or an award fee agreement. Costs incurred under a credit MPA, are applied on a one-to-one basis toward their applicable small business subcontracting goals. The credit is reported on the Mentor's Individual Subcontracting Report.

A Mentor providing assistance to a NASA SBIR Phase II or STTR Phase II company, under the Award Fee Program, is eligible to receive a separate award fee at the end of the agreement period. The award fee evaluation criterion is based on the amount and quality of technology transfer and business development skills that will increase the Protégé's Technology Readiness Level(s) (TRLs). TRLs measure the technology readiness level of the company on a scale of 1 to 9.

C.) Describes the type of assistance provided to Protégés under each such program

Small Business Protégés must receive a minimum 70% Technical Assistance and 30% Business Development based on the total proposed cost of the agreement.

HBCU/MSI Protégés must receive a minimum 70% Business Development and 30% Technical Assistance based on the total proposed cost of the agreement. The type of developmental assistance HBCU/MSI protégés receive has been tailored to assist them in developing the ability to move towards doing contracts instead of grants. HBCUs/MSIs can benefit more from business development assistance and mentors can harvest the technology being developed by the HBCU/MSI.

Any deviation from the above shall be justified in writing and pre-approved by the NASA MPP Manager.

Examples of Mentor-Protégé Program development assistance includes:

- ❖ Technical Development, including but not limited to:
 - Aerospace and lean manufacturing
 - Quality Management programs: ISO 9000 Certification, SEI/CMM certification, AS9100 Certification
 - Technology Transfer
 - Telecommunication and satellite services
 - Obtaining Security Clearance for Institutional facilities

- ❖ Business Development, including but not limited to:
 - Organizational planning management: Strategic and Business Planning, Legal/Risk management, Proposal Development
 - General business/Business development/Marketing/Sales: Market Research, Product Forecasting, Web-based marketing, e-commerce
 - Human Resource Management

D.) Describes the benefits provided to Mentors under each such program

Mentors receive benefits in a variety of ways. Through these established relationships, Mentors are able to team with viable high-tech small businesses, form strategic partnerships, which serve as a foundation for future prime and subcontracts with any Agency. With a wide array of small businesses available in all socio-economic categories, Mentors are also able to benefit from the subcontracting credit.

E.) Describes the progress of Protégés under each such program with respect to competing for Federal prime contracts and subcontracts

Through NASA's Mentor-Protégé Program, Protégés have strengthened and increased their core competencies, hired additional personnel, and increased revenues. Protégés have not only teamed with their Mentors on various contracting opportunities but have been successful in winning new contracts as primes.

In order to measure the Protégé's progress during the life of the agreement, NASA conducts informal semi-annual reviews and requires the Protégé to submit independently developed annual reports.

Every six months, both Mentor and Protégé provide a briefing on the status of each developmental task based on their milestone chart. Semi-annual reviews afford all parties the opportunity to address any challenges early and prior to the annual reporting period.

Protégés are required to document the status of milestones/tasks, and accomplishments made every 12 months in their annual reports. Protégés are encouraged to rate their Mentor's performance of the developmental assistance provided by milestone/task. To ensure the Protégé is getting what they need from the program, they are also required to outline the progress made in employment growth, contract opportunities awarded, and gross revenue.

For a period of two years after the conclusion of the agreement, Protégés are required to submit two Post Agreement reports. This allows tracking of the Protégé's gross revenue, and employment growth for each of the two years. These reports document the developmental assistance provided to the Protégé which enhances their ability to perform successfully under prime contracts and/or subcontracts within NASA and other federal agencies.

XI. ENCLOSURE 5 Small Business Administration (SBA)

SBA FY21 Mentor-Protégé Report

In accordance with Section 15 of the Small Business Act (15 U.S.C. 657r(c)), SBA provides the following information:

- (A)** SBA has one active Mentor-Protégé Program. The 8(a) MPP merge and the new MPP program was effective November 20, 2020. The small business mentor-protégé program is designed to enhance the capabilities of protégé firms by requiring approved mentors to provide business development assistance to protégé firms and to improve the protégé firms' ability to successfully compete for federal [contracts](#). This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; sub [contracts](#) (either from the mentor to the protégé or from the protégé to the mentor); trade education; and/or assistance in performing prime [contracts](#) with the Government through joint venture arrangements. Mentors are encouraged to provide assistance relating to the performance of [contracts](#) set aside or [reserved](#) for small business so that protégé firms may more fully develop their capabilities.

The 8(a) mentor/protégé program is designed to encourage approved mentors to provide various forms of business development assistance to protégé firms. This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; sub [contracts](#) (either from the mentor to the protégé or from the protégé to the mentor); trade education; and/or assistance in performing prime [contracts](#) with the Government through joint venture arrangements. Mentors are encouraged to provide assistance relating to the performance of non-8(a) [contracts](#) so that protégé firms may more fully develop their capabilities. The purpose of the mentor/protégé relationship is to enhance the capabilities of the protégé, assist the protégé with meeting the goals established in its SBA-approved business plan, and to improve its ability to successfully compete for [contracts](#).

- (B)** There were **1,395** active mentor-protégé agreements.
- (C)** Describe the type of assistance provided to [proteges](#) under each such program: Proteges may benefit from participation in the All Small Mentor Protégé and 8(a) Mentor Protégé Programs as follows:
- Improved access to the federal marketplace through joint venture opportunities with mentor;
 - Stronger ability to stand-alone and bid independently from mentor on government contracts;
 - Expanded opportunity for sub-contracts from mentor;
 - Increased wealth and employment growth;

- Enhanced business capabilities and experience through guidance and mentoring from experienced firms in the following areas:
 - Guidance on internal business management systems, accounting, marketing, manufacturing, and strategic planning;
 - Financial assistance in the form of equity investments, loans, and bonding;
 - Assistance navigating federal contract bidding, acquisition, and performance process;
 - Education about international trade, strategic planning, and finding markets;
 - Business development, including strategy and identifying contracting and partnership opportunities;
 - General and administrative assistance, like human resource sharing or security clearance support.

(D) Describes the benefits provided to [mentors](#) under each such program:

- A mentor and protégé may joint venture as a small business for any government prime contract or subcontract, 8(a) competitive and 8(a) sole source contracts, provided the protégé qualifies as small for the procurement.
- For those willing to create a joint venture, additional benefits may include:
 - Collective representation of past performance;
 - Shared costs;
 - Shared resources’
 - Leveraging the other partners’ experience and market share.
 - The affiliation exception can also be appealing to mentors, as it may allow a mentor to have a closer working relationship with a small business than might otherwise be advisable under the SBA’s affiliation rules.
 - The mentor may own an equity interest of up to 40 percent in the protégé.
 - Mentor’s are able to maintain a formal relationship with the protégé for up to six years, building trust and working together on multiple projects.

(E) Describe the progress of [proteges](#) under each such program with respect to competing for Federal [prime contracts](#) and [subcontracts](#).

- For FY21, protégés submitted 16,872 offers. 33% won, lost 28% and 39% is pending.
- For FY21, 538 subcontracts were awarded by the Mentor to the Protégé.

XII. ENCLOSURE 6 Department of Transportation (DOT)

**U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION
(OSDBU) MENTOR PROTÉGÉ REPORT (FY 2021)**

Section 15 USC 657r(c)(1)(A)- Identify each Federal mentor-protégé program

DOT's Mentor-Protégé Program enhances the capability of disadvantaged and small business owners to compete for federal procurement opportunities. The program encourages private-sector relationships and expands DOT's efforts to identify and respond to the developmental needs of small and disadvantaged businesses.

The program is also designed to improve the performance of DOT contractors and subcontractors, foster the establishment of long-term business relationships between small businesses and prime contractors, and increase the overall number of small businesses that receive DOT contract and subcontract awards.

Program eligibility

A mentor can be a business that has graduated from the 8(a) Business Development program, a firm in the transitional stage of the program, or a small or large business. For this program, mentors will consist of DOT prime contractors. A protégé should be a Small Business (SB), HUBZone, small disadvantaged business, women-owned small business, veteran-owned small business, or service- disabled veteran-owned small business.

In addition, potential mentors and protégés should be able to show that they are currently eligible for Federal contracting opportunities, are not under a suspension and/or debarment action and are not in the EPLS database.

Section 15 USC 657r(c)(1)(B)- Specify the number of participants in the agency's mentor-protégé program

DOT's Mentor Protégé program has 9 business relationships.

Socioeconomic groupⁱ	Mentor	Protégé
small business concerns	0	0
small business concerns owned and controlled by service-disabled veterans	0	0
qualified HUBZone small business concerns	0	0
small business concerns owned and controlled by socially and economically disadvantaged individuals	0	0
small business concerns owned and controlled by women	0	0

Section 15 USC 657r(c)(1)(C)- Describe the types of assistance provided to protégés

Below is a list of the developmental assistance provided to protégés under DOT's program since the program inception:

- Review and analysis of DOT's Procurement Forecast
- Establish a strategy to target those opportunities listed in the procurement forecast
- Meetings with Small Business Specialists and Program Managers from DOT Operating Administrations
- Cost analysis assistance to prepare Request for Proposals (RFP)
- Develop marketing strategies as part of the protégé's business plan
- Provided assistance in proposal writing and business presentations to prospective buyers
- Assistance with contract administration for current contracts
- Assistance developing a pricing strategy
- Strengthen Protégé's accounting systems
- Participants worked together with Protégé's processes and procedures to enhance the Protégé's capabilities
- Established a strategic plan to identify potential buyers within DOT Operating Administrations and other federal agencies.
- General guidance on how to do business with federal government.
- Assistance in contract estimating, pricing and scheduling.
- Provided assistance with contract preparation and negotiation.
- Assistance with business development with DOT Operating Administrations, state and local transportation agencies.
- Monthly meetings to discuss potential opportunities and collaboration.
- Marketing assistance.
- Project management training to protégé staff.
- Program participants presented before DOT's Strategic Acquisition Council (SAC)

Section 15 USC 657r(c)(1)(D)- Benefits provided to mentors under DOT's Mentor Protégé program

Below is a list of the benefits mentors receive under DOT's Mentor Protégé program

- Goodwill and corporate responsibility (mentors receive no financial incentive for participation)
- Long-term relationship with a potential subcontractor
- Develop innovative approaches and technology
- Potential Joint Venture with small business

Section 15 USC 657r(c)(1)(E)- Describe the progress of protégés under each such program with respect to competing for Federal prime contracts and subcontracts.

- Protégés were able to strengthen their accounting systems to comply with government requirements
- Protégé staff has been able to enhance their proposal writing skills
- Protégés have been able to increase the number and quality of proposals submitted
- Protégés were able to develop strategic plans to increase their competitiveness and target specific DOT Operating Administrations based on the protégé's core competencies
- Protégé staff has better understanding of the procurement process within DOT and federal government
- Protégé staff improved the understanding and use of government systems, such as FPDS, SAM.GOV , procurement forecasts and subcontracting directories, to help them in the marketing process
- Protégé staff strengthen cost analysis, contract pricing, and contract management skillsets.
- Protégés were able to get contracts as a prime and a subcontractor.

In the upcoming FY, the Department plans to hire a Mentor Protégé Program (MPP) Manager to revamp, manage, and oversee the program. Also, we are developing a strategic approach to work with large prime transportation businesses to increase MPP participation.

ⁱ DOT reported on the benefits and progress listed in the report are those mentioned by program participants since program inception but currently has no MPP agreements.