



# **FDA HUBZone Industry Day** **SBA's New Mentor-Protégé Program**

February 15, 2017

# SBA's New Mentor-Protégé Program

- Open to all types of small businesses (i.e., HUBZone, WOSB, SDVOSB, 8(a), and small)
- August 24, 2016:** rules went into effect
- October 1, 2016:** SBA began accepting applications
- November 1, 2016:** SBA began accepting online applications at [www.certify.sba.gov](http://www.certify.sba.gov)

# What Does the Mentoring Program Provide?

- Mentor may provide protégé with various forms of financial, technical, and/or management assistance
- Mentor and protégé may enter into subcontracts
- Mentor and protégé are exempted from affiliation based on the assistance provided under the mentoring relationship
  - **KEY:** this means the mentor and protégé may form joint ventures (“JVs”) for set-aside contracts, even if the mentor is a large business
- Mentor may own up to 40% of the protégé
- Agencies may provide contracting and evaluation incentives to offerors utilizing a protégé

# How to Qualify as a Protégé

- Must be small under its primary NAICS code
- Or, small under a secondary NAICS code
  - If seeking approval under a secondary NAICS code, protégé must demonstrate prior experience and logical business progression in that code
- Generally, only one mentor at a time
- Only two SBA mentor-protégé relationships **ever**

# How to Qualify as a Mentor

- Must be capable of providing mentoring
- Possess good character, not suspended or debarred
- May be large or small business
- May be protégé and mentor at the same time
- Non-profits are **not** eligible as mentors
- Generally, no more than one protégé at a time
  - But could have up to three protégés at one time if there is no adverse impact on any protégé
  - No limit on number of protégés in the life of the mentor

# Participation Period

- Maximum term is six years in one mentor-protégé relationship
  - Initial term is for three years
  - One option for an additional three years
  - Parties must commit to one year – after that, either party may terminate the Mentor-Protégé Agreement upon 30 days' notice
  - SBA must approve continuation of the relationship each year and can terminate at any time

# How to Apply

- SBA began accepting applications on October 1, 2016
- SBA's online application available as of November 1, 2016
- Visit: [www.certify.sba.gov](http://www.certify.sba.gov)
- Currently open for anyone to apply
  - Depending on application volume, SBA may institute open and closed enrollment periods in the future
  - So far, so good: SBA is quickly processing applications

# Application Checklist

- Register with SAM.gov
- Prepare a Mentor-Protégé Agreement
- Complete online application
- Complete online training
- Submit other documents to substantiate eligibility, which could include:
  - Tax returns/financial statements
  - Letters of recommendation
  - Business plan for protégé



# How HUBZone Firms Can Benefit from the New Mentor-Protégé Program

- Combining a mentor-protégé relationship and a JV allows a HUBZone firm to partner with a large business to go after larger set-aside contracts
  - **Step 1:** Form mentor-protégé relationship, submit to SBA for approval (right now, it could be approved in a few weeks)
  - **Step 2:** Form JV (typically 2-3 weeks)
  - **Step 3:** JV submits proposal
  - If the mentor is a large business, SBA must approve mentor-protégé relationship **before** JV submits proposal
- A HUBZone mentor-protégé joint venture qualifies for the HUBZone price evaluation preference

## Benefits for HUBZone firms (cont'd)

- A mentor-protégé relationship provides protection from affiliation
  - The affiliation protection is a critical tool to defend against size and status protests
  
- Mentor-protégé is an important strategy as you grow
  - Finding a protégé to partner with can help you remain eligible to compete for strategic set-aside re-competes in the future when you are no longer small

# Thank you

Please do not hesitate to contact me if you have questions or would like to discuss this presentation further.

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