

[START OF TRANSCRIPT]

**Carla:** Ladies and gentlemen, welcome and thank you for joining today's live SBA web conference. Please note that all participant lines will be muted for the duration of this event. You are welcome to submit written questions during the presentation and these will be addressed during Q&A. To submit a written question, please use the chat panel on the right-hand side of your screen. Choose all panelists from the Send To drop down menu. If you require technical assistance, please send a private note to the event producer. I would now like to formally begin today's conference and introduce Chris Eischen. Chris, please go ahead.

**Chris:** Thank you Carla. Hello everyone and welcome to SBA's First Wednesday webinar series. For today's session, we'll be focusing on the All Small Mentor Protégée Program, and by the end of the program you should have a better understanding of this topic as well as the resources available to you. If you are new to our event, this is a webinar series that focuses on getting subject matter experts on specific small business programs, in this case, All Small Mentor Protégée Program, and having them provide you with valuable information you can use in the performance of your job as an SBA employee, a member of the Federal acquisition community, or a PTAC employee.

We appreciate you taking this time to join us on the August edition of SBA's First Wednesday webinar series, and we hope that you benefit from today's session. Now for a little background on the First Wednesday program. The program was initially created for contracting staff, which is why the training was called 1102 First Wednesday. The 1102 designated government series for contracting personnel was later dropped to become more inclusive of other GS-series as federal agencies increased the requirements for non-1102's to obtain their DAWIA and FAC-C certifications.

Additionally, other federal buying activities, SBA staff, PTAC and SBDC personnel who after hearing about the training requested access and were added to the list of participants. So that is why SBA's First Wednesday program is aimed at Federal Government employees and our resource partners like PTAC and SBDCs.

Thank you to those of you who are repeat attendees, and welcome to those of you who are new to the program. Under slide three, as Carla mentioned, I am Chris Eischen and I work as a procurement center representative or better known as a PCR, and I am located in Kansas City, Missouri. Additionally, Ms. Gwen Davis, who is the PCR located in Minneapolis, Minnesota, will be reading your questions submitted during the program for our speaker to address at the end of today's session; and as I mentioned, slide three includes both of our information.

Slide four; please note that all lines are on mute. However, you may submit questions anytime during today's session by entering them into the chat box on your screen, and these questions will be addressed at the end of our speaker's presentation. As most of you know, we have transitioned to the WebEx application and have been informed that some users may experience issues such as a blocked website or other error messages when attempting to access the conference login from their computer. If you're affected by this issue, please make sure you're dialed in and follow along with the slides provided in this email. We will ensure the page numbers are clearly stated so you can follow along. We're hopefully this issue will be resolved and we apologize for any inconvenience.

Now, if you're having any other technical problems, please call the AT&T support desk at the following number, 1-888-796-6118. This telephone number is also included in the email invitation for today's program and on slide four of the PowerPoint slide deck that accompanied the SBA email notifying you of today's training.

Otherwise, just listen in and follow along with the PowerPoint that accompanied the invitation for today. We will continually announce the page numbers so you can follow along.

For more SBA small-business program training, please visit the SBA learning web center at [www.SBA.gov](http://www.SBA.gov). Slide five, the Association of Procurement Technical Assistance Centers - or APTAC hosts a website where they post the First Wednesday programs. Since these sessions are being recorded, you can re-listen to this program as well as previous sessions by visiting their website, which is provided here on slide five.

Procurement Technical Assistance Centers, or PTACs, are a great resource. Partnering with your local PTAC for an industry day, **[00:04:35 during a sources sought]** and RFI notices or referring small business concerns to a PTAC, are just a few reasons why they are such a useful resource for acquisition personnel. Please contact your local PTAC for additional information.

On slide six is the calendar of the training sessions. The program scheduled for fiscal year 2018 and today's session on the All Small Mentor Protégée Program is the 11<sup>th</sup> and final topic in the series for this fiscal year. Due to year end falling in September we will not have a program in September.

Now regarding next year's schedule, we plan to cover a couple of new topics as well as provide new guidance on other areas that have been presented in the past, so you won't want to miss it. So please keep an eye out for our FY-19 programs schedule which will begin on October 3<sup>rd</sup> of 2018.

So, on slide seven, I'm sure many of you will want to receive credit for today's training. So, you'll be glad to know that today's session is worth one CLP. On the following slide, which is slide eight, you'll find a training certificate. First, you'll manually fill in your name and then print your certificate from the PowerPoint to request credit for today's session. The PowerPoint was part of the SBA email invitation that you received for today's session. SBA does not track your CLPs or communicate with your training program regarding your CLP achievements.

Now, several of you may have received the information for this training from a friend or colleague, but if you want to receive an email directly from us notifying you of upcoming First Wednesday webinar events, please send us an email at SBA learning, which is S-B-A L-E-A-R-N-I-N-G@Sba.gov, so that's sbalearning@sba.gov. And in the subject line, please enter the words 'add to list' and we'll ensure that you're added to the distribution list. On slide eight, here's the certificate that I was referring to. First, you'll need to access the PowerPoint presentation that was emailed to you. Then you will manually fill in your name where it states insert name here.

Next, within the print settings, you will select print current slide, which will allow for only the certificate to be printed. And another reminder, SBA does not track your CLPs or communicate with your training program regarding your CLP achievements.

Slide nine, today's training has been assembled to address the All Small Mentor Protégée Program as well as provide you with the resources available for your use. Our speaker has graciously accepted our invitation and she'll be directing me to continue onto the next slide.

As mentioned earlier, if you are unable to access the WebEx application, please follow along with the PowerPoint presentation that was included in the email for today's training. We will identify the page number so you can follow along. Also, please note that due to connectivity issues, some viewers may experience a delay as the slide changes on your screen.

Now, I am pleased to introduce today's speaker to you, Ms. Holly Schick, who is the director for SBA's All Small Mentor Protégée Program. Holly, we appreciate that you can meet with us today and I'll turn the program over to you now.

**Holly:**

Good afternoon, Chris. Thank you very much. It's a pleasure to be here with you this afternoon, and I'd like to thank Chris and the entire team of PCRs and PTACs and other folks who put this wonderful program together. It's a great opportunity to give folks an update on where certain **[00:08:08 marquee]** programs are of the small business administration, and we're pleased today to talk to you about some updates in the All Small Mentor Protégée Program. Early on in the program's life cycle, we did a presentation

and we were just brand spanking new. So, Chris, if you could go to the next slide please.

I'm just going to cover a quick set of facts for you to give you a little bit of history in case this is new to you. We were authorized by the 2010 Jobs Act in 2013 and the 8(a). They recognized that the 8(a) program had a well-established, well run Mentor Protégé Program, and that other programs and other business concerns such as those low-speed service disabled veterans and hub zones did not have access to the same kind of Mentor Protégé Program capabilities that the 8(a) program had. So, through those authorization bills and then finally through our regulatory process, our final regulations in the CFR 13 were issued and became effective on August 24<sup>th</sup>, 2016.

For those, I'll have the reference a little bit later, but our section is 125.9 in the CFR, but it is also listed in another section here. Our official program launch date was October 1 in 2016. So, it seems like time has flown because we are just about now ready to celebrate our two-year anniversary coming up in October, and it seems like the time has just flown in terms of when we initially conceived this and the implementation of it to where we are now, and the tremendous success that the program has had.

So, basic, the regulations did a couple things. One, it revised the 8(a) mentor protégé rules to make both of the programs more consistent, and when I say both programs, I mean the existing 8(a), and then what was called just the new Mentor Protégé Program that was going to be eligible for everyone else. The name itself, All Small Mentor Protégée Program, the ASMPP, was actually a very quick and unofficial branding that we gave the program to try to differentiate it between the MPP, the Mentor Protégé Program of 8(a) and this brand-new thing. So that's how it became known as the All Small Mentor Protégée Program or ASMPP.

Slide 12 please. The concept behind the Mentor Protégé Program is a couple of key elements. One, it's meant to streamline access for small firms into the federal marketplace. It's designed also in doing so to enhance the capabilities of a small firm or small concern by partnering it through a larger, usually a larger organization that enters into a Mentor Protégé Agreement. The mentor then agrees to provide management and technical assistance to that protégé firm as they decide if they're going to go after bids together, is what we refer to as a joint venture. Of course, the program is also designed to create wealth and create jobs for our small businesses that participate in the program.

The benefits to the large mentor firms is that it helps them develop and increase their supply chain through capable small business contractors, and that is one thing that we're very excited about because we feel that as we help to build these stronger small business firms with more an expanded

capacity day, they then too can get into the growth curve and eventually become mentors to other protégé small firms as well. Finally, one of the benefits to the contracting community and to the federal agencies is it helps those agencies meet their congressionally mandated set aside program goals.

Slide 13 please. I want to review a couple key program elements that differentiates us a little bit between the existing 8(a) Mentor Protégé Program and All Small Mentor Protégée Program. The 8(a) program is designed to be delivered through the distribution system known as our district offices and through the business opportunities specialists that staff and maintain the contracting management and technical assistance that gets provided out of those offices. Our application by virtue of our initial brand was an online application through [certify.sba.gov](https://certify.sba.gov).

The brand promise was it would be built as a paperless system and we have maintained that brand and that our average turnaround time for review and approval is eight to ten working days. That's an average turnaround time. Sometimes we get a little bit more than that depending upon the time of the year we seem to have even flows of demand, but in general, we have kept our brand promise of the quick turnaround time and good quality control and customer service on the applications.

Our participants must be performed for profit, and that is the same as with the 8(a) Mentor Protégé Program. The protégés can have a maximum of two MPA's in their lifetime, Mentor Protégé Agreement, and that's two of SBA's programs. So, it can be two of the current 8(a) Mentor Protégé. It can be two of the All Small. It can be one of each, but in total they cannot have more than two in their lifetime. The applicants for the program, it's a self-certifying program. So, they go into [sam.gov](https://sam.gov) and self-certify that they are small in their primary NAICS; and kind of as a footnote, if they're going to be applying to us in their secondary NAICS, they will have to demonstrate to us that they've had some experience in that secondary NAICS code.

Different than some of the other programs, we require a tutorial requirement. That tutorial is on the SBA learning center and if you search through all programs, because our name starts with A, we're the second course listing. So, we're easy to find and both the protégé and the mentor must take that tutorial, sign it, and submitted along with their application. Right now, we're in the process of reviewing and updating that tutorial and we plan to do that on a cycle of about annually.

As a point of reference back to the centralization issue, in the 8 (a) program right now, they have approximately 480 Mentor Protégé Agreements that are monitored and serviced through the district offices by about 60 to 70 business opportunity specialists.

Our staff centralized here in headquarters, we have a staff of five, including myself. Our portfolio as of about today, we are almost at the 600 mark in terms of the number of Mentor Protégé Agreements that we've approved and serviced.

One thing is important to know that the certification criteria or approvals like Service Disabled Veteran, WOSB, HUBZone, 8 (a), that particular certifications follows the protégé firm. So, as they get into one of these agreements and eventually form a joint venture, those particular certifications would follow the protégé firm into that joint venture.

The one thing we try to make really clear to folks is we're not a matchmaking program. We will not find a mentor for the protégés, and you would be surprised at the number of calls we get saying, "We are really excited growing young firm, can you help us find a mentor?" Of course, we cannot. That is a job that only the mentor firm or protégé firms can do on their own because they know where their gaps are, where their capabilities need to be increased and where their potential goal in the market place is.

Let's see. The JV is good for up to two years, and one thing that I need to bring to folks' attention is that that particular two year count begins when the first award is received. There seem to have been some confusion out there in the marketplace of actually when that counting started. So, the count, actually the two-year count begins when that firm or that joint venture is awarded that first contract.

The other thing that the MPA program and the All Small offer is our joint venture capability, we offer the exclusion of affiliation. And by just nature of the definition of a joint venture, you are affiliated because you are joining into a business arrangement together. But through our program and the Mentor Protégé Agreement, we offer exclusion from affiliation to those JVs, which again is a huge advantage in the market place because that JV is able then to get credit for the past performance of not only the mentor but the protégé as well. So that exclusion of affiliation is very, very important.

A footnote that I would also add here is that our office, we do not approve the joint venture agreement. You may have heard differently for the 8 (a) program, but the 8 (a) folks, their joint ventures need to be approved by the district offices. If those 8 (a) firms are going after set-asides or open competes within the 8 (a) arena, we do not have that particular requirement, but if someone comes into our program as an 8 (a) and we approve their Mentor Protégé Agreement, we will, if they're going after an 8 (a) set-aside, we will send them back to the district office to get their joint venture approved.

Slide 14, please. I am not going to go into detail here, but I wanted to mention as part of the regulations that established our new program, it

empowered SBA to take a look at other Mentor Protégé Programs that are across the federal government space. I was surprised when we undertook that to learn that there are several others, and the agency was charged with reviewing those and kind of seeing if there was duplication and basically approving whether or not those programs should continue. This slide kind of gives you a snapshot of what is out there in the landscape right now. So, when I talk about the Mentor Protégé Goalposts programs, the Department of Defense has their own Mentor Protégé Program, which they have their own statutory authority. Up until FY-19 they had appropriations where they actually fund mentors to conduct those protégé activities.

Then of course there's SBA where it has the 8 (a) Mentor Protégé Program and the All Small. So those are the two programs that are out there that are kind of, again, I referred to as the Goalpost programs.

The other programs that are out there in the playing field and the ones that we have approved, there's one at NASA. There's one at the Department of Energy, the Department of Homeland Security, and FAA. Now the FAA has its own statutory authority, but it is one of the four other programs that are out there. All those other programs that you see listed there are either retiring their program as designated with an R or they're under development and in negotiations and discussions with us as to whether or not they're going to continue.

One of the things that you need to be aware of is that our program, when we say that we only deal with for-profits, many of these other programs enter into mentor protégé relationships with non-profits such as historic black colleges and universities and other nonprofit organizations. These other programs do also not have the ability to grant exclusion of affiliation, which is what we do.

The next slide 15 please. This is probably one of the most important slides that I'm going to have here today and I'd like you to pay particular attention to this and then look at it again after the presentation is done, but there are three advantages for protégé firms to kind of get into our program. The very first one we look at, and this is how we measure our impact to the protégé firms, is what we call business development. The protégé expands its capacity to bid independently. It gets a mentor and it wants X, Y, and Z management and technical assistance, and because it gets that technical assistance systems and builds capacity, it enables that protégé firm to go out on its own and bid on small business set-aside contracts. We consider that a win. That is an expansion and jobs are created and contracts dollars are won.

The second level is that the protégé wins a sub **[00:24:11 inaudible]** contract award from the mentor. What happens is that not only does the mentor help the protégé expand and build its capacity for value-add kinds of things,

but it also helps position that firm then to be a great a subcontractor to the mentor. So that is the second level of benefit that a protégé firm would get, is that they become a subcontractor to that mentor.

I would tell you in looking back at slide 14, all of those other federal Mentor Protégé Programs, they all provide this level of service where primarily their protégé firms have a Mentor Protégé Agreement with the mentor, and the protégé is a subcontractor to the mentor. They do not do what's in column one, but that may be an offshoot from what they provide; and they do not do column three, which is clearly the most distinct advantage of 8 (a) program, is the ability for that mentor and protégé firm to take that next business development step and form that joint venture.

That joint venture, by its definition, the companies are affiliated, but because they're in new joint venture by nature of their size, they are small. In our particular regs now, these joint ventures need to be what is called unpopulated. So, basically, we offer exclusion of affiliation to these joint ventures that are formed. It enables the joint venture to carry with it the past performance of both the mentor and the protégé. That is huge because many of these small protégé firms just don't have the experience or the lift to be able to have enough experience. So, when the experience of the mentor is added to that, that is a powerful tool and enables, like I say, that protégé to get in the market and to develop capabilities and past performance and see parts that otherwise they would not be able to get.

Remember now that the JV carries the certification of the protégé. So, if it's a Women-Owned Business, if it's a HUBZone, if it's an 8 (a), Service Disabled Veteran, it carries with it that certification. And several companies come to us and they might have several of those particular certifications, so that if they find a mentor, it really kind of has almost an exponential effect on what they're able to go after in terms of acquisitions.

Our next slide please, Chris. How about the next one, 17? This is a little bit about how to apply. We've already talked about several of these things, but to apply to our program, the very first thing that they have to do is register in SAM. They have to have a mentor before submitting the application and a part of our tutorial talks about the importance of a mentor; how do you find one, how do you get them, how do you know that that's somebody that you want to get into business with. We give them a lot of coaching on what to look for there. They must have previous experience working in the NAICS code in which they are seeking, in which there's a sense of **[00:28:20 inaudible]**. The mentor must be organized for profit and cannot own more than 40% equity in the business.

The SBA has not previously determined that there is affiliation, and if there has been a re-determination, we ask for them to upload copies and demonstration of that, so that that doesn't snag up their application for us.



As I mentioned before, the protégé can only have one mentor at a time and can't have more than two mentors in its lifetime. The interesting part, however, is that from the mentor's point of view, the mentors can have up to three protégés, but that is at one time. So, if the mentor loses or a protégé graduates and moves on, the mentor can bring on another protégé. So, the rule for the mentor is only three at a time, but that kind of then can renew itself for the lifetime of the program. In some new regulations that we're working on right now we're debating whether or not to try to make some adjustments in that regard.

Slide 18 please. Again, select your mentor before you apply. We won't find the mentor, get into SAM, complete the online tutorial, and have it ready for upload. There are requirements, required documents that they have to upload. One of those is a business plan, and we see the gamut of everything from the bare minimum effort to 50 pages worth of a business plan. Really what we're looking for is has this company been thoughtful and look to the future in terms of the federal marketplace? Is it going to be a target market? What's the growth that they've projected and is it right for them? Why are they going after the federal marketplace? So, we want to see a business plan that is thoughtful and that they have really taken a look at going after this market place and why. They complete their profile and certify and then they begin the process.

Slide 19, please. Now with 8 (a) firms, there is a little different approach if they want to convert their Mentor Protégé Agreement over to us. Active 8 (a) concerns, they can transfer their relation to All Small within the last six months of graduating the programs. That is something that's an administrative rule that we've put in place so we are assessing whether we want to change that or not.

The transfer can only be made if they have an existing MPA and the 8 (a) firm must request the template or must request the transfer. They have to use the optimal MPA template because we have different authority under our regulations and under the statute that 8 (a) does not have. So, 8 (a) has its own forms and we have ours, and although they are same or similar, we need them to be aligned with our statute and our authorities for audit purposes. What they have to do is upload their existing MPA and their latest annual review. The district office approval is not required to request the transfer and there is no action required on behalf of the BOS. We do, however, work closely with the BOS's and what the district offices know when these kinds of actions are requested, and we send them copies of letters and things.

Next slide please. On this comparison slide, this is basically a handout for you. It takes some of the key components of the program and compares one to another. The biggest difference I'd call your attention to is the very last

item. We do not approve joint venture agreements, and right now the district offices BOS's approve the 8 (a) joint ventures only. That for all intents and purposes is really the pivot point on where these programs kind of diverge a little bit. The first one is the other one right at the top of the application. We're centralized here at SBA and its electronic 8 (a) process is decentralized through all the district offices, but again, this is meant as a handout for you and a quick reference guide.

Slide 21 please. This list out for you; the six general areas in which management and technical assistance for services coaching, mentoring from the mentor can be provided to the protégé. They must select what areas they are going to get assistance in and then help quantify that in terms of what does it look like, how much time are they going to spend with us and if I'm successful in this, what does success look like.

The one new one that was added in our particular regs two years ago was international trade education. We felt that it's important that if a small protégé firm wanted to hook up with a mentor who was expert in perhaps doing contracts overseas and had that particular nuance to their portfolio, that that certainly would be an eligible area of management and technical assistance.

Slide 22 please. This is just a snapshot of what our website looks like. You'll notice on the top, federal contracting is underlined if you go directly to the right learning center, if you click on that and hit are all courses. Again, you will see the All Small Mentor Protégée tutorial.

Next slide please. Joint venture and teaming, we get a lot of questions on that, but basically our JVs are eligible to joint venture as a small business for any federal government prime or sub contract. This references to CFR that governs joint ventures. And I would bring your attention to our web page on the very front page; we have a brand new joint venture agreement template and a guidebook. That template basically indicates to folks, here are the 12 areas of things that need to be covered in the base joint venture agreement. By no means should that be all that's in there, but if you want to be in compliance with our program and the general acquisition rules, you need to have a minimum of those 12 things covered. So that is one of the important things that you should take a look at and have as a tool or a reference point.

Slide 24 please. Again, the JV, our JV takes on the identity of the protégé. The MPA approval, my letter to them approving our Mentor Protégé Agreement is required prior to the JV bid on award. Those timing things can get pretty sticky, and so we're very cautious about that. The ASMPP approval letter from me should accompany the bid.

Again, here is our reference in the CFR that talks about the exclusion till affiliation, that you could have your own course on First Wednesdays about

teaming and joint ventures and affiliation and all of that. So, I'm not going to go into any of that today.

The SBA district offices review and approve 8 (a) joint ventures only. Again, we don't do that. The important thing that I don't have as a bullet on here, but I do want you to remember is that once a JV is formed, you need to register that joint venture in SAM. You can do it in a couple of places. My staff tells me that the best place that you can put it is in the rep's inserts because we don't have a particular box yet for folks to check that it's an all small joint venture. So that is critical that if a JV is bidding, is going to bid on an acquisition, they have to have that JV registered in SAM.

Slide 25 please. If you get to be in our program, then you are required to submit an annual report. In that annual report, we're looking at what were the material benefits. We want to know, did the mentor provide what they agreed to provide, but most importantly, we're looking at what success did you acquire as a result of this program. We are just now tabulating our first year's economic impact and we're double checking and triple checking those numbers because they are amazing and through the roof. We want to make sure that our numbers are ticked and tied, so we will be sending out to everyone and putting on our website some of the success stories and the numbers that we have because our program is working and that makes us excited about the fact that economic development is really happening, and these small firms are really doing well in the marketplace.

Next slide please. Actually, let's move on to the next one. This is just a listing of all of the different CFR references. All of these, sooner or later we refer to in one way or another, as I think probably most of you do, but depending upon the audience, I always like to provide this because it's a quick reference point.

Next slide please. Some of our fast facts. What I want you to see from this slide, and I update this weekly, we have approved to date total applications, it says 578, but that was a week old and now we're at 595. The number one category of approved protégés is in our Service Disabled Veteran Owned Businesses, and then the next type category is our 8 (a) customers. You can see where the other growth areas are. The biggest growth we've seen is in the Women-Owned Small Business category. That started out pretty low last year and that has been slowly but surely gaining momentum. So, this just gives you an idea of what our portfolio looks like.

We've list in a spreadsheet on our website, all of the approved Mentor Protégé Agreements. They are updated the first of every month, and if you go to our website, you will find it. I think it's called the Optimal Mentor Protégée Log. You are able to see names, addresses, phone numbers of mentors, protégés, everybody who formed into that Mentor Protégé

Agreement, and that is an excellent tool. A lot of the contracting officers use that as a tool to do market research and other things. Next slide, please.

**Chris:** Slide 29?

**Holly:** Slide 29 and 30 are just my wrap up slides to list out our resource partners and our website, and email addresses on how you can get in touch with us. If you have any questions, the main address is the allsmallmpp@sba.gov. That's the best place to get your specific questions answered and then reroute it accordingly. So, thank you so much for the time to review our program with you and I'll turn it back over to Chris for Q&A.

**Chris:** All right, thanks Holly. Gwen, do you have the questions ready for Holly?

**Gwen:** I do. The first one... We have quite a few. The first one is a protégé may only have two mentors in their lifetime. If an 8 (a) program has an 8 (a) Mentor Protégé Agreement and they get an All Small MPA with the same mentor for non-8 (a) requirements, would this count as one of their two mentors for their lifetime eligibility?

**Holly:** Yes, it does.

**Gwen:** Okay, and then the second part of that question, may an 8 (a) firm with two mentors in the 8 (a) MP program, and another two mentors in All Small?

**Holly:** No, the maximum of two applies. Think of the 8 (a) program and the All Small, think of it kind of jointly at this point, it's that SBA's programs. You can only have a maximum of two in SBA's programs. So, you can have two in 8 (a). You can have two in All Small or you can have one in each, but collectively you cannot have more than two.

**Gwen:** Okay. On slide 13. JV exclusion includes size, correct? Or is it just affiliation?

**Holly:** Can we go back to the... Is it possible to look at the slide? Well, let me see here, slide 13. Oh, thank you. And the question is... say that again?

**Gwen:** JV exclusion includes size, correct? Or is it just affiliation?

**Holly:** Well, it includes size because the joint venture becomes a small entity that takes on the characteristics of the protégé. So, the mentors are for the most part large, and so if they were not excluded from affiliation and the other requirements that they have, they would not be eligible for the small business set aside. The joint venture by nature of what it is, it's a new small business venture and it is required to be un-populated. So, it does not take into consideration the size of the mentor or the size of the protégé as long as it's formed according to our program guidelines.

**Gwen:** Okay. The next one, it looks like it's just a clarification on slide 14, right column. It says missing DOD pilot program extended for ten years.

- Holly:** Okay, could we call up that slide please? It looks like it's the next one. Okay, what are we referring to here?
- Gwen:** It says that... it says that the DOD pilot program is missing, that it was extended for ten years.
- Holly:** I'm looking here to see exactly... the Department of Defense Program.
- Gwen:** Yeah, that's what this person is referring to. It's the pilot program.
- Holly:** Well, the Department of Defense, it started out as a pilot program and it was initially authorized for ten years and now it's up for renewal at this point. So, our colleagues over there at the Department of Defense are going through the NDAA process to see if it gets reauthorized; and then if it gets reauthorized, is it re-appropriated, because again, they're the only mentor protégé program in the federal space that actually gets appropriated funds to pay the mentors to provide this assistance to the protégé.
- Gwen:** Okay, the next one is slide 15. Extreme right column, exception is SDVOSB, JV, the VA, CVE requires JV's to be CVE certified.
- Holly:** Slide 15.
- Gwen:** I think that's just like... is that a clarification?
- Holly:** Yeah, I don't see that on my slide 15. What I can address is the fact that the CVE certification is setup specifically for veteran's administration and it is a certification that is required through their veteran's first authority. Only veteran owned firms who are going to be bidding on VA contracts need to be CVE certified. Other agencies can have veteran owned set-aside Service Disabled Veteran, whatever, and do not necessarily have to require the CVE. I don't know if that answers the question or not. I don't see that on my...
- Gwen:** Yeah, and it wasn't really posed as a question. The next one is, for HUBZone protégé that create an MTP and subsequent JV with their then HUBZone mentor, how is the employee residency percentage calculated?
- Holly:** That is something that we would have to take offline and I would refer that caller if they want to get with me afterwards, we can talk with the HUBZone folks. There are so many nuances to that and it's in depth and I wouldn't want to go into that right at this point, but I am very happy to follow up on that with the HUBZone folks and get the answer.
- Gwen:** Okay. Next question. Slide 17, sixth bullet down, the language is confusing. Is it based on two applications or two approvals?
- Holly:** Are we looking at the bullet that says the protégé may generally have only one mentor at a time and cannot have more than two mentors?

- Gwen:** I believe so.
- Holly:** Over the life of the protégé?
- Gwen:** Yeah.
- Holly:** Is that what... I think that's what they're referring to. They can... if there is an application that is submitted to us and we approve it, then one is kind of ticked off for that company. If they submit an application for a second one and it is approved, then that shopping list, for example, for that company they're done; and we cannot approve any more Mentor Protégé Agreements for that firm or for that pairing.
- Gwen:** Okay, and also on this slide four bullet three, mentor cannot own more than 40% equity of the protégé business, is that correct?
- Holly:** That's correct, yes. That's a good comment. I will insert that to make that a little clear.
- Gwen:** Slide 20, an 8 (a) JV is approved by the district director, BOS reviews and recommends, statute indicates that the district director is the approver. Is that correct?
- Holly:** I believe that's correct, but I'm not an expert in the 8 (a), in that entire process. So, I believe that is correct, yes.
- Gwen:** Slide 24, if a contracting officer wants to validate the MPA approval letter, is there a list posted on the SBA website with the ASMPP approvals?
- Holly:** Yeah, there is, that's the one I referred to. On our website, it's called the ASMPP approval log, and right now there's approximately 590 Mentor Protégé Agreements listed there. And that is where at this point in time, since we are not officially yet in some of the big procurement tracking systems, that is the best place where we're directing contracting officers to go. If they have my letter and they want to take it one step further and see, they go to that and verify it on the list. The other thing we do is we just say, hey, shoot us an email and we will verify it for you, but that's the first place that we send them, is to our list, and it is on our website.
- Gwen:** Okay, this one I'm not 100% sure, will the JV tool work with another government agency? I might need to have that question clarified a little bit.
- Holly:** I think so. The thing that I can say about that is one instance we ran into is that there was another federal agency, the Department of Agriculture that in one of their acquisitions, they added... I'm thinking eight to ten additional criteria of things that they wanted added in the joint venture agreement. We sought legal counsel here, and what we were told is there is nothing to prohibit those other federal agencies for requiring more than what the basic 12 are; but the basic 12 items that are required are federal government

wide, but the agencies can add more criteria if they want to in those agreements. That is something we don't have any control over.

That's why one of the things that we do is we encourage the firms to do really good due diligence in talking to the contracting officers and the acquisition folks to learn as far in advance as they can, what's being expected, because something like that can take a while to iron that out. I don't know if that answers the question, but I'm happy to talk about that offline if they want to explore that further.

**Gwen:** Okay. For somebody that has a number of JV contracts, how do they determine which ones are ASMPP or MPP?

**Holly:** How do they... MPP meaning 8 (a)?

**Gwen:** I believe so.

**Holly:** Or whether it's ours. Well, at this point in time, again, are we talking from the contracting officer's perspective?

**Gwen:** I believe so.

**Holly:** Okay, so the contracting officer... the company would have to go into SAM and register the joint venture. So that's one place where they're going to have to register it. And because we are not yet in the far and we are not yet tracked in some of the typical government contracting vehicles, like **[00:54:54 DSPS or SPDS]** or any of those and we're working on that. The best way for them to tell is that, again, they need to look on our mentor protégé log and if they have a question beyond that, to just reach out and shoot us an email... because the program was stood up with the minimum requirement of authorization and regulation. Right now, we're in the process of refining those regs, but it'll take another nine months to a year.

So, in the initial inception of the program, we knew that it would take almost 18 months to two years to get all of our program specifics in those tracking mechanisms and in the far and some of those other things. So, we kind of fight that on a daily basis, but we try to build awareness around it until some of those systems get up to speed.

**Gwen:** Okay. So, the JV carries the protégé certification. Is there a new CAGE code assigned to the JV?

**Holly:** I'm sorry, I don't know the answer to that.

**Gwen:** You mentioned that 665 applications, 578 were approved. Are there reasons for the declined 87 documented, lessons learned for SBA PTACs etcetera?

**Holly:** Yes, we are putting together a list of kind of FAQs, but the area that we are finding most problematic now is that people aren't paying... they are really

doing a poor job at the business plan. I mean, I don't know if they're not taking it seriously, but when we see it, it's like they're going online, they're filling out a template and doing the bare minimum that they can. We can just tell that there's been not a thoughtful process behind it. So ultimately, we will not disapprove an application unless it's really poor, but we do give them coaching and counseling in terms of what needs to be in there by the next time we see them, which is a year out.

So, the poor business plan without any strategy or forethought is one. The second is, they want to get an application and do business in their secondary NAICS code and they do not upload demonstration of any performance; and it doesn't have to be a huge contract. It can be small purchase orders or whatever. They just have to demonstrate that they've done business in that NAICS code. They don't do it and a lot of times maybe they don't have any documentation.

We have a ten-day turnaround time, so when we ask for more information to be uploaded in ten working days, if they don't do it, we decline the application and they have 45 days to come back and resubmit. If then they have all of the applications, materials and everything, we'll process it; but those are the two biggest things that we're seeing right now, is that the business plans are of poor quality and folks wanting to expand and do business in the secondary NAICS. They're just not providing us with documentation on past performance. It's not a long lift. It's basically kind of those two things.

**Gwen:** Next question is, would you please describe or define what unpopulated means in a JV?

**Holly:** Okay. An unpopulated JV means that other than the key administrative personnel required to operate that joint venture and do the bare minimum of administrative requirements to operate it, there can be no other employees in the JV that are performing work on the contract. The work has to be performed by employees of the mentor or the protégé. So, unpopulated, anybody's who's doing the work on a contract has to be mentor or has to be protégé. It cannot be an employee of the joint venture.

**Gwen:** This is asking for confirmation. If a small business forms a joint venture with a large business, will agencies receive credit for small business awards made against the JV CAGE code including the applicable socio-economic categories?

**Holly:** Yes, that is one of the big incentives that folks or the agencies once they're learning about this and figuring out how to use it, they're seeing that it's definitely one of the big advantages, is that it is helping them meet their set-aside goals.



- Gwen:** Also, would the JV profile be found within SAM or would they be able to locate it within the small business dynamic search tool also?
- Holly:** It's not in DSBS yet because again, we have to put a change order through that system too, and that takes a minute, so that has not come through yet. They need to put it in SAM. That's what I'm saying they need your register and put their JV in SAM.
- Gwen:** How does past performance get evaluated between the mentor and the protégé?
- Holly:** That's up to each buying entity, but they have to take into consideration the cumulative value of both, one or the other, but it cannot be used as an exclusion if the mentor is outside of the size standard. So up to each agency, how they evaluate, but again, there are very specific statutory requirements on how that is to get evaluated in a joint venture.
- Gwen:** Okay, would transferring an 8 (a) mentor protégé on a pending graduate of the 8 (a) program, the All Small Mentor Protégée extend the life of the mentor protégé beyond the graduation on the 8 (a)?
- Holly:** It'll extend it only to the extent that the period of the Mentor Protégé Agreement is supposed to be in existence. So, for example, if they have a Mentor Protégé Agreement that is, they're three years in term, so if they're two years in or two years into their 8 (a) Mentor Protégé Program and they ask to roll it over into ours, they're not going to get an additional three years, especially if they're in the second three years of their agreement. They will only give them the compliment of what they had with 8 (a).
- Chris:** Gwen?
- Gwen:** Yes?
- Chris:** Sorry, based on time we're going to do one more question.
- Gwen:** Okay. Yeah, we have quite a few. Can we take the rest of these questions and get back to the people individually?
- Chris:** Yeah, absolutely.
- Gwen:** Okay, so would it be beneficial to see JV's in the dynamic search tool when conducting market research? I think we've already answered that one.
- Holly:** Yeah.
- Chris:** We'll take one more then.
- Gwen:** Okay. The two per company life limitation is only applicable to small mentor protégée applications only. A company can be in the MPP program at the same time when they are in the SBA MPP program, correct?

**Holly:** I'm not sure I understand that. Could you repeat that?

**Gwen:** So, the two per company limitation is only applicable to Small Business Mentor Protégé. Can a company be in another Mentor Protégé Program at the same time as the small business?

**Holly:** They could, yes. Companies can be... For example, we have a company now that is one of NASA's subcontractors to one of their large mentors and they are a protégé. So, we're working with NASA to kind of get everything in place because that protégé is now going to have a Mentor Protégé Agreement with us. They may or may not move forward to form a joint venture, but again, they're allowed to have other agreements in other agencies. We just request that when they're making application to us, if they do have that, they need to upload it to us and disclose what those relationships are.

The reason we ask them to do that is that our rule stipulates that these Mentor Protégé Agreements, like if you have more, the assumption is that if you get the second one, it's going to fill a gap and be a value added and not duplicate what the first one does. So, we have to monitor carefully if they're in an MPA with some other federal agency. We want to make sure that our mentor protégé relationship is a value add to that protégé and not just a duplicate of what they already have.

That's something, again, we haven't had too much experience with that because those other federal programs, they're just now learning about us as we went through that approval process, so we're all... I formed a Federal Mentor Protégé Council and we meet quarterly, and we are just now beginning to explore some of those interrelationships between our various Mentor Protégé Programs and how they could support one another.

**Chris:** Great. Holly, thank you for that question and answer session; and Gwen, it sounds like we've got a few more questions to get answered. So, we'll try getting the email addresses of those individuals and we'll reach out and provide a response. If for some reason you haven't heard back from us, please feel free to send that question or any additional questions you may have to [sbalearning@sba.gov](mailto:sbalearning@sba.gov). Also, Holly has agreed to respond to any additional questions, so feel free to reach out to her as well. Her information is on slide nine of our presentation deck for today.

Just a reminder that we will not have a September program due to year end, so keep an eye out for FY-19 program schedule and that will be resuming on October 3<sup>rd</sup>.

I just want to say, Holly, thank you so much for providing this great information, and I just wanted to say thank you to the participation as it continues to grow each month and positive word of mouth is greatly

appreciated. So, thank you for your continued support of this program and we look forward to your continued participation into FY-19. Thank you very much and have a great day.

**Holly:** Thank you.

**Carla:** Thank you all for joining today's conference. This session has now concluded, and you may disconnect.

**[END OF TRANSCRIPT]**