

**Candice:** Welcome and thank you for joining today's SBA first, Wednesday virtual learning series. Before we begin, please ensure you have opened the WebEx participant and chat panels by using the associated icons located at the bottom of your screen. Please note that all audio connections are muted at this time. If you require technical assistance, please send a private chat message to the event producer, you are welcome to submit questions throughout today's conference. You may do so by selecting all panelists from the drop-down menu in the chat panel, type your question in the message box provided and hit enter to send. With that I'll turn the conference over to Chris **[00:00:39 inaudible]** procurement center specialist, please go ahead.

**Chris:** Thank you, Candice. Hello everyone and welcome to the 11th and final session of SBA's first Wednesday webinar series for fiscal year 2020. We want to remind that within the email invitation for today's session, we included some SBA guidance and resources regarding COVID-19 so please check that out. Additional information can also be found at [www.sba.gov/coronavirus](http://www.sba.gov/coronavirus). On the side two for today's session, we'll be focusing on the all small mentor protégé program. 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 topics, such as the all small mentor protégé program. Having them provide you with the valuable information you can use in the performance of your job.

We appreciate you taking the time to participate in the FY-20 program, and we hope you benefit from today's program. On to slide three. As Candice mentioned, I am Chris **[00:01:54 inaudible]** and I work as a procurement center representative or PCR in Kansas City, Missouri. Additionally, Mr. Charles Mason, who is a PCR in Omaha, Nebraska will be reading your questions submitted during the program for our speaker to address at the end of today's session, we both work in government contracting area four, and slide three includes our information. Onto slide four. Please note that all lines are on mute. However, you may submit questions or technical issues in the chatbox on your screen. Your questions may be submitted at any time during today's session by entering them into the chatbox. These questions will be addressed at the end of our speakers presentation. To make sure your question doesn't get overlooked, please ensure it is addressed to all panelists on the dropdown menu and not just to one individual. As most of you know, we have transitioned to WebEx and have been informed that some users may experience issues such as a block website or other air message when attempting to access the conference log in from their computer.

If you're affected by this issue, please make sure you dial in and follow along with the slides provided in the email. We will ensure the page numbers are clearly stated so you can follow along. Now, if you are having any other technical issues, please call the AT&T support desk at the following number (301) 250-7202. This telephone number is also included in the email invitation for today's program and on slide four of the PowerPoint presentation. For more SBA, small business program training and additional resources, please visit SBA learning center at [www.sba.gov](http://www.sba.gov). On to slide five. Did you know that the association of procurement technical assistance centers or P-TECH app tech hosts a website where they post the first Wednesday programs? Since these sessions are being recorded, you can relook in to this program as well as previous sessions by visiting their

website, which is provided here on slide five, additionally procurement technical assistance centers, or P-TECH are a great resource and partner with your local P-TECH for an industry day sharing an RFI notice or sources or announcement, or simply referring small business concerns to a P-TECH or just a few reasons why they are such a useful resource for acquisition personnel. Please contact your local P-TECH for additional information.

Slide six is the program scheduled for fiscal year 2020 and today's session on the all small mentor protégé program is the 11th and final topic in the series for this fiscal year. Some of you have inquired as to why we don't offer a session in September. The reason is that we understand that most of you are occupied with your requirements and do not have time for the training. In order to use everyone's time more efficiently, we forgo the training in September. Now regarding next year schedule, we plan to cover some new topics, as well as provide new guidance on other areas that have been presented in the past. Please keep an eye out for the FY-21 program schedule, which will begin on Wednesday, October 7th. The email invitation for this session will be sent out a couple of weeks before the event. On to slide seven.

I'm sure many of you will want to receive credit for today's training. You would be glad to know that today's session is worth one CLP. On the following slide which is slide eight. You'll find the training certificate and I will go over the instructions at that time. Now several of you may have received this 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 [sbalearning@sba.gov](mailto:sbalearning@sba.gov) in the subject line, please enter the words, add to list and we'll ensure you are added to the distribution list. On to slide eight, you'll see the certificate first you'll need to access the PowerPoint presentation that was emailed to you. Then you'll manually fill in your name where its insert your name here, next within the print settings you will select print current slide, which will allow for only the certificate to be printed.

Once this is done, you can coordinate the CLP achievement through your training program. Another reminder, SBA does not track your CLP achievements or communicate with your training program regarding your CLP achievements for this class. Onto slide nine. Today's training has been assembled to educate you on the all small mentor protégé program, as well as provide you with additional SBA 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're unable to access WebEx, 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 some viewers may experience a delay as the slide changes on your screen. Now, I'm pleased to introduce today's speaker to you, Ms. K.A. Perkins, who is the deputy director for the all small mentor protégé program. We appreciate that you can meet with us today K.A.. I'll turn the program over to you now.

**K.A.:** Good afternoon, everyone. Again, my name is K.A. Perkins. I'm deputy director of the all small mentor protégé program. Chris, thank you so much for inviting me to speak about our program, to the contracting community at large. I hope as you're calling in today,

that everyone is staying safe and washing your hands and taking care during this unprecedented time. With that would you go to the next slide, please?

Today I want to talk to you about just kind of a overview of our program for contracting professionals before I get into the meat of the presentation if you will. Let's talk about what I'm going to talk about today. I know a lot of us are in fourth-quarter times are busy and as you're multitasking and trying to get the nuts and bolts of this presentation and take care of your other words, I want to make sure that I point out to you what I'm going to talk about today and then the things that I think that you could use and take after we're done today. In general, I'm going to go over four things. I'm going to give you an overview of our program and just basically talk about the benefits that our protégé firm would receive by participating in our program that's first.

Secondly, I'll talk about eligibility. Included in this section I will mention something that I think is valuable to many of you, which is the final rule. I'll explain a little bit of that once we get to that slide. Of course, we'll talk about all small eligibility the application process to get into the program and then maintaining eligibility. I know this presentation is for you contracting professionals, but it does help to get kind of a broad view of what our program is like, what protégé and mentor firms go into our program, and to remain compliant through their tenure. That's second is eligibility third, I'm going to talk about joint ventures. Just some of the rules with joint ventures. In that final rule section, I'll mention some things that are changing with joint ventures, with regards to the final goals. Then I'll mention verifying eligibility. Finally, fourth is resources and these are some of the slides that I think specifically you'll be able to take with you and kind of get some guidance on where to look for things rather in 13 CFR to whom to ask your questions, should you have some and just, basically new as you commune through this. With that Chris, would you mind going to the next slide?

Now we are on slide 11. First the overview, next slide please, which just talks about benefits, which is slide 12. Specifically, next slide, there are six types of business assistance that a protégé can receive from a mentor. This slide lists all six of those out, including management and technical assistance. Financial assistance, an example of financial assistance might be the mentor. I'm investing some percentage into the protégé firms. They are allowed by IRA to invest up to 40%. Third is contracting assistance. I'm sure if any of you have done some type of procurement and come across a joint venture that you're familiar with this, normally you see contracting assistance in the form of a joint venture. International trade education business development assistance and administrative assistant so per 13 CFR 1259 which is the rule that governs the all small mentor protégé program. These are the types of assistance that a mentor may provide a protégé. Next slide, please.

Now we're on slide 14 and this just kind of gives you a pictorial of the building blocks that a protégé can take advantage of in order to gain capacity. One is business development, as we talked about. The protégé received some type of guidance from the mentor, and this could be maybe in the form of providing personnel for help writing a proposal. That's an example. Another example I use is oversimplified of course, but I say, help using QuickBooks. Usually, it's way more advanced than that, of course, but

that just kind of brings it down in layman's terms as to the type of assistance a mentor can provide a protégé. Next slide please.

On top of business development, of course, a protégé may also participate with a mentor and perform on the mentors' contract. Next slide please. The third tier you got business development, so contracts and joint ventures, of course the protégé and mentor can form those joint ventures and they can do so in our program and qualify as small. Next slide please. What's the end result of being able to participate in this program for the protégé? Next slide, please. The result is that the protégé is able to expand their capacity to bid independently. In other words, before the program, the protégé was able to go after some minute amount of work, they participate in our program. The mentor helps them develop their business. It may include forming a joint venture and going after federal contracts and as a result of participation in our program, they are able to do more when they leave the program than when they entered the program.

Just to give you an overview for those of you who aren't familiar with our program the all small mentor protégé program and the ADA program as well, and they are emerging into one. I'll talk about that in a little while. It lasts for up to six years. A protégé simply applies to our program. If they're deemed eligible and their application is approved, their tenure automatically renews every year up to six years, as long as they remain compliant in the program and unless the protégé or mentor decide to terminate that agreement. Next slide please. To give you some stats or perhaps some bragging rights on behalf of our office we began in just 2016. We are one of FDA's newest programs we've been around just shy of the four-year mark. From then to now, we have approved. I think the last time I checked was three weeks ago. This number is probably a little bit bigger now. We've approved 1,278 mentor protégé agreements, next slide.

That concludes that first section about the overview. Now we're going into the second section which we're going to talk about eligibility and we're coming up on slides 13 and 14. Those are slides that you'll want to take with you that kind of give you a synopsis of the final rule. Next slide. Let's talk about the final rules for those of you who do not know the ADA mentor protégé program, and the all small mentor protégé program are merging into a single program so as it stands right now, you have two programs that have very similar benefits and take up two different spots if you will. In 13 CFR, the ADA day program is governed by and I have this in the slides. For those of you who have not seen the slide as before today, they are governed by 13 CFR.

I believe 124 520. The combined rule is eradicating that portion of 13 CFR and it's putting all of SBA mentor protégé program, if you will, into one single program, which will all be governed by 13 CFR, 1259. Let's talk about some specifics. That's kind of super high level. Next slide, please. What are some of the things that are changing once this rule becomes final? Here is some things internally and then some things that will affect your job as contracting professionals. One of the things that's changing is we allow for annulment and let me explain what that is. A mentor protégé relationship is kind of like a marriage. The protégé and mentor are matched their wedding if you will is the actual application and the application being accepted.

But for a number of reasons, that relationship may not work out now, for those of you who are familiar with the ADA mentor protégé program and the all small mentor protégé program, a protégé may only have two lifetime MPA that's it. If this is a relationship that doesn't work out and it's pretty clear early on, and relatively speaking early on, in this case, would be 18 months since they're given up to six years to work together. If the relationship is not working within that 18 months, then this relationship will not count against the two-lifetime mentor protégé agreement. That is one change, another change which is a little more internal, just clarify that a mentor is the character is not required in every instance. In other words, when we receive an application, our analysts are looking at qualifiers for the protégé and then some qualifiers for the mentor this is just a clarification within our regulations.

The third point mentors cannot submit competing offers. I've seen, unfortunately, some instances where a mentor, by the way, who doesn't have a lifetime limit, they usually cannot have more than three current relationships or protégé firms, but they don't have a lifetime limit like protégés because they're the ones providing the help. That's the thought behind it. However, there have been instances where mentors have abused those relationships and have completed more than one offer on a single procurement with two competing protégé firms or two competing NPA. This final rule clarifies that that is something that is not permissible by the SBA. A mentor cannot submit competing offers on procurement. The point of that relationship is to simply help the protégé firms not to compete them against one another, next.

I've mentioned this a little bit earlier. The mentor may not have more than 40% equity in that protégé firm, next. This has to do with a, a question that came up during the rulemaking process. There were businesses that wanted SBA to let's say, create a new group or classification of those small businesses that perhaps weren't disadvantage, but they weren't a Boeing buys a company if you will. They wanted SBA to simply make a distinction between mentors or let's say large businesses that were below 100 million. Those that were above 100 million and SBA simply is not making this distinction. As it's been the many years I've been in government and you have small businesses and you have other than small businesses. By the way, a small business may also be a mentor to another small business, just to clarify next. Protégés from Puerto Rico may have up to five NPA.

Remember just a little while ago, I mentioned that protégés generally may only have two lifetimes NPA. Well, because of all that's going on in Puerto Rico this has been changed in the final rule allowing them to have up to five NPA and then finally on this page and this is something that's a little more internal or procedural. We used to do what we call reconsiderations. It's kind of a decline that is not final. Basically, what would happen is let's say affirm applies into our program. We send out a letter saying, hey, we need some more information from you. We don't hear from that firm. Once we don't hear from them, we used to do like an initial decline and then as the client, after that, and then the firm could even come back up to I believe days and ask for reconsideration.

It kind of kept the firm and our team on kind of this hamster wheel, if you can kind of go with that analogy. This final rule kind of clarifies that, and it eliminates those

reconsiderations. Next slide, please. A few other things that are a result of the final rule to come this one is pretty important, no JV approval from SBA, including competitive ADA joint ventures. Let me explain this for those of you who do not know the all small mentor protégé program. This office started in 2016 and we have never reviewed joint ventures. We approve NPA's and then for joint ventures per our regulations that is up to the contracting office to approve those joint venture agreements. However, on the ADA side as it stands, if an ADA has an AA NPA or even if they have an all small NPA they're servicing business opportunity specialist.

I E the district office will still review their AA joint venture. Once this final rule is indeed final and published. This will change so that SBA, including the district office will not approve joint ventures that are competitive AA. They will only approve those that are sole source. That's it so, in other words, virtually every joint venture with that exception that I just mentioned, SBA will not review and will not approve. That is pretty important to know the next point. Joint ventures may receive unlimited contracts in a two-year period. In other words, there's no more three into rules. Let me explain that a little bit. Protégés and mentors, they applied to the program they're approved. They formed a joint venture. The rule have been in the room currently stands since the final rule is not yet final, that they can only go after three contracts within a two-year period with the thought process, being that the joint venture is indeed a temporary entity that is formed so that the protégé firm may gain capacity.

Well, this has become kind of an administrative burden with not only the protégé mentor firms but also within SBA. Once this rule becomes final, the two-year period remains that they may receive unlimited contracts within that two-year period. It's still it being the mentor protégé agreement and the joint venture that comes from that. It's still a temporary entity, but there's no more three-item or three joint venture limit if that makes sense. Last two points again, no more than 40% equity from the mentor and a protégé firm and also facility security officers may also be administrative personnel. Those are the changes that are coming as a result of the final rule. Next slide please.

Now we're going to get into all small eligibility. Next slide. This just kind of gives you an overview of how a protégé firm would get into our program, and then they stay in our program. Just quickly, these are the things that we are looking at. We need to make sure that the business is a for-profit business. There's no determination of affiliation. They are considered small if they are mix code again, there is that 40% equity rules and the mentor that would be deemed affiliation, of course no more than two mentors in the lifetime. That's something else we check for. Then finally that there's no more than three protégé firms by the mentor that is at any one time. Those are the things that we check for. Next slide please. As we go from there we hit the application process and Chris, I'll just kind of let you catch up with me. I'm not sure if the screen is frozen a little bit. I think the next slide number for those of you who might not be able to log in the application process is slide 17. I have now gone on to slide 18. This just gives you an overview.

**Chris:** I'm sorry was this the application process with the five steps in it?

**K.A.:** It is you are right on point.

**Chris:** This is actually on our slide deck. It's 27.

**K.A.:** 27 okay got it, thank you for that. Now slide 27 and I'm probably going to be off for the rest of these. I'll try to count off or just continue for number 27, but if I'm wrong, just let me know. For those of you looking at this, this is slide 27, and this just gives you a synopsis of all five steps. We always say to prepare ahead, so the protégé is going to select their mentor. They're going to register in SIM, they'll apply through certify, and then they're going to allow for 105 days. Let me explain the 105 days because on its face, it looks pretty substantial, but there's a lot that happened. That first 15 days we're going to take them through stage one. That's going to be just for screening.

Most of the cases that come into our program, whether it's all small, or hub zone, or [00:29:09 inaudible], or AA, most of them are incomplete or just incorrect in some fashion. Screening really helps us make sure that we kind of take care of that chaff, let them know what's wrong with those incorrect or unclear cases if you will. Then let us push to the analyst those cases that are clean so that we can be timely and efficient. Once that application is deemed complete, the analyst then gets it. They have 90 days to process that case. That firm needs to submit a course, what we call a clean case. This is an older slide, but the contact us for reconsideration, thankfully we are no longer doing reconsideration. They notice that, but we always ask that the firm remains responsive. Especially during this time, you've got those four quarter contracts and stars three that are coming out. We have a lot of firms putting into our program right now. We tend to ask that they remain responsive. They keep in contact with us. If they receive a letter from us that they respond to it as quickly as possible. This is the normal process for protégé. Next slide, please. Chris, which number is this for people who might not be able to log in?

**Chris:** This is slide 28.

**K.A.:** Okay. Thank you. You see this one is a little bit different. This is the application process, but this is for ADA transfer. The ADA transfer is affirmed that of course is ADA They have a mentor protégé agreement, but they want to transfer that agreement over to our side. All they have to do is fill out an addendum gather the necessary documents, which is their existing NPA and their annual review letter. Simply apply to certify the processing takes about the same, but there's less work on the front end for them. Next slide, please. That's how they get into the program. This is about how to stay in the program. I'll give you a few slides on this next slide. Okay and Chris, which slide is this?

**Chris:** Slide 30.

**K.A.:** Okay now we're back on track 30 for me too. Here are obligations from each party. A protégé must submit annual reports, demonstrate materials or developmental benefits, and they must submit quarterly financial reports and certificates of compliance for their joint ventures, a mentor may or has to promise to provide meaningful assistance as described in the agreement. Next slide, slide 31. Accordingly, SBA, therefore, reserves the right to terminate the agreement for noncompliance if the mentor hasn't provided that proper assistance, also SBA reserves the right to renew the agreement. This one is changed just recently. We are no longer requiring that they renew their agreement so

that they have three years in the program upfront followed by another three years, we started streamlining our processes so that they're NPA renews each year up to six years, unless SBA terminates it or unless either party terminates it. Next slide. The third point, the third point is joint ventures. This is something that I get asked a lot of questions on by the contracting community. I kind of wanted to create a bit of a cheat sheet for you to take away next slide.

For me, slide 33. Some joint venture basics a mentor protégé approval is required prior to the joint venture bid on a ward. This is something that comes up more than you think. All these means is that the mentor protégé approval is first, then the joint venture. Why is that? The mentor protégé agreement serves as the waiver of affiliation so that a large and small business together may be deemed small or another way of saying it will take on the size of the disadvantaged business- both out of orders. There is no waiver to affiliation; therefore, in the case of a small business protégé and the other than small business mentor, you have a clear affiliation problem. Next, all small does not review or pre joint ventures wanted to make that clear. SBA district office has approved joint ventures for ADA contracts.

Again, when the final rule is indeed final this will only be for ADA sole source. Next NPA JB's are granted exclusions from affiliation. That's what I was just mentioning when I said that they had to be done in order NPA first joint venture second. Next NPA JB contracts awarded are limited to the three and two rule. That is how it stands currently. When that final rule comes unlimited number within two years then procuring activities must consider work done individually by each partner to the joint venture, as well as any work done by the joint venture itself. Then finally, and again, here comes at that pesky 40% rule protégé firms must perform at least 40% of the work and mentor firms may perform up to 60%. That's another question that I get pretty often. Next slide please.

Another question that I get asked quite a bit is, okay. How do I make sure that when I received this proposal, that this is a current NPA JB that SBA is fine list? Well, of course I can talk to you about the NPA portion of it, but we do not, again, approve joint ventures. Next slide please. With that being said, there's a few ways to go about it. One is the protégé firm can simply give you a copy of their welcome letter. Now that's the letter that they received, the moment that their application was approved, however, as you might suggest or think well that doesn't tell me if something happened after the fact and that's true. Next an active list of mentor protégé agreements in this slide deck. I believe I hyperlinked it.

All small has a monthly updated list of active mentor protégé agreement. That is another way to check, but just to make sure that everything is on the up and up with that mentor protégé agreement so that you can make sure you have that affiliation, labor just contact us. As I say to the right of this slide will all three options, good, a welcome letter alone, or even an after list may not capture a recent termination and because of that simply drop us a line at either of those email addresses that all smallmpp@sba.gov is our main inbox. I check that at least weekly if it is something of an urgent matter, do not hesitate to contact me. That is my email address. I go by KA but my name is Kanika K-A-N-I-K-A.perkins@sba.gov. Next slide please.

I told you, we're going to talk about four things. We've gone through three things, and this is the fourth. The last section that we're going to talk about, or the last topic, if you will, is resources. I wanted to make sure again, that you guys were able to walk away with some news that you could use. Next slide. I created a few pages here for guiding regulations as a former 1102 myself I really didn't think of or sometimes care about anything that was outside the far that has been changed greatly since joining SBA and since learning so much about what SBA does and be a world of federal procurement. These are things that I didn't know when I was in contracting necessarily, but I want to make sure that you do, next slide please.

**Chris:** We're on slide 38.

**K.A.:** Thank you, Chris. There are six sections here. I wanted to give an overview of where you can find information that was program specific. If you notice on here, everything from regulations about AA joint ventures to joint ventures, as they relate to services able veteran-owned small businesses to HUB Zone, to **[00:39:16 inaudible]** what are the rules governing SBAs of small business mentor protégé program that that's us, that's all small. Then what requirements must a joint venture satisfy to submit an offer or procurement or sale set aside or reserved for small business? Those are some of the overarching regs I wanted to make sure I created some type of reference for you so that you, if you ever have a question, you can come back to this and you know exactly where to go. Next slide, please. The next slide will be slide 39. This slide rather have some other information that I think is important.

Limitations on subcontracting I'm starting at the bottom limitations on subcontracting SBA sub-contracting, again **[00:40:09 inaudible]** and small disadvantaged business, AA and SDB regulations HUBZones five, and quite frankly, size is one of the most important sections that I think anyone needs to read as well as ones from my own office. Again, with just 13 CFR, 1259 yeah in the manufacturer, the non-manufacturing rule, which is at the bottom of the page. These two pages will give you kind of a synopsis of, okay. I have a question about this. Where do I go so I can read a little bit more about it? Those are the guiding regs next page.

This is a cover slide for all small support. Next slide, please. Slide 41 so these are some other things that I think would be helpful. One being our website so if you want to know more about all small I told everyone to go to our site. We even have a video on our site that gives you an overview of how-to and this is for applicants, of course, the how to apply to the program. That is one way that you can gain support. Another is, remember I was talking to you about before about the active list of mentor protégé agreement. Well, this is the actual link in case you're using, Bing and not Google. Google will find you just about anything. This will take you right to that list. Dr. Derek Brown on our team is the one who updates it and he updates it every month.

That's a really good resource if you're trying to verify eligibility of a mentor protégé agreement, and then something I didn't talk about that I thought would be helpful is the joint venture guide. Use this link that I have here. If you have questions about, okay, now SBA is saying that I need to approve this joint venture guide or I just want to know more about joint ventures and how this is put together and what I need to know that

document it's in I believe it's in a PDF format. If you just put that link in your browser, or even if you just Google joint venture guide this document will come up. I think it is an invaluable document to just kind of having your toolkit and take it out whenever you need it. Next slide, please.

Finally, I'm going to give you some of contact. I gave you a bunch of references, a bunch of info. Now, this is how you can get in touch with us. One place is our main inbox allsmallmpp@sba.gov. Next is reach out to me I was brave enough to put my cell number on there, and that's my real cell numbers. Reach out to me, ask me questions. I take them all day long from participants SBA employees, just whomever. If you have any questions, just let me know if I am not available. You can certainly reach out to be all small acting directors his name is Stanley Jones Jr and that is his work number. With that, we have about 16 minutes left, so awesome timing on my part. Any questions?

**Chris:** Yes K.A. thank you for that. I know that a bunch of questions in there and as the presentation went on I know you answered some of those questions. I know Charles is kind of working through those. Charles, whenever we are ready shoot with your first question.

**Charles:** Okay thanks, Chris. Thanks K.A. for that presentation. That was awesome. The first question that we have is besides the all small mentor protégé program, are there any other teaming programs offered by the SBA or any other federal agency?

**K.A.:** That is a really awesome question. Let me, I'm going to answer it a few different ways. Teaming, and I didn't learn this until joining SBA, but teaming is just a general term. That means more than one firm coming together to do some stuff, to go after some procurement at its most basic level. There could be some type of teaming agreement or arrangement if you will. That's not necessarily something that needs to be reviewed by SBA. That's why I kind of want to start there. Then you have formalized programs. SBA is kind of a premier formalized program that doesn't focus necessarily on one aspect or one type of procurement or one type of, of widget or industry. Right now, there's a course the ADA mentor protégé program, and then you have all small, they will soon come together as one since they provide very similar benefits.

Now that of course is within SBA. Per what is it 12510 I think is a section 13 CFR per that regulation. We are also able to approve some other mentor protégé programs outside of SBA that are specific and some have authority that are outside of SBA. Some of those programs lie with off the top of my head, DoD is one, NASA is another one, Homeland Security is a third, FAA, Federal Aviation Administration, that is a fourth, Department of Transportation has one that is a fifth one. Then there is one more I believe that's Department of Energy. To my knowledge, there are six other programs out there and those programs are very specific to their agency's mission.

**Charles:** Great. Thank you. This is a two-part question and it is when will the mentor protégé and AA programs merge and how will that impact current AA contracts?

**K.A.:** When that final rule will be published, I'm not sure I've heard scuttlebutt of this fall. Don't hold me to that. There's a lot that needs to happen between now and then, but hopefully this fall is when that final rule will be indeed final. As far as AA contracts themselves. I know this is kind of just through chat. I'm not sure of the context of it, but I'm not sure that the ADA contracted self will change. What would change based on this final rule is who reviews joint ventures. That part, I did go over a bit, but just to reiterate. Once this final rule becomes final, all small will continue to not review or approve joint ventures we never have. For the foreseeable future, we will not. What is changing with AA is at the district office level district offices or BOS business opportunity specialists will no longer review and approve ADA competitive joint ventures. Hopefully, that answers your question.

**Charles:** Great. Thank you. Next question is if a protégé relies on its mentor to perform on a small business set aside, is the mentor considered a subcontractor and counts against the small business limitations on subcontracting?

**K.A.:** Okay and part of your question got distorted just a little bit. What was the first part of it? My apologies.

**Charles:** The first part is if a protégé relies on its mentor to perform on a small business set aside, is the mentor- is the mentor considered a subcontractor and counts against the small business limitations on subcontracting?

**K.A.:** Okay. What I think the question is asking, is if the protégé and mentor if they have a contract to because I can't hear part of the question. I don't know if it's my phone. Let me see if I can try to try to answer it.

**Charles:** I'll try to reiterate it says so is a mentor considered a subcontractor to its protégé?

**K.A.:** No, but the short answer, no. My apologies for not being able to hear the question. In a joint venture relationship, it's just a 51/49 joint venture partnership. A subcontracting arrangement would be different where one of those entities would be the prime and then they would just sub out to the other, but it wouldn't be joint. It would just be for example, if I'm the prime and I'm just using a residential house example and I'm building a house it's different. If I have a partner who is helping me do that. It's something else if I'm just subcontracting some of the plumbing to another company in a joint venture relationship ordinarily the mentor is not in that instance, considered a subcontractor. They are a part of an entity, part of a joint venture where the protégé owns 51% and the mentor 49.

**Charles:** Great. Thank you. Next question is can joint ventures put more put in more than one offer K.A.? Okay, go ahead. I'm sorry.

**K.A.:** You might be going to the same direction I was. I don't know if that's a question as a single entity put in more than one offer, which the far covers may be pretty much look at whatever they submitted last, but I'm wondering if the actual question is regarding two different joint ventures. Do you think maybe that's the question? In other words,

and this was covered in the presentation, a mentor cannot submit competing bids or proposals. Is the question-?

**Charles:** They can do more than one they can, the mentor can submit more than one proposal, but they just can't be competing. He can't be a mentor to two firms and they're submitting on the same requirements.

**K.A.:** Right and can I add something else to that? I feel like maybe this might be part of it too. I've gotten this question quite a bit, especially regarding stars three. There is another question that people ask and they say, well you know, can a protégé put in first stars three and then also put in first stars three as a joint venture with some other firms the short answer to that is no. There is a thought process with that and just real quickly I'll share it. The thought process is you're going after a procurement as a joint venture because this is something that you cannot do on your own. That's the reason why you form a temporary entity is to gain capacity. If you have the capacity to go in first stars three, I'm just using that because the solicitations out, if you yourself have the capacity to go after star three on your own, why are you going after it in the form of a joint venture? No, you cannot do both. You must choose one.

**Charles:** Great. Thank you. Next question, when do you... never mind. That one has already been answered. Okay so this next question is, so is the 40% equity a change from the 70% revenue receipts in last three years? I'm taking it that that's in reference to when you stated that the mentor cannot provide more than 40% capacity,

**K.A.:** Right there were two areas in the presentation where I mentioned in kind of a 40% rule, but they're two very different rules. One just had to do with a limit on how much equity a mentor could invest in a protégé firm that was 40%. And then toward the end of the presentation, I mentioned that the mentor could do no more than 60% of the work. The protégé could no more than what was it, 40%. The difference and so what was the question about the 70% receipts? I missed that one.

**Charles:** I'm going to read the whole question because it's written as one, it says, so is the 40% equity a change from the 70% revenue receipts in last three years?

**K.A.:** No two completely things entirely that 40% that that's not new. A number of things that happened with the final rule just to speak on that briefly is some of those things have been in 13 CFR for a long time. Some of them are just merely clarification because they've arisen as an issue in one way or another within the agency.

**Charles:** Another question is can the mentor and the protégé form a second JB after two years?

**K.A.:** Yes. I asked this question before, so the question that a person usually asks after asking that one is, how many, so, I mean, a joint venture is temporary. How permanent can you make something temporary so to speak in a complicated way of asking I don't think there's been any decisions that I'm aware of JB or otherwise if someone else is aware, let me know. I don't think that there's ever been a determination. I'm familiar with that

that says this can only go on for X number of joint ventures or what have you. I don't think that's ever been determined, but yes, they can form a second one.

**Charles:** Okay, great. Thank you. Next question. Can a small business that is in a small business or in a all small mentor, protégé, JV be subject to the ostensible subcontractor rule? If the small business concern is unduly reliant upon the mentor to complete the contract awarded to the all small mentor protégé JV,

**K.A.:** The best answer at this moment is I believe so. I would need to look that one up. I don't like to make up stuff. If I say it, I know it. I'm confident in it. That one, I would need few minutes, but off the cuff, I would say yes, but that was something I'm not completely confident in the answer.

**Charles:** Next question is right now, the mentor protégé regulations provide that the mentor may terminate the mentor protégée agreement if it wants to lead the mentor protégé program. What if the mentor wants to terminate the mentor protégé agreement, but does not want to lead the program? Can the mentor leave the program and come back in?

**K.A.:** Let me answer it this way. You're in the program because you have an agreement. If I'm a mentor and I'm a part of the program that I have an agreement with one or more protégé firms. I'm not clear on how you could terminate your agreement voluntarily, but still want to be in the program. I'm not clear on what that would need one. No, go ahead. I'm sorry.

**Charles:** What I'm thinking its saying is if the mentor wants to terminate an agreement with one contractor, can they then start another agreement with another contractor?

**K.A.:** They're the mentors number are not- okay my apologies. Thank you for clarifying that. They are not limited on the number of NPA they may have they're only limited on the number of active ones that they may have concurrently.

**Charles:** If they have- if they have two.

**K.A.:** Go ahead I'm sorry.

**Charles:** No, you go ahead. I'm sorry.

**K.A.:** No, so what I think you're going to ask is if they had two of them and they cancel one and could they get another agreement with another protégé they could it is also important to note because I did not put it in the presentation. I know we're just about I think we're just about past time. If there is a, an actual contract from that joint venture, that contract is still binding, even if they end the NPA. That's something for the contracting community to, to know, or just for me to reiterate in case you already knew, so you still have to perform the contract.

**Charles:** Okay, perfect. The next question is how do firms submit all small mentor protégé, annual mentor reports as some firms claim no communications from survey monkey or all small mentor protégé office.

**K.A.:** So, we have a small team, but I call them tiny but mighty. We reach out to our portfolio during their anniversary month and we give them 60 days to complete their annual evaluation. Because our certified system isn't as robust as we would, like, we use survey monkey believe it or not. We send out the survey monkey link. They, complete that survey or that annual evaluation. If they want a copy of it, we want companies to thrive, but we want companies to just as any other program, you have to remain compliant. You can't just coach for six years.

**Charles:** Thank you one- the next question is, can you briefly touch on if piece of the JV dissolve in the middle of an existing contract and they choose another partner to complete the remainder of the contract is that legal?

**K.A.:** I think that because it distorted a little bit on me again. My apologies so I think the question is, tell me if I'm wrong. I think the question is there is an ongoing joint venture contract between a mentor and protégé say one of those parties say the mentor wants to cancel that NPA somewhere within the period of performance. What is the consequence to that? Is that the question?

**Charles:** Yes.

**K.A.:** Okay so the answer is that contract is still binding. Our program simply provides a waiver to affiliation. They formed a joint venture; they became an entity and they signed the contract. They are required to complete that contract period.

**Charles:** That is both firms.

**K.A.:** That is what? What was the question?

**Charles:** Okay. I said both firms, because it's saying one, if one leaves because I had an instance like this to where one of the firms was bought out by another firm and trying to figure out, could they replace the firm that was bought out by another firm with another firm. It seems like this could be that same agency that had that similar situation or just someone else who have another similar situation.

**K.A.:** This does happen more often than you would think. Because we are a mentor protégé program, we handle the mentor protégé side of that. However, beyond just the both companies are on the hook. Yes, I've seen instances where let's say the protégé, believe it or not, it's usually the protégé firm that gets bought out. That surprised even me when joining the team. The protégé firm gets, gets bought out. They completely dissolve and they exist no longer. Then the mentor is left with the performance of the contract. The mentor is still on the hook for that is just the short version. As I've told ADA firms, when I was at the district office level, and as I've told firms at headquarters, be careful who you marry. Because you never know where you'll end up.

**Charles:** Great.

**Chris:** Great. Thank you for that. Hey, Charles, I'm going to cut you up. I'm not sure if there's any more questions, but we're over on time. Thank you.

**Charles:** -submit the questions that didn't get answered if you would please.

**Chris:** Absolutely and KA has been brave enough. I've got the screen still up. She put her email address out there, phone number. There's three resources right there. Also, you are able to submit any questions you have this program or the program in general, and that can be sent to [sbalearning@sba.gov](mailto:sbalearning@sba.gov). KA thanks again for a great presentation with the number of questions. It was very stimulating and everyone seemed to be very receptive to the training. Thank you for that. All of you- absolutely and all those who have tuned in today thank you for making the FYI 20 program, a great success we appreciate your continued participation in the SBA first Wednesday program. Please stay safe and we will see you again next time in FYI 21. Thank you.

**K.A.:** All right. Thank you.

**Candice:** That concludes our conference. Thank you for using events services. You may now disconnect.