

Carla: Hello, and welcome to today's live SBA web conference. With that, I'll turn the call over to Jan Kaiser. Jan, please go ahead.

Jan Kaiser: Thank you, Carla. Hello, everyone! Some of you may be joining us for the first live session of the First Wednesday Webinar. We're glad you could join us today during our trial time change to hold the December, January and February First Wednesday Webinars later in the day to accommodate folks in various time zones. The SBA Wednesday Virtual Learning Series is aimed at providing small business program training to government personnel with an interest in procurement, both contracting and technical personnel, as well as SBA staff and our valuable resource partners, like Procurement Technical Assistance Centers and Small Business Development Centers. The SBA hopes this session provides information you can use in the performance of your job in the federal procurement process or assisting small business concerns.

I'm Jan Kaiser, standing in for Dwight Johnson as your host today. I work as a procurement center representative in Chicago, Illinois. Additionally, Deborah Crumity, the SBA PCR assigned to the Rock Island Arsenal, will be reading your questions submitted during the program for our speaker to address towards the end of today's session, as Carla mentioned earlier. The funny thing is, I'm hitting my page down, and it's not working for me.

Carla: Jan, click on the screen again with your mouse. Click on it and then ...

Jan Kaiser: Oh there we go. Thank you, Carla!

Carla: You're welcome.

Jan Kaiser: Excellent. Yahoo! Okay, so I would like to talk about a recent small business program change that we would like to address in this month, about small business subcontracting improvements, which were amended into the FAR as a final rule, effective November 1, 2016, and published in the FAR at FAR part 19.7 under FAC 2005-89. If you're interested, these were published in the Federal Register on July 14, 2016. Some of the changes include that contract mods that cause the value of the contract to exceed 700,000 or 1.5 million for construction shall require the contractor to submit a subcontracting plan for the contract if the contracting officer determines that subcontracting opportunities exist.

On IDIQ contracts, the contracting officer may establish subcontracting goals at the order level, but not a new subcontracting plan. Because, remember, ESRS is currently set up to track reports for only one subcontracting plan per contract. Then, also, FAR 19.704, Subcontracting Plan Requirements, has now got 14 required elements, whereas previously there were 11 required elements to a plan. The three added elements are additional language about assurance of a good-faith effort, a requirement that prime contractors will provide the contracting officer a written explanation if the contractor fails to obtain supplies or services from a small-business concern that they identified as a subcontractor

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in their subcontracting plan or their proposal, and assurance that the prime contractor will not prohibit a sub from discussing payment or utilization matters with the contracting officer.

So, our speaker on April 12, 2017 is scheduled to provide training regarding subcontracting plans, and these may very well be some of the new changes that that speaker will address in that presentation. Also, remember that April is going to be not the first Wednesday, but the second Wednesday, because there is a large conference. The DOD-SBA Small Business Training Conference is in April, and so we're postponing the session to the later April 12th date, versus the first Wednesday of April.

So, let's talk about how today's webinar works. If you're having technical problems, Carla mentioned this earlier, but my phone was just ringing while we were sitting here going over the first few slides, likely someone with a technical problem. If you have a technical problem and can hear my voice, but cannot log onto the online portion of the webinar, remember to call the AT&T Support Desk at 1-888-796-6118. But that number's also in the invitation that you received for today's presentation. So, the telephone numbers, there's a couple of them on that email, for the AT&T Connect Support Desk, if you're having any trouble. Otherwise, just keep listening in. Don't sweat it. Just listen in and follow along with the PowerPoint that accompanied the invitation for today. This is why we will periodically announce the page numbers, so that folks can keep track with where we are in the presentation. So, for example, we are currently on slide four. So, for more Small Business Program training, you can visit the SBA Learning Center at [sba.gov](http://sba.gov).

Now, before we go to the next slide, I'd like to take a moment to discuss part of how we maintain the list of those to receive invitations for future programs. We use the email address you enter when you log in to the webinar, and merge that with our existing email list, like with emails that we receive from folks that just want to get added to the program, we'll add their names to the list. So, when you log on to this webinar each time, if you mistype your address, it gets saved, and an email would be sent to that address for the next First Wednesday session, which, of course, generates an undeliverable email notification back to us. So, some examples that we have received are incorrectly typed email addresses. As folks are quickly typing, they misspell their own name or even enter in an incomplete email address. Believe it or not, we get quite a few of these each month, and we have to manually scrub our email list, which takes time. But most importantly to you is that you may not get an email notification for the next First Wednesday Webinar! So, please take care how you enter your information when you sign in, as we do use that information to make sure that folks are notified about the First Wednesday session.

So, I'm going on to slide five. The Association of Procurement Technical Assistance Centers hosts a website where they post past First Wednesday programming. Their website is provided here on slide five. We also provided a

link to how PTACs partner with federal agencies. To learn more about PTACs and where the closest one to you is located, see the link on this slide. Partnering with the PTAC for an Industry Day, sharing sources sought and RFI notices or referring small-business concerns for PTAC are just a couple of reasons PTACs are such a useful resource for acquisition personnel.

So this slide, slide six, of course, is a reminder that we're in this trial time for December, January, and February with the one o'clock to two o'clock p.m. Central start time. And these, again, are to accommodate some folks in the far west time zone. So, for instance, right now, it's about 9:00 a.m. in Hawaii. Hawaii, Alaska, and the western U.S. can participate at a much more reasonable hour if we hold these sessions later in the day. Also note on this slide that the two topics for two of the scheduled events have been swapped. Next month, Val Coleman, a veteran First Wednesday presenter, will be discussing SBA surveillance reviews 2017. So, you may be very interested in learning about what SBA looks at when performing a surveillance review on a contracting activity. Or perhaps you have a New Year's resolution to focus on improving areas of your small-business program, so you'll want to tune in for that one next month.

So, today's presentation is one continuous-learning point, one CLP. So what you'll do is fill out your name on the certificate slide, which is slide eight. So there's a blank in the middle of the slide where you're going to fill your name in, and then print that slide, and then download it into FAITAS or whatever your agency's tracking system is for tracking your CLP.

So, with that, we'll begin today's presentation on slide nine. The speaker will be directing me to change the page, and as the presentation progresses, there may be some delay as the slide changes on your screen. These are just one of those remote-location webinar issues.

Please welcome Holly Schick, the director of SBA's All Small Business Mentor-Protégé Program. Holly?

Holly Schick:

Good afternoon, everyone. I hope you can hear me okay. First and foremost, happy holidays to everyone! We're pleased to be here today to provide this webinar briefing to you on the new All Small Mentor-Protégé Program. There are a couple folks here in the room with me who are going to be available for Q&As as well as participating in a presentation on a couple of the subject-matter-expert areas. So, I'd like to introduce them first before I get started.

First, we have Sandra Clifford, who is the deputy director of the All Small Mentor-Protégé Program. We have JoAnn Braxton, who is a [inaudible 00:10:57] analyst with the All Small Program. We have Latrice Andrews, who is also a business analyst with the Mentor-Protégé Program. One other staff member, Derek Brown, a business analyst, couldn't be with us today. He's actually presenting for me at a veterans' panel as we're speaking. I'd like to also

introduce Stan Jones, who is the manager of the 8(a) Management and Technical Assistance Area Mentor-Protégé Program. And then finally, but not last, we have John Klein, who is a senior procurement and acquisitions attorney with our Office of General Counsel, and also [Sam Lee 00:11:45], who is with our Office of General Counsel. They're here to talk about specific areas in the presentation and help support us as we get into perhaps technical areas that their guidance would be beneficial.

So, anyway, that's who is here in the room with us. As mentioned before, the question and answers, we will hold those 'til the end of the presentation. What I'd like to address Q&A-wise on today's call would be perhaps general policy and process questions. If there are specific in-depth questions regarding cases or individual situations, let's take those offline and deal with those through our mailbox, and I think that'll be a more efficient use of our time.

Next slide, please. Let's get started with just a little bit of background on the program. The authorization for the All Small Mentor-Protégé Program came from two venues: One, the 2010 Small Business Jobs Act, and also the 2013 National Defense Authorization Act.

Female: One moment, please, Ms. Holly.

Female: Could you go to the next slide, please?

Female: She was already there.

Holly Schick: Oh, okay.

Female: M'kay.

Holly Schick: Okay. I think we're not on the right slide here.

Sam Lee: Back one.

Holly Schick: Go back one.

Sam Lee: There we go.

Holly Schick: Yeah, okay. I think in general, to highlight what those pieces of legislation did was basically request that we establish programs for mentor-protégé relationships that was same and similar to the 8(a) program. 8(a) had been very successful, and there were other constituencies and programs, such as the veteran-owned businesses, woman-owned businesses, and HUBZone businesses, that the legislature felt that we could expand and broaden our reach for the program. The program was established for basically two reasons: one, to continue and expand developing strong protégé firms through mentor-provided

business-development assistance, and two, to enhance the ability of these protégé firms to successfully compete for government contracts.

Next slide, please. Just a couple highlights: The final rule was effective on August the 24th, 2016. It basically created one what we call All Small Mentor-Protégé Program, rather than establishing four separate programs, one for 8(a), one for veterans, one for women-owned, and one for HUBZone. One omnibus, if you would, program was created that would cover all of those areas. The rule basically streamlined the program and made the All Small Mentor-Protégé Program and the 8(a) program very similar where it made sense, and so that we could make it more efficient and in some regards be more collaborative in terms of how these programs were administered.

A couple other things provided in the rule: Basically, it outlined the contents for joint-venture agreements for both programs, bringing clarity to that particular aspect of the program. And one other item that there seems to be a lot of discussion out there and speculation about at this point in time is that it authorized SBA to evaluate other federal agency mentor-protégé programs. And I'll make a footnote to that right now, is that we have been spending our time, 100%, establishing the new All Small Mentor-Protégé Program, and are basically waiting until next year to review the policy and decide how SBA as an agency is going [inaudible 00:16:46] with that provision in the regulation that says that we will evaluate those other federal agency programs. So, at this point, no work has been done in that regard, nor has any policy or research been done, but again, that will take place at the beginning of next year.

Yes ... Next slide, please.

Jan Kaiser: [inaudible 00:17:17].

Holly Schick: What you see on this slide is a screen copy of our website here on SBA's website. It's basically an introduction to the program, and a couple things I want to highlight at this point: One, SBA officially began accepting applications on October 1st. We did so using a, if you will, I'll call it a Plan B application process, because the main online application through what we call [certify.sba.gov](http://certify.sba.gov) was not ready at that point in time, but we wanted to keep the commitment that we would begin accepting applications then. So, we set up an interim process to allow folks to use an email avenue to get applications to us.

After about 30 days, around the beginning of November, the formal application process, which is [certify.sba.gov](http://certify.sba.gov), became available to the public, and it became our official avenue for accepting digital applications for the All Small Mentor-Protégé Program. We have, since then, ceased accepting applications through the email process, so it's important to note that we will not accept paper applications. This is an entirely digital process. We're very proud of that fact, because it is building in some efficiency and things into our program that we're excited about, and think that it will improve the customer experience for both

our protégés and mentors in the long run. So, the key thing to note here from this slide is no paper applications are accepted, and that, basically, if a protégé is going to make application now, it must be through the [inaudible 00:19:42] [certify.sba.gov](http://certify.sba.gov).

One other thing, and by the way, that is dealt with on SBA's website under the section that says How To Apply. The instructions are fairly simple and straightforward. One thing I want to note at this particular point, before I get any further into the detail, the information, is that when you are working with or speaking with potential protégé firms or mentor firms that are considering a partnership, they need to have developed and formed that relationship prior to submitting their application. If they come into the application format and they have not yet identified a mentor, then they're basically not going to make any progress through the application process. And the important thing to note for folks is that we are not a matching program. Again, folks are expected to have their mentors identified and be pretty much mature in the development of that relationship before they approach filling out the application for us. So I wanted to say that upfront, because more and more as we get experience in accepting applications and getting inquiries from the public, we are hearing folks are expecting us to do the matching, and that is something that we as a program do not do.

Next slide, please. There are a couple quick highlights on the program administration that I think it's worth noting. One, this program is a centralized model. And what I mean by that is that the staff that is here today is the staff of the All Small Mentor-Protégé Program. We are not a distributive model, like the 8(a) program, which has a process, a multi-tiered process, that goes from the district offices in different levels, different approval and review stages, and up here through headquarters. The applications for All Small come in directly centralized into Certify, the electronic venue, and the staff here in headquarters are the ones that review the applications, do the research and the analysis, and the approvals or denials get done here in this office, recommended by the staff, and then eventually signed, approved or denied, by me. That is a key distinction of our program and the different way that it is organized from the 8(a) program.

I've spoken a little bit about the online application in [certify.sba.gov](http://certify.sba.gov). Another requirement of our program is that there is an online tutorial. That tutorial resides in the SBA Online Learning Center, and it is right now the top featured tutorial in their catalog of programs. Both the mentor and protégé are required to take that tutorial and upload their completion certificate as part of the electronic application. I might add that that tutorial not only includes some of the very basic eligibility requirements and aspects of things that I'm reviewing today, but it also takes a step back from a business-development perspective and asks the protégé and the mentor to consider, is this opportunity right for you? Are you ready to enter into the government marketplace? Is your business ready and mature enough to do this? So, we spend a little bit more time talking about the readiness and preparedness for the mentor/protégés, and we also go

into depth about the resource-partner network that is out there and available in case they have questions or they're not sure whether or not they are ready or have the capability to move forward.

Early on, it was mentioned about the PTACs. We talk about that. We talk about SBDCs, Women's Business Centers, SCORE, and of course SBA's district offices. But that tutorial is meant to cover, again, not only the bare minimum of the requirements of the program, but more asking the applicants to think, and think twice, about if this is the right opportunity and the right timing for them.

This program is also similar to 8(a) in that we are requiring an annual review and annual reporting. And that evaluation process, we will contact the mentor-protégé agreement holders 60 days prior to the end of the period and provide them with a reporting format that they will submit to us. I think that one thing that is important to mention in that annual-review process, and I think it's somewhere else here in the presentation, but I want to mention it right now, is that as folks go in and apply in [certify.sba.gov](https://certify.sba.gov), we do not require upfront that they submit financial statements and/or tax returns. We want to make sure that we're getting just the right amount of information we need to make decisions that does not become a barrier to entry into this program, but that we reserve the right at any time along the way, should there be questions or concerns from the protégé firm that the mentor is not delivering what they say that they were going to deliver, or any reason that in our evaluation process we feel there's a concern, we have the right, reserve the right, to ask for those documents to facilitate our review and evaluation, and to make sure that folks are being compliant with the program.

The term of the agreement is that we will approve an MPA for a three-year period with annual reviews. We have the option of renewing it for another three years if everything is going well, but that is the limitation of the program, a maximum of six years. We are also providing some draft template documents. MPA, a mentor-protégé agreement, is actually on our website now. We will not be providing a draft template agreement for a joint venture. We are developing a fact sheet regarding that, and both in the tutorial and on our website, we refer directly back to the regulations, because it's very specific about what items need to be in an acceptable joint-venture agreement. So, again, we won't be providing a template for that, but directing folks back to the reg, and then listing out in our supplemental documents what needs to be included in those documents.

One final item on the program administration that I want you to be aware of is that as this is a new program, there was, I guess, a lot of speculation about the demand out there for folks to apply and get access into the federal-acquisition marketplace through this program. So, what we have done is the agency has decided that we are going to build staffing and resources based upon the demand driven from the marketplace. So, we started out here at headquarters with a moderate staffing level, and there is a commitment from the agency that

as the demand increases, the resources will adjust accordingly, so that we can continue to provide the high level of customer service that we have built into our process and our documents from the beginning. So, I know there were some folks out there that had concerns about that, but we are staffed at a good level right now, with excellent subject-matter experts on the team here, and surrounded by a team of experts that our quality and customer-service level is high. And we intend to move forward and adjust resources accordingly as the demand for the program grows.

Next slide, please. These are just a couple of highlights that I want to call to your attention, areas that we're getting routine questions on. First of all, the protégé firm can only really have one mentor at a time. We can, however, approve a second one if there is no conflict or competition. The protégé can only have what we call two SBA MPAs in its lifetime. And SBA's mentor-protégé programs, there are two right now, one, the 8(a) program, and the All Small Mentor-Protégé Program. They are separate. They are designed to be similar, but they are separate. And when we say there are limitations on the number of SBA MPAs, that refers specifically to 8(a) and All Small. So, a firm could have two All Small. It could have two 8(a). It could have one of each. But, again, the maximum is two for the lifetime. That other programs in the federal government that they may participate in, not affected by this particular part of our rule. Mentors cannot have more than three protégés at a time, in the aggregate, but this is not a lifetime stipulation, as it is with the protégé firms, so that mentors can only have three at any one time, but again, no lifetime limitation. As those expire, they can move into others.

The mentors and protégés must either be for-profit entities, or the small exclusion being the agricultural cooperative. Participants can be both a mentor and a protégé at the same time if no competition or conflict exists. We review those particular requests in the application very carefully, and that is the justification for why, in the online application, we ask for certain documents to be uploaded, so that we [inaudible 00:32:13] our analysis, and make sure that we are protecting those relationships that we're moving forward with.

The participants really self-certify as small in the NAICS codes in which they're seeking business-development assistance. They can also request a mentor-protégé relationship in a secondary NAICS code, but they have to have had experience in that second NAICS code. And, again, we're just now seeing applications that are getting a little bit more complex, where folks are wanting to do some things, and our analyst teams are really doing a great job at looking at the materials in Certify and, again, making sure that everything is ticked and tied and that we've met the intent of the regulation.

Next slide, please.

Jan Kaiser: [inaudible 00:33:24]



Holly Schick:

What'd she say? Next slide, please. As I just mentioned, SBA won't authorize MPAs in a secondary NAICS if the firm hasn't performed any work in that NAICS code.

With the 8(a) program specifically, the reg basically said that if you are an existing 8(a) firm, and you have mentor-protégé relationships, you can request to transfer those over to the All Small Mentor-Protégé Program. And we have put some process and some rules in place that allow that to happen, but basically, in our electronic online application, that's the first question we ask. If you're an existing 8(a) firm and you wish to transfer, you can basically upload some documents, and the reg says that you do not need to fully reapply. So, again, there are specific processes that we've put in place there. If you have any questions in that regard that are more detailed-oriented, we can deal with that offline through our email.

Again, I mentioned before, we don't require financial statements or tax returns, at least on the front end. We do, however, still require a business plan, whether it's an SBA-approved format or another. What we are looking for in a business plan is to hopefully identify that a firm has built into its plan, into its strategic plan, the goal and the vision to grow and expand into the government marketplace. So, we look for some consistency between what the operating plan and strategic plan is, of the firm, and wanting to make sure that they've thought about this, and hopefully, again, there's some consistency. If the business plan is pretty basic, we're not going to deny an application, but we will continue to watch and identify with that firm, as we're doing our annual evaluation, to make sure that they're progressing, and encourage them to continue to build that into their business processes and their strategic plan.

Next slide, please. Within the All Small Mentor-Protégé Program, there are generally six areas where protégés can request business-development assistance from their mentor. These categories are very similar to the categories that currently exist in the 8(a) program. I'm going to go through them really, really quickly, because we do have one additional new area that we've added here. The first one is management and technical assistance. That's the standard internal business-management system. A protégé would hope to, perhaps, improve maybe an accounting system or something, and learn from the mentor company, so that they can suit up and be better able to handle federal contracts. Financial assistance: They can receive that in the form of equity investments or loans from the mentor. Contracting assistance, which is, of course, what everybody gravitates to, and thinks that that is the primary reason that folks form a relationship, where the assistance could be just education and knowledge in contracting processing, capabilities, acquisitions, and performance. It's basically using the mentor to help guide and develop you in how you can be a good contractor or subcontractor in the federal marketplace.

The new one that was added was trade education. Folks within this agency and policy areas felt that a protégé firm could learn a great deal from a mentor if

they wanted to expand into international markets; international markets either including government contracting and/or other kinds of commercial development. So if, for example, a firm checks trade education, the mentor then would hopefully provide just knowledge and mentoring on how to learn how to export, help them do, perhaps, an international-trade business plan, identify markets, those kinds of things. We haven't had very many requests, but out of the approximate 45 mentor-protégé agreements that we've approved so far, I think we've had about five of those folks asking to include trade education as part of the services the mentor's going to provide.

Business-development assistance is basically a strategy helping the protégé find contracting and partnership opportunities. Business development in this sense is different from management and technical assistance. Whereas management and technical assistance is internal, business development is external, finding, again, new sources of business, contracting, and partnership opportunities.

The last one, general and/or administrative assistance, business processes and support, could be bonding, could be any other kinds of area administratively that isn't necessarily covered, so it's a little bit of a catch-all. A protégé firm can request one or all, any of these that apply, as long as in the mentor-protégé agreement, they outline a couple of things: one, what the expectation is that the mentor company will provide to the protégé, what the need is, what the response is going to be, what the timeframe is for that service being provided, and then, finally, how are we going to measure success? If a protégé needs X service or X education, what is going to be the definition of that? So, when will we know when we've been successful with that? Those are things that are outlined in the mentor-protégé agreement, and we review in our template, as well as in the tutorial, of those kinds of things that should appear.

Next slide, please. I'm going to make a couple of remarks just briefly about joint ventures, and then on a couple of the slides, I'm going to ask Sam Lee from our Office of General Counsel to speak specifically on a couple of the items of the limits on subcontracting. Basically, when it comes to joint ventures, I think the important thing to understand between the 8(a) program and the All Small Mentor-Protégé Program is that in our program, we do not review, recommend, coach, or approve any joint-venture agreement for the mentor/protégé. That is different than in the 8(a) program, where there is a developmental approval process. I think that from our perspective, we've include in our materials, again, coaching, kind of directed back to the regulation in terms of what needs to be required in those agreements. But, again, we're not reviewing them, and we're not approving them.

Let me go to the next slide. John? Yeah.

John Klein: Regarding the joint-venture approval, what counts is the contract you're going after, but even if you have a All Small mentor-protégé relationship, if you're going after a 8(a) contract, which would otherwise eligible, the 8(a) program

would have to approve that joint venture. So, again, it's going through the 8(a) context, only the 8(a) context. No matter what type of mentor-protégé relationship you have, whether it's 8(a) or All Small, you don't have to get approval outside of the 8(a) context. You do for an 8(a) contract.

Holly Schick: Good point. Thanks for the clarification, John.

On the next slide, it talks about, generally, the protégé needs to go into SAM and make sure that the joint ventures are registered there. In our program, we have also developed, it's not really an approval letter, but it is a format that basically notifies not only our office, but the contracting officer that a mentor-protégé agreement and a resulting joint-venture agreement have been entered into, and that it meets the requirements as stipulated in the regulation. The regulation does require that notification be given both to our office and the contracting officer when that happens. And, again, just finally, in order to receive the exclusion from affiliation, the joint venture has to meet the requirements as outlined in that section of the CFR.

Next slide, please.

Jan Kaiser: Slide ...

Holly Schick: Again, just reviewing, we do not review, evaluate, or approve joint-venture entities or joint-venture agreements. And, again, referring back to John's clarification on when a review and approval would be required on an 8(a) contract. The guidance that we are basically giving is that the contracting offices need to continue to follow their normal procedures. The All Small, we do not change that process in any way.

Okay, moving on to the next slide. I'm actually going to move on to the next slide. Let's skip this one and just move on to the next one.

Jan Kaiser: [crosstalk 00:45:40]

Holly Schick: I'm going to turn it over to Sam Lee right now, and ask him to talk about the content on this particular slide and the next one, which deals with the limitations on subcontracting. Sam?

Sam Lee: Sure. There's an Ostensible Subcontracting Rule, SBA's affiliation rule, which states that a prime contractor and a subcontractor could be considered joint venturers and affiliated if the subcontractor performs the primary and vital requirements of contract, or the prime contractor is unusually reliant upon [inaudible 00:46:18]. Under the All Small Mentor-Protégé Program, because the mentor and protégé would be forming a joint venture for contract performance, the Ostensible Subcontractor Rule would not apply to the relationship between the mentor and the protégé. In other words, the result of the Ostensible

Subcontractor Rule is that it would be considered to be a joint venture, but in these cases, the mentor and protégé are already a joint venture.

However, SBA still could apply the Ostensible Subcontractor Rule to subcontracts that are issued by the joint venture to parties other than the mentor/protégé. So, say there's a third party that receives a subcontract from the joint venture. It's possible that the Ostensible Subcontractor Rule could apply to that third-party subcontract. And, as always, if there's any question about affiliation or size from the procuring agency, the procuring agency should refer that question to SBA, so that SBA can conduct a review and [inaudible 00:47:28] determination, and there are procedures in 13 CFR 121 of SBA's rules for referring a potential awardee to SBA for a status determination.

[inaudible 00:47:44]. This is really just an FYI, and maybe a bit off topic, but SBA, around the same time that we issued the Mentor-Protégé Program Rule, we also issued a change to our limitations on subcontracting rules. It's now at 13 CFR 125.6, and it's reflected in the eCFR, and because it's 2016, it'll be updated in the next text version of the CFR. Principally, the changes are now that the limitation is on paying more than 50% for supplies and services of the amount paid by the government to non-similarly-situated subcontractors. Payments to similarly situated entities are not considered to be subcontracted amounts, and for multiple-item procurements [inaudible 00:48:36] supplies, the limitations on subcontracting percentage is applied to the value of the products, not counting any products for which SBA has waived Non-Manufacturer Rule. These updates are just now in SBA's rules, so they're not yet reflected in the FAR.

Next slide.

Holly Schick: M'kay. Sam, thank you.

Sam Lee: You're welcome.

Holly Schick: We're almost to the end of the formal deck here, so this last page is really, again, a couple highlights that I want to make sure I leave you with. Again, it's important to understand that the protégés are responsible for finding their own mentors. And, again, if they have any concerns or need any assistance with that, we are aggressively working with our resource partner counterpart, and beginning to build a referral network so that folks can get that business-development coaching and work with business counselors on a free and confidential basis to try to figure out, how do I find that right mentor company, given what my strategic business plan goals are?

And that kind of accrues back to the last bullet on this page, which has to do with the mentor-protégé agreement, the measurable milestones. The developmental assistance that the protégé is seeking, we want to make sure that it aligns with their business plan, and that they are just not pursuing this market growth opportunity without thoroughly analyzing within their own

business the capacity, what it's going to do for their company, what are their needs, and how are those needs going to improve their bottom line and help their company grow? So, again, that's one of the reasons why we look at the business plan, but also in the mentor-protégé agreement template that we're having folks take a look at, it asks all of those questions, because we want people to be thoughtful before they enter into this.

I think it's important, too, for the folks on the call to understand that [certify.sba.gov](https://certify.sba.gov), as a full electronic portal and application for this process, has been designed so that it is not only educational, but that it is built with the idea of efficiency in mind on behalf of the customer. The questions are designed, and there aren't very many of them, but the questions are designed around eligibility criteria, so that we do not want people spending time filling out forms or going through a process only to find out that they are not eligible, or it is not right for them. So, the online application process has been a very effective screening device, so that when folks get in there and they're applying, they've taken the tutorial, that they realize they're not ready, or they don't have their document completed or whatever, they can save it and come back to it at a later point.

So, the [certify.sba.gov](https://certify.sba.gov), I would encourage you to go take a peek. Log in and just see the different components of what Certify is offering. I would need to end with a plug for the whole [certify.sba.gov](https://certify.sba.gov) concept as a whole. It is basically being designed as a one-stop portal for application to all of SBA's government-contracting and business-development programs. We're about halfway down what we call the roadmap, but, again, it's all in the service of a better customer experience and encouraging and educating more small businesses to take advantage of our programs, and we are going to be continuing into the new year to reach out to contracting officers, to identify things that they're looking for that will help their decision-making, and how we can improve our education and our process.

So, I want to leave with that. On the very last page, under Resources, there is the address for our webpage, and, again, you had seen earlier a snapshot of that. There is the linkage for the tutorial. We have had over 1,000 people taking the tutorial, which I think is a really good sign. They've not all converted to applications, but what that tells me is that there's a big interest out there for the program, and, again, we are looking for feedback and as much information on what you need and what your experiences are, so that we can ... The new word of the day is agile. So, as we can continue to develop this program in an agile way, and making sure that we're meeting all of our customers' needs. And we do consider you as one of our customers. And finally, we have our mailbox address up there, and we all monitor the mailbox and would look forward to your comments and input as we move forward to grow this program.

So i-

Jan Kaiser: Thank you, Holly. If we could take just a couple of questions really quick. We're running out of time. Deborah, do you think [inaudible 00:55:33] questions you could key in on?

Deborah Crumity: Yes. I would say Holly answered most of the questions, but we do have one, that extra question regarding ... I apologize. My screen keeps moving while I'm scrolling down. It says, "The All Small Mentor-Protégé does not require mentor firms submit financials or tax returns unless we later feel they are warranted. Therefore, if a protégé firm fails to get their [inaudible 00:56:09] between- because a mentor firm is not financially capable, capable, is there a waiver request process protégé firm can execute, so that SBA void existence All Small Mentor-Protégé, and reinstate it's full two MPA eligibility?" That's the question.

Female: I [inaudible 00:56:35]?

John Klein: Well, in determining whether or not a mentor is financially capable, all we're looking to see is whether or not the mentor can fulfill its obligations under the mentor-protégé agreement. If you can demonstrate that, that's all that we are requiring. I'm not really sure what you're asking besides that.

Deborah Crumity: 'Kay. The next question: "Do 8(a) firms have a choice in which mentor-protégé program they use?"

Holly Schick: Yes. And actually, I'm going to take advantage of Stan Jones being here, and call on him, from the 8(a) program. Would you like to address that?

Stanley Jones: Yes. Hello, my name is Stanley Jones. Thank you, Holly. And yes, the participants in the 8(a) program do have a choice. They can either elect to participate in the 8(a) mentor-protégé program, or they could elect to participate in the All Small Mentor-Protégé Program with SBA. Thank you.

Jan Kaiser: So, Holly, if we weren't able to get to the questions that we've received today, can they email the questions to the allsmallmpp@sba.gov site?

Holly Schick: Absolutely. The last email that's up there on the slide.

Jan Kaiser: Okay. Great. Thank you. Thank you, Holly! Happy holidays to everyone! And remember that the next First Wednesday session will be on January 11th at two o'clock Central.

Holly Schick: All righty! Thank you very much!

Carla: Thank you for joining us today. This concludes our event, and you may now disconnect.