# APPENDIX I - POLICY AND PROCEDURES FOR THE DOD PILOT MENTOR-PROTEGE PROGRAM

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**Parent topic:** Defense Federal Acquisition Regulation

## I-100 Purpose.

(a) This appendix implements the DoD Mentor-Protégé Program (referred to as the Program) authorizedunder 10 U.S.C. 4902. The purpose of the Program is to provide incentives to DoD contractors to furnish eligible small business concerns with assistance designed to—

(1) Enhance the capabilities of eligible small business concerns to perform as subcontractors and suppliers under DoD contracts and other contracts and subcontracts; and

(2) Increase the participation of such business concerns as subcontractors and suppliers under DoD contracts, other Federal Government contracts, and commercial contracts.

(b) Under the Program, eligible companies approved as mentor firms will enter into mentor-protege agreements with eligible protege firms to provide appropriate developmental assistance to enhance the capabilities of the protege firms to perform as subcontractors and suppliers. DoD may provide the mentor firm with either cost reimbursement or credit against applicable subcontracting goals established under contracts with DoD or other Federal agencies.

(c) DoD will measure the overall success of the Program by the extent to which the Program results in—

(1) An increase in the dollar value of contract and subcontract awards to protege firms (under DoD contracts, contracts awarded by other Federal agencies, and commercial contracts) from the date of their entry into the Program until 5 years after the conclusion of the agreement;

(2) An increase in the number and dollar value of subcontracts awarded to a protege firm (or former protege firm) by its mentor firm (or former mentor firm); and

(3) An increase in protégé participation in DoD science and technology programs; and

(4) An increase in job creation of protégé firms from the date of execution of the mentor-protégé agreement until 5 years after completion of the mentor-protégé agreement.

(d) This policy sets forth the procedures for participation in the Program applicable to companies that are interested in receiving—

(1) Reimbursement through a separate contract line item in a DoD contract or a separate contract with DoD; or

(2) Credit toward applicable subcontracting goals for costs incurred under the Program.

## I-101 Definitions.

As used in this appendix—

"Affiliation" means, with respect to a relationship between a mentor firm and a protege firm, a relationship described under 13 CFR 121.103.

"Eligible entity employing the severely disabled" means a business entity operated on a for-profit or nonprofit basis that—

(1) Uses rehabilitative engineering to provide employment opportunities for severely disabled individuals and integrates severely disabled individuals into its workforce;

(2) Employs severely disabled individuals at a rate that averages not less than 20 percent of its total workforce;

(3) Employs each severely disabled individual in its workforce generally on the basis of 40 hours per week; and

(4) Pays not less than the minimum wage prescribed pursuant to section 6 of the Fair Labor Standards Act (29 U.S.C. 206) to those employees who are severely disabled individuals.

"Severely disabled individual" means an individual who is blind or severely disabled as defined in 41 U.S.C. 8501.

## I-102 Participant eligibility.

(a) To be eligible to participate as a mentor, an entity must—

(1) Be eligible for the award of Federal contracts;

(2) Demonstrate that it—

(i) Is qualified to provide assistance that will contribute to the purpose of the Program;

(ii) Is of good financial health and character;

(iii) Is not on a Federal list of debarred or suspended contractors; and

(iv) Is an other than small business concern, unless approved by the Director of the Office of Small Business Programs (OSBP), Office of the Under Secretary of Defense, Acquisition and Sustainment (OUSD(A&S)), in accordance with 13 CFR 121.103 regarding “affiliation and relationship”; and

(3) Be capable of imparting value to a protégé firm because of experience gained as a DoD contractor or through knowledge of general business operations and Government contracting, as demonstrated by evidence that such entity—

(i) Received DoD contracts and subcontracts equal to or greater than $25 million during the previous fiscal year;

(ii) Is a prime contractor to DoD with an active subcontracting plan;

(iii) Has graduated from the 8(a) Business Development Program and provides documentation of its ability to serve as a mentor; or

(iv) Is otherwise capable to assist in the development of protégé firms and is approved by the Director OSBP, OUSD(A&S).

(b) To be eligible to participate as a protege, an entity must be—

(1) A small business concern;

(2) Eligible for the award of Federal contracts;

(3) Not more than the Small Business Administration (SBA) size standard for its primary North American Industry Classification System (NAICS) code;

(4) Not owned or managed by individuals or entities that directly or indirectly have stock options or

convertible securities in the mentor firm; and

(5) At least one of the following:

(i) A qualified HUBZone small business concern.

(ii) A women-owned small business concern.

(iii) A service-disabled veteran-owned small business concern.

(iv) An entity owned and controlled by an Indian tribe.

(v) An entity owned and controlled by a Native Hawaiian organization.

(vi) An entity owned and controlled by socially and economically disadvantaged individuals.

(vii) A qualified organization employing severely disabled individuals.

(viii) A nontraditional defense contractor.

(ix) An entity that currently provides goods or services in the private sector that are critical to enhancing the capabilities of the defense supplier base and fulfilling key DoD needs.

(c) Mentor firms may rely in good faith on a written representation that the entity meets the requirements of paragraph (b) of this section, except that a mentor firm is required to confirm a protege's status as a HUBZone small business concern (see FAR 19.703(d)).

(d) If at any time the SBA (or DoD in the case of entities employing severely disabled individuals) determines that a protege is ineligible, assistance that the mentor firm furnishes to the protege after the date of the determination may not be considered assistance furnished under the Program.

(e) A mentor firm may not enter into an agreement with a protege firm if SBA has made a determination of affiliation. If SBA has not made such a determination and if the DoD (OSBP) has reason to believe, based on SBA’s regulations regarding affiliation, that the mentor firm is affiliated with the protege firm, then DoD OSBP will request a determination regarding affiliation from SBA.

(f) A company may not be approved for participation in the Program as a mentor firm if, at the time of requesting participation in the Program, it is currently debarred or suspended from contracting with the Federal Government pursuant to FAR subpart 9.4.

(g) If the mentor firm is suspended or debarred while performing under an approved mentor-protege agreement, the mentor firm—

(1) May continue to provide assistance to its protege firms in accordance with the approved mentor-protege agreement entered into prior to the imposition of such suspension or debarment;

(2) May not be reimbursed or take credit for any costs of providing developmental assistance to its protege firm, incurred more than 30 days after the imposition of such suspension or debarment; and

(3) Must promptly give notice of its suspension or debarment to its protege firm and the Director, OSBP, of the cognizant military department or defense agency.

(h) Within 30 days of any change in status affecting eligibility, mentors and protégés must give notice and explanation of pertinent facts to each other, the Director of OSBP, OUSD(A&S), and the

Director, OSBP, of the military department or defense agency.

## I-103 Incentives for mentors.

~~(b)~~ Mentors incurring costs through September 30, 2026, pursuant to ~~an approved~~ **[a]** mentor-protégé agreement **[approved prior to December 23, 2022**, **and mentors incurring costs pursuant to a mentor-protégé agreement approved on or after December 23, 2023,]** may be eligible for—

(a) Credit toward the attainment of its applicable subcontracting goals for unreimbursed costs incurred in providing developmental assistance to its protege firm(s);

(b) Reimbursement pursuant to the execution of a separately priced contract line item added to a contract; or

(c) Reimbursement pursuant to entering into a separate DoD contract upon determination by the Director, OSBP, of the cognizant military department or defense agency that unusual circumstances justify using a separate contract.

## I-104 Selection of protege firms.

(a) Mentor firms will be solely responsible for selecting protege firms that qualify under I-102(b). Mentor firms are encouraged to identify and select concerns that have not previously received significant prime contract awards from DoD or any other Federal agency.

(b) The selection of protege firms by mentor firms may not be protested, except as in paragraph (c) of this section.

(c) Any interested party may file a protest of the selection of a protégé firm directly with the Director, OSBP, OUSD(A&S) or the Director, OSBP, of the cognizant military department or defense agency. In the event of a protest regarding the size or status of an entity selected to be a protege firm, the Director, OSBP, OUSD(A&S), or the Director, OSBP, of the military department or defense agency must refer the protest to the SBA to resolve in accordance with 13 CFR Part 121 (with respect to size) or other parts of title 13 of the CFR or this appendix (with respect to the protégé's socioeconomic status). The Director, OSBP, OUSD(A&S), or the Director, OSBP, of the military department or defense agency shall decide protests concerning all other aspects of a protégé's eligibility for the Program (e.g., nontraditional defense contractor or entity employing the severely disabled).

(d) For purposes of the Small Business Act, no determination of affiliation or control (either direct or indirect) may be found between a protege firm and its mentor firm on the basis that the mentor firm has agreed to furnish (or has furnished) to its protege firm, pursuant to a mentor-protege agreement, any form of developmental assistance described in I-106(d).

(e) A protege firm may not be a party to more than one DoD mentor-protege agreement at a time, and may only participate in the Program during the 5-year period beginning on the date the protege firm enters into its first mentor-protege agreement.

# I-105 Mentor approval process.

(a) An entity seeking to participate as a mentor must apply to the Mentor-Protégé Program Director, OSBP, OUSD(A&S), to establish its initial eligibility as a mentor.

(b) The application must provide the following information:

(1) A statement that the entity meets the requirements in I-102(a), specifying the criteria in I-102(a)(3) under which the entity is applying.

(2) A summary of the entity's historical and recent activities and accomplishments under its small and disadvantaged business utilization program.

(3) The total dollar amount of DoD contracts and subcontracts that the entity received during the 2 preceding fiscal years. (Show prime contracts and subcontracts separately per year.)

(4) The total dollar amount of all other Federal agency contracts and subcontracts that the entity received during the 2 preceding fiscal years. (Show prime contracts and subcontracts separately per year.)

(5) The total dollar amount of subcontracts that the entity awarded under DoD contracts during the 2 preceding fiscal years.

(6) The total dollar amount of subcontracts that the entity awarded under all other Federal agency contracts during the 2 preceding fiscal years.

(7) The total dollar amount and percentage of subcontracts that the entity awarded to firms qualifying under I-102(b)(5)(i) through (vii) during the 2 preceding fiscal years. (Show DoD subcontract awards separately.) If the entity was required to submit a Summary Subcontract Report (SSR) in the Electronic Subcontracting Reporting System, the request must include copies of the final reports for the 2 preceding fiscal years.

(8) Information on the company's ability to provide developmental assistance to its eligible proteges.

(c) A template of the mentor application is available at: https://business.defense.gov/Programs/Mentor-Prot%C3%A9g%C3%A9-Program/MPP-Resources/ .

(d) Companies that apply for participation and are not approved will be provided the reasons and an opportunity to submit additional information for reconsideration.

# I-106 Development of mentor-protege agreements.

(a) Prospective mentors and their proteges may choose to execute letters of intent prior to negotiation of mentor-protege agreements.

(b) The agreements should be structured after completion of a preliminary assessment of the developmental needs of the protege firm and mutual agreement regarding the developmental assistance to be provided to address those needs and enhance the protege's ability to perform successfully under contracts or subcontracts.

(c) A mentor firm may not require a protege firm to enter into a mentor-protege agreement as a condition for award of a contract by the mentor firm, including a subcontract under a DoD contract awarded to the mentor firm.

(d) The mentor-protege agreement may provide for the mentor firm to furnish any or all of the following types of developmental assistance:

(1) Assistance by mentor firm personnel in—

(i) General business management, including organizational management, financial management, and personnel management, marketing and technology commercialization, compliance systems, and overall business planning;

(ii) Engineering and technical matters such as production, inventory control, manufacturing, test and evaluation,and quality assurance; acquisition or transfer of hardware, tooling, or software; and technology transfer and transition; and

(iii) Any other assistance designed to develop the capabilities of the protege firm under the developmental program described in I-107(g).

(2) Award of subcontracts to the protege firm under DoD contracts or other contracts on a noncompetitive basis.

(3) Payment of progress payments for the performance of subcontracts by a protege firm in amounts as provided for in the subcontract; but in no event may any such progress payment exceed 100 percent of the costs incurred by the protege firm for the performance of the subcontract. Provision of progress payments by a mentor firm to a protege firm at a rate other than the customary rate for the firm must be implemented in accordance with FAR 32.504(c).

(4) Advance payments under such subcontracts. The mentor firm must administer advance payments in accordance with FAR subpart 32.4 .

(5) Loans.

(6) Assistance that the mentor firm obtains for the protege firm from one or more of the following:

(i) Small Business Development Centers established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

(ii) Entities providing procurement technical assistance pursuant to 10 U.S.C. Chapter 388 (Procurement Technical Assistance Cooperative Agreement Program).

(iii) Historically Black colleges and universities.

(iv) Minority institutions of higher education.

(v) Women’s business centers described in section 29 of the Small Business Act (15 U.S.C. 656).

(vi) Manufacturing innovation institutes.

(e) Pursuant to FAR 31.109, approved mentor firms seeking either reimbursement or credit are strongly encouraged to enter into an advance agreement with the contracting officer responsible for determining final indirect cost rates under FAR 42.705. The purpose of the advance agreement is to establish the accounting treatment of the costs of the developmental assistance pursuant to the

mentor-protege agreement prior to the incurring of any costs by the mentor firm. An advance agreement is an attempt by both the Government and the mentor firm to avoid possible subsequent dispute based on questions related to reasonableness, allocability, or allowability of the costs of developmental assistance under the Program. Absent an advance agreement, mentor firms are advised to establish the accounting treatment of such costs and to address the need for any changes to their cost accounting practices that may result from the implementation of a mentor-protege agreement, prior to incurring any costs, and irrespective of whether costs will be reimbursed or credited.

(f) Developmental assistance provided under an approved mentor-protege agreement is distinct from, and must not duplicate, any effort that is the normal and expected product of the award and administration of the mentor firm's subcontracts. Costs associated with the latter must be accumulated and charged in accordance with the contractor's approved accounting practices; they are not considered developmental assistance costs eligible for either credit or reimbursement under the Program.

(g) The agreement shall demonstrate, through its execution, how it will contribute to the overall mission of DoD and/or fill or address an identified critical gap or vulnerability. Focus areas include, but are not limited to, manufacturing, research and development, and knowledge-based services.

## I-107 Elements of a mentor-protege agreement.

Each mentor-protege agreement shall contain—

(a) The name, address, email address, and telephone number of the mentor and protege points of contact;

(b) The NAICS code(s) that represent the contemplated supplies or services to be provided by the protege firm to the mentor firm and a statement that, at the time the agreement is submitted for approval, the protege firm does not exceed the size standard in I-102(b)(3);

(c) A statement that the protege firm is eligible to participate in accordance with I-102(b);

(d) A statement that the mentor is eligible to participate in accordance with I-102(a);

(e) Assurances that—

(1) The mentor firm does not share, directly or indirectly, with the protege firm ownership or management of the protege firm;

(2) The mentor firm does not have an agreement, at the time the mentor firm enters into a mentor-protege agreement, to merge with the protege firm;

(3) The owners and managers of the mentor firm are not the parent, child, spouse, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, or first cousin of an owner or manager of the protege firm;

(4) The mentor firm has not, during the 2-year period before entering into a mentor-protege agreement, employed any officer, director, principal stock holder, managing member, or key employee of the protege firm;

(5) The mentor firm has not engaged in a joint venture with the protege firm during the 2-year period before entering into a mentor-protege agreement, unless such joint venture was approved by SBA prior to making any offer on a contract;

(6) The mentor firm is not, directly or indirectly, the primary party providing contracts to the protege firm, as measured by the dollar value of the contracts; and

(7) The SBA has not made a determination of affiliation or control;

(f) A preliminary assessment of the developmental needs of the protege firm;

(g) A developmental program for the protege firm, including—

(1) The type of assistance the mentor will provide to the protege and how that assistance will—

(i) Increase the protege’s ability to participate in DoD, Federal, and/or commercial contracts and subcontracts; and

(ii) Increase small business subcontracting opportunities in industry categories where eligible proteges or other small business firms are not dominant in the company’s vendor base;

(2) Factors to assess the protege firm's developmental progress under the Program, including specific milestones for providing each element of the identified assistance;

(3) A description of the quantitative and qualitative benefits to DoD from the agreement, if applicable; and

(4) Goals for additional awards for which the protege firm can compete outside the Program;

(h) The assistance the mentor will provide to the protege firm in understanding Federal contract regulations, including the FAR and DFARS, after award of a subcontract under the Program, if applicable;

(i) An estimate of the dollar value and type of subcontracts that the mentor firm will award to the protege firm, and the period of time over which the subcontracts will be awarded;

(j) A statement from the protege firm indicating its commitment to comply with the requirements for reporting and for review of the agreement during the duration of the agreement and for 5 years thereafter;

(k) A program participation term for the agreement that does not exceed 23 years. The agreement may be extended for a period not to exceed 2 years if approved by the Director, OSBP, OUSD(A&S). The Director, OSBP, of the cognizant military department or defense agency will submit requests for an extension of the agreement to the Director, OSBP, OUSD(A&S) for approval. The request will include a justification describing the unusual circumstances that warrant a term in excess of 3 years;

(l) Procedures for the mentor firm to notify the protege firm in writing at least 30 days in advance of the mentor firm's intent to voluntarily withdraw its participation in the Program. A mentor firm may voluntarily terminate its mentor-protege agreement(s) only if it no longer wants to be a participant in the Program as a mentor firm. Otherwise, a mentor firm must terminate a mentor-protege agreement for cause;

(m) Procedures for the mentor firm to terminate the mentor-protege agreement for cause which

provide that—

(1) The mentor firm must furnish the protege firm a written notice of the proposed termination, stating the specific reasons for such action, at least 30 days in advance of the effective date of such proposed termination;

(2) The protege firm must have 30 days to respond to such notice of proposed termination, and may rebut any findings believed to be erroneous and offer a remedial program;

(3) Upon prompt consideration of the protege firm's response, the mentor firm must either withdraw the notice of proposed termination and continue the protege firm's participation, or issue the notice of termination; and

(4) The decision of the mentor firm regarding termination for cause, conforming with the requirements of this section, will be final and is not reviewable by DoD;

(n) Procedures for a protege firm to notify the mentor firm in writing at least 30 days in advance of the protege firm's intent to voluntarily terminate the mentor-protege agreement;

(o) Additional terms and conditions as may be agreed upon by both parties; and

(p) Signatures and dates for both parties to the mentor-protege agreement.

## I-108 Submission and approval of mentor-protege agreements.

(a) Upon solicitation or as determined by the cognizant military department or defense agency, mentors will submit—

(1) A mentor application pursuant to I-105, if the mentor has not been previously approved to participate;

(2) A signed mentor-protege agreement pursuant to I-107;

(3) A statement as to whether the mentor is seeking credit or reimbursement of costs incurred;

(4) The estimated cost of the technical assistance to be provided, broken out per year;

(5) A justification if program participation term is greater than 3 years (agreements may not exceed 5 years) (see I-107(k)); and

(6) For reimbursable agreements, a specific justification for developmental costs in excess of $1 million per year.

(b) When seeking reimbursement of costs, the military department or defense agency may require additional information.

(c) The mentor-protege agreement must be approved by the Director, OSBP, of the military department or defense agency prior to incurring costs eligible for credit.

(d) The cognizant military department or defense agency will execute a contract modification or a

separate contract, if justified pursuant to I-103(b)(3), prior to the mentor's incurring costs eligible for reimbursement.

(e) Credit agreements that are not associated with an existing DoD program and/or military department or defense agency will be submitted for approval to the Director, OSBP, Defense Contract Management Agency (DCMA), via the mentor's cognizant administrative contracting officer.

(f) A prospective mentor that has identified Program funds to be made available from a DoD program manager must provide the information in paragraph (a) of this section through the program manager to the Director, OSBP, of the military department or defense agency with a letter signed by the program manager indicating the amount of funding that has been identified for the developmental assistance program.

## I-109 Reimbursable agreements.

The following provisions apply to all reimbursable mentor-protege agreements including agreements that provide for both reimbursement and subcontracting credit:

(a) Assistance provided in the form of progress payments to a protege firm in excess of the customary progress payment rate for the firm will be reimbursed only if implemented in accordance with FAR 32.504(c).

(b) Assistance provided in the form of advance payments will be reimbursed only if the payments have been provided to a protege firm under subcontract terms and conditions similar to those in the clause at FAR 52.232-12, Advance Payments. Reimbursement of any advance payments will be made pursuant to the inclusion of the clause at DFARS 252.232-7005, Reimbursement of Subcontractor Advance Payments—DoD Mentor-Protege Program, in appropriate contracts. In requesting reimbursement, the mentor firm agrees that the risk of any financial loss due to the failure or inability of a protege firm to repay any unliquidated advance payments will be the sole responsibility of the mentor firm.

(c) The primary forms of developmental assistance authorized for reimbursement under the Program are identified in I-106(d). On a case-by-case basis, Directors, OSBP, of the military departments or defense agencies at their discretion, may approve additional incidental expenses for reimbursement, provided these expenses do not exceed 10 percent of the total estimated cost of the agreement.

(d) The total amount reimbursed to a mentor firm for costs of assistance furnished to a protege firm in a fiscal year may not exceed $1 million unless the Director, OSBP, of the military department or defense agency determines in writing that unusual circumstances justify reimbursement at a higher amount. Request for authority to reimburse in excess of $1 million must detail the unusual circumstances and must be endorsed and submitted by the program manager to the Director, OSBP, of the military department or defense agency.

(e) DoD may not reimburse any fee to the mentor firm for services provided to the protege firm pursuant to I-106(d)(6) or for business development expenses incurred by the mentor firm under a contract awarded to the mentor firm while participating in a joint venture with the protege firm.

(f) Developmental assistance costs that are incurred pursuant to an approved reimbursable mentor-protege agreement, and have been charged to, but not reimbursed through, a separate contract, or

through a separately priced contract line item added to a DoD contract, will not be otherwise reimbursed, as either a direct or indirect cost, under any other DoD contract, irrespective of whether the costs have been recognized for credit against applicable subcontracting goals.

# I-110 Credit agreements.

Sections I-110.1 and I-110.2 apply to all credit agreements, including agreements that provide for both credit and reimbursement.

## I-110.1 Program provisions applicable to credit agreements.

(a) Developmental assistance costs incurred by a mentor firm for providing assistance to a protege firm pursuant to an approved credit mentor-protege agreement may be credited as if the costs were incurred under a subcontract award to that protege, for the purpose of determining the performance of the mentor firm in attaining an applicable subcontracting goal established under any contract containing a subcontracting plan pursuant to the clause at FAR 52.219-9, Small Business Subcontracting Plan, or the provisions of the DoD Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans. Unreimbursed developmental assistance costs incurred for a protege firm that is an eligible entity employing severely disabled individuals may be credited toward the mentor firm's small disadvantaged business subcontracting goal, even if the protege firm is not a small disadvantaged business concern.

(b) Costs that have been reimbursed through inclusion in indirect expense pools may also be credited as subcontract awards for determining the performance of the mentor firm in attaining an applicable subcontracting goal established under any contract containing a subcontracting plan. However, costs that have not been reimbursed because they are not reasonable, allocable, or allowable will not be recognized for crediting purposes.

(c) Other costs that are not eligible for reimbursement pursuant to I-106(d) may be recognized for credit only if requested, identified, and incorporated in an approved mentor-protege agreement.

(d) The amount of credit a mentor firm may receive for any such unreimbursed developmental assistance costs must be equal to—

(1) Four times the total amount of such costs attributable to assistance provided by small business development centers, historically Black colleges and universities, minority institutions, and procurement technical assistance centers.

(2) Three times the total amount of such costs attributable to assistance furnished by the mentor's employees.

(3) Two times the total amount of other such costs incurred by the mentor in carrying out the developmental assistance program.

## I-110.2 Credit adjustments.

(a) Adjustments may be made to the amount of credit claimed if the Director, OSBP, OUSD(A&S),

determines that—

(1) A mentor firm's performance in the attainment of its subcontracting goals through actual subcontract awards declined from the prior fiscal year without justifiable cause; and

(2) Imposition of such a limitation on credit appears to be warranted to prevent abuse of this incentive for the mentor firm's participation in the Program.

(b) The mentor firm must be afforded the opportunity to explain the decline in small business subcontract awards before imposition of any such limitation on credit. In making the final decision to impose a limitation on credit, the Director, OSBP, OUSD(A&S), must consider—

(1) The mentor firm's overall small business participation rates (in terms of percentages of subcontract awards and dollars awarded) as compared to the participation rates existing during the 2 fiscal years prior to the firm's admission to the Program;

(2) The mentor firm's aggregate prime contract awards during the prior 2 fiscal years and the total amount of subcontract awards under such contracts; and

(3) Such other information the mentor firm may wish to submit.

(c) The decision of the Director, OSBP, OUSD(A&S), regarding the imposition of a limitation on credit will be final.

# I-111 Agreement terminations.

(a) Mentors and/or protégés must send a copy of any termination notice to the Director, OSBP, OUSD(A&S) or the Director, OSBP, of the cognizant military department or defense agency that approved the agreement, and the DCMA small business professional responsible for conducting the annual review pursuant to I–113.

(b) For reimbursable agreements, mentors must also send copies of any termination to the program manager and to the contracting officer.

(c) Termination of a mentor-protege agreement will not impair the obligations of the mentor firm to perform pursuant to its contractual obligations under Government contracts and subcontracts.

(d) Termination of all or part of the mentor-protege agreement will not impair the obligations of the protege firm to perform pursuant to its contractual obligations under any contract awarded to the protege firm by the mentor firm.

(e) Mentors and proteges will follow provisions of the mentor-protege agreement developed in compliance with I-107(l) through (n).

(f) The Director, OSBP, OUSD(A&S) or the Director, OSBP, of the military department or defense agency is authorized to terminate the mentor-protégé agreement for the convenience of the Government (to include national security grounds, funding limits, statutory requirements, or other considerations), as well as for cause upon written findings (e.g., either of the participants’ failure to perform or provide adequate assurance of performance; failure to comply with laws, regulations, and policies; conflicts of interest; or default under any provisions of a DoD contract or agreement).

# I-112 Reporting requirements.

## I-112.1 Reporting requirements applicable to Individual Subcontract Reports (ISR), Summary Subcontract Reports (SSR) and Standard Forms 294.

(a) Amounts credited toward applicable subcontracting goal(s) for unreimbursed costs under the Program must be separately identified on the appropriate ISR, SSR or SF 294 from the amounts credited toward the goal(s) resulting from the award of actual subcontracts to protege firms. The combination of the two must equal the mentor firm's overall accomplishment toward the applicable goal(s).

(b) A mentor firm may receive credit toward the attainment of an applicable subcontracting goal for each subcontract awarded by the mentor firm to an entity that qualifies as a protege firm pursuant to I-102(b).

## I-112.2 Program specific reporting requirements.

(a) Mentors must report on the progress made under active mentor-protege agreements semiannually for the periods ending March 31st and September 30st throughout the Program participation term of the agreement. The September 30th report must address the entire fiscal year.

(1) Reports are due 30 days after the close of each reporting period.

(2) Each report must include the following data on performance under the mentor-protege agreement:

(i) Dollars obligated (for reimbursable agreements).

(ii) Expenditures.

(iii) Dollars credited, if any, toward applicable subcontracting goals as a result of developmental assistance provided to the protege and a copy of the ISR or SF 294 and/or SSR for each contract where developmental assistance was credited.

(iv) Any new awards of subcontracts on a competitive or noncompetitive basis to the protege firm under DoD contracts or other contracts, including the value of such subcontracts.

(v) All technical or management assistance provided by mentor firm personnel for the purposes described in I-106(d).

(vi) Any extensions, increases in the scope of work, or additional payments not previously reported for prior awards of subcontracts on a competitive or noncompetitive basis to the protege firm under DoD contracts or other contracts, including the value of such subcontracts.

(vii) The amount of any payment of progress payments or advance payments made to the protege firm for performance under any subcontract made under the Program.

(viii) Any loans made by the mentor firm to the protege firm.

(ix) All Federal contracts awarded to the mentor firm and the protege firm as a joint venture, designating whether the award was a restricted competition or a full and open competition.

(x) Any assistance obtained by the mentor firm for the protege firm from the entities listed at I-106(d)(6).

(xi) Whether there have been any changes to the terms of the mentor-protege agreement.

(xii) A narrative describing the following:

(A) The success developmental assistance provided under I-106(d) has had in addressing the developmental needs of the protege firm.

(B) The impact on DoD contracts, including but not limited to the transition of innovative technology into a program of record.

(C) Any problems encountered.

(D) Any milestones achieved in the protege firm's developmental program.

(E) Impact of the agreement in terms of capabilities enhanced, certifications received, and technology transferred.

(3) A recommended reporting format and guidance for its submission are available at https://business.defense.gov/Programs/Mentor-Prot%C3%A9g%C3%A9-Program/MPP-Resources/ .

(b) The protege must provide data, annually by October 31st, on the progress made during the prior fiscal year by the protege in employment, revenues, and participation in DoD contracts during—

(1) Each fiscal year of the Program participation term; and

(2) Each of the 2 fiscal years following the expiration of the Program participation term.

(c) The protege report required by paragraph (b) of this section may be provided as part of the mentor report for the period ending September 30th required by paragraph (a) of this section.

(d) Progress reports must be submitted—

(1) For credit agreements, to the Director, OSBP, of the military department or defense agency that approved the agreement, and the mentor's cognizant DCMA administrative contracting officer; and

(2) For reimbursable agreements, to the Director, OSBP, of the military department or defense agency, the contracting officer, the DCMA administrative contracting officer, and the program manager.

## I-113 Performance reviews.

DCMA will conduct annual performance reviews of the progress and accomplishments realized under approved mentor-protege agreements. These reviews must verify data provided on the semiannual reports and must provide information as to—

(a) Whether all costs reimbursed to the mentor firm under the agreement were reasonably incurred

to furnish assistance to the protege in accordance with the mentor-protege agreement and applicable regulations and procedures; and

(b) Whether the mentor and protege accurately reported progress made by the protege in employment, revenues, and participation in DoD contracts during the Program participation term and for 5 fiscal years following the expiration of the Program participation term.