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.

Parent topic: APPENDIX I - POLICY AND PROCEDURES FOR THE DOD PILOT MENTOR-PROTEGE PROGRAM