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SBA's Door To Its New All Small Mentor-Protégé Program Is Wide Open

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The Small Business Administration (SBA) is currently accepting electronic applications to its new All Small Mentor-Protégé Program (ASMPP). Under the new program, eligible small businesses may enter into a mentor/protégé agreement with another business (large or small) for purposes of working closely together and joint venturing for small business set-aside contracts, without being affiliated for size purposes. We understand that SBA has received less than 50 applications to the ASMPP to date, with approximately half coming from service disabled veteran-owned small business concerns. SBA is currently processing ASMPP applications very quickly, with most taking less than a week. ***Given this quick turnaround, now is a great time for government contractors to consider this unique business development opportunity.***

Eligibility

For-profit, small businesses are eligible to be protégés under the ASMPP, including SDVOB, WOSB, and HUBZone companies. The separate 8(a) mentor/protégé program remains in place for 8(a) participants. An 8(a) protégé may transfer its approved 8(a) mentor/protégé agreement to the ASMPP six months prior to graduation.

Small businesses applying to the program must identify and submit an application with its specified mentor and provide the requisite documentation to SBA. After approval, annual reports also must be filed with SBA.

SBA will apply the size standard applicable to the protégé's primary NAICS code (under which it earns the majority of its revenues) in determining its status as a small business but may consider a secondary NAICS code under which the protégé is small and has done business.

A firm may be a mentor and a protégé simultaneously if the firm can demonstrate to SBA that the second relationship does not compete or otherwise conflict with the first.

Both the mentor and protégé must complete the Online Tutorial through SBA's Online Learning Center and upload their Certificates of Completion before applying. The link may be found at: <https://www.sba.gov/tools/sba-learning-center/training/sbas-all-small-mentor-protége-program>.

Limitations

Mentors may have up to three protégés at one time assuming the mentor can demonstrate that any new relationship will not adversely affect the development of an existing protégé. SBA will count relationships entered into under the 8(a) program and the ASMPP.

Protégés may have only one mentor at one time unless the protégé can demonstrate that a second mentor/protégé relationship will not compete or otherwise conflict with the first and either the second relationship relates to an unrelated NAICS code or the protégé seeks to acquire a specific expertise that the first mentor does not possess. SBA restricts a protégé from entering into more than two mentor protégé relationships in its lifetime. SBA will count relationships entered under the 8(a) program and the ASMPP from the effective date of the new rule (August 24, 2016). Relationships entered into under the DoD mentor protégé program are not counted.

Mentor protégé relationships under the ASMPP, as well as the 8(a) program, are limited to three years, with the possibility of one extension for an additional three year period. SBA will review mentor protégé agreements annually to determine whether they should continue for another year. Unless rescinded in writing, a mentor protégé agreement automatically renews each year.

Benefits

A protégé may receive a multitude of assistance from its mentor, including financial, management and technical, contracting, trade education, business development, and general and/or administrative assistance.

A mentor and protégé may joint venture together as a small business (even if the mentor is a large business) for any government prime contract or subcontract so long as the protégé is small for the procurement. For SDVO, WOSB, and HUBZone contracts, the joint venture agreement must comply with the content requirements for those programs (which is also the case for 8(a) contracts).

Agencies will be required to consider the past performance and experience of joint venture partners when evaluating its proposals.

Applications for the ASMPP are processed through SBA HQ, which has resulted in much faster processing times than the 8(a) model, which involves and requires approval from the SBA District offices.

Conclusion

To take advantage of the current short lines and fast processing times, interested companies should apply now. A link to the electronic application may be found at <https://www.sba.gov/allsmallmpp>. The application is submitted through <https://certify.sba.gov/>. SBA has indicated that at some point, if the volume of mentor protégé applications becomes too great, it may establish an open season during which applications will be accepted and a date when the application period will close. Do not delay.

We are able to assist you by answering questions about the ASMPP and guiding you through the application process.