#### U. S. SMALL BUSINESS ADMINISTRATION

ALASKA DISTRICT OFFICE 510 L Street, Suite 310 Anchorage, Alaska 99501-1952 907-271-4022 • 907-271-4545 (FAX) • 907-271-4005 (TDD)

Certified Mail - Return Receipt Requested

Subjec	t: SBA Mentor Protégé Restrictions
Dear	:
Protég assista	urpose of this letter is to provide information and instruction regarding a proposed Mentor é Agreement between as a Protégé and as a Mentor providing various forms of ance. The purpose of the Mentor-Protégé relationship is to enhance the capabilities of the é to improve its ability to successfully compete for federal contracts.
Agreer provisi agreer	e hereby advised of the provisions and restrictions imposed by SBA on Mentor-Protégé ments under the 8(a) Business Development Program. A violation of any of the required ons of a Mentor-Protégé Agreement may cause the SBA to direct to cancel the nent. When submitting the Mentor-Protege package to this office, you must include one, fully package.
	llowing provisions are not drafted in the sample Mentor-Protégé Agreement and therefore wil inclusion. Omission or alteration of the following will cause the package to be returned to
(1)	The purpose of the Mentor-Protégé Agreement is for the <b>Mentor</b> to provide to the Protégé _
	(13 CFR 124.520(a)
(2)	The <b>Mentor</b> , possesses favorable financial health, including profitability for at least the last two years, possesses good character, is not on the federal list of debarred or suspended contractors, and can impart value to the <b>Protégé</b> . (13 CFR 124.520 (b)(1))
(3)	The requirement that the <b>Mentor</b> will generally have no other Protégé unless authorized by

- (3) The requirement that the **Mentor** will generally have no other Protégé unless authorized by the AA/8(a) BD. (13 CFR 124.520 (b)(2))
- (4) The requirement that the **Mentor** will annually certify it continues to possess good character and a favorable financial position. (13 CFR 124.520(b)(4))
- (5) **Protégé** is in the developmental stage (first 4 years) of the 8(a) program or has never received an 8(a) contract or is a size that is half the size standard corresponding to its primary NAICS code , size standard \$ or number of employees. (13 CFR 124.520(c)(1))

- (6) **Protégé** is in good standing with the 8(a) program (i.e., no suspension proceedings, is up to date with all reporting requirements, etc.) and is in compliance with 8(a) program requirements. (13 CFR 124.520(c)(2))
- (7) The requirement that **Protégé** have only one Mentor at a time unless approved by AA/8(a)BD. (13 CFR 124.520(c)(3))
- (8) The requirement that **Mentor** can own no more than 40% equity interest in **Protégé**. (13 CFR 124.520(d)(2))
- (9) The requirement that no determination of affiliation or control may be found between **Mentor and Protégé** based on this Mentor-Protégé Agreement or any assistance provided pursuant to the Mentor-Protégé Agreement. (13 CFR 124.520(d)(4)).
- (10) An assessment of the **Protégé's** needs. (13 CFR 124.520(e)(1))
- (11) The agreement describes the assistance the **Mentor** commits to provide to the Protégé. CFR 124.520(e)(1))
- (12) The requirement that **Mentor** will provide such assistance to Protégé for at least one **(1)** year. (13 CFR 124.520(e)(1))
- (13) The agreement includes a provision stating agreement must be approved by SBA AA/8(a)BD. (13 CFR 124.520(e)(2))
- (14) The agreement provides that the Mentor or the Protégé may terminate the agreement with a 30 day advance notice to the other party of the Mentor-Protégé relationship <u>and</u> to SBA. (13 CFR 124.520(e)(3))
- (15) The requirement that SBA must approve any changes to the Mentor-Protégé Agreement in advance. (13 CFR 124.520(e)(5))
- (16) The requirement that the **Protégé** must report to SBA on the Mentor-Protégé relationship as part of its *Annual Business Review* for the Protégé's preceding program year. (13 CFR 124.520(f)(1))
- (17) The requirement that the **Protégé** must annually certify to SBA whether there has been any change in the terms of the agreement. (13 CFR 124.520(f)(2))
- (18) The requirement that SBA may decide not to approve continuation of the agreement if it finds that the **Mentor** has not provided the assistance set forth in the Mentor-Protégé Agreement or that the assistance has not resulted in any material benefits or developmental gains to the Protégé. (13 CFR 124.520(f)(3))
- (19) A statement indicating whether or not the **Mentor** has an on going business relationship with any other 8(a) Participants or small businesses? If yes, supply as separate listing of the names, type of business and terms of the relationship.
- (20) A statement indicating whether or not the **Mentor** participates in any other formal Mentor-Protégé programs. If it does, a separate list of programs is required.

#### Additionally, the Protégé must furnish the following

- The last three fiscal year-end Financial Statements (for size determination). Financials MUST be signed, dated at time of submission, and certified as true and correct by the owner, president or CEO. This is also required for audited or reviewed statements.
- 2. Last three fiscal year Business Federal Tax Returns Must be signed and dated
- 3. Information on **number of employees**. The number of employees is based upon employment during each of the pay periods for the proceeding completed 12 calendar months. Part-time and temporary employees are counted as full time employees for each applicable pay period. Provide a break out for each pay period.
- 4. SBA Form 1623 "Certificate Regarding Debarment"
- 5. IRS Form 4506-T "Request for Copy or Transcript of Tax Form"

#### Additionally, the Mentor must furnish the following

- The last two fiscal year-end Financial Statements. PLEASE NOTE: If Mentor is a subsidiary
  or division of a parent company, financial statements <u>must</u> reflect the Mentor individually in any
  consolidated report provided to SBA. If audited or reviewed statements are provided, the
  signature of the owner, president or CEO must be provided and dated, certifying the statements
  are true and correct.
- The last two fiscal year Federal Tax Returns. If the Mentor is a large business and has substantial tax returns, the company may provide it on a PDF file or on CD. PLEASE NOTE: If Mentor is a subsidiary or division of a parent company, tax returns <u>must</u> reflect the Mentor individually in any consolidated report provided to SBA.
- 3. Information on number of employees. The number of employees is based upon employment during each of the pay periods for the proceeding completed 12 calendar months. Part-time and temporary employees are counted as full-time employees for each applicable pay period. Provide a break out for each pay period.
- 4. **Letters** of favorable recommendation <u>from at least two sources</u> that the Mentor has done business with in the past.
- 5. A company **brochure or Statement of Qualifications** to provide SBA with a clear picture of the Mentor's experience as an indication of the assistance it can provide the Protégé.
- 6. **SBA Form 1623** "Certificate Regarding Debarment"
- 7. IRS Form 4506-T "Request for Copy or Transcript of Tax Form"

Please return all "Checklists", the "Request For Approval", and the "Mentor-Protégé Agreement" with all other required forms and documentation to the Anchorage SBA office. Ensure you have signed and dated where appropriate. You must also provide one copy of the entire MP package.

The provisions/items outlined in this cover letter <u>must</u> be included in you Mentor-Protégé Agreement. You may also request this letter and all attachments (except official forms) be emailed directly to you.

Should you have questions, please contact me by phone at (907) 271-4837 or by fax at (907)271-4545 or by email at joyce.courtney@sba.gov.

Sincerely,

Joyce Courtney
Business Development Specialist
for 8(a) Business Development

# SBA 8(a) MENTOR - PROTÉGÉ PROGRAM

### **REQUEST FOR APPROVAL**

Date	

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<u>Mentor</u>		
Business Name		
Address		
Phone		Fax
President		
Type of Business		
Incorporated in	(State)	(Year)
Good Standing		
<u>Protégé</u>		
Business Name		
Address		
Phone	-	Fax
President		
Type of Business		
Good Standing		
Signatures of Part	<u>:ies</u>	
MENTOR		Date
PROTÉGÉ		Date

### SBA 8(a) MENTOR - PROTEGE PROGRAM

### Protégé Eligibility Requirements Checklist

Please answer each of the following and provide explanations as needed.

<u>MUST BE Signed and Dated</u>

### **PROTÉGÉ**

In accordance with the Code of Federal Regulations 13 CFR 124.520, *Mentor/Protégé* Program, the following requirements must be met.

Requi	<u>rements</u>	YES	NO
1A.	Is the 8(a) Participant in the Developmental Stage of the program?		
1B.	<b>OR</b> has the 8(a) Participant ever received an 8(a) contract?		
1C.	<b>OR</b> is the 8(a) Participant half the size standard corresponding to its <u>primary</u> NAICS Code?		
2.	Is the 8(a) Participant in <i>good standing</i> in the 8(a) BD program?		
3.	Does the 8(a) Participant have a prior affiliation with the Mentor? If yes, explain in detail below.		
4.	Will the 8(a) Participant benefit from a Mentor-Protégé alliance with the Mentor in one or more of the following areas?		
	Financial Equity investments Loans Joint Ventures	<u> </u>	
	Accounting		
	Management		
	Technical		
	Subcontracts		
	Marketing		
	Business Planning		
	Manufacturing		

		YES	NO
	Technology Transfer		
	Human Resources		
5.	Does the 8(a) Participant understand the SBA program regulations, requirements, and operating procedures?		
6.	Is the 8(a) Participant requesting a specific Mentor?		
Plea	POCase supply additional information to questions 3 and 6 if ma	rked "YES."	
	/		
Signa	ature of Protégé	Date	

### SBA MENTOR - PROTEGE PROGRAM

### **Mentor Eligibility Requirements Checklist**

Please answer each of the following and provide explanations as needed.

<u>MUST BE Signed and Dated</u>

#### **MENTOR**

In accordance with the Code of Federal Regulations 13 CFR 124.520, Mentor/Protégé Program, the following requirements must be met. *NOTE: SBA will order a credit reportt on all potential Mentors to assist the agency in determining eligibility status.* 

<u>Requi</u>	rements	YES	<u>NO</u>
1.	Is the firm a Participant as one of the following?		
	An 8(a) Participant in the Transitional Stage of the program?		
	An 8(a) Participant that has graduated from the program?		
	A small, or small disadvantaged business (SDB)?		
	A large business?		
	If applicable, in what Year and State was the business incorporated?		
2.	Has the firm submitted copies of federally filed tax returns to prove profitability over the past two years? (Remember to sign, date and certify)		
3.	Does the firm posses good character as evidenced by favorable letters of recommendation?		
4.	Has the firm been debarred or suspended from contracting with the Federal government? (Complete SBA Form 1623)		
5.	Does the firm have a prior affiliation with the Protégé? If yes, explain in detail below.		
6.	Will the firm provide support to the Protégé in one or more of the f	ollowing areas	?
	Financial Equity investments Loans Joint Ventures	<u> </u>	<u></u>
	Accounting		
	Management		

		YES	NO
	Technical		
	Subcontracts		
	Marketing		
	Business Planning		
	Manufacturing		
	Technology Transfer		
	Human Resources		
7.	Does the firm understand the SBA program regulations, requirements, and operating procedures?		
8.	Is the firm requesting a specific Protégé? If yes, supply the name below.		
9.	Does the Mentor have on-going business relationships with other 8(a) Participants or small businesses? If yes, supply the names, type of business and the terms of relationships.	ionship.	
10.	Are any of the firms listed in #9 in the same service category or a competitor of the requested Protégé?		
11.	Does the firm participate in any other formal Mentor-Protégé programs? If yes, list the program name below.		
12.	Is the firm requesting more than one (1) Protégé?		
13.	In what year and state was your firm incorporated?		
Pleas	se supply additional information to questions 5,8,9,11 if answered :	YES.	
	/		
Signa	ture of Mentor Do	ate	

### SBA 8(a) MENTOR - PROTEGE PROGRAM

### **Eligibility Requirements Checklist**

Please answer each of the following and provide explanations as needed.

<u>MUST BE Signed and Dated</u>

### **AGREEMENT**

In order for the Mentor-Protégé Agreement to be complete and valid, the following requirements must be met.

Re	equirements	YES	<u>NO</u>
1.	Is the agreement in writing and signed?		
2.	If the template is used, has all sections of the agreement been completely filled in?		
3.	Has the Mentor demonstrated a favorable financial position by submitting a copy of their most recent year-end financial statements'	? ——	
4.	Has the Protégé Assessment been completed and attached? (Appendix 1)		
5.	Has the Protégé Developmental Plan been completed and attached (Appendix 2)	?	
6.	Is section 16 of the agreement <i>Terms and Conditions</i> completely filled in (if using the template)? Specifically, does the Protégé and the Mentor understand the termination clause?		
7.	Does the Protégé and the Mentor understand that all modifications to the agreement must be approved by SBA prior to becoming effect	ive?	
8.	Does the agreement include a provision for termination of the agreement with 30 days advance notice to the other party to the Mentor-Protégé relationship and to SBA?		
9.	Does the agreement state that it will last for a period of at least 1 year	ar?	
Ple	ease supply any additional explanation if necessary to fully answer the	e questions ai	bove.
Me	ntor Signature Protégé Signature		
Da	te Date		

### **SAMPLE**

## **SBA Mentor-Protégé Agreement**

IMPORTANT: This sample MPA is intended to provide the <u>minimum</u> required provisions. DO NOT EXCLUDE OR ALTER any provision from your final agreement <u>including</u> the provisions to be added as outlined in the cover letter. Failure to do so will be reason for declining entire package.

### SBA 8(a) MENTOR - PROTÉGÉ AGREEMENT

### Sample Agreement

mento	This N or, and	Mentor Protégé Agreement is made between, as, as, as protégé, for the purpose of forming a mentor	
protég	gé relat	ionship, as provided herein, under the SBA Business Development Code of ulations.	
1.	PURP	POSE	
purpo develo protég	nistrationse of the opment gé, to e	Mentor Protégé Agreement is entered into pursuant to the Small Business on Mentor Protégé Program for 8(a) Business Development firms. The his Mentor Protégé Agreement is for, mentor, to provide tal and management assistance [13 CFR 124.520(a)] to nhance the capabilities of, the protégé, and to improve, your protégé's, ability to successfully compete for Federal contracts.	
2.	STAT	UTORY PROGRAM AUTHORITIES	
Busine Volum Code protég	13 Control	eas, the parties are authorized to enter into this Mentor Protégé Agreement ode of Federal Regulations (CFR) Part 124, Procedures for the Small Iministration Mentor Protégé Program, published in the Federal Register, Number 125, on June 30, 1998. Whereas under this authority and of this eral Regulations, mentor, and, his day of, 200, make the following (s) under this Mentor Protégé Agreement.	
3.	PROTÉGÉ'S STATUS AS A SMALLDISADVANTAGED BUSINESS (SDB)		
	WHEF	REAS and HEREBY,, the protégé, certifies that it is in the (developmental or transitional stage) of the 8(a) Program and that	
	Busin	ble Small Disadvantaged Business as defined by Section 8(d)(3)(c) of the ess Act (15 USC 637(D)(3)(c)) and is eligible for award of Federal	
4.	REPR	ESENTATIONS, PROVISIONS AND CERTIFICATIONS OF MENTOR	
		, mentor, represents and certifies that:	
	a)	It possesses favorable financial health, including profitability for at least the last two years; [13 CFR 124.520(a)]	
	b)	It possesses good character; [13 CFR 124.520(a)]	
	c)	It is not on the Federal list of debarred or suspended contractors; [13 CFR 124.520(a)] and	
	d)	That it can impart value to, protégé, in terms of lessons learned and practical experience gained through its general knowledge of government and private contracting. [13 CFR 124.520(a)]	
	e)	It (does / does not) have any other formal mentor protégé relationships and that it will generally have no other protégé firm unless authorized by	

		the AA/8(a) Business Development. [12 CFR 124.520(b)(2)]
	f)	That it does not have any on going business relationships with other 8(a)
	,	Participants or Small Businesses.
	g)	It will annually certify that it continues to possess good character and a
		favorable financial position. [13 CFR 124.520(b)(4)]
	h)	That it can own no more than 40% equity interest in
		, protégé, [13 CFR 124.520(d)(2)] and that any change in
		ownership or equity purchase must have the prior written consent of the
		Small Business Administration.
	i)	That no determination of affiliation or control may be found between
		, mentor, and, protégé, based on
		this Mentor Protégé Agreement or any assistance provided pursuant to
		the Mentor Protégé Agreement. [13 CFR 124.520(d)(4)]
	j)	That an assessment of
		Agreement [13 CFR 124.520(e)(1)] Refer to Appendix I.
5.	DEB	RESENTATIONS PROVISIONS AND CERTIFICATIONS OF PROTÉGÉ
5.	KEF	RESENTATIONS PROVISIONS AND CERTIFICATIONS OF PROTEGE
		, protégé represents and certifies that
	a)	It is in the developmental stage of the SBA 8(a) Business Development
	•	Program OR
	b)	It has a size that is less than half the size standard corresponding to its
		primary NAICS Code (Identify the code's name)
		which has a size standard of
		[13 CFR 124.520 (c)(1)] <b>OR</b>
	c)	It has never received a 8(a) Contract. [13 CFR 124.520 (c)(1)]
	d)	It is in good standing in the 8(a) Business Development Program, has no
		suspension proceedings, is up to date with all reporting requirements, and
	,	is in compliance with 8(a) Program requirements. [13 CFR 124.520(c)(2)]
	e)	That no determination of affiliation or control may be found between
		, mentor, and,
		protégé, based on this Mentor Protégé Agreement or any assistance
		provided pursuant to this Mentor Protégé Agreement. {13 CFR 124.520(d)(4)]
		124.320(u)(4)]
6.	POII	NTS OF CONTACT
	1.	's, mentor's point of contact will be,
		Title, , address, ,
		Title,, address,, telephone number, ( and email address;,
		This same individual, , will be responsible for the
		overall administration of
		mentor's, developmental assistance to be provided to,
		protégé.
	2.	's, protégé's point of contact will
		be; Title,;;address ; telephone number, (;
		and email address,

### 7. PROVISONS OF MENTOR PROTÉGÉ AGREEMENT

to be provided under

NOW, THEREFORE, IN ACCORDANCE WITH THE 8(a) MENTOR PROTÉGÉ PROGRAM REQUIREMENTS, THE PARTIES AGREE AS FOLLOWS:

	a.	The purpose of this Mentor Protege Agreement is for
		, mentor, to provide to, protégé, developmental and management assistance to enhance the
		protege, developmental and management assistance to enhance the
		capabilities of, protégé, which will improve
		protégé's ability to successfully compete for Federal contracts.
	b.	The mentor,, will annually certify that it continues to possess good character and a favorable financial position.
		continues to possess good character and a favorable financial position.
	C.	That protégé,, can have only one mentor at a time unless approved by AA/8 (a) Business Development.
		time unless approved by AA/8 (a) Business Development.
	d.	That mentor,, can own no more than 40% equity
		interest in protégé,; and, that any ownership change
		or equity purchase must have the prior written approval of the Small
		Business Administration.
	e.	That no determination of affiliation or control may be found between
		, mentor, and, protégé,
		based on this Mentor Protégé Agreement or any assistance provided
		pursuant to this Mentor Protégé Agreement
	f.	That an assessment of the protégé's,''s, needs has
		been performed and included within this Mentor Protégé Agreement.
	g.	That this Mentor Protégé Agreement describes the assistance the mentor,
		, commits to provide to
		protógó
	h.	That the mentor,, agrees to provide assistance to _
		, protégé, for at least one (1) year.
	i.	That this Mentor Protégé Agreement must be approved by SBA AA/8(a)
		Business Development.
	j.	That either the mentor or the protégé may terminate this Mentor Protégé
		Agreement with 30 days advance notice to the other party to the mentor
		protégé relationship and to the Small Business Administration (SBA).
	k.	That SBA must approve, in advance, any changes to this Mentor Protégé
		Agreement.
	l.	That the protégé,,must report to SBA on the
		mentor protégé relationship as part of its annual business review for the
		protégé's preceding program year.
	m.	That the protégé,,must annually certify to SBA
		That the protégé,,must annually certify to SBA whether there has been any change in the terms of the agreement.
	n.	That it is understood that SBA may decide not to approve continuation of
		the Mentor Protégé Agreement if it finds that the mentor,
		, has not provided the assistance set forth in the Mentor Protégé
		Agreement or that the assistance has not resulted in any material benefits
		or developmental gains to the protégé,
8-A.	North	American Industry Classification System (NAICS) Codes Mentoring

	The North American Industry Classification System (NAICS) Codes, which represent the contemplated areas of supplies and services to be provided by, protégé, with the mentoring assistance
	provided by, mentor, under this Mentor Protégé
	Agreement are as follows:
	NAICS <u>Description</u> 999999 Manufacturer of Guided Missiles and Space Vehicles
	1
8- B.	Objectives of Developmental Assistance from the Mentor
	The objectives of, mentor's Developmental Assistance Program will include improving, protégé's overall efficiency and competitiveness by reducing operational costs, improving the performance of engineering (or manufacturing) services, developing marketing programs, expanding's, protégé's, Federal and commercial markets, and transferring selected Mentor technology [as the Parties may agree].
	<ul> <li>a) A needs assessment has been completed on</li></ul>
8- C.	Assistance Mentor Commits to provide to Protégé
	However, mentor will not be responsible for any of the management of the protégé but will provide advice to the protégé on the management of the firm. Protégé may be permitted by mentor to utilize facilities or locations provided by mentor, however, separate lease agreement covering such arrangement will be utilized. Mentor and protégé will remain separate legal entities.
	To achieve the Program objectives,, mentor, will provide, protégé, general business

management assistance in the following areas:

1.	Accounting/Financial Management Assistance
	, mentor, will provide
	gé, access as needed to mentor's corporate controller staffs by a available on a continuing basis, mentor's, inting and financial personnel to provide
proteg	gé, assistance in the following areas: a. Initial review of, protégé's existing
financ	ial reporting, policies, and procedures and the preparation of future
	cial statements, operating budgets, estimating policies and
	dures, cost projections, job cost accounting reports, reviews and
audits	
	b. This will include assistance in establishing current cost
	inting procedures, control of payables and receivables, accounting
	irect and indirect costs and expenses, preparation of required
	nmental expenses, preparation of required government financial and
other	reporting, accounting for Federal, state, and local tax reporting, etc.
monto	c. On an "as requested" basis,
assist	or, will provide, protégé, financial ance in the form of loans, credits, or their equivalent on terms to be
	The state of the s
	d. At's, mentor's, sole discretion,
mento	or will provide protégé assistance in the form of serving as a sponsor,
	or, guarantor reference, or any other similar role in order to assist
	gé in securing variances, approvals, licenses, permits, insurance
-	es, bonds, loans, or other similar documents required in the
perior	mance of a contract.
2.	Human Resource Assistance
aovor	To assist in
	nmental personnel requirements, labor relations, and government
nerso	ing,, mentor, will provide selected protégé nnel with training assistance in the administration of protégé's
•	n resource responsibilities. This effort will extend to the end of the
	d of this Mentor Protégé Agreement and will include, but not be
İimite	
	a. assistance in establishing an employee benefits package,
	including exempt/nonexempt compensation rates for the protégé;
	b. assistance in establishing an effective employee recruitment
	and retention plan;
	c. assistance in preparing corporate policies and procedures
	that reflect Federally required compliance programs;
	d. assistance on labor relations issues, including training, employee development, conflict resolution, EEO, etc.; and
	e. training of all [Protégé] employees in Total Quality
	Management technologies and disciplines.
3.	Marketing
	· ·
	, protégé, will be provided access

's, mentor's, corporate [and subsidiary if applicable] marketing personnel to assist in enhancing protégé's marketing programs involving protégé's public and commercial products and services through contract and subcontract opportunities in those areas in which the protégé is directing its technical and manufacturing and/or services development efforts. This will include, as necessary, such assistance in preparing and developing strategies in connection with public and commercial proposals as well as arranging for special subcontracting opportunities with the mentor's customers. This effort will continue throughout the period of this Mentor Protégé Agreement.
4. Business Planning
In addition to marketing assistance,, mentor, will assist, protégé, in establishing a complete business plan. The Business Plan will include all facets of development of resources, products, services, etc. in coordination with the protégé's marketing, financial, and technical enhancement objectives.
5. Technical Assistance and Technology Transfer
Throughout the terms of this Agreement,
6. Manufacturing Assistance
Throughout the term of this agreement,, mentor, will provide technical manufacturing advice to improve
and will identify those areas in which additional effort will be provided.  Mentor will provide the following forms of manufacturing assistance to protégé during the period of this Mentor-Protégé Agreement:
and will identify those areas in which additional effort will be provided.  Mentor will provide the following forms of manufacturing assistance to protégé during the period of this Mentor-Protégé Agreement:

	7.	Other Assistance (not included above)
		The Award of Subcontracts or other contracts on a Noncompetitive Basis
	su co Ag co av no Or	The number and value of
9.	PROGRE	SS PAYMENTS
	payments payments protégé, f payments customary	ould the parties mutually agree to provide and receive progress with the requirement contracting officer's approval, those progress may not exceed 100% of the cost incurred by
10.	ADVANC	E PAYMENT UNDER SUBCONTRACTS
	payments	ould the parties mutually agree to provide and receive advanced those payments will be administered by, accordance with FAR 32.4.
11.	LOANS	
	agreed u	the sole discretion of, mentor, and on mutually on terms, the mentor may, but is not obligated to, provide, with capital and/or working capital loans.
12.	2, MENTOR'S, EQUITY INVESTMENTS IN , PROTÉGÉ	
	mentor a	he sole discretion of, mentor, mentor may and, protégé may sell to mentor up to rotégé's total ownership interest based on a purchase price which and protégé mutually agree upon. However, such transfer of equity must have the prior written approval of the Small Business ation.

13. ASSISTANCE OBTAINED BY THE MENTOR FIRM FOR THE PROTÉGÉ FIRM FROM ONE OR MORE OF THE FOLLOWING SOURCES

Should the Mentor decide that Small Business Development Centers (SBDCs), historically black colleges and universities (HBCUs), Procurement Technical Assistance Centers (PTACs) or minority institutions (MIs) could assist the Mentor in providing needed development assistance, the Mentor may seek out and select one or more of those government-sponsored small business assistance organizations. The Mentor may engage one or more of them to provide the Protégé with defined developmental assistance. The cost for this assistance shall be born by the Mentor.

#### 14. REPORTS

1. Annual Report

\_, protégé, shall provide an Annual Progress Report during the annual review process. At a minimum, the report shall include the following: (a) a summary of overall progress, including results obtained to date and a comparison of actual accomplishments with proposed goals for the following period; (b) Protégé and Mentor rationale as to why the SBA should extend the agreement for an additional year and (c) the current fiscal status of the MP Agreement and shall provide an accounting of the level of effort, contracts, subcontracts and funds expended by the Mentor under the Agreement. (d) the progress in achieving the developmental assistance objectives under this Agreement, including whether the objectives of the Program set forth have been met, any problem areas encountered, and any other appropriate information; and (e) a copy of Standard Form 294 for each contract awarded where the Mentor requested credit toward their subcontracting plan for awarding subcontracts to the protégé : (a) the amount of the dollars credited to the SDB subcontract pool as a result of the developmental assistance provided to the Protégé firm(s) under the Program; and (b) an explanation as to the relationship between the developmental assistance provided the Protégé firm(s) under the Program and the activities under the contract covered by the Standard Form 294.

#### 15. ADDITIONAL TERMS AND CONDITIONS

	a) Conditions on Mentor Entering	into the Agreement
	No conditions.	, mentor, has not entered into this
	Agreement as a condition for awa	rding any prime contracts to
	protégé nor has	, protégé entered into this Agreement as
		ntracts from, mentor.
16.	PROCEDURES FOR THE MENTOR	TO TERMINATE THE AGREEEMENT
	a) If	, mentor, intends to terminate this
	Agreement in whole or in part for	cause or without cause.
		, mentor, will notify the President of
		, protégé, <u>and</u> the Small
		itten notice of Proposed Termination, by
	certified mail of mentor's intention	s and the specific reasons for such actions.
	b) If the Mentor intends to term	ninate the Agreement for cause or without
	,	lays to respond to such Notice of Proposed

Termination and may rebut, with a copy of the rebuttal provided to mentor and

the SBA, any of mentor's findings that it believes to be erroneous and offer a remedial program.

- c) If mentor is withdrawing voluntarily from the Program, the effective date will be thirty (30) days from the written notice of withdrawal, sent by certified mail, to the protégé and to the Small Business Administration.
- d) Upon prompt consideration of protégé's response, mentor shall either withdraw the Notice of Proposed Termination and continue the mentor's participation or issue a written Notice of Termination to the protégé and the Small Business Administration.
- e) Mentor will furnish copies of any and all Termination Actions or Notices to the protégé and to the Small Business Administration.

#### 17. EFFECT OF TERMINATION

In the event of termination of this Agreement in whole or in part pursuant to Section 3 herein, this Agreement or that provision being terminated shall become null and void and have no effect, and there shall be no continuing obligations or liability on the part of the mentor, its officers, directors, or shareholders with respect to this Mentor Protégé Agreement.

If the Mentor has an equity investment in the Protégé firm, this investment shall remain in effect until both parties mutually agree to legally resolve the relationship; <u>any such dissolution requires the prior written approval of the Small Business Administration</u>.

#### 18. INDEMNIFICATION

	, protégé, agrees that it shall defend,
indemnify, and hold	, mentor, harmless from and against any and
all claims, debts, liabilities, dama	ages, losses, and expenses (including, but not
limited to, reasonable attorney's	fees, expenses, and costs of suit) (collectively
"losses") incurred or suffered by I	mentor and arising (i) out of the performance by
the Parties of this Agreement or (	(ii) out of [Protégé's] operation of its business or
assets: provided, however, that p	rotégé shall have no obligation to indemnify and
hold mentor harmless from and	d against any losses incurred or suffered by
mentor as a result of mentor's gro	ess negligence or willful misconduct.

19. RIGHTS OF \_\_\_\_\_\_, MENTOR, AND \_\_\_\_\_\_ PROTÉGÉ TO TERMINATE

This Agreement and transactions and assistance to be provided and received herein may be terminated by mentor or by the protégé for cause after written notice to the other party and to the Small Business Administration at any time for the following reasons:

- a. By mutual agreement of the Parties, mentor and protégé, and the Small Business Administration;
- b. By mentor, without prejudice to any other rights and remedies mentor may have against the protégé if:
  - 1. Protégé shall be in material default in the observance of their covenants, representations, or performance commitments in this Agreement or any other Agreement between the Parties;

- 2. Unless waived in writing by mentor any material breach by protégé of the contractual terms of this Agreement;
- 3. Protégé for whatever reason loses its status as a Small Disadvantaged Business under 15 USC 637(a) or (d)(3)(c); and
- 4. Any actions or nonactions by protégé in their performance of protégé's responses requested of mentor's assistance being provided under this Mentor Protégé Agreement which actions or nonactions have not been performed by protégé in accordance with the mutually agreed understandings of the parties undertaken to give or receive the assistance.

#### 20. MISCELLANEOUS

- a) Agreement This Agreement constitutes the entire Agreement among the parties as to the subject matter hereof. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by any reason of this Agreement, except as expressly provided in this Agreement.
- b) Governing Law This Agreement shall be governed by and construed under the laws of the State of \_\_\_\_\_\_ as those laws are applied by the State to Agreements among residents entered into and to be performed within the state(s) of \_\_\_\_\_.
- c) <u>Counterparts</u> This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- d) <u>Titles and Subtitles</u> The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.
- e) Notices Any notice required or permitted under this Agreement shall be given in writing and shall be deemed effective given upon personal delivery or upon receipt by the Post Office of the addressee after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, return receipt request, addressed to protégé at its address shown below its signature to mentor at its address shown below its signature, or at such addresses as such party may designate by ten (10) days advance written notice to the other party and to SBA.
- f) Amendments and Waivers This Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the mentor, the protégé and the advance written consent of the Small Business Administration. Any amendment or waiver effected in accordance with this Section (including any Agreement which fully restates the subject matter hereof and is intended to supersede the provisions of this Agreement in its entirety and render this Agreement of no further force or effect) shall be binding on each of the Parties.

warranties whatsoever express or implied, general or specific to protégé, its directors, officers, shareholders, employees, or agents or any other third party as to the results to be achieved or obtained by protégé through mentor's providing advice, counsel, personnel, materials, services, or funding to protégé pursuant to the terms of this Mentor Protégé Agreement. Protégé agrees on its own behalf and on behalf of its directors, officers, shareholders, employees, or agents, and on behalf of any such third parties, that it is not requiring not is expecting any warranties whatsoever to be made by mentor, particularly in light of the fact that mentor will not be and cannot be in control of decision making regarding the business and affairs of the protégé.

IN WITNESS WHEREOF, the Part	ies have executed this Agreement the
	date first above written).

(printed) Protégé Name	(printed) Mentor Name	
Signature	Signature	
Address	Address	

## **APPENDIX I**

### PROTÉGÉ'S NEEDS ASSESSMENT

### **APPENDIX II**

### **DEVELOPMENTAL ASSISTANCE PLAN**

### ALASKA DISTRICT OFFICE MENTOR PROTÉGÉ REQUIRED PROVISIONS

Provisions must be contained in the MPA and the wording must be the same as the 13 CFR requires. Please do not alter or change the wording as it will delay processing of the request.

Pr	Protégé	
	Mentor	
1.	The purpose of the mentor-protégé agreement is for MENTOR to provide PROTÉGÉ developmental and management assistance. (13 CFR 124.520(a) is addressed or page, paragraph	
2.	MENTOR, possesses favorable financial health, including profitability for at least the last two years, possesses good character, is not on the federal list of debarred o suspended contractors, and can impart value to Protégé (13 CFR 124.520 (b)(1)) is addressed on page paragraph	
3.	The requirement that MENTOR will generally have no other protégé firm unless authorized by the AA/8(a) BD (13 CFR 124.520 (b)(2)) is addressed on page paragraph	
4.	The requirement that MENTOR will annually certify it continues to possess good character and a favorable financial position (13 CFR 124.520(b)(4)) is addressed on is addressed on page paragraph	
5.	PROTEGE is in thedevelopmental ortransitional stage of the 8(a program, has never received an 8(a) contract <b>or</b> has a size that is half the size standard corresponding to its primary NAICS code, size standard \$ Million or Employees (13 CFR 124.520(c)(1)) is addressed or page paragraph	
6.	PROTÉGÉ is in good standing in the 8(a) program (i.e., no suspension proceedings, is up to date with all reporting requirements, etc.) and is in compliance with 8(a) program requirements (13 CFR 124.520(c)(2)) is addressed on page paragraph	
7.	The requirement that PROTÉGÉ have only one mentor at a time (13 CFF 124.520(c)(3)) is addressed on page paragraph	
8.	The requirement that MENTOR can own no more than 40% equity interest in PROTÉGÉ (13 CFR 124.520(d)(2)) is addressed on page paragraph	
9.	The requirement that no determination of affiliation or control may be found between MENTOR and PROTÉGÉ based on this mentor/protégé agreement or any assistance provided pursuant to the Mentor Protégé Agreement (13 CFR 124.520(d)(4)) is addressed on page paragraph	

10.	An assessment of the PROTÉGÉ'S needs (13 CFR 124.520(e)(1)) is addressed on page paragraph
11.	The agreement describes the assistance the MENTOR commits to provide to the PROTEGES (13 CFR 124.520(e)(1)) is addressed on page paragraph
12.	The requirement that MENTOR will provide such assistance to Protégé for at least one year (13 CFR 124.520(e) (1)) is addressed on page paragraph
13.	The agreement includes a provision that the agreement must be approved by SBA AA/8(a) BD (13 CFR 124.520(e)(2)) is addressed on page paragraph
14.	The agreement provides that either the mentor or the protégé may terminate the agreement with 30 days advance notice to the other party to the mentor protégé relationship and to SBA (13 CFR 124.520(e) (3)) is addressed on page paragraph
15.	The requirement that SBA must approve any changes to the mentor/protégé agreement in advance (13 CFR 124.520(e) (5)) is addressed on page paragraph
16.	The requirement that the PROTÉGÉ must report to SBA on the mentor/protégé relationship as part of its annual business review for the protégé's preceding program year (13 CFR 124.520(f)(1)) is addressed on page is addressed on page paragraph
17.	The requirement that the PROTÉGÉ must annually certify to SBA whether there has been any change in the terms of the Agreement (13 CFR 124.520(f)(2)) is addressed on page paragraph
18.	The requirement that SBA may decide not to approve continuation of the agreement if it finds that the mentor has not provided the assistance set forth in the mentor/protégé agreement or that the assistance has not resulted in any material benefits or developmental gains to the protégé (13 CFR 124.520(f)(3)) is addressed on page paragraph

#### SBA 8(a) Mentor - Protégé Program

#### **An Overview**

#### The Design and Purpose of the Program

The Mentor-Protégé Program is designed to encourage approved Mentors to provide various forms of assistance to eligible protégé Participants. The purpose of the mentor-protégé relationship is to enhance the capabilities of the Protégés; and to improve their ability to successfully compete for federal contracts.

#### Who is Qualified to Participate

<u>Mentors</u> – Any concern that demonstrates both a commitment and the ability to assist 8(a) Participants may serve as a Mentor. Mentors include: businesses that have graduated from the 8(a)BD Program; firms that are in the transitional stage of the Program; other small businesses; as well as large businesses.

To qualify as a Mentor, a concern must demonstrate that it: (i) Possesses favorable financial health, including profitability for at least the last two years; (ii) Possesses good character; (iii) Does not appear on the federal list of debarred or suspended contractors; and (iv) Can impart value to a Protégé from lessons learned and practical experience gained from the 8(a) BD program, or through its general knowledge of government contracting.

Generally, a Mentor will not have more than one Protégé at a time. However, the SBA may authorize a concern to mentor more than one protégé.

In order to demonstrate its **favorable financial health**, a firm seeking to be a Mentor **must submit** its federal tax returns for the last two years to SBA for review.

Once approved, a Mentor must annually certify that it continues to possess good character and a favorable financial position.

<u>Protégés</u> - To qualify initially as a Protégé, an 8(a) Participant must\_ (i) be in the developmental stage of the 8(a) Program, or (ii) Have never received an 8(a) contract; or, (iii) its size is less than half the size standard corresponding to its primary NAICS code.

The firm must be in good standing in the 8(a) BD program (i.e., firms that do not have termination or suspension proceedings against them; and are up to date with all reporting requirements).

A Protégé firm may have only one Mentor at a time. No exceptions!

#### The Mentor-Protégé Agreement

The Mentor and Protégé firms must enter into a written Agreement setting forth the Protégé's needs *and* describing the assistance the Mentor is committed to provide to address those needs. These include: management, financial and/or technical assistance, loans and/or equity investments, cooperation on joint venture projects, or subcontracts under prime contracts being performed by the Mentor. The Agreement must also specify that the Mentor will provide such assistance to the Protégé firm <u>for at least one year</u>.

<u>The SBA's AA/8(a)BD must approve the written Agreement</u>. For its approval, the Agreement must set forth the assistance to be provided by the Mentor for promoting real and sufficient gains significant to the Protégé. The Agreement **must NOT** be merely a vehicle to enable the non-8(a) participant to continue to receive 8(a) contracts.

The Agreement *must* provide that either the Protégé or the Mentor may terminate the Agreement with 30 days advance notice to the other party in the mentor-protégé relationship; and a copy to SBA.

The mentor must annually certify to favorable financial health and good character.

SBA will review the mentor-protégé relationship annually to determine whether to approve its continuation for another year.

SBA must approve all changes to a Mentor-Protégé Agreement in advance.

#### Annual Evaluation of the Mentor-Protégé Relationship

In its annual business plan update, as required by Sec. 124.403(a,), the Protégé *must* report to SBA for the Protégé's preceding program year:

- All technical and/or management assistance provided by the Mentor to the Protégé;
- All loans to and/or equity investments made by the Mentor in the Protégé;
- All subcontracts awarded to the Protégé by the Mentor, and the value of each subcontract;
- All federal contracts awarded to the mentor-protégé relationship as a joint venture (designating each as an 8(a), **small business** set aside, or unrestricted procurement), the value of each contract, and the percentage of the contract performed and the percentage of revenue accruing to each party in the joint venture; and
- A narrative describing the success such assistance has had in addressing the developmental needs of the Protégé and addressing any problems encountered.

The Protégé must annually certify to SBA whether there has been any change in the terms of the Agreement.

The Mentor must annually certify to favorable financial health and good character.

SBA will review the Protégé's report on the mentor-protégé relationship as part of its annual review of the firm's business plan pursuant to Sec. 124.403. SBA may decide not to approve continuation of the Agreement if it finds that the Mentor has not provided the assistance set forth in the Mentor-Protégé Agreement or that the assistance has not resulted in any material benefits to the Protégé.

#### What Are the Benefits?

In order to raise capital for the Protégé firm, the Mentor may invest an equity interest of **up to 40%** in the Protégé firm.

Notwithstanding the Mentor-Protégé relationship, a Protégé firm may qualify for other assistance as a small business, including SBA financial assistance.

No determination of affiliation or control may be found between a Protégé firm and its Mentor based on the Mentor-Protégé Agreement or any assistance provided pursuant to the Agreement.

#### Effective Dates

June 30, 1998: Final Rules published in the Federal Register.

#### Where to Contact Us In Alaska

(907) 271-4022 OR (800) 755-7034, SBA Alaska District Office, 8(a) Business Development division.

#### Where and How to Apply

Qualified 8(a) Participants may apply to be considered as a Protégé or Mentor with the SBA Alaska District Office where it is registered.

U.S. Small Business Administration 8(a) BD Mentor-Protégé Program 510 L Street, Suite 310 Anchorage, AK 99501

#### Additional Information

The SBA has a number of other programs and services available. These include training and educational programs, advisory services, publications, financial programs, and contract assistance. The agency also offers specialized programs for women business owners, veterans, international trade, and historically underutilized business zone (HUBZone) for development.

###

The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, the SBA is the nation's largest single financial backer of small businesses. Last year, the SBA offered management and technical assistance to more than one million small business owners. The SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.

America's 23 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.

All of SBA's programs and services are extended to the public on a non-discriminatory basis.

#### Section 124.520 Mentor/Protégé Program.

- (a) General. The mentor/protégé program is designed to encourage approved mentors to provide various forms of assistance to eligible Participants. This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; subcontracts; and/or assistance in performing prime contracts with the Government in the form of joint venture arrangements. The purpose of the mentor/protégé relationship is to enhance the capabilities of the protégé and to improve its ability to successfully compete for contracts.
- (b) *Mentors*. Any concern that demonstrates a commitment and the ability to assist developing 8(a) Participants may act as a mentor and receive benefits as set forth in this section. This includes businesses that have graduated from the 8(a) BD program, firms that are in the transitional stage of program participation, other small businesses, and large businesses.
- (1) In order to qualify as a mentor, a concern must demonstrate that it:
- (i) Possesses favorable financial health, including profitability for at least the last two years;
- (ii) Possesses good character;
- (iii) Does not appear on the federal list of debarred or suspended contractors; and
- (iv) Can impart value to a protégé firm due to lessons learned and practical experience gained because of the 8(a) BD program, or through its general knowledge of government contracting.
- (2) Generally, a mentor will have no more than one protégé at a time. However, the AA/8(a)BD may authorize a concern to mentor more than one protégé at a time where the concern can demonstrate that the additional mentor/protégé relationship will not adversely affect the development of either protégé firm (e.g., the second firm cannot be a competitor of the first firm).
- (3) In order to demonstrate its favorable financial health, a firm seeking to be a mentor must submit its federal tax returns for the last two years to SBA for review.
- (4) Once approved, a mentor must annually certify that it continues to possess good character and a favorable financial position.
- (c) *Protégés* (1) In order to initially qualify as a protégé firm, a Participant must:
- (i) Be in the developmental stage of program participation;
- (ii) Have never received an 8(a) contract; or
- (ii) Have a size that is less than half the size standard corresponding to its primary SIC code.
- (2) Only firms that are in good standing in the 8(a) BD program (e.g., firms that do not have termination or suspension proceedings against them, and are up to date with all reporting requirements) may qualify as a protégé.

- (3) A protégé firm may have only one mentor at a time.
- (d) Benefits. (1) A mentor and protégé may joint venture as a small business for any government procurement, including procurements with a dollar value less than half the size standard corresponding to the assigned NAICS code and 8(a) sole source contracts, provided the protégé qualifies as small for the procurement and, for purposes of 8(a) sole source requirements, the protégé has not reached the dollar limit set forth in §124.519.
- (2) Notwithstanding the requirements set forth in §§124.105(g) and (h), in order to raise capital for the protégé firm, the mentor may own an equity interest of up to 40% in the protégé firm.
- (3) Notwithstanding the mentor/protégé relationship, a protégé firm may qualify for other assistance as a small business, including SBA financial assistance.
- (4) No determination of affiliation or control may be found between a protégé firm and its mentor based on the mentor/protégé agreement or any assistance provided pursuant to the agreement.
- (e) Written agreement. (1) The mentor and protégé firms must enter a written agreement setting forth an assessment of the protégé's needs and describing the assistance the mentor commits to provide to address those needs (e.g., management and/or technical assistance, loans and/or equity investments, cooperation on joint venture projects, or subcontracts under prime contracts being performed by the mentor). The agreement must also provide that the mentor will provide such assistance to the protégé firm for at least one year.
- (2) The written agreement must be approved by the AA/8(a)BD. The agreement will not be approved if SBA determines that the assistance to be provided is not sufficient to promote any real developmental gains to the protégé, or if SBA determines that the agreement is merely a vehicle to enable a non-8(a) participant to receive 8(a) contracts.
- (3) The agreement must provide that either the protégé or the mentor may terminate the agreement with 30 days advance notice to the other party to the mentor/protégé relationship and to SBA.
- (4) SBA will review the mentor/protégé relationship annually to determine whether to approve its continuation for another year.
- (5) SBA must approve all changes to a mentor/protégé agreement in advance.
- (f) Evaluating the mentor/protégé relationship. (1) In its annual business plan update required by §124.403(a,) the protégé must report to SBA for the protégé's preceding program year:
- (i) All technical and/or management assistance provided by the mentor to the protégé;
- (ii) All loans to and/or equity investments made by the mentor in the protégé;
- (iii) All subcontracts awarded to the protégé by the mentor, and the value of each subcontract:
- (iv) All federal contracts awarded to the mentor/protégé relationship as a joint venture (designating each as an 8(a), small business set aside, or unrestricted procurement),

the value of each contract, and the percentage of the contract performed and the percentage of revenue accruing to each party to the joint venture; and

- (v) A narrative describing the success such assistance has had in addressing the developmental needs of the protégé and addressing any problems encountered.
- (2) The protégé must annually certify to SBA whether there has been any change in the terms of the agreement.
- (3) SBA will review the protégé's report on the mentor/protégé relationship as part of its annual review of the firm's business plan pursuant to §124.403. SBA may decide not to approve continuation of the agreement if it finds that the mentor has not provided the assistance set forth in the mentor/protégé agreement or that the assistance has not resulted in any material benefits or developmental gains to the protégé.

[63 FR 35739, June 30, 1998, as amended at 69 FR 29208, May 21, 2004]