

**SUBPART 219.71—PILOT MENTOR-PROTEGE PROGRAM**

**219.7100 Scope.**

This subpart implements the Pilot Mentor-Protege Program established under Section 831 of the National Defense Authorization Act for Fiscal Year 1991, Pub. L. 101-510, as amended. The purpose of the Program is to provide incentives for DoD contractors to assist small disadvantaged businesses in enhancing their capabilities and to increase participation of such firms in Government and commercial contracts. Qualified organizations employing the severely disabled, as defined in section 8064A of Pub. L. 102-172, are also eligible to participate as protege firms.

**219.7101 Policy.**

DoD policy and procedures for implementation of the Program are contained in Appendix I, Policy and Procedures for the DoD Pilot Mentor-Protege Program.

**219.7102 General.**

The Program includes—

- (a) Mentor firms, which are prime contractors with at least one active subcontracting plan negotiated under FAR Subpart 19.7.
- (b) Protege firms, which are small disadvantaged business (SDB) concerns or qualified organizations employing the severely disabled, eligible for receipt of Federal contracts and selected by the mentor firm.
- (c) Mentor-protege agreements, which establish a developmental assistance program for a protege firm.
- (d) Incentives, which may be provided to mentor firms by the DoD including:
  - (1) Reimbursement for developmental assistance costs through—
    - (i) A separate contract;
    - (ii) A separately priced contract line item on a DoD contract; or
    - (iii) Inclusion of program cost in indirect expense pools.
  - (2) Credit toward SDB subcontracting goals, established under a subcontracting plan negotiated under FAR Subpart 19.7, for developmental assistance costs which are either reimbursed through indirect expense pools or are not reimbursed; or
  - (3) A combination of reimbursement and credit.

**219.7103 Procedures.**

**219.7103-1 General.**

The procedures for application, acceptance, and participation in the program are in Appendix I, Policy and Procedures for the DoD Pilot Mentor-Protege Program. The Director of Small and Disadvantaged Business Utilization, Office of the Under

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Secretary of Defense (Acquisition and Technology) approves contractors as mentor firms, approves mentor-protege agreements, and forwards approved mentor-protege agreements to the contracting officer when program funding is available through a DoD Program Manager.

#### **219.7103-2 Contracting officer responsibilities.**

Contracting officers shall—

(a) Negotiate an advance agreement on the treatment of developmental assistance costs for credit, reimbursement, or both, if the mentor firm proposes such an agreement, or delegate authority to negotiate to the administrative contracting officer (see FAR 31.109).

(b) Modify (without consideration) applicable contract(s) to incorporate the clause at 252.232-7005, Reimbursement of Subcontractor Advance Payments—DoD Pilot Mentor-Protege Program, when advance payments are provided by a mentor firm to a protege firm under the Program and the mentor firm requests reimbursement of advance payments.

(c) Modify (without consideration) applicable contract(s) to incorporate other than customary progress payments for small disadvantaged businesses in accordance with FAR 32.504(c) if such payments are provided by a mentor firm to a protege firm and the mentor firm requests reimbursement.

(d) Modify applicable contract(s) to establish a contract line item for reimbursement of developmental assistance costs—

(1) When funds have been made available for that purpose by a DoD program manager; and

(2) The contractor has an approved mentor-protege agreement.

(e) Advise contractors of reporting requirements in Appendix I.

#### **219.7104 Developmental assistance costs eligible for reimbursement or credit.**

(a) Developmental assistance provided under an approved mentor-protege agreement is distinct from, and shall 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 shall be accumulated and charged in accordance with the contractor's approved accounting practices. Mentor firm costs which are eligible for reimbursement are set forth in Appendix I.

(b) Before incurring any costs under the Program, mentor firms need to establish the accounting treatment of developmental assistance costs eligible for reimbursement or credit. Advance agreements are encouraged. To be eligible for reimbursement under the Program, costs must be incurred before October 1, 2000.

(c) If the mentor firm is suspended or debarred while performing under an approved mentor-protege agreement, the mentor firm may not be reimbursed or credited for developmental assistance costs incurred more than 30 days after the imposition of the suspension or debarment.

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(d) Developmental assistance costs, incurred by a mentor firm before October 1, 2000, that are eligible for crediting under the Program may be credited towards subcontracting plan goals as set forth in Appendix I.

#### **219.7105 Reporting.**

Mentor firms shall report on the progress made under active mentor-protege agreements semi-annually as indicated in Section I-111 of Appendix I.