



U.S. Small Business
Administration

All Small Mentor-Protégé Program & Joint Ventures

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All Small Mentor Protégé Program (ASMPP)

ASMPP Background

Authorized under the 2010 Small Business Jobs Act and the 2013 NDAA

- Rather than creating programs for separate constituencies – SDVOB, WOSB, HUBZones - SBA created a single, all-inclusive Mentor-Protégé Program modeled on its 8(a) program.
- The ASMPP's aim is two-fold: develop strong Protégé firms through Mentor-provided business development assistance; and enhance the ability of Protégé firms to successfully compete for government contracts.

Rule Highlights

Final Rule Effective Date: August 24, 2016

- Creates the ASMPP
- Streamlines the rules for the 8(a) Mentor-Protégé Program and made them consistent with the ASMPP
 - Prescribes content for Joint Venture Agreements under both programs
- Authorizes the SBA to evaluate other Federal Agency Mentor-Protégé Programs

ASMPP Update

Applications must be submitted via certify.sba.gov.
No paper applications will be accepted.

Website: <https://www.sba.gov/allsmallmpp>

Please note that a Mentor-Protégé relationship should be established before starting the application – the ASMPP is not a matching program

Program Administration

- Centralized in HQ, rather than the distributive 8(a) model
- Online Application – certify.sba.gov
- Online course tutorial requirement
- Annual Review and Evaluation
- Template agreements i.e. MPA, joint venture
- Incremental staff augmentation at HQ – demand driven

ASMPP Highlights

- Generally, Protégé may only have one Mentor at a time, and a maximum of two.
- Mentors cannot have more than 3 Protégés in the aggregate.
- Protégés and Mentors must either be for-profit entities or agricultural cooperatives.
- Participants can be both a Protégé and a Mentor if no competition or conflict exists.
- Participants self-certify as small in the NAICS in which they're seeking business development assistance.

ASMPP Highlights

- No reapplication required for 8(a) firms in the last 6 months of the 8(a) program wishing to transfer their existing MPA to the ASMPP.
- No financial statements or tax returns required.
- Business plan (SBA-approved or other) required for consideration.

Approved Forms of Mentor Assistance

- ▶ **Management & Technical Assistance** (internal business management systems)
- ▶ **Financial Assistance** (in the form of equity investments and/or loans)
- ▶ **Contracting Assistance** (contracting processes, capabilities acquisitions & performance)
- ▶ **Trade Education** (learn how to export, IT business plan, finding markets)
- ▶ **Business Development Assistance** (strategy, finding contracting and partnership opportunities)
- ▶ **General and/or Administrative Assistance** (business processes and support)

ASMPP Joint Ventures

- ▶ An approved Protégé and Mentor may joint venture as a small business for any government prime contract or subcontract, provided the protégé qualifies as small for the procurement.
- ▶ The ASMPP does not review, evaluate or approve joint venture entities or joint venture agreements.
- ▶ In order to receive the exclusion from affiliation, the joint venture must meet the requirements outlined in 13 CFR 125.8(b)(2), (c), and (d).

ASMPP Resources

- SBA webpage : <https://www.sba.gov/allsmallmpp>
- All Small Mentor Protégé Program Tutorial :
 - <https://www.sba.gov/tools/sba-learning-center/training/sbas-all-small-mentor-protege-program>
- For more information on the ASMPP:
allsmallmpp@sba.gov

Joint Ventures

Contract Teaming Agreement

Only two types:

- Two or more companies form a partnership or joint venture to act as a potential prime contractor; or
- A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified government contract or acquisition program.

Applies to large and small business

Benefits of JVs to the Small Business

- Gain new capacity and expertise
- Combine capabilities and past performance
- Increase bidding power and bonding capacity
- Share risk
- Short time frame

Affiliation

13 CFR 121.103

- Power to control
- Common managers
- Identical business interests
- Common stockholders
- Ownership of multiple businesses
- Contractual relationships
- JV arrangements

Affiliation

Presumption of Affiliation

- Firms owned or controlled by:
 - Married couples or parties to a civil union
 - Parents, children, and siblings
- Conduct business with each other:
 - Subcontracts
 - Joint ventures
 - Share or provide loans, resources, equipment, locations or employees with one another.
- Rebut presumption by showing a clear line of fracture between the concerns
- Other types of familial relationships are not grounds for affiliation on family relationships

Affiliation

Identity of Interest – Economic Dependence

70% of receipts over prior 3 fiscal years

- Can be rebutted – e.g., only in business for short term
- Not applicable if business owned and controlled by an Indian Tribe, Alaskan Native Corporation (ANC), Native Hawaiian Organization (NHO), or Community Development Corporation (CDC) or wholly owned entity of such

Joint Venture

Exception to Affiliation

Two or more small business concerns

- May submit an offer for prime contract or subcontract
- Each must be small under the size standard for the NAICS assigned to contract/subcontract

What should be in a JV Agreement?

- A provision setting forth the purpose of the JV
- Small Business as managing venturer
 - Employee of Small Business as project manager
 - Signed letter of intent
 - Project manager cannot be employed by the mentor and become an employee of the small business for purposes of performance under the joint venture
- A provision stating the distribution of profits/losses
- A provision providing for the establishment of a special bank account

- A provision itemizing all major equipment, facilities, and other resources to be furnished by each party to the joint venture, with a detailed schedule of cost or value each A provision specifying the responsibilities of parties
- A provision obligating all parties to the joint venture
- A provision designating that accounting and other administration records relating to the JV shall be kept in the office of the managing venturer

- A provision requiring the final original records be retained by the managing venturer upon completion of the contract performed by the joint venture.
- A provision for handling substitution or addition of co-venturers
- A provision for handling disputes
- A provision for handling the termination of the JV

Questions???

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