



# The Office of Business Development

Office of Management and  
Technical Assistance

John C. Woosley

New Mexico District Director

14 October 2009



# What is the SBA Mentor Protégé Program?

- The SBA Mentor-Protégé Program is a program designed to encourage approved Mentors to provide various forms of assistance to eligible 8(a) Participants as Protégés, established as a Mentor/Protégé-Agreement (M/P-A).



## What is the Purpose of the SBA Mentor Protégé Program?

- The purpose of the Mentor-Protégé relationship (M/P-A) is to enhance the capabilities of the protégé and to improve its ability to successfully compete for Federal contracts.



## **The various assistance that a Mentor may provide to a Protégé include:**

- Technical and/or management assistance;
- Financial assistance in the form of equity investment, and/or loans;
- Offerings of subcontracts;
- Assistance in the performance of prime contracts with the Federal government in the form of Joint Venture arrangements.



## Eligibility & Qualifications

Eligibility for participation in the Mentor-Protégé Program is subject to the approval of the SBA.

- Mentors: To be eligible as a Mentor, a concern must demonstrate a commitment, and the ability to assist developing 8(a) Participants. The concern may have graduated from the 8(a) Program, or be in the Transitional Stage of the program. Other small businesses or large businesses with the same commitment and ability may also qualify to serve as Mentors.



## To qualify as a Mentor, a concern must demonstrate that it:

- To qualify as a Mentor, a concern must demonstrate that it:
- Possesses a favorable financial health, including profitability for at least the last two years;
- Possesses a good character;
- Does not appear on the Federal list of Debarred or Suspended Contractors; and
- Can impart value to a Protégé firm due to lessons learned, and practical experience gained through the 8(a) Program, or from its general knowledge of government contracting.



## To initially qualify as a Protégé participant, a firm must:

- Be in the Developmental Stage of the 8(a) Program; or
- Have NOT yet received an 8(a) contract; or
- Have a size that is less than half the Size Standard corresponding to its primary SIC code.
- The firm must also be in good standing in the 8(a) Program, i.e. the firm must not have termination or suspension proceedings against it, and is up-to-date with all reporting requirements



# The Benefits of Participating in the Mentor-Protégé Program

- Expertise, resources and capabilities of the Mentor are made available to the 8(a) Participant Protégé.
- To aid the Protégé to raise capital. (e.g., Mentors may own an equity interest up to 40% in the Protégé firm.)
- 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.
- The Protégé, due to the additional capabilities gained from the Mentor, -- may better qualify for other assistance as a small business, including SBA financial assistance.



# Terms & Conditions for Program Participation

- The SBA must approve both Mentors and Protégés in order to participate in the Program.
- The Mentor and Protégé firms must enter into a written Agreement setting forth the needs of the Protégé and the assistance to be provided by the Mentor. The Agreement must be approved by the SBA; and thereafter, will be reviewed annually for continuation. All changes to Mentor-Protégé Agreements must be approved in advance.



## Terms & Conditions for Program Participation Cont'd

- The Agreement must provide that either the Protégé or the Mentor may terminate the relationship with 30-days advance notice to the other party; and a copy to the SBA.
- A Protégé firm may have only one Mentor at a time.
- Generally, a Mentor will have no more than one Protégé at a time. The SBA must authorize any additional Protégé.



## How and Where to Apply

- Any qualified 8(a) Participant can apply to be considered as a Protégé or Mentor with the SBA District Office where it is registered.
- New Mexico District Office
  - [www.sba.gov/nm](http://www.sba.gov/nm)
  - 505 248 8225



**The office of Business  
Development/Office of  
Management and Technical  
Assistance (BD/OMTA) contact:**

**Email: [omta@sba.gov](mailto:omta@sba.gov)**

**Office: (202) 205-9991**

**Fax: (202) 205-7423 or  
(202) 205-7613**

# SBA

## Questions & Answers