



Government Contracting: Maximizing Your Chances

HUBZone Contractors National Council
2019 National HUBZone Conference, Chantilly, VA

September 5, 2019

Information contained in this training document shall not be and is prohibited from reproduction and unauthorized distribution by parties other than GovContractPros, LLC and HUBZone Contractors National Council. Expressed and written permission must be obtained from GovContractPros, LLC prior to reproduction or distribution of the content provided herein.

Presenters



Aditi Dussault
Co-Founder and Director
aditi@govcontractpros.com



John Shoraka
Co-Founder and Managing Director
john@govcontractpros.com

Presentation Overview

- Teaming Overview
- SBA All Small Mentor-Protégé Program
- Keys for Mentors
- Keys for Protégés
- How to Apply
- Compliant Joint Ventures
- Rules & Regulations

Teaming Overview

- Teaming means many things
 - Mentor-Protégé Programs
 - Joint Ventures
 - Contract Teaming Arrangements
 - Prime-Sub
- Mentor-Protégé Program has many meanings
 - SBA All Small Mentor-Protégé Program
 - SBA 8(a) Mentor-Protégé Program
 - Other Agency Mentor-Protégé Programs
 - Department of Defense Mentor-Protégé Program
 - Private Sector Mentor-Protégé Program
- Different MPPs for different purposes
 - Other Agency Programs – evolving and moving under SBA program and/or winding down
 - DoD Program – Substantial investment from DoD into both Mentor and Protégé
 - Private sector – Can really be anything!
 - SBA Program – next slide

SBA All Small Mentor-Protégé Program

- Available to all Small Businesses, including SDVOSBs, HUBZones, WOSBs, & 8(a)s
 - MPA agreement gets reviewed/approved by SBA
 - Firms can be a mentor and a protégé simultaneously
- Benefits
 - Protégé firm receives benefits and support from Mentor firm
 - Mentor can provide support to protégé, including capital investment
 - Protection from affiliation
 - MPP Joint Ventures may qualify as a small business for any federal government contract or subcontract where the protégé qualifies as small for the size standard assigned to the procurement
 - Joint Ventures allow work to be performed by a protégé that it may not have capacity to perform on its own & mentor can obtain a portion of contracts which are otherwise inaccessible due to small business set-asides
- What is affiliation?
 - Typical business relationships in the private sector can create affiliation concerns
 - Concern about one entity having power or control over another (even if not exercised)
 - Can be affirmative or negative control
 - Can be a third party
 - 3-in-2 rule

Keys for Mentors

- Mentors must be for-profit entities which demonstrate the commitment and ability to assist small business concerns
 - Possess “good character”
 - Not suspended or debarred
 - Can impart value to the protégé
 - Demonstrates it can meet the obligations outlined in the Mentor-Protégé Agreement
- Generally, each mentor may have no more than one protégé at a time
 - May seek approval for up to three protégés as long as the additional relationships do not adversely impact the development of any protégé firms

Keys for Protégés

- Must be small under its primary NAICS code or seeking assistance in a secondary NAICS code in which it is small
- Importance of ensuring protégé qualifies as a SDVOSB/HZ/WOSB/8(a) firm
- Protégé not limited to a single mentor but only gets two over its lifetime
- Choose carefully – the limit of 2 mentors over the lifespan of a company makes it a critical choice

How to Choose a Mentor

- Bigger is not always better...but can be good!
- Trust your value and expect value from the Mentor
- Consider the areas where you could use assistance
- Will the mentor make firm commitments (e.g. schedules, named resources, specific target opportunities, etc.)?
- Will the mentor cede control? They have to!
- What happens when the relationship is over?
- Does the mentor have other protégés?

How to Apply

- Online application at certify.sba.gov & Online Survey for annual report
- Requires Mentor and Protégé to participate in online training to provide certificate
- All applicants must submit an executed Mentor-Protégé Agreement
- Mentor-Protégé Agreement template available
 - Should specifically discuss needs, assistance, timeline, and success measurements
- MPA defines the parties to the agreement, discloses relationships that affect eligibility, commits to reporting, lays out termination consequences, and identifies company contacts.
- Six areas for assistance covered in MPA are:
 - Management and Technical Assistance
 - Financial Assistance
 - Contracting
 - Business Development
 - International Trade
 - General and Administrative

Compliant Joint Ventures

- JVs under an MPA do not need advance approval from SBA, unless the Joint Venture is an 8(a) JV and pursuing an 8(a) set aside or sole source opportunity
- Agreements must be in writing
- JVs must be separate legal entities with their own EIN, DUNS, and SAM registrations – Not required to be 51%/49%
- JVs must perform applicable percentages of work based on subcontracting requirements, and the protégé must perform at least 40 percent of the work
- JVs must also report/certify compliance with JV regulations to SBA and agencies with respect to how the work is being performed

Compliant Joint Ventures

- Identify Managing Venturer & Partner Venturer & name the JV
- Can be contract specific, or be general with a contract-specific addendum – should identify NAICS, opportunity, breakdown of contributions and responsibilities for the opportunity
- Outline management structure of the JV
- Project manager must be an employee of the protégé
- Discuss why the managing venturer needs the support of the partner
- Profits & distributions
- Provision of a special bank account
- Commitment to contract performance in the event of termination
- Recordkeeping & providing SBA access to inspect records
- Reporting to SBA (contract start, annual, end of contract)

Rules & Regulations

- Small Business rules are always changing
- Can influence the rules via taking advantage of public comment periods
- Can influence the rules by engaging your Congressional delegation
- Advocacy organizations play a critical role in shaping policy

Lightning Round – Ask Us Anything

- Regulatory Issues & Recent changes to:
 - Size standards
 - Category management/strategic sourcing
 - HUBZone Program Requirements
 - WOSB/EDWOSB Program Requirements
 - Teaming & Joint Venture Rules
 - Non-manufacturer rules
 - EVERYTHING!
- Market research
- 8(a), HZ, WOSB, SDVOSB, VOSB
- Size Standards
- Fantasy Football lineups
- Realize you forgot to ask us something? Monthly Ask the Experts conference call – www.govcontractpros.com/events

Thank you!

Thank you for joining us today!

If you would like to speak to us about the information presented in this training, contact us:

Telephone Main Line: 240-760-2902

Aditi Dussault

aditi@govcontractpros.com

John Shoraka

john@govcontractpros.com

This material is presented with the understanding that the author is not rendering any legal, accounting, or other professional service or advice. Because of the rapidly changing nature of the law, information contained in this presentation may become outdated. As a result, the user of this material must always research original sources of authority and update information to ensure accuracy when dealing with a specific legal matter. In no event will the author be liable for any damages resulting from the use of this material.

ABOUT GOVCONTRACTPROS

GovContractPros helps government contractors access and navigate the \$500 billion federal marketplace with proven expertise. The GovContractPros mission is to ensure the prosperity of our clients throughout all stages of their growth and development. We collaborate with clients to develop effective business strategies, provide education and advocacy services, and work to facilitate access to government contracting opportunities, while leveraging small business contracting programs. Our services are offered through traditional consulting engagements or as part of our membership platform.

Our primary practice areas are:

- **Business Strategy**
- **Business Development**
- **Advocacy and Government Relations**
- **Business Software Platform**
- **Certifications and Training**
- **Expert Witness**

For more information visit:
www.govcontractpros.com