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Subpart 219.71 - PILOT MENTOR-PROTEGE PROGRAM

Parent topic: [Part 219 - SMALL BUSINESS PROGRAMS](#)

219.7100 Scope.

This subpart implements the DoD Mentor-Protégé Program (referred to as the Program) authorized under 10 U.S.C. 4902. The purpose of the Program is to provide incentives for DoD contractors to assist protégé firms in enhancing their capabilities and to increase participation of such firms in Government and commercial contracts.

219.7101 Policy.

DoD policy and procedures for implementation of the Program are contained in appendix I, Policy and Procedures for the DoD Mentor-Protégé Program.

219.7102 General.

The Program includes—

- (a) Mentor firms and protege firms that meet the criteria in [I](#), section I-102;
- (b) Mentor-protege agreements that establish a developmental assistance program for a protege firm;
- (c) A preliminary assessment of the protégé firm's cybersecurity readiness. The DoD Office of Small Business Programs (OSBP), Office of the Under Secretary of Defense, Acquisition and Sustainment (OUSD(A&S)), provides this preliminary assessment, which is a benefit of program participation; and
- (d) Incentives that DoD may provide to mentor firms, which include—
 - (1) Reimbursement for developmental assistance costs through—
 - (i) A separately priced contract line item on a DoD contract; or
 - (ii) A separate contract, upon written determination by the Director, (OSBP), of the cognizant military department or defense agency that unusual circumstances justify reimbursement using a separate contract; or
 - (2) Credit toward applicable subcontracting goals, established under a subcontracting plan negotiated under FAR subpart 19.7 or under the DoD Comprehensive Subcontracting Test Program, for developmental assistance costs that are not reimbursed.

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 Mentor-Protégé Program. The Mentor-Protégé Program Director, OSBP, OUSD(A&S), has the authority to approve contractors as mentor firms. The Director, OSBP, of each military department or defense agency has the authority to approve mentor-protégé agreements and forward approved mentor-protégé agreements to the contracting officer when funding is available.

219.7103-2 Contracting officer responsibilities.

Contracting officers shall—

(a) Negotiate an advance agreement on the treatment of developmental assistance costs for either credit or reimbursement 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 Mentor-Protégé Program.](#), [Reimbursement of Subcontractor Advance Payments—DoD Mentor-Protégé Program.](#), when a mentor firm provides advance payments to a protégé 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 protégé firms in accordance with FAR 32.504(c) if a mentor firm provides such payments to a protégé firm and the mentor firm requests reimbursement.

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

(1) A DoD program manager or the Director, OSBP, of the cognizant military department or defense agency has made funds available for that purpose; and

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

(e) Negotiate and award a separate contract for reimbursement of developmental assistance costs only if -

(1) Funds are available for that purpose;

(2) The contractor has an approved mentor-protégé agreement; and

(3) The Director, OSBP, of the military department or defense agency has made a determination in accordance with [219.7102\(d\)\(1\)\(ii\)](#).

(f) Not authorize reimbursement for costs of assistance furnished to a protégé firm in excess of \$1 million in a fiscal year unless a written determination from the Director, OSBP, of the military

department or defense agency is obtained.

(g) Advise contractors of reporting requirements in [APPENDIX I - POLICY AND PROCEDURES FOR THE DOD PILOT MENTOR-PROTEGE PROGRAM](#) .

(h) Provide a copy of the approved mentor-protégé agreement to the Defense Contract Management Agency (DCMA) small business professional responsible for conducting the annual performance review (see appendix I, section I-113).

219.7104 Developmental assistance costs eligible for reimbursement or credit.

(a) Developmental assistance provided under an approved mentor-protege agreement is distinct from, and must not duplicate, any effort that is the normal and expected product of the award and administration of the mentor firm's subcontracts. The mentor firm must accumulate and charge costs associated with the latter in accordance with its approved accounting practices. Mentor firm costs that are eligible for reimbursement are set forth in [APPENDIX I - POLICY AND PROCEDURES FOR THE DOD PILOT MENTOR-PROTEGE PROGRAM](#) .

(b) Before incurring any costs under the Program, mentor firms must establish the accounting treatment of developmental assistance costs eligible for reimbursement or credit. For mentor-protégé agreements entered into prior to December 23, 2022, to be eligible for reimbursement under the Program, the mentor firm must incur the costs not later than September 30, 2026.

(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.

(d) For mentor-protégé agreements entered into prior to December 23, 2022, developmental assistance costs incurred by a mentor firm not later than September 30, 2026, that are eligible for crediting under the Program, may be credited toward subcontracting plan goals as set forth in [appendix I](#) . For mentor-protégé agreements entered into on or after December 23, 2022, developmental assistance costs that are eligible for crediting under the Program may be credited toward subcontracting plan goals as set forth in [appendix I](#) .

219.7105 Reporting.

Mentor and protege firms must report on the progress made under mentor-protege agreements as indicated in [APPENDIX I - POLICY AND PROCEDURES FOR THE DOD PILOT MENTOR-PROTEGE PROGRAM](#) , Section I-112.

219.7106 Performance reviews.

DCMA will conduct annual performance reviews of all mentor-protege agreements as indicated in [APPENDIX I - POLICY AND PROCEDURES FOR THE DOD PILOT MENTOR-PROTEGE PROGRAM](#) , Section I-113. The determinations made in these reviews should be a major factor in determinations

of amounts of reimbursement, if any, that the mentor firm is eligible to receive in the remaining years of the Program participation term under the agreement.