


GSA ORDER

Subject: General Services Administration Acquisition Manual; GSAR Part 519 and Part 552, GSAR Case 2017-G502, Transition to SBA Mentor-Protégé Program

1. **Purpose.** This order transmits a revision to the General Services Administration Acquisition Manual (GSAM).
2. **Background.** The SBA published a final rule in August 2016 to implement provisions of the Small Business Jobs Act of 2010, and the National Defense Authorization Act (NDAA) for Fiscal Year 2013. The rule established a Government-wide mentor-protégé program for all small business concerns, consistent with SBA's mentor-protégé program for Participants in SBA's 8(a) Business Development (BD) program. GSA is amending the GSAR to remove the GSA Mentor-Protégé Program and transition contractors to the Government-wide mentor-protégé program to comply with the SBA final rule, Small Business Mentor Protege Programs (81 FR 48557). GSA will reduce redundancy and gain efficiencies by using SBA's governmentwide mentor-protége program.

Additionally, GSA is removing three GSAR subcontracting clauses as they provide duplicate guidance from the Federal Acquisition Regulation (FAR). GSA is removing GSAR clauses, 552.219-71, 552.219-72 and 552.219-73 as the requirements of these clauses duplicate the requirements in FAR clause 52.219-9, Small Business Subcontracting Plan. By removing these clauses from the GSAR, GSA will gain administrative efficiencies by reducing duplicate clauses.

3. **Effective date.** Date of Signature.
4. **Explanation of changes.** This amendment includes regulatory changes. For full text changes of the amendment see Appendix A, GSAR Text Line-In/Line-Out.



Jeffrey A. Koses
Senior Procurement Executive
Office of Acquisition Policy
Office of Government-wide Policy

Appendix A

GSAR Case 2017-G502 “Transition to SBA Mentor-Protege Program”

GSAM Text, Line-In/Line-Out

GSAM Baseline: Change 95 effective 10/09/2018

- Additions to baseline are indicated by **[bold text in brackets]**
- Deletions to baseline are indicated by ~~strikethroughs~~
- Five asterisks (* * * * *) indicate that there are no revisions between the preceding and following sections
- Three asterisks (* * *) indicate that there are no revisions between the material shown within a subsection

Part 501— General Services Administration Acquisition Regulation System

Subpart 501.1— Purpose, Authority, Issuance

501.106 OMB Approval under the Paperwork Reduction Act.

GSAR Reference	OMB Control No.	GSAR Reference	OMB Control No.
509.105-1(a)	3090-0007	552.219-75	3090-0286
511.204(b)	3090-0246	552.219-76	3090-0286
514.201-1	3090-0163	552.223-70	3090-0205
515.408	3090-0235	552.232-72	3090-0080
516.203-4(a)(1)	3090-0243	552.237-71	3090-0006
516.506	3090-0248	552.238-70	3090-0250
519.708(b)	3090-0252	552.238-72	3090-0262
519.70	3090-0286	552.238-74	3090-0121 3090-0306
522.406-6	1215-0149	552.238-81	3090-0302
523.370	3090-0205	552.239-71	3090-0294
532.111(c)	3090-0080	552.242-70	3090-0027
532.905-70	9000-0102	552.246-70	3090-0027
532.905-71	3090-0080	552.246-71	3090-0027
537.110(a)	3090-0197	GSA-72-A	3090-0121
537.110(b)	3090-0006	GSA-527	3090-0007
538.273(a)(1)	3090-0250	GSA-618D	1215-0149
538.273(a)(3)	3090-0262	GSA-1142	3090-0080
538.273(b)(1)	3090-0121	GSA-1364	3090-0086
542.1107	3090-0027	GSA-1678	3090-0027

<u>546.302-70</u>	3090-0027	<u>GSA-2419</u>	9000-0102
<u>546.302-71</u>	3090-0027	<u>570.802(c)</u>	3090-0086
<u>552.211-77</u>	3090-0246	<u>570.802(d)</u>	3090-0086
<u>552.215-73</u>	3090-0163		
<u>552.216-70</u>	3090-0243		
<u>552.216-72</u>	3090-0248		
<u>552.216-73</u>	3090-0248		
<u>552.216-75</u>	3090-0306		
<u>552.219-72</u>	3090-0252		

Part 519— Small Business Programs

Subpart 519.7— The Small Business Subcontracting Program

~~519.708 Contract clauses.~~

~~519.708-70 Solicitation provisions.~~

Insert the following provisions as directed:

- (a) ~~552.219-71~~, Notice to Offerors of Subcontracting Plan Requirements, on the cover page of solicitations containing the clause at FAR 52.210-9, Small Business Subcontracting Plan.
- (b) ~~552.219-72~~, Preparation, Submission, and Negotiation of Subcontracting Plans, in solicitations requiring submission of the subcontracting plan with initial offers.
- (c) ~~552.219-73~~, Goals for Subcontracting Plan as follows:
 - (1) Use the basic provision in sealed bid solicitations containing FAR 52.210-9 if you are able to establish realistic target goals.
 - (2) Use Alternate I in:
 - (i) Sealed bid solicitations if you cannot establish target goals.
 - (ii) Negotiated solicitations that include FAR 52.210-9, but do not include ~~552.219-72~~.

Subpart 519.70— GSA Mentor-Protégé Program

519.7001 Scope of subpart.

The GSA Mentor-Protégé Program is designed to encourage and motivate GSA prime contractors to assist small businesses concerns, small disadvantaged businesses concerns, women-owned small businesses concerns, veteran-owned small business concerns, service-disabled veteran-owned small businesses concerns, and HUBZone small businesses concerns, and enhance their capability of performing successfully on GSA contracts and subcontracts, foster the establishment of long-term business relationships between these small business entities and GSA prime contractors, and increase the overall number of small business entities that receive GSA contract and subcontract awards.

519.7002 Definitions.

The definitions of small business concern, small disadvantaged business concern, HUBZone small business concern, women-owned small business concern, veteran-owned small business concern, and service-disabled veteran-owned small business concern are the same as found in FAR 2.401. Also see 13 CFR 121, 124, 125 and 126.

(a) "Mentor" as used in the GSA Mentor-Protégé Program, is a prime contractor that elects, on a specific GSA contract, to promote and develop small business subcontractors by providing developmental assistance designed to enhance the business success of the protégé.

(b) "Mentor-Protégé Program Manager" means an employee in the Office of Small Business Utilization (OSBU) (E) designated by the Associate Administrator of OSBU to manage the Mentor-Protégé Program.

(c) "Protégé" as used in the GSA Mentor-Protégé Program is a small business concern that is the recipient of developmental assistance pursuant to a mentor-protégé arrangement on a specific GSA contract.

519.7003 General Policy.

(a) A large business prime contractor that meets the requirements at section 519.7006, and is approved as a mentor firm by the Mentor-Protégé Program Manager, may enter into an Agreement with a small business concern, small disadvantaged business concern, women-owned small business concern, veteran-owned small business concern, service-disabled veteran-owned small business concern or HUBZone small business concern that meets the requirements for being a protégé (see 519.7007) in order to provide appropriate developmental assistance to enhance the capabilities of the protégé to perform successfully as a subcontractor and supplier.

(b) A small business prime contractor that is capable of providing developmental assistance to protégés, may also be approved as a mentor.

(c) An active mentor-protégé arrangement requires the protégé to either be a current or newly selected subcontractor under the mentor's prime contract with GSA.

(d) A small business concern's status as a protégé under a GSA contract shall not have an effect on its ability to seek other prime contracts or subcontracts.

(e) Potential Mentors may submit an application for admittance to the Mentor-Protégé Program at any time as long as the requirements at section 519.7006 are met.

(f) The determination of affiliation is a function of the SBA.

519.7004 Incentives for prime contractors.

(a) Under the Small Business Act, 15 U.S.C. 837(d)(4)(E), the GSA is authorized to provide appropriate incentives to prime contractors in order to encourage subcontracting opportunities for small business concerns consistent with the efficient and economical performance of the contract. This authority is limited to negotiated procurements, including the GSA Multiple Award Schedule

contracts and the GSA Governmentwide Acquisition Contracts. It does not include orders under any GSA contracts.

(b) Costs incurred by a mentor to provide developmental assistance, as described in section 519.7012 to fulfill the terms of their agreement(s) with a protégé firm(s), are not reimbursable as a direct cost under a GSA contract. If GSA is the mentor's responsible audit agency under FAR 42.703-1, GSA will consider these costs in determining indirect cost rates. If GSA is not the responsible audit agency, mentors are encouraged to enter into an advance agreement with their responsible audit agency on the treatment of such costs when determining indirect cost rates.

(c) In addition to paragraph (b) of this section, contracting officers may give mentors evaluation credit during the source selection process for subcontracts awarded under their subcontracting plans pursuant to their Mentor Protégé Agreements. (See FAR 15.101-1). Therefore:

(1) Contracting officers may evaluate proposals with subcontracting plans containing Mentor Protégé Agreements more favorably than proposals with subcontracting plans that do not include Mentor Protégé Agreements; and

(2) Contracting officers may assess the prime contractor's compliance with the subcontracting plans submitted in previous contracts as a factor in evaluating past performance under certain circumstances (see FAR 15.304(e)(3) and 15.305(a)(2)(v)) and determining contractor responsibility FAR section 19.705-5(a)(1).

(d) *OSBU Mentoring Award.* A non-monetary award may be presented annually to the mentoring firm providing the most effective developmental support of a protégé. The Mentor Protégé Program Manager will recommend an award winner to the Administrator of GSA.

(e) *OSBU Mentor Protégé Annual Conference.* At the conclusion of each year in the Mentor Protégé Program, mentor firms will be invited to brief contracting officers, program leaders, office directors, and other guests on their experience and progress under the Program. Participation is voluntary.

519.7005 Measurement of program success.

The overall success of the GSA Mentor Protégé Program encompassing all participating mentors and protégés will be measured by the extent to which it results in:

(a) An increase in the number, dollar value, and percentage of subcontracts awarded to protégés by mentor firms under GSA contracts since the date of entry into the Program. The baseline that demonstrates an increase is determined by comparing the number and total dollar amount of subcontract awards made to the identified protégé firm(s) during the two preceding fiscal years (if any) that are listed in application;

(b) An increase in the number and dollar value of contract and subcontract awards (including percentage of subcontract awards) to protégé firms since the date of the protégé's entry into the Program (under GSA contracts and contracts awarded by other Federal agencies);

(c) An increase in the number and dollar value of subcontracts awarded to a protégé firm by its mentor firm; and

(d) An increase in subcontracting with protégé firms in industry categories where they have not traditionally participated within the mentor firm's activity (i.e., the protégé is expanding its field of expertise or is increasing its opportunities in areas where it has not traditionally performed).

(e) Assessments of the semi-annual reports submitted by the mentors and "Lessons Learned" evaluation submitted by the mentors and protégés to the GSA Mentor Protégé Program Manager.

519.7006 Mentor firms.

(a) Mentors must be:

(1) A large business prime contractor that is currently performing under an approved subcontracting plan as required by FAR 19.7. Small business mentors are exempted; or

(2) A small business prime contractor that can provide developmental assistance to enhance the capabilities of protégés to perform as contractors, subcontractors, and suppliers;

(b) Must be eligible (not listed as an exclusion in the System for Award Management (SAM)) for U.S. Government contracts and not excluded from the Mentor-Protégé Program under section 519.7014(b);

(c) Must be able to provide developmental assistance that will enhance the ability of protégés to perform as contractors and subcontractors; and

(d) Must provide semi-annual reports detailing the assistance provided and the cost incurred in supporting protégés.

519.7007 Protégé firms.

(a) For selection as a protégé, a firm must be:

(1) A small business concern, small disadvantaged business concern, veteran-owned small business concern, service-disabled veteran-owned small business concern, HUBZone small business concern, or women-owned small business concern;

(2) Small for the NAICS code the prime contractor/mentor assigns to the subcontract; and

(3) Eligible (not listed as an exclusion in the SAM) for U.S. Government contracts and not excluded from the Mentor-Protégé Program under section 519.7014(b).

(b) A protégé firm may self-represent to a mentor firm that it meets the requirements set forth in paragraph (a) of this section. Mentors may check the SAM at www.sam.gov to verify that the self-representation of the potential protégé meets the specified small business and socioeconomic category eligibility requirements (see FAR 19.703(b) and (d)). HUBZone and small disadvantaged business status eligibility and documentation requirements are determined according to 13 CFR Parts 124 and 126.

(c) A protégé firm must not have another formal, active mentor-protégé relationship under GSA's Mentor-Protégé Program but may have an active mentor-protégé relationship under another agency's program.

Part 552—Solicitation Provisions and Contract Clauses

552.219-71 Notice to Offerors of Subcontracting Plan Requirements.

As prescribed in 519.708-70(a), insert the following provision:

Notice to Offerors of Subcontracting Plan Requirements (Oct 2016)

The General Services Administration (GSA) is committed to assuring that maximum practicable opportunity is provided to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns to participate in the performance of this contract consistent with its efficient performance. GSA expects any subcontracting plan submitted pursuant to FAR 52.219-9, Small Business Subcontracting Plan, to reflect this commitment. The plan must demonstrate a creative and innovative program for involving small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors in the performance of this contract.

(End of provision)

552.219-72 Preparation, Submission, and Negotiation of Subcontracting Plans.

As prescribed in 519.708-70(b), insert the following provision:

Preparation, Submission, and Negotiation of Subcontracting Plans (Oct 2016)

(a) When submitting a subcontracting plan in accordance with FAR 52.219-9, the offeror shall submit a subcontracting plan with its initial offer. The subcontracting plan will be negotiated concurrently with price and any required technical and management proposals, unless the offeror submits a previously approved commercial plan.

(b) Maximum practicable utilization of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors is a matter of national interest with both social and economic benefits. The General Services Administration (GSA) expects that an offeror's subcontracting plan will reflect a commitment to assuring that small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns are provided the maximum practicable opportunity, consistent with efficient contract performance, to participate as subcontractors in the performance of the resulting contract. An offeror submitting a commercial plan can reflect this commitment through subcontracting opportunities it provides that relate to the offeror's production generally; i.e., for both its commercial and Government business.

(c) GSA believes that this potential contract provides significant opportunities for the use of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors. Consequently, in addressing the eleven elements described at FAR 52.219-9(d) of the clause in this contract entitled Small Business Subcontracting Plan, the offeror shall:

(1) Demonstrate that its subcontracting plan represents a creative and innovative program for involving small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns in performing the contract.

(2) Include a description of the offeror's subcontracting strategies used in any previous contracts, significant achievements, and how this plan will build upon those earlier achievements.

(3) Demonstrate through its plan that it understands the small business subcontracting program's objectives and GSA's expectations, and it is committed to taking those actions necessary to meet these goals or objectives.

(d) In determining the acceptability of any subcontracting plan, the Contracting Officer will take each of the following actions:

(1) Review the plan to verify that the offeror demonstrates an understanding of the small business subcontracting program's objectives and GSA's expectations with respect to the program and has included all the information, goals, and assurances required by FAR 52.219-9.

(2) Consider previous goals and achievements of contractors in the same industry.

(3) Consider information and potential sources obtained from agencies administering national and local preference programs and other advocacy groups in evaluating whether the goals stated in the plan adequately reflect the anticipated potential for subcontracting to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns.

(4) Review the offeror's description of its strategies, historical performance and significant achievements in placing subcontracts for the same or similar products or services with small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns. The offeror's description can apply to commercial as well as previous Government contracts.

(e) Failure to submit an acceptable subcontracting plan and/or correct deficiencies in a plan within the time specified by the Contracting Officer shall make the offeror ineligible for award.

(End of provision)

552.219-73 Goals for Subcontracting Plan.

As prescribed in 519.708-70(c), insert the following provision:

Goals for Subcontracting Plan (June 2005)

(a) Maximum practicable utilization of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors is a matter of national interest with both social and economic benefits.

(1) The General Services Administration's (GSA's) commitment to ensuring that maximum practicable opportunity is provided to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns to participate as subcontractors in the performance of this contract, consistent with its efficient performance, must be reflected in the offeror's subcontracting plan submitted pursuant to the clause of this contract at FAR 52.219-9, Small Business Subcontracting Plan.

(2) In addressing the eleven elements described at FAR 52.219-9(d), the offeror shall demonstrate that its subcontracting plan represents a creative and innovative program for involving small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns in performing this contract. An offeror submitting a commercial plan can demonstrate its commitment in providing maximum practicable opportunities through subcontracting opportunities it provides to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns that relate to the offeror's production generally; i.e., for both its commercial and Government business.

(3) The subcontracting plan shall include a description of the offeror's subcontracting strategies used in previous contracts and significant achievements, with an explanation of how this plan will build upon those earlier achievements. Additionally, the offeror shall demonstrate through its plan that it understands the small business subcontracting program's objectives, GSA's expectations, and is committed to taking those actions necessary to meet these goals or objectives.

(b) GSA believes that this contract provides significant opportunities for the use of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors. Accordingly, it is anticipated that an acceptable subcontracting plan will contain at least the following goals:

Small Business	percent
HUBZone Small Business	percent
Small Disadvantaged Business	percent
Women-Owned Small Business	percent
Veteran-Owned Small Business	percent
Service-Disabled Veteran-Owned Small Business	percent

NOTE: Target goals are expressed as a percentage of planned subcontracting dollars.

(c) In determining the acceptability of any subcontracting plan, the Contracting Officer will—

(1) Review the plan to verify that the offeror has demonstrated an understanding of the small business subcontracting program's objectives and GSA's expectations with respect to the programs and has included all the information, goals, and assurances required by FAR 52.219-9;

(2) Consider previous goals and achievements of contractors in the same industry;

(3) Consider information and potential sources obtained from agencies administering national and local preference programs and other advocacy groups in evaluating whether the goals stated in the plan adequately reflect the anticipated potential for subcontracting to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns; and

(4) Review the offeror's description of its strategies, historical performance and significant achievements in placing subcontracts for the same or similar products or services with small, HUBZone small, small disadvantaged, women owned, veteran owned, and service disabled veteran owned small business concerns. The offeror's description can apply to commercial as well as previous Government contracts.

(d) Failure to submit an acceptable subcontracting plan and/or correct deficiencies in a plan within the time specified by the Contracting Officer shall make the offeror ineligible for award.

(End of provision)

Alternate 1 (Sep 1999). As prescribed in 519.708-70(c)(2), delete paragraph (b) of the basic provision and redesignate paragraphs (c) and (d) as paragraphs (b) and (c).

552.219-75 GSA Mentor-Protégé Program.

As prescribed in 519.7017(a), insert the following clause:

GSA Mentor-Protégé Program (Sep 2009)

(a) Prime contractors, including small businesses, are encouraged to participate in the GSA Mentor-Protégé Program for the purpose of providing developmental assistance to eligible protégé entities to enhance their capabilities and increase their participation in GSA contracts.

(b) The Program consists of:

(1) Mentor firms are large prime contractors with at least one active subcontracting plan, or that are eligible small businesses;

(2) Protégés are subcontractors to the prime contractor, and include small business concerns, small disadvantaged business concerns, veteran owned small business concerns, service disabled veteran owned small business concerns, HUBZone small business concerns, and women owned small business concerns meeting the qualifications specified in Subpart 519.70; and

(3) Mentor-protégé Applications and Agreements, approved by the Mentor-Protégé Program Manager in the GSA Office of Small Business Utilization (OSBU).

(c) Mentor participation in the Program means providing technical, managerial and financial assistance to aid protégés in developing requisite high tech expertise and business systems to compete for and successfully perform GSA contracts and subcontracts.

(d) Contractors interested in participating in the Program are encouraged to read FAR Subpart 19.7 and to contact the GSA Office of Small Business Utilization (E), Washington, DC 20405, (202) 501-1021, for further information.

(End of clause)

552.219-76 Mentor Requirements and Evaluation.

As prescribed in 519.7017(b), insert the following clause:

Mentor Requirements And Evaluation (Mar 2012)

(a) The purpose of the GSA Mentor-Protégé Program is for a GSA prime contractor to provide developmental assistance to certain subcontractors qualifying as protégés. Eligible protégés include small business concerns, small disadvantaged business concerns, veteran owned small business concerns, service disabled veteran owned small business concerns, HUBZone small business concerns, and women owned small business concerns meeting the qualifications specified in section 519.7007. The Program requires an Application process and an Agreement between the mentor and the protégé. See GSAR Subpart 519.70 for more information.

(b) GSA will evaluate a GSA mentor's performance on the following factors:

(1) Specific actions taken by the contractor, during the evaluation period, to increase the participation of its protégé as a subcontractor and supplier;

(2) Specific actions taken by the contractor during this evaluation period to develop the technical and corporate administrative expertise of its protégé as defined in the Agreement;
(3) To what extent the protégé has met the developmental objectives in the Agreement;
and

(4) To what extent the firm's participation in the Mentor Protégé Program resulted in the protégé receiving competitive contract(s) and subcontract(s) from private firms other than the mentor, and from agencies.

(c) Semi-annual reports shall be submitted by a GSA mentor to the GSA Mentor Protégé Program Manager, GSA Office of Small Business Utilization (E), Washington, DC 20405. The reports must include information as outlined in paragraph (b) of this section. The semi-annual report may include a narrative describing the forms of developmental assistance a mentor provides to a protégé and any other types of permissible, mutually beneficial assistance.

(d) A GSA mentor will notify the GSA Mentor Protégé Program Manager and the contracting officer, in writing, at least 30 days in advance of the mentor firm's intent to voluntarily withdraw from the GSA Program or terminate the Agreement, or upon receipt of a protégé's notice to withdraw from the Program.

(e) GSA mentor and protégé firms will submit a "Lessons Learned" evaluation to the GSA Mentor Protégé Program Manager at the conclusion of the Mentor Protégé Agreement. At the end of each year in the Mentor Protégé Program, the mentor and protégé, as appropriate, will formally brief the GSA Mentor Protégé Program manager, the technical program manager, and the contracting officer during a formal Program review regarding Program accomplishments as they pertain to the approved Agreement.

(f) GSA has the authority to exclude mentor or protégé firms from participating in the GSA Program. If GSA excludes a mentor or a protégé from the Program, the GSA Office of Small Business Utilization will deliver to the contractor a Notice specifying the reason for Program exclusion and the effective date. The exclusion from the Program does not constitute a termination of the subcontract between the mentor and the protégé. A plan for accomplishing the subcontract effort should the Agreement be terminated shall be submitted with the Agreement as required in section 519.7010(p).

(g) Subcontracts awarded to GSA protégé firms under this Program are exempt from competition requirements, notwithstanding FAR 52.244-5. However, price reasonableness should still be determined.

(End of clause)
