Agency for International Development

disadvantaged businesses and other disad-
avantaged enterprises based on provi-
sions of the foreign assistance appro-
priations acts.

[58 FR 8702, Feb. 17, 1993]

Subpart 719.273—The U.S. Agency
for International Development
(USAID) Mentor-Protege Program

SOURCE: 72 FR 32543, June 13, 2007, unless
otherwise noted.

719.273 The U.S. Agency for Inter-
national Development (USAID)
Mentor-Protege Program.

719.273–1 Purpose.
The USAID Mentor-Protege Program
is designed to assist small business, in-
cluding veteran-owned small business,
service-disabled veteran-owned small
business, HUBZone, small socially and
economically disadvantaged business,
and women-owned small business in en-
hancing their capabilities to perform
contracts and sub-contracts for USAID
and other Federal agencies. The Men-
tor-Protege Program is also designed
to improve the performance of USAID
contractors and subcontractors by pro-
viding developmental assistance to
Protege entities, fostering the estab-
lishment of long-term business rela-
tionships between small business and
prime contractors, and increasing the
overall number of small business that
receive USAID contract and sub-
contract awards. A firm’s status as a
Protege under a USAID contract shall
not have an effect on the firm’s eligi-
bility to seek other prime contracts or
subcontracts.

719.273–2 Definitions.
Throughout, the term “small busi-
ness” includes all categories of small
firms as defined by the Small Business
Administration (SBA) on whose behalf
the Office of Small and Disadvantaged
Business Utilization (OSDBU) is char-
tered to advocate, including small
business, small disadvantaged business,
women-owned small business, veteran-
owned and service-disabled veteran-
owned small business and small busi-
ness located in HUBZones, as those
terms are defined in 13 CFR part 124.
The determination of affiliation is a
function of the SBA.

(a) A “Mentor” is a prime contractor
that elects to promote and develop
small business subcontractors by pro-
viding developmental assistance de-
signed to enhance the business success
of the Protege.
(b) “Program” refers to the USAID
Mentor-Protege Program as described
in this Chapter.
(c) “Protege” means a small busi-
ness, small disadvantaged business,
women-owned small business,
HUBZone small business, veteran-
owned small business or service-dis-
abled veteran owned small business
that is the recipient of developmental
assistance pursuant to a Mentor-
Protégé Agreement.

719.273–3 Incentives for prime con-
tractor participation.

(a) Under the Small Business Act, 15
U.S.C. 637(d)(4)(E), USAID is authorized
to provide appropriate incentives to en-
courage subcontracting opportunities
for small business consistent with the
efficient and economical performance
of the contract. This authority is lim-
ited to negotiated procurements. FAR
19.202–1 provides additional guidance.
(b) Costs incurred by a Mentor to
provide developmental assistance, as
described in 719.273–8 to fulfill the
terms of their agreement(s) with a
Protégé firm(s), are not reimbursable
as a direct cost under a USAID con-
tract. If USAID is the mentor’s respon-
sible audit agency under FAR 42.703–1,
USAID will consider these costs in de-
termining indirect cost rates. If USAID
is not the responsible audit agency,
mentors are encouraged to enter into
an advance agreement with their re-
sponsible audit agency on the treat-
ment of such costs when determining
indirect cost rates.
(c) In addition to subparagraph (b)
above, contracting officers may give
Mentors evaluation credit under FAR
15.101–1 considerations for subcontracts
awarded pursuant to their Mentor-
Protégé Agreements and their subcon-
tracting plans. Therefore:

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(1) Contracting officers may evaluate subcontracting plans containing Mentor-Protégé arrangements more favorably than subcontracting plans without Mentor-Protégé Agreements.

(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 FAR 15.305(a)(2)(v) and determining contractor responsibility 19.705-5(a)(1).

(d) OSDBU Mentoring Award. A nonmonetary award will 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 Director of the Office of Small and Disadvantaged Business Utilization (OSDBU).

(e) OSDBU 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 Program progress.

719.273-4 Eligibility of Mentor and Protégé firms.

Eligible business entities approved as Mentors may enter into agreements (hereafter referred to as “Mentor-Protégé Agreement” or “Agreement”) and explained in section 719.273-6 with eligible Protégés. Mentors provide appropriate developmental assistance to enhance the capabilities of Protégés to perform as contractors and/or subcontractors. Eligible small business entities capable of providing developmental assistance may be approved as Mentors. Protégés may participate in the Program in pursuit of a prime contract or as subcontractors under the Mentor’s prime contract with the USAID, but are not required to be a subcontractor to a USAID prime contractor or be a USAID prime contractor. Notwithstanding eligibility requirements in this section, USAID reserves the right to limit the number of participants in the Program in order to insure its effective management of the Mentor-Protégé Program.

(a) Eligibility. A Mentor:

(1) May be either a large or small business entity;

(2) Must be eligible for award of Government contracts;

(3) Must be able to provide developmental assistance that will enhance the ability of Protégés to perform as prime contractors or subcontractors; and

(4) Will be encouraged to enter into arrangements with entities with which it has established business relationships.

(b) Eligibility. A Protégé:

(1) Must be a small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone, small socially and economically disadvantaged business, and women-owned small business);

(2) Must meet the size standard corresponding to the NAICS code that the Mentor prime contractor believes best describes the product or service being acquired by the subcontract; and

(3) Eligible for award of government contracts.

(c) Protégés may have multiple Mentors. Protégés participating in Mentor-Protégé programs in addition to USAID’s Program should maintain a system for preparing separate reports of Mentoring activity so that results of the USAID Program can be reported separately from any other agency program.

(d) A Protégé firm shall self-certify to a Mentor firm that it meets the requirements set forth in paragraph (b) of this section and possess related certifications granted by the Small Business Administration (e.g., HUBZone, 8(a), etc.). Mentors may rely in good faith on written representations by potential Protégés that they meet the specified eligibility requirements. HUBZone and small disadvantaged business status eligibility and documentation requirements are determined according to 13 CFR part 124.

719.273-5 Selection of Protégé firms.

(a) Mentor firms will be solely responsible for selecting Protégé firms. Mentors are encouraged to select from a broad base of small business including small disadvantaged business, women-owned small business, veteran-owned small business, service-disabled veteran-owned small business, and