

Union Calendar No. 526

112TH CONGRESS
2^D SESSION

H. R. 3985

[Report No. 112-723]

To amend the Small Business Act with respect to mentor-protege programs,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2012

Mr. SCHILLING (for himself and Ms. CHU) introduced the following bill; which
was referred to the Committee on Small Business

DECEMBER 21, 2012

Additional sponsors: Mr. CHABOT, Mr. GRAVES of Missouri, Mr. MULVANEY,
Mr. WALSH of Illinois, Mr. HANNA, Mr. WEST, Mrs. ELLMERS, and Mr.
CICILLINE

DECEMBER 21, 2012

Reported with amendments, committed to the Committee of the Whole House
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To amend the Small Business Act with respect to mentor-protege programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Building Better Busi-
5 ness Partnerships Act of 2012”.

6 **SEC. 2. MENTOR-PROTEGE PROGRAMS.**

7 The Small Business Act (15 U.S.C. 631 et seq.) is
8 amended—

9 (1) by redesignating section 45 as section 46;
10 and

11 (2) by inserting after section 44 the following:

12 **“SEC. 45. MENTOR-PROTEGE PROGRAMS.**

13 “(a) ADMINISTRATION PROGRAM.—

14 “(1) AUTHORITY.—The Administrator is au-
15 thorized to establish a mentor-protege program for
16 all small business concerns.

17 “(2) MODEL FOR PROGRAM.—The mentor-pro-
18 tege program established under paragraph (1) shall
19 be identical to the mentor-protege program of the
20 Administration for small business concerns that par-
21 ticipate in the program under section 8(a) of this
22 Act (as in effect on the date of enactment of the
23 Building Better Business Partnerships Act of 2012),
24 except that the Administrator may modify the pro-

1 gram to the extent necessary given the types of
2 small business concerns included as proteges.

3 “(b) PROGRAMS OF OTHER AGENCIES.—

4 “(1) APPROVAL REQUIRED.—Except as pro-
5 vided in this subsection, a Federal department or
6 agency may not carry out a mentor-protege program
7 for small business concerns unless—

8 “(A) the head of the department or agency
9 submits a plan to the Administrator for the
10 program; and

11 “(B) the Administrator approves such
12 plan.

13 “(2) BASIS FOR APPROVAL.—The Adminis-
14 trator shall approve or disapprove a plan submitted
15 under paragraph (1) based on whether the program
16 proposed—

17 “(A) will assist proteges to compete for
18 Federal prime contracts and subcontracts; and

19 “(B) complies with the regulations issued
20 under paragraph (3).

21 “(3) REGULATIONS.—Not later than 270 days
22 after the date of enactment of the Building Better
23 Business Partnerships Act of 2012, the Adminis-
24 trator shall issue, subject to notice and comment,
25 regulations with respect to mentor-protege pro-

1 grams, which shall ensure that such programs im-
2 prove the ability of proteges to compete for Federal
3 prime contracts and subcontracts and which shall
4 address, at a minimum, the following:

5 “(A) Eligibility criteria for program par-
6 ticipants, including any restrictions on the num-
7 ber of mentor-protege relationships permitted
8 for each participant.

9 “(B) The types of developmental assistance
10 to be provided by mentors, including how the
11 assistance provided shall improve the competi-
12 tive viability of the proteges.

13 “(C) Whether any developmental assist-
14 ance provided by a mentor may affect the sta-
15 tus of a program participant as a small busi-
16 ness concern due to affiliation.

17 “(D) The length of mentor-protege rela-
18 tionships.

19 “(E) The effect of mentor-protege relation-
20 ships on contracting.

21 “(F) Benefits that may accrue to a mentor
22 as a result of program participation.

23 “(G) Reporting requirements during pro-
24 gram participation.

1 “(H) Postparticipation reporting require-
2 ments.

3 “(I) The need for a mentor-protege pair, if
4 accepted to participate as a pair in a mentor-
5 protege program of any Federal department or
6 agency, to be accepted to participate as a pair
7 in all Federal mentor-protege programs.

8 “(J) Actions to be taken to ensure benefits
9 for proteges, *and to protect proteges against ac-*
10 *tions by the mentor that—*

11 “(i) *may adversely affect the proteges*
12 *status as a small business; or*

13 “(ii) *provide disproportionate eco-*
14 *nomie benefits to the mentor relative to*
15 *those provided the protege.*

16 “(4) LIMITATION ON APPLICABILITY.—Notwith-
17 standing the provisions of subsection (b)(1), the pro-
18 visions of subsection (b)(1) shall apply to the fol-
19 lowing:

20 “(A) Any mentor-protege program of the
21 Department of Defense in effect on the date of
22 enactment of the Building Better Business
23 Partnerships Act of 2012.

24 “(B) Any mentoring assistance provided
25 under a Small Business Innovation Research

1 Program or a Small Business Technology
2 Transfer Program.

3 “(C) Until the date that is 1 year after the
4 date on which the Administrator issues regula-
5 tions under paragraph (3), any Federal depart-
6 ment or agency operating a mentor-protege pro-
7 gram in effect on the date of enactment of the
8 Building Better Business Partnerships Act of
9 2012.

10 “(c) REPORTING.—

11 “(1) IN GENERAL.—Not later than 2 years
12 after the date of enactment of the Building Better
13 Business Partnerships Act of 2012, and annually
14 thereafter, the Administrator shall submit to the
15 Committee on Small Business of the House of Rep-
16 resentatives and the Committee on Small Business
17 and Entrepreneurship of the Senate a report that—

18 “(A) identifies each Federal mentor-pro-
19 tege program;

20 “(B) specifies the number of participants
21 in each such program, including the number of
22 participants that are—

23 “(i) small business concerns;

24 “(ii) small business concerns owned
25 and controlled by service-disabled veterans;

1 “(iii) qualified HUBZone small busi-
2 ness concerns;

3 “(iv) small business concerns owned
4 and controlled by socially and economically
5 disadvantaged individuals; or

6 “(v) small business concerns owned
7 and controlled by women;

8 “(C) describes the type of assistance pro-
9 vided to proteges under each such program;

10 “(D) describes the benefits provided to
11 mentors under each such program; and

12 “(E) describes the progress of proteges
13 under each such program with respect to com-
14 peting for Federal prime contracts and sub-
15 contracts.

16 “(2) PROVISION OF INFORMATION.—The head
17 of each Federal department or agency carrying out
18 a mentor-protege program shall provide to the Ad-
19 ministrator, upon request, the information necessary
20 for the Administrator to submit a report required
21 under paragraph (1).

22 “(d) DEFINITIONS.—In this section, the following
23 definitions apply:

24 “(1) MENTOR.—The term ‘mentor’ means a
25 for-profit business concern, of any size, that—

1 “(A) has the ability to assist and commits
2 to assisting a protege to compete for Federal
3 prime contracts and subcontracts; and

4 “(B) satisfies any other requirements im-
5 posed by the Administrator.

6 “(2) MENTOR-PROTEGE PROGRAM.—The term
7 ‘mentor-protege program’ means a program that
8 pairs a mentor with a protege for the purpose of as-
9 sisting the protege to compete for Federal prime
10 contracts and subcontracts.

11 “(3) PROTEGE.—The term ‘protege’ means a
12 small business concern that—

13 “(A) is eligible to enter into Federal prime
14 contracts and subcontracts; and

15 “(B) satisfies any other requirements im-
16 posed by the Administrator.

17 “(e) *CURRENT MENTOR PROTEGE AGREEMENTS.*—
18 *Mentors and proteges with approved agreement in a pro-*
19 *gram operating pursuant to subsection (b)(4)(C) shall be*
20 *permitted to continue their relationship according to the*
21 *terms specified in their agreement until the expiration date*
22 *specified in the agreement.*

23 “(f) *SUBMISSION OF AGENCY PLANS.*—*Agencies oper-*
24 *ating mentor protege programs pursuant to subsection*
25 *(b)(4)(C) must submit the plans specified in subsection*

1 (b)(1)(A) to the Administrator within 6 months of the pro-
 2 mulgation of rules required by subsection (b)(3). The Ad-
 3 ministrator shall provide initial comments on each plan
 4 within 60 days of receipt, and final approval or denial of
 5 each plan with 180 days of receipt.”.

6 **SEC. 3. GOVERNMENT ACCOUNTABILITY OFFICE REPORT.**

7 Not later than the date that is 2 years after the agen-
 8 cies operating subject to section 45(b)(4)(C) of the Small
 9 Business Act have their plans approved or denied by the
 10 Administrator, the Comptroller General of the United
 11 States shall conduct a study to—

12 (1) update the study required by section 1345 of
 13 the Small Business Jobs Act of 2010 (Pub. Law 111-
 14 240);

15 (2) examine whether potential affiliation issues
 16 between mentors and proteges under the prior pro-
 17 grams have been resolved by enactment of this Act;
 18 and

19 (3) examine whether the regulations issued pur-
 20 suant to section 45(b)(3)(I) of the Small Business Act
 21 have increased opportunities for mentor-protege pairs,
 22 and if they have decreased the paperwork required for
 23 such pairs participating in programs at multiple
 24 agencies.

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