

United States  
Environmental  
Protection  
Agency

Office of  
Solid Waste  
and Emergency  
Response

Publication 9242.6-12  
PB93-963251  
EPA 540-R-92-029  
October 1992

---

Office of Small and Disadvantaged Business Utilization (A-149C)

---

 **EPA Mentor-Protege  
Program**





## OVERVIEW

The purpose of this document is to present the conceptual framework and understanding of the Mentor-Protege Program (hereafter referred to as the Program) within the United States Environmental Protection Agency (EPA).

The Program is being introduced and developed within the EPA to stimulate the participation of small disadvantaged businesses (SDBs) in EPA contract requirements. The Program is designed to foster long term relationships between large contractors and SDBs. By sharing their managerial and technical expertise, the prime contractors will help SDBs develop the necessary expertise to compete successfully for EPA prime and subcontract opportunities.

The Program will be initiated by two program offices within EPA - the Office of Solid Waste and Emergency Response (OSWER), and the Office of Air and Radiation (OAR). Other program areas will be considered for inclusion in the Program as the concept becomes institutionalized within EPA. The Mentor-Protege Program, as written, focuses on performance fee type contracts. However, contractors with other types of contracting vehicles are not excluded. This participation is expected to foster a broad range of experience that can be applied across other Agency programs.

EPA's Appropriations Act of 1990 establishes a goal for participation by SDBs in EPA prime contracts and subcontracts. The Clean Air Act Amendments of 1990 also require that a percentage goal for the use of SDBs be established within the Agency's air research program. This Program is designed to help the Agency achieve these goals.

---

*The Mentor-Protege Program plan was originally published in June 1992. The Office of Small and Disadvantaged Business Utilization hosted a Mentor-Protege Program workshop with OSWER and OAR contractors in September 1992 focusing on the Program's implementation. The text of this document has been modified to reflect the results of that workshop.*

U.S. Environmental Protection Agency  
Region 5, Lib.  
77 West Jackson  
Chicago, Ill 60604 12th Floor

## **PURPOSE OF THE PROGRAM**

- To increase the participation of SDBs as subcontractors, suppliers, and ultimately as prime contractors;
- To establish a mutually beneficial relationship with SDBs and EPA's large business prime contractors;
- To develop technical and corporate administrative expertise of the SDB which will ultimately lead to greater success in competition for contract opportunities;
- To promote the economic stability of SDBs;
- To aid in the achievement of goals for the use of SDBs in the Agency's subcontracting activities.

## **PROGRAM EVALUATION**

EPA will measure the overall success of the Program by the extent to which the Program results in:

- an improvement in the quantity and quality of participation of SDBs in EPA contracting and subcontracting opportunities that can be attributed to the development of SDBs as Protege firms under the Program;
- the development of Protege firms that effectively compete for contract opportunities offered by private sector firms;
- the continued relationship between the Mentor and Protege in commercial work and in work for other government agencies.

## **APPLICATION TO PARTICIPATE IN THE PROGRAM**

Any interested prime contractor holding an EPA performance fee prime contract supporting OSWER or OAR may apply to participate in the Program. Firms competing for future such contracts should also indicate their interest in participating in the Program by contacting OSDDBU at EPA Headquarters, RTP or Cincinnati:

Senior Program Manager, for Direct Procurement  
Office of Small and Disadvantaged Business Utilization  
U.S. Environmental Protection Agency  
401 M Street, S.W. (A-149C)  
Washington, D.C. 20460  
Telephone: (703) 305-7305  
Fax: (703) 305-6462

Small Business Specialist  
Contracts Management Division (MD-33)  
U.S. Environmental Protection Agency  
Research Triangle Park, NC 27711  
Telephone: (919) 541-2249  
Fax: (919) 541-0611

Small Business Specialist  
Contracts Management Division  
U.S. Environmental Protection Agency  
26 West Martin Luther King Drive  
Cincinnati, OH 45268  
Telephone: (512) 684-7723  
Fax: (513) 569-7999

## **DURATION OF PARTICIPATION BY PROTEGE FIRMS**

It is anticipated that a Protege firm will participate in the Program no longer than five (5) years. Upon request from the Mentor-Protege companies, OSDBU, in consultation with all appropriate EPA officials, will determine in writing any circumstances which support extension of a firm's eligibility beyond the five year period.

## **ELIGIBILITY REQUIREMENTS**

A Program participant as a Protege will be a small disadvantaged business which for purposes of this initiative is defined as a small business concern:

- which is at least 51 percent owned by one or more socially and economically disadvantaged individuals or, in the case of a publicly traded company, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; individuals shall be presumed to be socially disadvantaged if they are members of the following groups:

- (I) Black Americans
- (II) Hispanic Americans
- (III) Native Americans (including American Indians)
- (IV) Asian Americans
- (V) Eskimos
- (VI) Aleuts
- (VII) Native Hawaiians; and

economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged, and such diminished opportunities have precluded or are likely to preclude such individuals from successfully competing in the open market.

- the management and daily business operations of which are controlled by such individuals; and
- a business concern as defined by section 8 (d) (3) (C) of the Small Business Act, 15 U.S.C. 637 (D) (3) (C);
- a business concern that is eligible for the award of Federal contracts;
- a small business according to the SBA size standard in the Standard Industrial Code (SIC) applicable to the contemplated supplies or services to be provided by the Protege firm to the Mentor firm.

## ■ **SELF-CERTIFICATION BY PROTEGE FIRMS**

A Protege firm may self-certify to a Mentor firm that it meets each of the eligibility requirements above. Mentor firms may rely in good faith on a written representation of a business concern that such business concern meets the requirements mentioned above. The Protege firm's eligibility to participate in the Program will be determined by the EPA in consultation with the U.S. Small Business Administration.

## ■ **SELECTION OF PROTEGE FIRMS**

Mentor firms will be responsible for selecting Protege firms. EPA will attempt to assist Mentor firms to identify eligible Protege firms. The proposed Proteges must have proven to be viable and capable contractors who need additional support via this Program to launch the firm to a competitive status in the environmental contracting marketplace.

## **APPROVAL PROCESS FOR COMPANIES TO PARTICIPATE IN THE PROGRAM AS MENTOR FIRMS**

A company interested in becoming a Mentor firm must submit an application to the appropriate EPA official as noted above. The application will be evaluated on the extent to which the company's proposal addresses the previously listed items. To the maximum extent possible, the request should be limited to not more than 10 pages, double spaced. A company may identify more than one Protege in its application for approval under the Program.

The application will be evaluated by OSDBU and to the maximum extent possible, the applicant will be advised within thirty (30) calendar days whether the request to participate in the Program is approved or rejected.

If the firm is rejected because of deficiencies in the application, OSDBU will notify the applicant and allow the firm to submit additional information for further consideration.

An application shall include the following information:

- A statement and supporting documentation that the company is currently performing under at least one active EPA contract with an approved subcontracting plan and is eligible for the award of Federal contracts;
- A summary of the company's historical and recent activities and accomplishments under their SDB program. The company is encouraged to include any initiatives or outreach information believed to be pertinent to approval as a Mentor firm;
- The total dollar amount of EPA contracts and subcontracts received by the company during the two preceding fiscal years (showing prime contracts and subcontracts separately for each year);
- The total dollar amount and percentage of subcontract awards made to all SDB firms under EPA contracts during the two preceding fiscal years. If presently required to submit a SF 295, provide copies of the two preceding year's end reports;

- The number and total dollar amount of subcontract awards made to the identified Protege firm(s) during the two preceding fiscal years (if any).

In addition to the information required above, companies must submit the following information for each proposed Mentor-Protege relationship:

- Information on the company's ability to provide developmental assistance to the identified Protege firm and how that assistance will potentially increase contracting and subcontracting opportunities for the Protege firm, including subcontracting opportunities in industry categories where SDBs are not dominant in the company's vendor base;
- A letter of intent indicating that both the Mentor firm and the Protege firm intend to enter into a contractual relationship under which the Protege will perform as a subcontractor under an eligible EPA prime contract and that the firms will negotiate a Mentor-Protege agreement.

The letter of intent must be signed by both parties and contain the following information:

- A statement that a prime/subcontractor relationship has not existed between the SDB and the prime contractor on previous contracts. In some cases where the proposed Mentor-Protege relationship will develop areas not addressed through a previous contracting arrangement, EPA will consider the letter of intent to determine if a Mentor-Protege agreement would benefit the protege firm's professional development. (This assures the identification of new SDBs and expands the pool of SDBs engaged in EPA contract and subcontracting activities nationwide. A prior prime/subcontractor relationship between the SDB and the prime contractor on work for another Federal agency or a commercial firm will not preclude consideration of the application by EPA.)
- The name, address, and phone number of both parties;
- The Protege firm's business classification, based upon the SIC code(s) applicable to the contemplated supplies or services to be provided by the Protege firm to the Mentor firm;
- A statement that the Protege firm meets the eligibility criteria;



- A preliminary assessment of the developmental needs of the Protege firm and the proposed developmental assistance the Mentor firm envisions providing the Protege. Address those needs and how they will enhance the Protege. A schedule will be developed to assess the needs of the Protege and criteria established to evaluate the success in the Program.

If the Mentor or Protege firm is suspended or debarred while performing under an approved Mentor-Protege agreement, the firm shall promptly give notice of its suspension or debarment to the Mentor and/or Protege firm, OSDBU, the contracting officer and the appropriate EPA program office. The agency will determine the course of action.

## ■ MENTOR-PROTEGE AGREEMENTS

Once approved for participation, each pair of companies shall sign a Mentor-Protege agreement. Each agreement will be submitted for approval by EPA and shall include:

- The name, address, telephone number and fax number of the Mentor and Protege firms and a point of contact within both firms who will oversee the Mentor-Protege agreement;
- The SIC code applicable to the contemplated supplies or services to be provided by the Protege firm to the Mentor firm, and a statement that at the time the agreement is submitted for approval, the Protege firm does not exceed the size standard for the appropriate SIC code;
- Procedures for the Mentor firm to notify the Protege firm, OSDBU, and the Contracting Officer in writing at least 30 days in advance of the Mentor firm's intent to voluntarily withdraw from the Program;
- Procedures for a Protege firm to notify the Mentor firm in writing at least 30 days in advance of the Protege firm's intent to voluntarily terminate the Mentor-Protege agreement. The Mentor shall notify OSDBU and the Contracting Officer within one week from receipt of such notice from the Protege;
- A description of the type of developmental assistance that will be provided by the Mentor firm to the Protege firm, and a schedule for providing assistance and criteria for evaluation of the Protege's success in meeting the goals;

- Identify individual contracts in which there will be a Mentor-Protege relationship and, in general terms, the type of training program that will coincide with the contracts' periods of performance;
- In the event EPA exercises its options to extend the contract period, the parties can agree to continue the Mentor-Protege relationship for the contract;
- If additional contracts are awarded to the prime contractor, and there is to be a continued Mentor-Protege relationship, then the Mentor-Protege agreement may be amended and submitted to OSDDBU;
- Additional terms and conditions as may be agreed upon by both parties;
- Procedures for the Mentor and Protege firm to terminate the Mentor-Protege agreement for cause which provide:
  - The firm seeking to terminate for cause shall issue a notice of proposed termination specifying its justification for terminating the agreement for cause;
  - The firm receiving such notice shall have 30 days to respond to the proposed termination, and may rebut any findings believed to be erroneous and offer a remedial program;
  - Upon prompt consideration of the firm's response, the firm seeking to terminate for cause shall either withdraw the notice of proposed termination and continue the Mentor-Protege relationship or issue a notice of termination;
  - A copy of any termination notice shall be sent by the Mentor firm to OSDDBU, the appropriate project officer, and the contracting officer;

Termination of Mentor-Protege agreement shall not impair the obligations of the Mentor firm to perform pursuant to its contractual obligations under government contracts and subcontracts. Termination of the Mentor-Protege agreement shall not impair the obligations of the Protege firm to perform pursuant to the contractual obligations under any contract awarded to the Protege firm by the Mentor firm.

The Mentor-Protégé agreement may provide for the Mentor firm to furnish any or all other types of developmental assistance such as:

- General business management, including organizational management and personnel management, marketing, business development and overall business planning;
- Engineering and technical matters such as production, inventory control, quality assurance; and
- Any other assistance designed to develop the capabilities of the Protégé firm under the developmental program.

Costs incurred to negotiate or consummate a Mentor-Protégé agreement and to carry out the terms for such an agreement are incurred by both firms at their own risk. EPA will not reimburse such costs.<sup>1</sup>

A Mentor firm may not require a SDB concern to enter into a Mentor-Protégé agreement as a condition for being awarded a subcontract by the Mentor firm.

## ■ INCENTIVE FOR PROGRAM PARTICIPATION

As partner firms learn from one another and develop an effective working relationship, their combined efforts in seeking and performing profitable ventures will benefit both firms. Nonetheless, the EPA recognizes that full participation in the Program will place special demands on the Mentor firm. The Mentor's active participation in the Program demonstrates both a commitment to achieve the goal of its contractual subcontracting plan and a commitment to help the EPA achieve its goal to encourage greater participation of SDBs in EPA's contracting. This commitment will be recognized in determining the Mentor's performance fee.

The performance fee plan in all performance fee contracts serving OSWER and OAR will include provisions for the evaluation of the contractor's performance in promoting the participation of SDBs in EPA contracting. A criterion in assessing that performance will be the firm's decision to actively participate in the Mentor-Protégé Program.

---

<sup>1</sup> The issue of reimbursing Mentor firms for costs incurred during the Mentor-Protégé arrangement was brought up by potential Program participants in the September 9, 1992 Mentor-Protégé Program Workshop. This issue has been re-evaluated by EPA. At this time, however, due to legal constraints regarding the administration of contracts, Mentor firms cannot be reimbursed for costs incurred relating to the Mentor-Protégé Program.

The OSDBU will evaluate the contractor's performance as a member of the Performance Evaluation Board. (See 48 CFR 1516-404) The evaluation will consider the following:

- What specific actions has the contractor taken during this evaluation period to increase the participation of the SDBs as subcontractors and suppliers?
- What specific actions has the contractor taken during this evaluation period to promote a mutually beneficial relationship with SDBs?
- What specific actions has the contractor taken during this evaluation period to develop the technical and corporate administrative expertise of the SDBs?
- What specific actions has the contractor taken during this evaluation period to aid in the achievement of the socioeconomic goal(s) for SDBs in the program media supported under this contract?
- To what extent has the firms participation in the Mentor-Protege Program resulted in the Protege receiving competitive contract(s) and subcontract(s) from private firms and agencies other than the Mentor?
- To what extent has the Protege met the developmental objectives in the agreement?
- To what extent has the Prime satisfied its (15%) goal?<sup>2</sup>

## **REPORTING REQUIREMENTS AND PROGRAM REVIEWS**

Mentor firms shall report on the progress made under active Mentor-Protege agreements semi-annually, including an attachment to their SF 295 providing:

- The number of active Mentor-Protege agreements in effect; and

---

<sup>2</sup> This point was added as a result of the September 9, 1992 Mentor-Protege Workshop. Active and meaningful participation in the Mentor-Protege Program will be considered in evaluating the Mentor firm's efforts to comply with its contractual goals for the utilization of small disadvantaged businesses. Performance under the Mentor-Protege agreement will be evaluated separately.

- The progress in achieving the developmental assistance objectives under each Mentor-Protege agreement, including whether the objectives of the Program set forth in this Mentor-Protege plan were met, any problem areas encountered, and any other appropriate information.

The OSDBU will perform an annual review of the progress and accomplishments of the Program and each Program participant.

## **THE ROLE OF OSDBU**

OSDBU as lead office will provide guidance, information on Program procedures, and direction prior to and during Program participation. The RTP Contracts Office and the Cincinnati Contracts Office, along with OSDBU, will serve as the Agency experts.

OSDBU may, upon request, assist the Mentor with recommendations of Protege firms. The recommendations will be given in coordination with the U.S. SBA and the U.S. EPA and the U.S. Department of Commerce Minority Business Development Agency. OSDBU does not endorse or guarantee the performance of any firms recommended.

An OSDBU representative will serve on the Performance Evaluation Board for each covered contract to provide input relative to the quality of assistance provided by the Mentor.

OSDBU will be responsible for public relations and assuring that the Program is promoted at all appropriate levels within the public and private sectors. This will be accomplished by developing brochures, pamphlets, and all other written materials essential to promoting an Agency program. OSDBU will also have the responsibility for initiating briefings to EPA officials, contractors, the general public, and other governmental officials.

OSDBU will coordinate and initiate an awards ceremony for outstanding accomplishments in the Program. As appropriate, OSDBU will utilize trade journals and associations to publicize the Program's success.

OSDBU will oversee the overall monitoring and implementation of the Program along with the Small Business Specialist at the RTP Contracts Office and the Small Business Specialist at the Cincinnati Contracts Office.

OSDBU will refine and improve the Mentor-Protege Program as appropriate based on reports received from both the Mentor and Protege firms. Such requirements and improvements may consist of extension of the Program to include other contracting methods and EPA regional offices.

OSDBU will contact Mentor and Protege firms to ascertain success in the Program and to validate performance review findings.

OSDBU will be responsible for assessing whether objectives of the Program have been met prior to the "normal" 5 year period, and determine if the Protege should be given an early graduation from the Program.

## CONCLUSION

The EPA is strongly committed to implementing a successful Mentor-Protege Program directed at aiding SDBs to become more actively involved in all areas of the Agency's contracting activities to the maximum extent practical. The accomplishment of this Program will be highlighted in an annual report submitted to the Administrator. This report shall include a statistical analysis of the number of participants, goal achievements, and overall impact.

The annual performance review and evaluation and periodic updating will determine the need for further modification and/or revisions.

## FOR MORE INFORMATION

Senior Program Manager for Direct Procurement  
Office of Small and Disadvantaged Business Utilization  
U.S. Environmental Protection Agency  
401 M Street SW (A-149C)  
Washington, DC 20460  
Telephone: (703) 305-7305  
Fax: (703) 305-6462

**U.S. Environmental Protection Agency  
Region 5, (EPA-12J)  
77 West Jackson Boulevard, 12th Floor  
Chicago, IL 60604-3590**



Printed on Recycled Paper