

North American Industry Classification System (NAICS) Description	NAICS Code
(ii) Research and Development in the Physical, Engineering, and Life Sciences (Aircraft Engines and Engine Parts only) .....	54171
(6)(i) Guided Missile and Space Vehicle Manufacturing .....	336414
(ii) Research and Development in the Physical, Engineering, and Life Sciences (Guided Missiles and Space Vehicles only) .....	54171
(7)(i) Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing ..	336419
(ii) Research and Development in the Physical, Engineering, and Life Sciences (Guided Missile and Space Vehicle Parts and Auxiliary Equipment only) .....	54171
(8) Military Armored Vehicle, Tank and Tank Component Manufacturing .....	336992
(9) Search and Navigation System and Instrument Manufacturing ...	334511
(10)(i) Cellular and Other Wireless Telecommunications .....	513322
(ii) Satellite Telecommunications .....	51334
(iii) Other Telecommunications	51339

[56 FR 36353, July 31, 1991, as amended at 59 FR 27670, May 27, 1994; 62 FR 34122, June 24, 1997; 63 FR 41974, Aug. 6, 1998; 65 FR 50149, Aug. 17, 2000; 66 FR 49861, Oct. 1, 2001]

**219.1007 Procedures.**

(b)(1) The Director, Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD(AT&L)), will determine whether reinstatement of small business set-asides is necessary to meet the agency goal and will recommend reinstatement to the Director of Defense Procurement (OUSD(AT&L)). Military departments and defense agencies shall not reinstate small business set-asides unless directed by the Director of Defense Procurement.

(d) Reporting requirements are at 204.670-2.

[65 FR 39705, June 27, 2000]

**Subpart 219.11—Price Evaluation Adjustment for Small Disadvantaged Business Concerns**

**219.1102 Applicability.**

(b) The price evaluation adjustment also shall not be used in acquisitions that are for commissary or exchange resale.

[63 FR 41974, Aug. 6, 1998]

**Subpart 219.12—Small Disadvantaged Business Participation Program**

SOURCE: 63 FR 64429, Nov. 20, 1998, unless otherwise noted.

**219.1203 Incentive subcontracting with small disadvantaged business concerns.**

The contracting officer shall encourage increased subcontracting opportunities for SDB concerns in negotiated acquisitions by providing monetary incentives in the North American Industry Classification System Industry Subsectors for which use of an evaluation factor or subfactor for participation of SDB concerns is currently authorized (see FAR 19.201(b)). Incentives for exceeding SDB subcontracting targets shall be paid only if an SDB subcontracting target was exceeded as a result of actual subcontract awards to SDBs, and not a result of developmental assistance credit under the Pilot Mentor-Protégé Program (see Subpart 219.71).

[63 FR 64429, Nov. 20, 1998, as amended at 65 FR 50149, Aug. 17, 2000]

**219.1204 Solicitation provisions and contract clauses.**

(c) The contracting officer shall, when contracting by negotiation, insert in solicitations and contracts containing the clause at FAR 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting, a clause substantially the same as the clause at FAR 52.219-26, Small Disadvantaged Business Participation Program-Incentive Subcontracting, when authorized (see FAR

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19.1203). The contracting officer may include an award fee provision in lieu of the incentive; in such cases, however, the contracting officer shall not use the clause at FAR 52.219-26. Do not use award fee provisions in contracts with contractors that have comprehensive subcontracting plans approved under the test program described in 219.702(a).

### Subpart 219.70 [Reserved]

### Subpart 219.71—Pilot Mentor-Protege Program

SOURCE: 65 FR 6555, Feb. 10, 2000, unless otherwise noted.

#### 219.7100 Scope.

This subpart implements the Pilot Mentor-Protege Program established under Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2302 note). The purpose of the Program is to provide incentives for DoD contractors to assist protege firms in enhancing their capabilities and to increase participation of such firms in Government and commercial contracts.

[66 FR 47108, Sept. 11, 2001]

#### 219.7101 Policy.

DoD policy and procedures for implementation of the Program are contained in Appendix I, Policy and Procedures for the DoD Pilot Mentor-Protege Program.

#### 219.7102 General.

The Program includes—

(a) Mentor firms that are prime contractors with at least one active subcontracting plan negotiated under FAR Subpart 19.7.

(b) Protege firms that are—

(1)(i) small disadvantaged business concerns as defined at 219.001(1);

(ii) Business entities owned and controlled by an Indian tribe;

(iii) business entities owned and controlled by a Native Hawaiian Organization;

(iv) Qualified organizations employing the severely disabled; or

(v) Women-owned small business concerns;

(2) Eligible for receipt of Federal contracts; and

(3) Selected by the mentor firm.

(c) Mentor-protege agreements that establish a developmental assistance program for a protege firm.

(d) Incentives that DoD may provide to mentor firms, including:

(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, Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (SADBU, OUSD (AT&L)), 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, for developmental assistance costs that are not reimbursed.

[65 FR 6555, Feb. 10, 2000; 65 FR 30191, May 10, 2000, as amended at 66 FR 47108, Sept. 11, 2001]

#### 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 Pilot Mentor-Protege Program. The Director, SADBU, OUSD (AT&L), approves contractors as mentor firms, approves mentor-protege agreements, and forwards approved mentor-protege agreements to the contracting officer when program funding is available through a DoD program manager.

##### 219.7103-2 Contracting officer responsibilities.

Contracting officers must—

(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