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March 17, 2009

MEMORANDUM FOR DIRECTORS, DEPARTMENT OF DEFENSE OFFICE OF
SMALL BUSINESS PROGRAMS
DEPARTMENT OF DEFENSE MENTOR-PROTÉGÉ
PROGRAM MANAGERS

SUBJECT: Small Disadvantaged Business (SDB) Certification under Department of
Defense (DoD) Mentor Protégé Program

REFERENCE: (a) DFARS Appendix 219.7102 (b)(1)(i)
(b) DFARS 219.001(1)

SUMMARY: Small Disadvantaged Business firms participating in the Department of
Defense Mentor-Protégé Program may self-represent their status as a Small
Disadvantaged Business.

1. The issuance of SBA's Interim Final Rule regarding Small Disadvantaged Business (SDB) certifications on October 3, 2008, has brought the acceptability of SDB self-certification under the DoD Mentor-Protégé Program (MPP) into question. The purpose of this memorandum is to clarify the eligibility requirements for SDBs under the DoD MPP.
2. Reference (a) is the guidance for the DoD MPP. Within that guidance, Reference (b) describes a situation wherein formal SDB certification, *in combination with* the use of FAR 52.219-23, "Notice of Price Evaluation Adjustment (PEA) For Small Disadvantaged Business Concerns" is required. PEAs permit the award of contracts to SDBs at other than fair market price in solicitations using full and open competition. Mentor-protégé agreements are predicated on the compatibility of the prospective mentor and protégé, and the latter's technical capability. Mentor firms are solely responsible for selecting protégé firms. Price is not a determining factor of a protégé's eligibility to participate; therefore PEAs are never used in connection with the DoD MPP. Thus, under the MPP, self-certification by an SDB is acceptable for the purposes of determining eligibility.



3. My point of contact is the DoD Mentor-Protégé Program Manager, Paul Simpkins, (703) 604-0157 Ext. 148, paul.simpkins@osd.mil.

A handwritten signature in black ink that reads "Linda B. Oliver". The signature is written in a cursive style with a large initial "L" and "O".

Linda B. Oliver, Acting Director
DoD Office of Small Business Programs

Attachments:

1. Federal Register, 13 CFR, Part 124, dated October 3, 2008
2. U.S. Small Business Administration letter dated October 28, 2008
3. U.S. Small Business Administration letter dated February 29, 2009