



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Procurement Instruction Memorandum No. 99-12 Feb. 17, 2000
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MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Corey M. Rindner, Director *Corey M. Rindner*
Office of Procurement

SUBJECT: Small Business Program Handbook and other changes
DTAR Change 98-09

Purpose: This memorandum provides an updated Chapter 7 to the Small Business Program Handbook that includes the Mentor-Protégé Program and implements Phase II of the MOU established under PIM 99-6. The PIM also provides changes to DTAR Part 1019. DTAR 1019.201(c) changes the office designation from the Office of Small and Disadvantaged Business Utilization (OSDBU) to the Office of Small Business Development (OSBD). As a result, Part 1019 has been amended to reflect OSBD in lieu of OSBP, Office of Small Business Programs. DTAR 1019.502 implements the requirement for the Contracting Officer and the Bureau Small Business Specialist to document and sign the dissolution of small business set asides above the dollar threshold of \$25,000 prior to awarding the unrestricted purchase.

Background: Mentor-Protégé Program -Phase I (FY 1999) featured a Treasury/SBA partnership in which firms already designated by the SBA as 8(a) contractors serve as Treasury prime contractors. Under this phase, its partner, typically a much larger firm, would mentor the 8(a) prime contractor.

The mentor-protégé program is already underway in Phase I, and as indicated in the attached there are two other phases. Phase II implementation begins October 1, 1999. Phase II (FY 2000) features a mentor-protege program (similar to those in place at other federal agencies) with agreements between a large or small prime contractor mentor and an eligible small business protege.

Phase III (FY 2001) focuses on small businesses located in economically distressed areas based on the application of the federal HUBZone procurement program to Treasury, as mandated by statute, on September 30, 2000 (to be incorporated into the programs cited in Phases 1 and II).

We have also deleted a requirement in 1005.502, Paid Advertisements, Authority. The requirement that “no advertisement shall be placed in a newspaper published or printed in the District of Columbia unless the supplies/services would be furnished in the District, Maryland or Virginia is no longer in the FAR.

Effective Date: This requirement is effective February 29, 2000.

Expiration Date: This PIM will expire when canceled or superseded.

Action: Remove DTAR pages:

2-1
5-1
19-1 through 19-8
51-1 through 52-9
Index-1 through Index-2

Insert DTAR pages:

2-1
5-1
19-1 through 19-12
52-1 through 52-11
Index-1 through Index-2

The Office of Small Business Development is available to brief your staff on this initiative. Questions may be directed to Kevin Boshears on (202) 622-0376. Questions regarding the Part 1005 change may be directed to Angelie Jackson at (202) 622-0245 or angelie.jackson@do.treas.gov.

Cc: Kevin Boshears
Attachments

Department of the Treasury Acquisition Regulation (DTAR)

2 PART 1002 -DEFINITIONS OF WORDS AND TERMS

Subpart 1002.1 -- Definitions
1002.101 Definitions.

Subpart 1002.70 -- Abbreviations
1002.7000 Abbreviations.

Subpart 1002.1 -- Definitions

1002.101 Definitions.

“**Bureau**” means any Treasury organization, the head of which is listed in paragraph 1.b of Department of the Treasury Directive 12-11.

“**Bureau Chief Procurement Officer**” means the senior acquisition person at each bureau’s headquarters. Within the Internal Revenue Service, this may be the Assistant Commissioner (Procurement) or the Deputy Assistant Commissioner (Procurement).

“**Contracting activity**” means an organization within a bureau or the Departmental offices, having delegated acquisition authority.

“**Head of the Agency**” means the Secretary of the Treasury, and, under delegation of authorities, the Assistant Secretary (Management) (AS(M)) and Chief Financial Officer.

“**Head of contracting activity**” (HCA) means the Deputy Assistant Secretary for Administration for Departmental Offices, and the head of each bureau, as listed in paragraph 1.b of Department of the Treasury Directive 12-11.

“**Legal counsel**” means the Treasury or bureau office providing legal services to the contracting activity.

“**Legal review**” means review by legal counsel.

“**Major system**” means an acquisition where total expenditures are expected to exceed \$10 million. The SPE may designate additional major systems.

“**Senior procurement executive**” (SPE) for the Department of the Treasury is the Director, Office of Procurement.

Subpart 1002.70 -- Abbreviations

1002.7000 Abbreviations.

AS(M)	Assistant Secretary (Management)
BCPO	Bureau Chief Procurement Officer
CO	Contracting Officer
COTR	Contracting Officer’s Technical Representative
D&F	Determination and Findings
DO	Debarring Official
FOIA	Freedom of Information Act
GSBCA	General Services Administration Board of Contract Appeals
HCA	Head of Contracting Activity
ICAR	Individual Contract Action Report
JOFOC	Justification for Other than Full and Open Competition
MMK	Departmental Office of Procurement
OIG	Office of the Inspector General
OSBD	Office of Small Business Development
OSDBU	Office of Small and Disadvantaged Business Utilization
PCR	SBA’s Procurement Center Representative
RFP	Request for Proposals
SBA	Small Business Administration
SBS	Small Business Specialist
SPE	Senior Procurement Executive
SO	Suspension Official
TPDS	Treasury Procurement Data System

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**PART 1005 - PUBLICIZING
CONTRACT ACTIONS**

Subpart 1005.2 -- Synopses of Proposed Contract Actions

- 1005.202 Exceptions.
- 1005.207 Preparation and transmittal of synopses.

Subpart 1005.3 -- Synopses of Contract Awards

- 1005.301 General.

Subpart 1005.4 -- Release of Information

- 1005.403 Requests from Members of Congress.
- 1005.404 Release of long-range acquisition estimates.
- 1005.404-1 Release procedures.

Subpart 1005.5 -- Paid Advertisements

- 1005.502 Authority.

Subpart 1005.2 -- Synopses of Proposed Contract Actions

1005.202 Exceptions.

(a) A copy of the determination will be retained in the contract file.

(b) Authority to make the required determination is delegated to the SPE. Submit requests per 1001.7000(a). Retain determination in the contract file.

(1) The Department has waived the requirement for advance CBD notices for small business set-asides between \$25,000 and the simplified acquisition threshold, where the following circumstances apply:

(i) the acquisition is for services, of which supply items are expected to constitute less than 20 percent of the value of the contract;

(ii) a minimum of five small businesses, which includes, if available, at least one small disadvantaged and one women-owned firm, are solicited; and

(iii) if practicable, two sources not included in the previous solicitation for the same services are

solicited. (See PIM 98-11, including the SPE waiver dated December 30, 1998)

1005.207 Preparation and transmittal of synopses.

(b)(4) Each synopsis shall include Department of the Treasury (DY)@ and name of the bureau.

Subpart 1005.3 -- Synopses of Contract Awards

1005.301 General.

(a) Document the contract file if the CO decides not to synopsise an award not likely to result in the award of subcontracts.

(b) Document the contract file with the reason why a contract award was not synopsized.

Subpart 1005.4 -- Release of Information

1005.403 Requests from Members of Congress.

(a) BCPOs, without redelegation, shall provide prompt written notification of all Congressional inquiries regarding acquisitions to the SPE.

1005.404 Release of long-range acquisition estimates.

1005.404-1 Release procedures.

Heads of bureaus are authorized to release long-range acquisition estimates.

Subpart 1005.5 -- Paid Advertisements

1005.502 Authority.

(a) Other statutes or laws may grant separate authority for paid advertisements. Heads of bureaus or their designees are authorized to approve procurement of paid advertising for supplies or services.

19 PART 1019 - SMALL BUSINESS PROGRAMS

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- 1019.202-70. Treasury's Mentor-Protégé Program
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- 1019.811 Preparing the contracts.
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52 PART 1052-SOLICITATION PROVISIONS AND CONTRACT CLAUSES

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- 1052.201-70 Contracting Officer's Technical Representative (COTR) Designation and Authority.
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
- 52.219-18 Notification of Competition Limited to Eligible 8(a) Concerns - Alternate III (Deviation).
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Subpart 1052.2 -- Texts of Provisions and Clauses

1052.201-70 Contracting Officer's Technical Representative (COTR) Designation and Authority.

As prescribed in 1001.670-3, insert the following clause:

CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) DESIGNATION AND AUTHORITY (SEP 1997)

(a) The contracting officer's technical representative is _____

_____ [insert name, address and telephone number].

(b) Performance of work under this contract shall be subject to the technical direction of the COTR identified above, or a representative designated in writing. The term "technical direction" includes,

1052.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions

without limitation, direction to the contractor that directs or redirects the labor effort, shifts the work between work areas or locations, fills in details and otherwise serves to ensure that tasks outlined in the work statement are accomplished satisfactorily.

(c) Technical direction must be within the scope of the specification(s)/work statement. The COTR does not have authority to issue technical direction that:

- (1) constitutes a change of assignment or additional work outside the specification(s)/work statement;
 - (2) constitutes a change as defined in the clause entitled "Changes";
 - (3) in any manner causes an increase or decrease in the contract price, or the time required for contract performance;
 - (4) changes any of the terms, conditions, or specification(s)/work statement of the contract;
 - (5) interferes with the contractor's right to perform under the terms and conditions of the contract;
- or,
- (6) directs, supervises or otherwise controls the actions of the contractor's employees.

(d) Technical direction may be oral or in writing. The COTR shall confirm oral direction in writing within five work days, with a copy to the contracting officer.

(e) The contractor shall proceed promptly with performance resulting from the technical direction issued by the COTR. If, in the opinion of the contractor, any direction of the COTR, or his/her designee, falls within the limitations in (c), above, the contractor shall immediately notify the contracting officer no later than the beginning of the next Government work day.

(f) Failure of the contractor and the contracting officer to agree that technical direction is within the scope of the contract shall be subject to the terms of the clause entitled "Disputes"

(End of clause)

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(DEVIATION).

As prescribed in DTAR 1003.870(a), insert the following clause:

CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (APR 1991)(DEVIATION)

- (a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitations on Payments to Influence Certain Federal Transactions, included in this solicitation, are hereby incorporated by reference in paragraph (b) of this certification.
- (b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989,--
- (1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a Federal contract resulting from this solicitation;
- (2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and
- (3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.
- (c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(End of provision)

1052.203-12 Limitation on Payments to Influence Certain Federal Transactions (DEVIATION).

As prescribed in DTAR 1003.870(b), insert the following clause:

LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JAN 1990) (DEVIATION)

- (a) Definitions.
“Agency”, as used in this clause, means executive agency as defined in 2.101.
“Covered Federal action”, as used in this clause, means any of the following Federal actions:
- (a) The awarding of any Federal contract.
- (b) The making of any Federal grant.
- (c) The making of any Federal loan.
- (d) The entering into of any cooperative agreement.
- (e) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

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“Indian tribe” and “tribal organization”, as used in this clause, have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) and include Alaskan natives.

“Influencing or attempting to influence,” as used in this clause, means making, with the intent to influence, any communication to or an appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

“Local government,” as used in this clause, means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

“Officer or employee of an agency,” as used in this clause, includes the following individuals who are employed by an agency:

- (a) An individual who is appointed to a position in the Government under title 5, United States Code, including a position under a temporary appointment.
- (b) A member of the uniformed services, as defined in subsection 101(3), title 37, United States Code.
- (c) A special Government employee, as defined in section 202, title 18, United States Code.
- (d) An individual who is a member of a Federal Advisory Committee Act, title 5, United States Code, appendix 2.

“Person,” as used in this clause, means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit, or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

“Reasonable compensation,” as used in this clause, means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for such work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

“Reasonable payment,” as used in this clause, means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

“Recipient,” as used in this clause, includes the Contractor and all subcontractors. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

“Regularly employed,” as used in this clause, means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

“State,” as used in this clause, means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibitions.

(1) Section 1352 of title 31, United States Code, among other things, prohibits a recipient of a Federal contract, grant, loan, or cooperative agreement from using appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal action: The awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.

(2) The Act also requires Contractors to furnish a disclosure if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan or cooperative agreement.

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(3) The prohibitions of the Act do not apply under the following conditions:

(I) Agency and legislative liaison by own employees.

(A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(B) For purposes of subdivision (b)(3)(I)(A) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(C) The following agency and legislative liaison activities are permitted at any time where they are not related to a specific solicitation for any covered Federal action: (1) Discussing with an agency the qualities and characteristics (including individual demonstrations) of the person's products or services, conditions or terms of sale, and service capabilities.

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(D) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action-

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of any unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provision of the Small Business Act, as amended by Pub. L. 95-507, and subsequent amendments.

(E) Only those services expressly authorized by subdivision (b)(3)(I)(A) of this clause are permitted under this clause.

(ii) Professional and technical services.

(A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of-

(1) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or any extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(2) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or any extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(B) For purposes of subdivision (b)(3)(ii)(A) of this clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. The following examples are not intended to be all inclusive, to limit the application of the professional or technical exemption provided in the law, or to limit the exemption to licensed professionals. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communication with a

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technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communication with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation and any other requirements in the actual award documents.

(D) Only those services expressly authorized by subdivisions (b)(3)(ii)(A)(1) and (2) of this clause are permitted under this clause.

(E) The reporting requirements of FAR 3.803(a) shall not apply with respect to payments of reasonable compensation made to regularly employed officer or employees of a person.

(iii) Selling activities by independent sales representatives.

The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(A) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(B) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(c) Disclosure.

(1) The Contractor who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, OMB standard form LLL, Disclosure of Lobbying Activities, if such person has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited under subparagraph (b)(1) of this clause, if paid for with appropriated funds.

(2) The Contractor shall file a disclosure form at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under subparagraph (c)(1) of this clause. An event that materially affects the accuracy of the information reported includes-

(I) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(ii) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or

(iii) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(3) The Contractor shall require the submittal of a certification, and if required, a disclosure form by any person who requests or receives any subcontract exceeding \$100,000 under the Federal contract.

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(4) All subcontractor disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the prime Contractor. The prime Contractor shall submit all disclosures to the Contracting Officer at the end of the calendar quarter in which the disclosure form is submitted by the subcontractor. Each subcontractor certification shall be retained in the subcontract file of the awarding Contractor.

(d) Agreement. The Contractor agrees not to make any payment prohibited by this clause.

(e) Penalties.

(1) Any person who makes an expenditure prohibited under paragraph (a) of this clause or who fails to file or amend the disclosure form to be filed or amended by paragraph (b) of this clause shall be subject to civil penalties as provided by 31 USC 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(2) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.

(f) Cost allowability. Nothing in this clause makes allowable or reasonable any cost which would otherwise be unallowable or unreasonable. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any other provision.

(End of clause)

**52.219-18 Notification of Competition Limited to Eligible 8(a) Concerns - Alternate III (Deviation)
(May 1998)**

In accordance with 1019.811-3(d)(3), substitute the following for the paragraph (c) in 52.219-18:

(c) Any award resulting from this solicitation will be made directly by the contracting officer to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation.

1052.219-70 SF 294 and SF 295 Reporting.

As prescribed in 1019.708(b)(70), insert the following clause:

SF 294 AND SF 295 REPORTING (XXX 1997)

In accordance with the clause entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan" in Section I and the contract schedule, SF 294 and SF 295 reports shall be submitted to the following personnel:

ADDRESSEE	SUBMIT SF 294	SUBMIT SF 295
Contracting Officer (Address shown on front of contract)	Original	Original
Small Business Specialist [Insert Bureau name and address]	Copy	Copy

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Department of the Treasury Office of Small Business Programs (MMD) 1500 Pennsylvania Avenue, NW Room 6100 - Annex Washington, DC 20220	N/A	Copy
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(End of clause)

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1052.219-71 Subcontracting Plan.

As prescribed in 1019.708(b)(71), insert the following provision:

SUBCONTRACTING PLAN (JUL 1998)

As part of its initial proposal, each large business offeror shall submit a subcontracting plan, as prescribed in FAR 52.219-9. Use of the subcontracting plan outline contained in Section J of this solicitation is optional, however, plans must contain all elements included in the outline.

(End of provision)

1052.219-72 Section 8(a) Direct Awards

As prescribed in 1019.811-3(f), insert the following clause:

Section 8(a) Direct Awards (May 1998)

(a) This purchase order or contract is issued as a direct award between the contracting activity and the 8(a) contractor pursuant to the Memorandum of Understanding between the Small Business Administration (SBA) and the Department of the Treasury. SBA retains responsibility for 8(a) certification, 8(a) eligibility determinations and related issues, and provides counseling and assistance to the 8(a) contractor under the 8(a) program. The cognizant SBA district office is:

[To be completed by the contracting officer at the time of award]

(b) The contracting officer is responsible for administering the purchase order or contract and taking any action on behalf of the Government under the terms and conditions of the purchase order or contract. However, the contracting officer shall give advance notice to the SBA before it issues a final notice terminating performance, either in whole or in part, under the purchase order or contract. The contracting officer shall also coordinate with SBA prior to processing any novation agreement. The

1052.219 Mentor Requirements and Evaluation

contracting officer may assign contract administration functions to a contract administration office.

(c) The contractor agrees:

(1) to notify the contracting officer, simultaneously with its notification to SBA (as required by SBA's 8(a) regulations), when the owner or owners upon whom 8(a) eligibility is based, plan to relinquish ownership or control of the concern. Consistent with 15 U.S.C. 637(a)(21), transfer of ownership or control shall result in termination of the contract for convenience, unless SBA waives the requirement for termination prior to the actual relinquishing of control; and,

(2) to adhere to the requirements of FAR 52.219-14, Limitations on Subcontracting.

(End of clause)

1052.219-73 Department of the Treasury Mentor-Protégé Program.

As described in 1019.202-70, insert the following provision:

Department of the Treasury Mentor Protégé Program (January 2000)

(a) Large and small businesses are encouraged to participate in the Department of the Treasury Mentor-Protégé program. Mentor firms provide small business protégés with developmental assistance to enhance their business capabilities and ability to obtain federal contracts.

Mentor firms, are large prime contractors or eligible small businesses capable of providing developmental assistance. Protégé firms are small businesses, as defined in 13 CFR 121, 124, and 126.

Developmental assistance is technical, managerial, financial, and other mutually beneficial assistance to aid protégés. Contractors interest in participating in the program are encouraged to contact the Department of the Treasury OSBD or the Bureau of the OSBD for further information.

(End of Provision)

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As prescribed in 1019.202-70, insert the following clause:

**Mentor Requirements and Evaluation
(January 2000)**

(a) Mentor and protégé firms shall submit an evaluation to the Department of the Treasury's OSBD at the conclusion of the mutually agreed upon program period, the conclusion of the contract, or the voluntary withdrawal by either party from the program, whichever occurs first. At the conclusion of each year in the mentor protégé program, the prime contractor and protégé will formally brief the Department of the Treasury Mentor-Protégé Program Manger regarding program accomplishments under their mentor-protégé agreements.

(b) A mentor or protégé shall notify the OSBD and the contracting officer, in writing, at least 30 calendar days in advance of the effective date of the firm's withdrawal from the program. A mentor firm shall notify the OSBD and the contracting officer upon receipt of a protégé's notice of withdrawal from the Program.

(End of clause)

1052.228.70 Insurance Requirements.

As prescribed in 1028.310-70 and 1028.311-2, insert a clause substantially as follows: The contracting officer may specify additional kinds (e.g., aircraft public or passenger liability, vessel liability) or increased amounts of insurance.

INSURANCE (JUL 1998)

In accordance with the clause entitled "Insurance – Work on a Government Installation" [or "Insurance – Liability to Third Persons"] in Section I, insurance of the following kinds and minimum amounts shall be provided and maintained during the period of performance of this contract,

- (a) Worker's compensation and employer's liability. The contractor shall, as a minimum, meet the requirements specified at FAR 28.307-2(a).
- (b) General liability. The contractor shall, as a minimum, meet the requirements specified at FAR 28.307-2(b).
- (c) Automobile liability. The contractor shall as a minimum, meet the requirements specified at FAR 28.307-2(c).

(End of clause)

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Participation Program

Consideration in developing an evaluation factor or subfactor.

1019.000 Scope of part.

(a) TD P 76-01.B, "Small Business Program Handbook," (January, 2000), provides detailed information.

Subpart 1019.2 -- Policies

1019.201 General policy

(b) BCPO's will implement small business programs in accordance with applicable statutes, regulations, and policies (e.g., TD P 76-01.B).

(c) The AS(M) is the Director, Office of Small and Disadvantaged Business Utilization (OSDBU). The Director, OSDBU has designated a Director, Office of Small Business Development (OSBD), located in MMD, with duties and functions including those specified at FAR 19.201(c).

(d) BCPO's will appoint Small Business Specialists (SBS) in accordance with TD P 76-01.B.

(f)(1) The AS(M) shall make any determinations. Submit requests in accordance with DTAR 1001.7000(b).

1019.202 Specific policies

1019.202-1 Encouraging small business participation in acquisitions.

(c) CO's may negotiate payment terms less than 30 calendar days to encourage small business participation. A period of less than seven days shall not be prescribed. See FAR 32.906(b). The CO shall make the determination in consultation with the bureau finance office. See 1032.903(b), for comments on restructuring these two provisions, which would be preferable to merely adding to the existing language in 1019.202-1(c).

1019.202-4 Solicitation.

(b) To encourage small business participation, particularly where subcontracting opportunities exist or teaming arrangements are feasible, the CO may provide a copy of the Solicitation Mailing List concurrently with the solicitation, or provide a copy to any small business requesting the List. Do not process such requests under FOIA.

Subpart 1019.202-70 The Treasury Mentor-Protégé Program

1019.202-70.1 General.

(a) The Mentor-Protégé Program is designed to motivate and encourage firms to assist small businesses (SB), including HUBZone small businesses (HUBZone), small disadvantaged businesses (SDB), and women-owned small businesses (SWOB). The program is also designed to improve the performance of Department of the Treasury contracts and subcontracts, foster the establishment of long-term business relationships between these entities and Treasury prime contractors, and increase the overall number of these entities that receive Treasury contract and subcontract awards.

(b) Phase I began in March 1999 under PIM 99-6. Phase I consists of a Treasury/SBA partnership in which firms already designated by the SBA as 8(a) contractors serve as Treasury prime contractors and another firm, typically a much larger firm, would mentor the 8(a) prime contractor.

(c) Phase II of the mentor-protégé program encourages agreements between a large or small prime contractors who act as mentors, and an eligible small business protégés. Phase II is implemented by this subpart of the DTAR.

(d) Phase III of the Mentor-Protégé program is Treasury's participation in the HUBZone program, effective October 1, 2000. The HUBZone program encourages Federal procurement from small businesses located in economically distressed areas.

1019.202-70.2 Definitions.

(a) Small Disadvantaged Business concern (SDB), as

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used herein, means small business concerns owned and controlled by socially and economically disadvantaged individuals as defined by FAR 19.001.

(b) Small Business (SB), as used herein, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business in their primary SIC code under the criteria and size standards in 13CFR Part 121 and as described in FAR 19.102.

(c) Small Woman-Owned Small Business (SWOB), as used herein, means a small business concern where ownership and controlling interest (at least 51%) in the company is held by a woman or women as defined by FAR 19.001.

(d) HUBZone Small Business Concern, as used herein, means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the SBA.

(e) Mentor, as used herein, means a prime contractor who elects, on a particular contract, to promote and develop small business subcontractors by providing developmental assistance designed to enhance the business success of the protégé. Mentors must be deemed eligible as a mentor as described in 1019.202-70.7.

(f) Protégé, as used herein, means a small business as defined in paragraphs (a) through (d) above who is the recipient of developmental assistance pursuant to a mentor-protégé arrangement on a particular contract. Protégés must be deemed eligible as described in 1019.202-70.8.

(g) OSBD, as used herein, means the Office of Small Business Development, designated by the Department of the Treasury Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) to assist and advise small, small disadvantaged, and women-owned small business concerns on procedures for doing business with Treasury.

1019.202-70.3 Non affiliation.

For purposes of the Small Business Act, a protégé firm may not be considered an affiliate of a mentor firm solely on the basis that the protégé firm is receiving

developmental assistance referred to in 1019.202-70.13 from such mentor firm under the program.

1019.202-70.4 General policy.

- (a) Eligible large business prime contractors, not included on the "Parties Excluded from Procurement Program" list, that are approved as mentor firms will enter into agreements with eligible protégés, as defined in 1019.202-70.02. Mentors provide appropriate developmental assistance to enhance the capabilities of Protégés to perform as contractors or subcontractors.
- (b) A firm's status as a protégé under a Treasury contract shall not have an effect on the firm's eligibility to seek other prime contracts or subcontracts.

1019.202-70.5 Incentives for prime contractor participation.

- (a) Under the Small Business Act, 15 U.S.C. 637(d)(4)(E), Treasury is authorized to provide appropriate incentives to encourage subcontracting opportunities consistent with the efficient and economical performance of the contract. This authority is limited to negotiated procurements. FAR 19.202-1(d) provides additional guidance.
- (b) Before awarding a contract that requires a subcontracting plan, the existence of a mentor-protégé arrangement, and performance (if any) under an existing arrangement, may be considered by the Contracting Officer in: evaluating the quality of a proposed subcontracting plan under FAR 19.704-5; and
- (c) Assessing the prime contractor's compliance with the subcontracting plans submitted in previous contracts as a factor in determining contractor responsibility under FAR 19.705-5(a)(1).
- (d) Mentor-protégé arrangements may provide the Government with greater assurance that a protégé subcontractor will be able to perform under the contract than a similarly situated non-protégé subcontractor.
- (e) OSBD Mentoring Award. A non-monetary award

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will be presented (annually or as often as appropriate) 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, Office of Small Business Development.

1019.202-70.6 Measurement of program success.

The overall success of the Treasury Mentor-Protégé program will be measured by:

The increase in the number and dollar value contracts awarded to protégé firms under Department of the Treasury contracts from the date the protégé enters the program.

The increase in the number and dollar value of contracts and subcontracts awarded to the protégé under other Federal agencies and commercial contracts.

An increase in the quality of the technical capabilities of the protégé firm.

Mentor firms.

A mentor firm may be either a large or small business, eligible for award of a Government contract that can provide developmental assistance to enhance the

capabilities of protégés to perform as subcontractors. Mentors will be encouraged to enter into arrangements with protégés in addition to firms with whom they have established business relationships.

1019.202-70.8 Protégé firms.

(a) For selection as a protégé, a firm must be:

- (1) A SB, SWOB, SDB, or HUBZone as those terms are defined in 1019.202-70.2;
- (2) Small in the SIC code for the services or supplies to be provided by the protégé under its subcontract to the mentor; and
- (3) Eligible for receipt of government contracts. Except for SDB firms, a protégé firm may self-certify to a mentor firm that it meets the requirements set forth in paragraph (a) of this section. Mentors may rely in good faith on written representations by potential protégés that they meet the specified eligibility

requirements. SDB status eligibility and documentation requirements are determined according to FAR 19.304.

Protégés may have multiple mentors. Protégés participating in mentor-protégé programs in addition to the Treasury program should maintain a system for preparing separate reports of mentoring activity for each agency's program.

1019.202-70.9 Selection of protégé firms.

Mentor firms will be solely responsible for selecting protégé firms. The mentor is encouraged to identify and select the types of protégé firms listed in 1019.202-70.7(b).

Mentor firms may have multiple protégés.

The selection of protégé firms by mentor firms may not be protested, except that any protest

regarding the size or eligibility status of an entity selected by a mentor to be a protégé shall be

handled in accordance with the FAR and small Business Administration regulations.

1019.202-70.10 Application process for mentor firms to participate in the program.

Firms interested in becoming a mentor firm may apply in writing to the Department of the Treasury OSBD. The application will be evaluated based upon the description of the nature and extent of technical and managerial support proposed as well as the extent of financial assistance in the form of equity investment, loans, joint-venture support, and traditional subcontracting support proposed.

A proposed mentor shall submit the information listed in 1019.202-70.12 for inclusion in a mentor-protégé agreement.

1019.202-70.11 OSBD review of agreement.

(a) OSBD will review the information specified in Section 1019.202-70.10 to ensure the mentor and protégé are eligible, the information listed in section

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70.12 is complete, and will consult with the Contracting Officer on the adequacy of the proposed mentor-protégé arrangement. The OSBD review will be completed no later than 30 calendar days after receipt by OSBD.

(b) Upon completion of the review, the mentor may implement the developmental assistance program.

The agreement defines the relationship between the Mentor and Protégé firms only. The agreement itself does not create any privity of contract between the Mentor or Protégé and the Department of the Treasury.

1019.202-70.12 Agreement contents.

The contents of the agreement should contain:

(a) Names and addresses of mentor and protégé firms and a point of contact within both firms who will oversee the agreement;

(b) Procedures for the mentor firm to notify the protégé 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;

(c) Procedures for a protégé firm to notify the mentor firm in writing at least 30 days in advance of the protégé firm's intent to voluntarily terminate the mentor-protégé agreement. The mentor shall notify the OSDBU and the contracting officer immediately upon receipt of such notice from the protégé;

(d) A description of the type of developmental program that will be provided by the mentor firm to the protégé firm, to include a description of the subcontract work, and a schedule for providing assistance and criteria for evaluation of the protégé's developmental success;

(e) A listing of the number and types of subcontracts to be awarded to the protégé firm;

(f) Program participation term;

(g) Termination procedures;

(h) Plan for accomplishing work should the agreement be terminated; and

(i) Other terms and conditions, as appropriate.

1019.202-70.13 Developmental assistance.

The forms of developmental assistance a mentor can provide to a protégé include:

(a) Management guidance relating to --
Financial management

Organizational management

(3) Overall business management/planning and

(4) Business development; and

(5) Technical assistance.

(b) Loans;

(c) Rent-free use of facilities and/or equipment;

(d) Property;

(e) Temporary assignment of personnel to protégé for purpose of training; and

(f) Any other types of mutually beneficial assistance.

1019.202-70.14 Obligation.

Mentor or protégé firms may voluntarily withdraw from the program. However, in no event shall such withdrawal impact the program mission and contract requirements under the prime contract.

(b) Annual reports shall be submitted by the mentor and protégé firms to the OSBD on program progress as it pertains to their mentor-protégé agreement. Large business mentors may submit these reports as part of their Small/Small Disadvantaged Business Plan submission in accordance with the due date on the SF295.

The Department of the Treasury will evaluate these reports by considering the following:

Specific actions taken by the mentor, during the evaluation period, to increase the participation of protégés as suppliers to the Federal Government and to commercial entities;

Specific actions taken by the mentor, during the evaluation period, to develop the technical and corporate administrative expertise of a protégé as defined in the agreement;

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To what extent the protégé has met the developmental objectives in the agreement; and

To what extent the mentor firm's participation in the Mentor-Protégé Program resulted in the protégé receiving contract(s) and subcontract(s) from private firms and agencies other than the Department of the Treasury.

The Department of the Treasury OSBD will submit the reviewed annual reports to the cognizant contracting officer regarding participating prime contractor(s) performance in the program. The cognizant contracting officer shall forward a copy of the annual reports to the

bureau small business specialist for their files.

(c) Mentor and protégé firms shall submit an evaluation to the OSBD at the conclusion of the mutually agreed upon program period, the conclusion of the contract, or the voluntary withdrawal by either party from the program, whichever comes first.

1019.202-70.15 Internal controls.

(a) The OSBD will oversee the program and will work with the cognizant Contracting Officer to achieve the program's objectives

(c) The Department of the Treasury may rescind an existing Mentor-Protégé agreement if it determines that such actions are in Treasury's interest. Rescission shall be in writing and sent to the mentor and protégé after approval by the Director, OSBD. Rescission of an agreement does not change the terms of the subcontract between the mentor and the protégé or the prime contractor's obligations under its subcontracting plan.

Subpart 1019.3 -- Determination of Status as a Small Business Concern

Protesting a small business representation.

Any protest or appeal involving the SBA should be immediately brought to the attention of the bureau SBS and the OSBD.

Subpart 1019.4 -- Cooperation with the Small Business

Administration

1019.401 General.

(b) The Director, OSDDBU has designated the OSBD to be Treasury liaison with the SBA.

Small Business Administration
procurement center representatives.

(c)(3) Recommended sources shall be included on the list. Consult the PCR if the list is being limited.

(c)(4) If the PCR files an appeal, the SBS shall promptly notify the OSBD.

Subpart 1019.5 -- Set-Asides for Small Business

1019.501 General.

(c) CO's shall make available for review by the SBS all proposed open market acquisitions in excess of \$2,500 which have not been unilaterally set-aside for small business. Requisitions shall be provided to the SBS for review upon receipt in the contracting office.

If the CO rejects an SBS recommendation, written notice shall be provided to the OSBD within 5 working days.

(d) CO's shall make available for review by the PCR all proposed open market acquisitions in excess of \$100,000 which have not been unilaterally set-aside for small business or the 8(a) program, and shall make available any other such proposed acquisitions exceeding the micro-purchase threshold at the request of the PCR.

(g) CO's shall carefully document decisions to award to other than small business based on price reasonableness. Awards may be made to small businesses over large businesses even though their prices may be higher, if they are not unreasonable (i.e., exceed fair market price).

(a) Once a product or service has been acquired successfully on a set-aside basis, all future requirements of that office for that product or service must be set-aside.

(c)(1) Listed below are products and services set-
(DTAR Change 98-09, 1/3/00)

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aside as a class for exclusive small business competition exceeding the simplified acquisition threshold. These class set-asides apply to all Treasury acquisition offices. Bureau headquarters acquisition offices shall establish appropriate additional bureau and field class set-asides.

Purchases of any service listed below of \$1,000,000 or less per year:

SIC Code	Service Code
Service	
Group*	Category**
Business services, including ADP	
73	A, D, J, N, R, T, U, V
Engineering, Accounting, Research, Management and Related services	
87	A, B, C, R, U
Housekeeping services	
73	S
Maintenance and repair of equipment	
75,76	J, K
Motion picture production	
78	T
Motor freight transportation and warehousing	
V, R	
Printing and publishing	
27	T
Training	
82	U
Transportation services	
47	V

The purchase of any construction listed below of \$3,000,000 or less:

SIC Code	Service Code
Construction	
Group*	Category **
Building	
15	Y, Z
Special trades	
17	Y, Z

* Reference: 13 CFR Part 121 or FAR Subpart 19.102

** Reference: Federal Procurement Data Center

Product and Service Code Manual

All items in a major group or category are included in the class set-aside.

1019.505 Rejecting Small Business Administration recommendations.

(b) The SBS shall inform the OSBD of any appeals and their outcome.

1019.506 Withdrawing or modifying set-asides.

The SBS shall forward the written notice to the OSDBU.

(b) Withdrawal or modification of class set-asides in 1019.503(a) and (c)(1) shall be forwarded through the SBS for approval by the OSDBU.

Subpart 1019.6 -- Certificates of Competency

1019.602 Procedures.
1019.602-1 Referral.

(a) A determination that a small business is not responsible shall not be made without benefit of a preaward survey and preparation of documentation to substantiate the determination. Information adversely affecting the responsibility determination shall be coordinated with the SBS.

(a)(2) Provide a copy of the CO's referral letter and supporting documents to the SBS and the OSBD.

Issuing or denying a certificate of competency (COC).

(d) Provide a copy of the SBA response to the SBS and the OSBD.

Resolving differences between the agency and the Small Business Administration.

(a) CO's may work directly with the SBA area office through their SBS. The CO shall coordinate

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suspension actions and referrals with the SBS and the OSBD.

(3) If the CO decides to appeal issuance of a COC, the CO shall notify the SBS and the OSBP within five business days after receiving the Headquarters notice that the decision to issue a COC may be appealed.

Subpart 1019.7 -- Subcontracting with Small Business, Small Disadvantaged Business and Women-Owned Small Business Concerns

Responsibilities of the contracting officer under the subcontracting assistance program.

1019.705-2 Determining the need for a subcontracting plan.

Submit determinations that no

subcontracting possibilities exist for a contract, through the SBS and PCR, to the OSBD for approval at least 10 workdays prior to solicitation release.

1019.705-3 Preparing the solicitation.

CO's shall provide SBSs and the PCR on an as-requested basis 5 workdays to review solicitations requiring submissions of subcontracting plans and submit advisory findings before solicitation release.

(a)[added] A Subcontracting Plan Outline with advisory goals shall be included in all solicitations that require subcontracting plans.

(b)[added] For large or complex acquisitions where substantial subcontracting opportunities exist, the CO shall consider including the offeror's subcontracting plan and performance as an evaluation factor for award.

(70) The plan evaluation shall be separate from the technical or cost evaluation.

(71) The offeror's prior performance on its subcontracting plans shall account for half of the total number of points available for that factor.

(72) CO's shall consult with the SBS prior to

incorporating subcontracting plans as an evaluation factor for award.

(c)[added] Submission of SF 294, "Subcontracting Report for Individual Contracts," and SF 295, "Summary Subcontract Report," reports shall be included as a not separately priced deliverable under the contract when a subcontracting plan is required.

(d)[added] Reports from Treasury prime contractors shall consist of the following:

(70) For contractors with individual plans, including master plans with individual goals, a semiannual SF 294. This report is required to be submitted to the CO, who shall forward a copy to the OSBD. An annual SF 295 is required to be submitted to the OSBD.

1019.705-4 Reviewing the subcontracting plan.

(a) Detailed instructions for reviewing subcontracting plans are contained in TD P 76-01.B.

(d)(1) Unless waived by the OSBD, prime contractors must be current in their submission of SF 294 and SF 295 reports in order to receive approval of new subcontracting plans.

(d)(7) The CO shall forward all subcontracting plans from the offeror(s) to the bureau SBS for initial review. The SBA PCR shall review all subcontracting plans, after review by the SBS, and prior to forwarding to the OSBD for approval. CO's shall provide the SBSs and the PCR each 5 workdays to review proposed subcontracting plans. Ideally, the SBS and PCR reviews should be performed concurrently. All subcontracting plans shall be submitted to the OSBD at least 10 workdays prior to the contract award date. Upon request, a copy of the proposed prime contract and the cost proposal shall be provided. A copy of the lead agency CO's approval of a master or commercial products subcontracting plan shall be attached. The OSBD approval shall be retained in the contract file.

1019.705-7 Liquidated damages.

(d) The CO shall consult with legal counsel, the SBS, and the OSBD prior to making a determination that the contractor failed to make a good faith effort to

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carry out its plan.

(e) Provide a copy of the final decision to the SBS and the OSBD.

(h) Provide a copy of the final decision to the SBS and the OSBD.

Solicitation provisions and contract clauses.

(b)(70) Insert the clause at 1052.219-70, "SF 294 and SF 295 Reporting," in all solicitations and contracts requiring a subcontracting plan.

(b)(71) Insert the provision at 1052.219-71, "Subcontracting Plan," in all solicitations that will require a subcontracting plan.

Subpart 1019.8 -- Contracting with the Small Business Administration (The 8(a) Program)

1019.800 General.

CO's may contract directly with 8(a) program participants . A contract may be awarded directly to an 8(a) firm on a sole source or competitive basis. (See PIM 98-06, including Memorandum of Understanding between the SBA and the Department that establishes streamlined procedures for expediting the award of 8(a) requirements.)

Selecting acquisitions for the 8(a) program.

(a) Responses to search letters shall be prepared by the SBS and coordinated with the CO.

(c) Once a product or service has been acquired successfully by an acquisition office on the basis of an 8(a) set-aside, all future requirements of that office for that product or service shall be acquired using 8(a) set-aside procedures. If a CO determines there is no longer a reasonable likelihood that an offer can be obtained from a qualified 8(a) concern and award can be made at fair market prices, the repetitive set-aside must be withdrawn, using the procedures at 1019.506, prior to proceeding with the procurement on another basis.

Simplified Procedures for 8(a) Acquisitions Under MOUs.

Contracting activities may use the procedures of FAR Part 13 and DTAR Part 1013 to issue purchase orders or contracts, not exceeding \$100,000, to 8(a) participants. The \$100,000 limitation for use of FAR Part 13 applies to commercial and noncommercial items. The following applies to such acquisitions:

(a) Neither offering letters to, nor acceptance letters from, the SBA are required.

The contracting activity shall use the SBA's PRO-Net database on the Internet (<http://www.sba.gov>) to establish that the selected 8(a) firm is

a current program participant.

(c) Once an 8(a) contractor has been identified, the CO shall establish the price with the selected 8(a) contractor, prepare and issue a purchase order or contract in accordance with the provisions in FAR Part 13. The applicable clauses in FAR Part 19.811-3 shall be included in the award document.

(d) The CO shall issue the purchase order or contract directly to the 8(a) firm. The CO shall insert FAR clause 52.219-14, Limitations on Subcontracting, and DTAR clause 1052.219-72, Section 8(a) Direct Award, in all purchase orders and contracts awarded under this subsection.

(e) No later than the day that the purchase order is provided to the 8(a) contractor, the Treasury CO shall provide the cognizant SBA Business Opportunity Specialist, using facsimile or electronic mail, the following documents:

(i) a copy of the purchase order; and

(ii) a notice stating that the purchase order is being processed under the MOU. The notice shall also indicate that the 8(a) contractor will be deemed eligible for award and automatically begin work under the purchase order unless, within 2 working days after SBA's receipt of the purchase order, the 8(a) contractor and the Treasury CO are notified that the 8(a) contractor is ineligible for award.

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Evaluation, Offering and
Acceptance.

1019.804-2 Agency offering.

(a) When applicable, notification shall identify that the offering is in accordance with the MOU identified in 1019.800.

1019.804-3 SBA acceptance.

SBA acceptance under the MOU
for acquisitions exceeding \$100,000.

(a) The SBA's decision whether to accept the requirement shall be transmitted to the contracting agency in writing within five working days of receipt of the offer.

(b) The SBA may require, and the contracting agency may grant, an extension beyond the five day limit.

(c) SBA's acceptance letter should be faxed or e-mailed to the offering contracting activity.

(d) If the offering contracting agency has not received an acceptance or rejection of the offering from SBA within five days of SBA's receipt of the offering letter, the procurement office shall contact SBA to ascertain the status of the acceptance letter.

(e) The contents of the acceptance letter shall be limited to the eligibility of the recommended 8(a) contractor.

(f) The CO shall issue the contract directly to the 8(a) firm. The CO shall insert FAR clause 52.219-14, Limitations on Subcontracting, and DTAR clause 1052.219-72, Section 8(a) Direct Award, in all contracts awarded under this subsection.

(g) The CO shall forward to the SBA District Office service the 8(a) firm a copy of the contract with offer and acceptance letter, or modifications within five days after they are issued.

1019.805 Competitive 8(a).

1019.805-1 General.

(a)(2) For IDIQ contracts, the threshold will be applied to the maximum value of the contract, including options.

1019.805-2 Procedures.

(a) 8(a) acquisitions may be conducted using simplified acquisition procedures (see FAR Part 13).

(a)(1) For requirements exceeding \$100,000 processed under DTAR 1019.800, the CO shall submit the name, address, and telephone number of the low offeror (in sealed bid acquisitions) or the apparent successful offeror (in negotiated acquisitions) to the SBA Business Opportunity Specialist at the field office

servicing the identified 8(a) firm. The SBA shall determine the eligibility of the firm(s) and advise the CO within two working days of receipt of the request. If the firm is determined to be ineligible, the CO shall submit information on the next low offeror or next apparent successful offeror, as applicable, to the cognizant SBA field office.

1019.806 Pricing the 8(a) contract.

(a) When required by FAR Subpart 15.4, the CO shall obtain certified cost or pricing data directly from the 8(a) contractor if the contract is being awarded under DTAR 1019.800.

1019.808 Contract negotiation.

1019.808-1 Sole source.

(a) If the acquisition is conducted under DTAR 1019.800, the 8(a) contractor is responsible for negotiating with the CO within the time established by the contracting office. If the 8(a) contractor does not negotiate within the established time and the CO cannot allow additional time, the CO may, after notification and approval by SBA, proceed with the acquisition from other sources.

(b) If the acquisition is conducted under DTAR 1019.800, the CO shall negotiate directly with the 8(a) participant; however, if requested by the 8(a) participant, the SBA may participate in the negotiations.

1019.811 Preparing the contracts.

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1019.811-1 Sole source.

(d) If the award is to be made under 1019.800, the contract to be awarded by the contracting activity to the 8(a) firm shall be prepared in accordance with the contracting activity's normal procedures, given contract type and dollar amount, that the contracting activity would use for a similar, non-8(a) acquisition, except for the following:

(1) The award form shall cite 41 U.S.C. 253 (c)(5) or 10 U.S.C. 2304 (c)(5), as appropriate, and 15 U.S.C. 637 (a) as the authority for use of other than full and open competition.

(2) Appropriate contract clauses shall be included, as necessary, to reflect that the acquisition is an 8(a) contract made under DTAR 1019.800.

(3) The contracting activity shall include SBA's requirement number on the award document for acquisitions exceeding \$100,000.

(4) A single award document shall be used between the agency and the 8(a) contractor. As such, a single signature by the agency's contracting officer who is identified under 1019.800 will suffice, i.e., an SBA signature will not be required. The 8(a) contractor's signature shall be placed on the award document as the prime contractor. The 8(a) contractor's name and address shall be placed in the "Awarded to" or "Contractor name" block on the appropriate forms.

1019.811-2 Competitive.

(a) If the award is made under the delegation of 8(a) authority, competitive contracts for 8(a) firms shall be prepared in accordance with the same standards as 8(a) sole source contracts. See DTAR 1019.811-1.

(b) If the acquisition is conducted under DTAR 1019.800, the process for obtaining signatures shall be as specified in DTAR 1019.811-1(d)(4).

1019.811-3 Contract clauses.

(d)(3) The CO shall insert the clause at FAR 52.219-18, Notification of Competition Limited to Eligible 8(a) Concerns, with its Alternate III (Deviation), when the acquisition is processed under DTAR 1019.800.

(f) The CO shall insert the clause at DTAR 1052.219-72, Section 8(a) Direct Award, in solicitations and contracts that exceed \$100,000 and are processed under DTAR 1019.800. The clauses at FAR 52.219-11, Special 8(a) Contract Conditions; 52.219-12, Special 8(a) Subcontract Conditions; and 52.219-17, Section 8(a) Award, shall not be used.

1019.812 Contract administration.

Awards under DTAR 1019.800 are subject to 15 U.S.C. 637(a)(21). These contracts contain the clause entitled, Section 8(a) Direct Award, that requires the 8(a) contractor to notify the SBA and the CO when ownership of the firm is being transferred.

1019.812-70 Information.

CO's shall promptly notify the SBA, and inform the SBS of 8(a) contractor performance

problems.

Subpart 19.12 -- Small Disadvantaged Business Participation Program

1019.1202-3 Consideration in developing an evaluation factor or subfactor.

(e) Past performance of offerors shall be considered in developing an SDB participation evaluation factor or subfactor. The other criteria in FAR 19.1202-3 shall also be considered when appropriate under the circumstances.

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CHAPTER 7

TREASURY'S MENTOR-PROTEGE PROGRAM ASUCCESS PARTNERSHIPS®

A. BACKGROUND

Vice President Al Gore launched BusinessLINC® - Business Learning, Information, Networking, and Collaboration - to coordinate and encourage business-to-business linkages that may improve the economic competitiveness of smaller firms, including those located in economically distressed areas. The Initiative's broad goal is to encourage more private sector business-to-business relationships in order to accelerate the success of business ventures. The Vice President asked Treasury Secretary Rubin and Small Business Administration (SBA) Administrator Alvarez to lead the BusinessLINC Initiative.

To further the BusinessLINC Initiative, the Department of the Treasury has implemented a Mentor-Protege program, called Success Partnerships.

B. SCOPE

Success Partnerships is designed to motivate and encourage firms to assist small businesses (SB), including HUB Zone small businesses (HUB Zone), small disadvantaged businesses (SDB), and women-owned small businesses (SWOB). The program is also designed to improve the performance of Department of the Treasury contracts and subcontracts, foster the establishment of long-term business relationships between these entities and Treasury prime contractors, and increase the overall number of these entities that receive Treasury contract and subcontract awards.

Phase I began in March 1999 under PIM 99-6. Phase I consists of a Treasury/SBA partnership in which firms already designated by the SBA as 8(a) contractors serve as Treasury prime contractors, and another firm, typically a much larger firm, would mentor the 8(a) prime contractor.

Phase II of Success Partnerships encourages agreements between large or small prime contractors who act as mentors, and eligible small business proteges.

Phase III of Success Partnerships is Treasury's participation in the HUB Zone program, effective October 1, 2000. The HUB Zone program encourages Federal procurement from small businesses located in economically distressed areas.

C. TREASURY BENEFITS

Benefits to the Department of the Treasury include, but are not limited to: acquiring an expanded base of qualified small businesses; obtaining more competitive pricing on procurement opportunities resulting in cost savings; and achieving a potential increase in small business program goal accomplishments.

D. PHASE I (FISCAL YEAR 1999)

1. Purpose

Phase I of the program features a Treasury/SBA partnership to use the 8(a) program and SBA's mentor-protege program for developing 8(a) firms. Phase I has been implemented through a Memorandum of Understanding between Treasury and SBA. The SBA/Treasury Success Partnerships Phase I is designed to encourage approved mentors to provide various forms of assistance to eligible participants as subcontractors to protégé prime contractors. This assistance may take the form of technical and/or management assistance; financial assistance in the form of equity investments and/or loans, as well as assistance in performing prime contracts with Treasury in the form of joint venture arrangements. The purpose of the SBA/Treasury Success Partnerships relationship is to enhance the capabilities of small companies, and to improve their ability to compete successfully for contracts with Treasury. Primarily, Phase I serves as a prime contracting assistance tool.

2. Outcome

Program performance for Phase I is measured by: (a) an increase in the quality and scope of the technical capabilities of the protege firm, (b) An increase in the number and dollar value of contract and subcontract awards to protege firms since the time of their entry into the program (under Treasury contracts, contract awards by other Federal agencies and commercial contracts.), and (c) An increase in protege contracting and subcontracting activity in industry categories in which these firms have not traditionally participated.

In accordance with SBA's procedures, the 8(a) protege firm shall submit to SBA an evaluation of its mentor-protege relationships as part of its annual business plan with a copy to Treasury's Office of Small Business Development.

3. Treasury Bureau Responsibilities under Phase I

Treasury bureaus will identify requirements that will be reserved exclusively for participants approved by SBA's mentor-protege program, after appropriate market research and advanced acquisition planning, including 8(a) procurements awarded under simplified acquisition procedures, 8(a) sole source procedures, and 8(a) competitive procedures.

A listing of current SBA approved 8(a) mentor-protege agreement participants can be found on SBA's website at <http://www.sba.gov> or by contacting the bureau small business specialist for a hard copy listing.

E. PHASE II (FISCAL YEAR 2000)

1. Purpose

Phase II of Success Partnerships encourages agreements between large or small prime contractors who act as mentors, and eligible small business proteges. Phase II is implemented through a change to the Department of the Treasury Acquisition Regulation (DTAR) and through the program guide at the end of this chapter of the Small Business Handbook. Proposals submitted by Success Partnerships teams in response to a Treasury solicitation will be eligible for some evaluation points as part of the subcontracting plan evaluation in accordance with applicable SBA subcontracting regulations. A source selection evaluation factor or sub-factor may be added to benefit small disadvantaged businesses (SDBs) in competitive negotiated procurements in the SIC Major Groups as provided in federal procurement changes effective January 1, 1999. Primarily, Phase II serves as a subcontracting assistance tool.

2. Outcome

Program performance for this phase will be measured by: (a) An increase in the quality and scope of the technical capabilities of the protege firm., (b) An increase in the number and dollar value of contract and subcontract awards to protege firms since the time of their entry into the program (under Treasury contracts, contracts awarded by other Federal agencies and commercial contracts), and (c) An increase in protege

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contracting and subcontracting activity in industry categories in which those firms have

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not traditionally participated. Additionally, a written Lessons learned report will be required from mentor-protege participants.

F. PHASE III (FISCAL YEAR 2001)

1. Purpose

Phase III of Success Partnerships is Treasury's participation in the HUB Zone program, effective October 1, 2000. The HUB Zone program encourages Federal procurement from small businesses located in economically distressed areas. In Phase III, Phases I and II procedures will continue with an emphasis placed on 8(a) firms located in HUB Zones.

2. Outcome

Program performance for this phase will be measured by: (a) An increase in the quality and scope of the technical capabilities of protege firms located in HUB Zones, (b) An increase in the number and dollar value of contract and subcontract awards to protege firms located in HUB Zones since the time of their entry into the program (under Treasury contracts, contracts awarded by other Federal agencies and commercial contracts), and (c) An increase in protege contracting and subcontracting activity in industry categories in which those firms have not traditionally participated.

DEPARTMENT OF THE TREASURY

MENTOR-PROTEGE PROGRAM GUIDE PHASE II

The authority for the Treasury Mentor-Protege Program is the Department of the Treasury Acquisition Regulation (DTAR), Part 1019.202-70.

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1.0 THE TREASURY MENTOR-PROTEGE PROGRAM (PHASE II)

1.1 SCOPE

The Mentor-Protege Program is designed to motivate and encourage firms to assist small businesses (SB), including HUBZone small businesses (HUBZone), small disadvantaged businesses (SDB), and small women-owned businesses (SWOB) in enhancing their capabilities. The program is also designed to perform Department of the Treasury contracts and subcontracts, foster the establishment of long-term business relationships between these entities and Treasury prime contractors, and increase the overall number of these entities that receive Treasury contract and subcontract awards.

1.2 DEFINITIONS

(a) **Small Business (SB)**, as used herein, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business in their primary SIC code under the criteria and size standards in 13 CFR Part 121.

(b) **Small Disadvantaged Business (SDB)**, as used herein, means a small business concern owned and controlled by socially and economically disadvantaged individuals as defined by Federal Acquisition Regulation (FAR) 19.001.

(c) **Women-Owned Small Business (SWOB)**, as used herein, means a small business concern where ownership and controlling interest (at least 51%) in the company is held by a woman or women as defined by FAR 19.001.

(d) **HUBZone**, as used herein, means a small business concern that appears on the List of Qualified HUB Zone Small Business Concerns maintained by the SBA.

(e) **Mentor**, as used herein, means a prime contractor that elects, on a particular contract, to promote and develop small business subcontractors by providing developmental assistance designed to enhance the business success of the protégé. Mentors must be deemed eligible as described in 1019.202-70.7.

(f) **Protégé**, as used herein, means a small business as defined in paragraphs (a) through (d) above who is the recipient of developmental assistance pursuant to a mentor-protégé arrangement on a particular contract. Proteges must be deemed eligible as described in 1019.202-70.8.

(g) **OSBD** means the Office of Small Business Development, designated by the Department of the Treasury, Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) to assist and advise small, small disadvantaged, and women-owned small business concerns on procedures for doing business with Treasury.

1.3 NON-AFFILIATION

For purpose of the Small Business Act, a protégé firm is not considered an affiliate of a mentor firm solely on the basis that the protégé firm is receiving developmental assistance referred to in 1019.202-70.13 from such mentor firm under the program.

1.4 GENERAL POLICY

(a) Eligible business prime contractors, not included on the “Parties Excluded from Procurement Program” list, that approved as mentor firms may enter into agreements with eligible proteges, as defined in 1019.202-70.02. Mentors provide appropriate developmental assistance to enhance the capabilities of proteges to perform as contractors and/or subcontractors.

(b) A firm’s status as a protégé under a Treasury contract shall not have an effect on the firm’s eligibility to seek other prime contracts or subcontracts.

1.5 INCENTIVES FOR PRIME CONTRACTOR PARTICIPATION

(a) Under the Small Business Act, 15 U.S.C. 637 (d) (4) (E), Treasury is authorized to provide appropriate incentives to encourage subcontracting opportunities for small businesses consistent with the efficient and economical performance of the contract. This authority is limited to negotiated procurement. FAR 19.202-1(d) provides additional guidance.

Before awarding a contract that requires a subcontracting plan, the existence of a mentor-protégé arrangement, and performance (if any) under an existing arrangement, may be considered by the Contracting Officer in:

- (1) evaluating the quality of a proposed subcontracting plan under FAR 19.704-5; and
- (2) assessing the prime contractor’s compliance with the subcontracting plans submitted in previous contracts as a factor in determining contractor responsibility under FAR 19.705-5(a)(1).

Mentor-Protégé arrangements may provide the Government with greater assurance that a protégé subcontractor will be able to perform under the contract than a similarly situated non-protégé subcontractor.

(b) Secretary's Mentor's Award. A non-monetary award will be presented (annually or as often as appropriate) to the mentor firm providing the most effective developmental support to a Protégé. The Director, Office of Small Business Development will recommend an award winner to the Assistant Secretary/Chief Financial Officer. The Secretary's Office will be consulted before an award is made.

1.6 MEASUREMENT OF PROGRAM SUCCESS

The success of the Treasury Mentor-Protégé program will be measured by:

(a) The increase in the number and dollar value of contracts awarded to protégé firms under Treasury Department contracts from the date the protégé enters the program.

(b) The increase in the number and dollar value of contract and subcontract awarded to the protégé under other Federal agencies and commercial contracts.

(c) The increase in the technical, managerial, financial or other capabilities of the protégé firm, as reported by the protégé, and the developmental assistance provided by the mentor firm.

(c) An increase in the quality of the technical capabilities of the protégé firm.

1.7 MENTOR FIRMS

A mentor firm may be either a large or small business, eligible for award of a Government contract that can provide developmental assistance to enhance the capabilities of proteges to perform as subcontractors. Mentors will be encouraged to enter into arrangements with proteges in addition to firms with whom they have established business relationships.

1.8 PROTÉGÉ FIRMS

(a) Eligibility. A protégé must be:

- (1) A SB, SWOB, SDB, or HUB ZONE as those terms are defined in 1019.202-70.2;

- (2) Small in the SIC code for the services or supplies to be provided by the protégé under its subcontract to the mentor; and
 - (3) Eligible for receipt of government contracts.
- (b) Except for SDB firms, a protégé firm may self-certify to a mentor firm that it meets the requirements set forth in paragraph (a) of this section. Mentor may rely in good faith on written representations by potential proteges that they meet the specified eligibility requirements. SDB status eligibility and documentation requirements are determined according to FAR 19.304.
- (c) Proteges may have multiple mentors. Proteges participating in mentor-protégé programs in addition to the Treasury program should maintain a system for preparing separate reports of mentoring activity for each agency's program.

1.9 SELECTION OF PROTÉGÉ FIRMS

- (a) Mentor firms will be solely responsible for selecting protégé firms. The mentor is encouraged to identify and select the types of protégé firms listed in 1019.202.70.7(b).
- (b) Mentors may have multiple proteges.
- (c) The selection of protégé firms by mentor firms may not be protested, except that any protest regarding the size or eligibility status of an entity selected by a mentor shall be handled in accordance with the FAR and the Small Business Administration regulations

1.10 APPLICATION AND AGREEMENT PROCESS FOR MENTOR PROTÉGÉ TEAMS TO PARTICIPATE IN THE PROGRAM

- (a) Firms interested in becoming a mentor firm may apply in writing to the Department of the Treasury OSBD. The application will be evaluated based upon the description of the nature and extent of technical and managerial support proposed as well as the extent of financial assistance in the form of equity investment, loans, joint-venture support, and traditional subcontracting support proposed
- (b) A proposed mentor shall submit the information listed in 1019.202-70.12 for inclusion in a mentor-protégé agreement.

1.11 OSBD review of agreement.

- (a) OSBD will review the information specified in Section 1.10 to ensure that the mentor

and protégé are eligible, the information listed in 1019.202-70.12 is complete, and will consult with the Contracting Officer on the adequacy of the proposed mentor-protégé arrangement. The OSBD review will be completed no later than 30 calendar days after receipt by OSBD.

(B) Upon completion of the review, the mentor may implement the developmental assistance program.

(c) The agreement defines the relationship between the mentor and protege firms only. The agreement itself does not create any privity of contract between the mentor or protégé and the Department of the Treasury.

1.12 DEVELOPMENTAL ASSISTANCE

The forms of developmental assistance a mentor can provide to a protégé include:

(a) Management guidance relating to—

- (1) Financial management
- (2) Organizational management
- (3) Overall business management/planning and
- (4) Business Development; and
- (5) Technical assistance.

(b) Loans;

(c) Rent-free use of facilities and/or equipment;

(c) Property;

(e) Temporary assignment of personnel to protege for purpose of training; and

(f) Any other types of permissible mutually beneficial assistance.

1.13 OBLIGATION

(a) A mentor or protégé firm may voluntarily withdraw from the program. However, in no event shall such withdrawal impact the program mission and contract requirements under the prime contract.

(b) Annual reports shall be submitted by the mentor and protégé firms to the OSBD on program progress as it pertains to their mentor-protégé agreement. Large business mentors may submit these reports as part of their Small/Small Disadvantaged Business Plan submission in accordance with the due date on the SF295.

The Department of the Treasury will evaluate these reports by considering the following:

(1) Specific actions taken by the contractor, during the evaluation period, to increase the participation of proteges as suppliers to the Federal Government and to commercial entities;

(2) Specific actions taken by the mentor, during the evaluation period, to develop the technical and corporate administrative expertise of a protege as defined in the agreement;

(3) To what extent the protege has met the developmental objectives in the agreement; and

(4) To what extent the mentor firm's participation in the Mentor-Protege Program resulted in the protege receiving contract(s) and subcontract(s) from private firms and agencies other than the Department of the Treasury.

The Department of the Treasury OSBD will submit the annual reports to the cognizant contracting officer regarding participating prime contractor(s) performance in the program. The cognizant contracting officer shall forward a copy of the annual reports to the bureau small business specialist for their files.

(c) Mentor and protege firms shall submit an evaluation to the OSBD at the conclusion of the mutually agreed upon program period, the conclusion of the contract, or the voluntary withdrawal by either party from the program, whichever comes first.

1.14 INTERNAL CONTROLS

(a) The OSBD will oversee the program and will work with the cognizant Contracting Officer to achieve the program's objectives.

(b) The Department of the Treasury may rescind approval of an existing Mentor-Protege agreement if it determines that such actions are in Treasury's best interest. Rescission shall be in writing and sent to the mentor and protege after approval by the Director, OSBD. Rescission of an agreement does not change the terms of the subcontract between the mentor and the protégé or the prime contractor's obligations under its subcontracting plan.

1.15 SOLICITATION PROVISIONS, CLAUSES, AND CONTRACT GUIDANCE

The contracting officer shall insert the provision at 1052.219-73, Department of the Treasury Mentor-Protege Program, in all unrestricted solicitations exceeding \$500,000 (\$1,000,000 for construction) that offer subcontracting possibilities.

1052.219-73 Department of the Treasury Mentor-Protege Program.

As described in 1019.202-70, insert the following provision:

**DEPARTMENT OF THE TREASURY MENTOR PROTEGE PROGRAM
(October 1999)**

Large and small businesses are encouraged to participate in the Department of the Treasury Mentor-Protege program. Mentor firms provide small business proteges with developmental assistance to enhance their business capabilities and ability to obtain federal contracts.

Mentor firms are large prime contractors or eligible small businesses capable of providing developmental assistance. Protégé firms are small businesses, as defined in 13 CFR 121, 124, and 126.

Developmental assistance is technical, managerial, financial, and other mutually beneficial assistance to aid proteges. Contractors interested in participating in the program are encouraged to contact the Department of the Treasury OSBD or the Bureau OSBD for further information.

(End of provision)

1052.219-75 Mentor Requirements and Evaluation

As prescribed in 1019.22-70, insert the following clause:

MENTOR REQUIREMENTS AND EVALUATION (October 1999)

(a) Mentor and protégé firms shall submit an evaluation to the Department of the Treasury's OSBD at the conclusion of the mutually agreed upon program period, the conclusion of the contract, or the voluntary withdrawal by either party from the program, whichever occurs first. At the conclusion of each year in the mentor-protégé program, the prime contractor and protégé will formally brief the Department of the Treasury Mentor-Protégé Program Manager regarding program accomplishments under their mentor-protégé agreement.

(b) A mentor or protégé shall notify the OSBD and the Contracting Officer, in writing, at least 30 calendar days in advance of the effective date of the firm's withdrawal from the

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program. A mentor firm shall notify the OSBD and the Contracting Officer upon receipt of a protégé's notice of withdrawal from the Program.

(End of clause)

Mentor-Protege Program Summary

This summary is meant to provide commonly asked questions and answers regarding Treasury's Mentor-Protege Program.

1. What firms are eligible to be mentor firms?

Treasury's Mentor-Protege Program, *Success Partnerships*, is open to any firm (large or small) that demonstrates a commitment and capability to assist in the development of a small business protege(s). Although mentors can be large or small businesses, we anticipate the majority of the mentors will be large businesses. (The program excludes firms on the Federal List of Debarred or Suspended Contractors).

2. How does a firm become a mentor?

Before a government contract is awarded, mentors select a potential protege and jointly apply to the Treasury Office of Small Business Development (OSBD) for review. After a contract is awarded, a mentor-protege arrangement may be created to help meet the mentor's subcontracting requirements. Treasury OSBD will make available an application form.

3. What does a firm gain from being a mentor in meeting its subcontracting obligations?

Before awarding a contract that requires a subcontracting plan, the existence of a mentor-protégé arrangement, and performance (if any) under an existing arrangement, may be considered by the Contracting Officer.

Mentor-protégé arrangements may provide the Government with greater assurance that a protégé subcontractor will be able to perform under the contract than a similarly situated non-protégé subcontractor.

4. Are there any other benefits to being a mentor?

Yes. Treasury OSBD will establish a non-monetary award to be given annually (or as often as appropriate) to the mentor firm providing the most effective developmental.

5. What firms are eligible to be protege firms?

All small businesses that meet the definition of small business concern at FAR 19.001, based on their primary SIC code, are eligible to be protege firms. This includes small businesses, including very small businesses, HUBZone small businesses, small

disadvantaged businesses, and women-owned small businesses.

6. How does a firm apply to become a protege?

Proteges either identify a mentor themselves or are selected by a mentor and jointly submit an agreement to the Treasury OSBD for review. Treasury OSBD will make available an application form.

7. What does a firm gain from being a protege in competition for government contracts?

Proteges gain opportunities to seek and perform government and commercial contracts through the guidance and support of mentors that may not have been available to them without the mentor-protege relationship.

8. Are there any other benefits to being a protege?

Proteges may receive technical, managerial, financial, or any other mutually agreed upon benefit from mentors in addition to the work that flows from a government or commercial contract through subcontracting or teaming arrangements. The assistance could result in significant small business development.

9. What are the effective dates of these rules?

Phase II of the Mentor-Protege Program will apply to solicitations issued on or after February 29, 2000.

Department of Treasury Mentor-Protégé Program Application

A signed mentor-protégé application for each mentor-protégé relationship should be submitted to the Office of Small Business Development (OSBD) for approval. The application should be in narrative form and include, at a minimum, the following information in the format shown below:

1. Mentor Firm Information . Provide the following:

- Name of Firm
- Contact Name
- Position Title
- Address
- Telephone
- Fax
- E-Mail
- Homepage

2. Protégé Firm Information. Provide the following:

- Name of Firm
- Contact Name
- Position Title
- Address
- Telephone
- Fax
- E-mail
- Homepage

3. Eligibility. Provide a statement certifying that the company is currently eligible pursuant to the following criteria below:

A Small business concern that meets the definition at FAR 19.001, based on its primary SIC code is eligible to be a protege firm. SBA Regulations/FAR Provision: FAR 19.001; 13 CFR Part 121; 13 CFR 124.1002

The protégé firm's *primary* SIC code is_____.

The Protégé represents, for general statistical purposes that it is a ___small, ___very small, ___small disadvantaged, or ___8(a) business concern as defined above.

The Protégé should also identify the category in which its ownership falls: ___Black American, ___Hispanic American, ___Native American, ___Asian Pacific, ___Subcontinent Asian, or ___Individual concern, other than one of the preceding.

The Protégé represents that it ___is, ___is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone small business concerns maintained by the Small Business Administration.

The Protégé represents that it ___is, ___is not a women-owned small business concern.

4. Developmental Assistance Program. Describe the developmental program for the protégé firm specifying type of assistance planned. Types of developmental assistance a mentor firm can provide to a protege firm may include:

- **Management guidance relating to-**
 - **Financial management**
 - **Organizational management**
 - **Overall business management/planning and**
 - **Business development**
- **Technical assistance**
- **Rent-free use of facilities and/or equipment**
- **Property**
- **Temporary assignment of personnel to the protégé firm for the purpose of training**
- **Loans; and**
- **Any other types of mutually beneficial assistance**

5. Milestones. Define milestones for providing the identified developmental assistance.

6. Metrics. In addition to the developmental assistance plan, provide factors to assess the protege firm's developmental progress under the Program.

7. Subcontract Awards to Protégé(s). The number and total dollar amount of subcontract awards made to the identified protégé firm(s) during the two preceding fiscal years (if any).

Total Subcontract Awards to Protégé(s)		
	Number	Dollar Amount
FY-		
FY-		

8. Estimate of Cost. Provide an estimate of the total cost of the developmental assistance.

9. Program Participation Term. State the period of time over which the developmental assistance will be performed.

10. **Potential Subcontracts.** Provide the anticipated dollar value and type of subcontracts that may be awarded to the protégé firm consistent with the extent and nature of mentor firm’s business, and the period of time over which they may be awarded.
11. **Mentor Termination Procedures.** Describe the procedures for the mentor firm to notify the protégé firm in writing at least 30 days in advance of the mentor firm’s intent to voluntarily withdraw its participation in the Program.
12. **Protégé Termination From the Program.** Describe the procedures for a protégé firm to notify the mentor firm in writing at least 30 days in advance of the protégé firm’s intent to voluntarily terminate the mentor-protégé agreement.
13. **Other Termination Procedures.** Describe the procedures for the mentor firm to terminate the mentor-protégé agreement for cause which provide:

The protégé firm shall be furnished a written notice of the proposed termination, stating the specific reasons for such action, at least 30 days in advance of the effective date of such proposed termination.

The protégé firm shall have 30 days to respond to such notice of proposed termination, and may rebut any finding believed to be erroneous and offer a remedial program.

Upon prompt consideration of the protégé firm’s response, the mentor firm shall either withdraw the notice of proposed termination and continue the protégé firm’s participation, or issue the notice of termination.

The mentor firm shall submit a plan for accomplishing work should the agreement be terminated.

14. **Signed Agreement.** Mentors and Proteges are asked to sign and date the agreement. The parties shall state they agree to comply with the obligations in section 1019.202-7.14 of the DTAR and all other clauses and provisions governing the program. Titles of the individuals should also be included as shown in the following example:

Mentor

Printed Name

Signature

Title

Date

Protégé

Printed Name

Signature

Title

Date