Welcome to the

Mentor-Protégé and JV Partnerships

Moderator: Clarence McAllister, P.E., CEO, Fortis Networks

Speakers:
- Mercedes Enrique, President, Custom Mechanical Systems Corp.
- Gita Murthy, Ph.D., CEO, RORE Inc.
- Jackie Hacker, National Small Business Program Director, HDR Inc.
- Denver Heath, Principal Assistant Responsible for Contracting - Dallas, USACE
Benefits of JVs and successful growth strategies for all federal market SBs

- CMS Corporation – Graduated from 8(a) Program
- Successful JVs with:
  - Former Mentor TolTest Inc. (Large Business) and
  - Jack Wayte Construction (Small Business)
- Sustainable SB Federal Contractor primarily to DoD
- Becoming a Mentor to another SB
Benefits of JVs and successful growth strategies for all federal market SBs

1. Why Joint Venture?
2. When to JV
3. How to Select a JV Partner
4. Federal Rules for JVs (handout)
1. Why Joint Venture?

- To Win Federal Work
  - Partner for a win-win
  - New client, base, and/or contract vehicle

- Build Past Performance
- Grow Experience Twice as Fast
- Grow your Business and Experience Sustainably
- Grow Strategic Capabilities While Staying Small
2. When To Joint Venture

- You Bring a Strategic Advantage/Benefit and You Need “more” Than What You Bring
  - Bonding
  - Experience and past performance
  - Personnel resources
  - Strategic Location
  - Set-aside type
  - Self-performing labor and equipment advantage
  - Estimating capability
  - Subcontractor network/relationships
  - Proposal preparation capability/expertise
3. How to Select a JV Partner

- Small or Large (under SBA Mentor-Protégé)
  - Successful in your weak areas (per “when to JV”)
  - Check past performance and experience ratings
  - Clearly discuss Win-Win
  - Obtain endorsement from Bonding, bank, SBA, teaming partners, etc.
  - Openly discuss strategy, culture (any JVs gone wrong?)
  - Work together in prime/sub contracts
  - Involve management team beyond owners/leadership
  - Trust and ethics with clearly delineated legal docs
4. Federal Rules for JVs (handout)

- Educate Yourself
- Know More than the SBA
- Follow the Regulations
How to position your small business for JV opportunities and MPA relationships

It is easy to position yourself for JV opportunities and MPA relationships. It is challenging to work out the details within each agreement!
How to Position your Small Business for JV Opportunities and MPA Relationships

- Is MPA right for your firm?
- Can you embrace a JV relationship?
- What are your long term business goals?
- How do you intend to achieve those goals?
How to position your small business for JV opportunities and MPA relationships

Your Mentor can either help you grow and be profitable or can hinder your growth and waste precious time. Therefore, plan ahead. Vet your partnership. Be involved. Resist apathy!
MPA

Protégé’s Perspective

• When is the right time to identify a Mentor?
• Do the Potential Mentors know you as a firm?
• How do you market to the Mentors?
• Size, Core Competencies, Resources, Availability
• Relationships with key decision makers
MPA
Protégé’s Perspective

• Mentor’s Track Record for Relating to SB
• Record related to sub-contracting opportunities
• Vet the Mentor
• Research law suits, legal actions against SBs
• List Pros and Cons for each Mentor
• Select Mentors
JV
Protégé’s Perspective

• Together, identify Opportunities
• Make sure that you can contribute toward the opportunity
• Actively participate from proposal through bid submission phase
• Abide by the SBA Rules
JV
Protégé’s Perspective

- Market jointly
- Identify and Pursue Large Contracts
- Think 8(a) Graduation!
- Think Long Term!
Elements for a Successful MPA Match

Large Business Perspective

• Characteristics of a Protégé Candidate
  - Strategic
  - 8(a) Program, Established Business
  - Remain Independent
  - Project Capabilities
  - Work Well Together
Elements for a Successful MPA Match

Large Business Perspective

- Characteristics of a Potential Mentor
  - Commitment to the Program
  - Established method for success
  - Exposure across the Mentor Firm
Elements for a Successful MPA Match
Large Business Perspective

• Objectives
  - Attitude, Approach
  - Expectations
  - Clear Goals
  - Roles and Responsibilities
Elements for a Successful MPA Match
Large Business Perspective

- Stay on Track
  - POC Designations
  - Matrix = Development + Deadlines
  - Early Pursuit Targets
  - Established Recurring Calls/Meetings
Elements for a Successful MPA Match
Large Business Perspective

- Partnering
  - Early Strategies
  - Joint Venture (through 8(a) Program)
  - Prime/Sub
Elements for a Successful MPA Match
Large Business Perspective

• Difference in Mentor-Protégé Programs:
  - SBA
  - DoD
  - Other (DHS, DOT, State, etc.)
Elements for a Successful MPA Match

Large Business Perspective

• Take Away:
  - Mentor & Protégé EXPECTATIONS
  - Development Opportunity not a Windfall of $s
  - Commitment by Protégé and Mentor
  - Strategic Match
  - Groundwork before an Agreement is Signed
Mentor-Protégé and JV Partnerships
In the Corps of Engineers

Denver S. Heath
Principal Assistant Responsible for Contracting - Dallas
Directorate of Contracting
U.S. Army Corps of Engineers

US Army Corps of Engineers
BUILDING STRONG®
2014 SAME Small Business Conference for Federal Engineering, Construction & Environmental Programs

Army FY14 Obligations = $74.8B

USACE FY14 Obligations = $17.2B

Note: FPDS-NG Data as of 9 Oct 2014

For up to date conference information, follow @SAME_HQ and contribute to the conversation at #SAMESBC on Twitter
Portfolio Obligations ($B)

**FY12**
- Construction Services: $11.6B
- Facility Related Services: $6.4B

**FY13**
- Construction Services: $8.1B
- Facility Related Services: $5.8B

**FY14**
- Construction Services: $7.9B
- Facility Related Services: $6.8B

Total:
- FY12: $21.4B
- FY13: $16.8B
- FY14: $17.2B
USACE Fiscal Year 2014
$15.25 B Total US Obligations

Small Business Achievements

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<th></th>
<th>USACE Goal</th>
<th>Percentage Achieved</th>
<th>Dollars Achieved</th>
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<tr>
<td>Small Business</td>
<td>41.50%</td>
<td>46.34%</td>
<td>$7.06 B</td>
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<tr>
<td>Small Disadv SB</td>
<td>19.00%</td>
<td>25.43%</td>
<td>$3.88 B</td>
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<tr>
<td>Women-Owned SB</td>
<td>7.00%</td>
<td>7.40%</td>
<td>$1.13 B</td>
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<tr>
<td>HUBZone SB</td>
<td>11.00%</td>
<td>8.50%</td>
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<tr>
<td>Service-Disabled Vet</td>
<td>4.50%</td>
<td>5.38%</td>
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USACE Historical Data

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<tr>
<th>FY</th>
<th>SB Goal</th>
<th>Achieved</th>
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<tr>
<td>2013</td>
<td>41.5%</td>
<td>42.7%</td>
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<tr>
<td>2012</td>
<td>42.3%</td>
<td>45.3%</td>
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<tr>
<td>2011</td>
<td>35.0%</td>
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<tr>
<td>2010</td>
<td>33.0%</td>
<td>39.7%</td>
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Army Mentor Protégé Agreements
Endorsed by Corps of Engineers as of 30 Sep 2014

• Army Office of Small Business Programs reports that USACE has only three (3) active MP Agreements

• USACE Agreements endorsed by Fort Worth District, New England District, and St. Louis District
Industry Feedback

• What can be done to increase the program in USACE?

• Help us identify any barriers to overcome