

# Office of the Secretary of the Navy

## Small Business Programs



# How to do Business with the Department of the Navy

## Getting Procurement Ready!

**July 23, 2024**

**Arveice M. Washington**  
**Director**  
**Office of Small Business Programs, DON**

“Small Business -  
The *First* Option”

# Strategic Alignment

## Office of the Secretary of the Navy Small Business Programs



### DON OSBP

### Strategic Alignment

- |                                                                                     |                                                                            |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 1. Defend the Homeland                                                              | 3. Deter Aggression and be prepared to prevail in conflict when necessary. |
| 2. Deter strategic attacks against the United States, our Allies, and our Partners. | 4. Build a resilient Joint Force and defense ecosystem.                    |

#### Build Resilient Supply Chains

- Continue and Expand support for domestic Production
- Diversify Supplier Base and Invest in New Production Methods

#### Workforce Readiness

- Continue Targeting Defense-Critical Skill Sets in Manufacturing and STEM
- Increase access to Apprenticeship and Internship Programs

#### Flexible Acquisitions

- Broaden Platform Standards and Interoperability
- Continue to Support Acquisition Reform
- Strengthen Requirements process to Curb Scope Creep

#### Economic Deterrence

- Strengthen Economic Security Agreements
- Strengthen Prohibited Sources' Policy

#### Implement a Unified Management Structure

- Implement a unified management approach
- Train and credential a unified Small Business Professional Workforce
- Streamline entry points and improve small business access to decision makers

#### Align Small Business Activities with National Security Priorities

- Stabilize & scale programs that help tech and manufacturing firms deliver capabilities
- Utilize data tools to understand and expand small business participation and spending
- Expand policy and process engagement of small business professionals and senior leaders on small business matters

#### Strengthen Engagement and Support of Small Business

- Improve outreach and communications with small businesses
- Educate small businesses on risks of foreign ownership, control and influence
- Provide cybersecurity training and resources to small businesses
- Educate small businesses on risks of foreign ownership, control, and influence

- Address small business cybersecurity challenges
- Train and credential small business professionals
- Encourage the utilization of a variety of products and services from small businesses to capitalize the best products
- Encourage the use of programs that stimulate technological innovation
- Improve visibility of small business data within the DON and to industry

- Utilize APEX Accelerators and Socio-Economic Interest Groups to enable and promote coordinated outreach efforts
- Engage Heads of Contracting Activities and Program Executive Officers to ensure small business strategies include measurable performance objectives
- Host small business roundtables
- Monitor prime contractor's subcontract reporting and compliance and ensure subcontract performance is captured in CPARS

- Maximize use of existing programs and authorities
- Improve outreach and communications
- Utilize tools, technologies and data to enhance market research for the acquisition workforce
- Engage DON prime contractors to understanding the supplier base and subcontracting successes and barriers
- Solicit Navy Audit Service to conduct small business subcontracting audit

### Maritime Dominance



### Warfighting Excellence



### Strategic Partnerships







## DON's 10 Major Buying Activities

 <b>USMC Installations and Logistics Command</b>	 <b>Marine Corps Systems Command</b>	 <b>Military Sealift Command</b>	 <b>Naval Air Systems Command</b>	 <b>Naval Facilities Engineering Command</b>
 <b>Naval Information Warfare Systems Command</b>	 <b>Office of Naval Research</b>	 <b>Naval Sea Systems Command</b>	 <b>Naval Supply Systems Command</b>	 <b>Strategic Systems Programs</b>

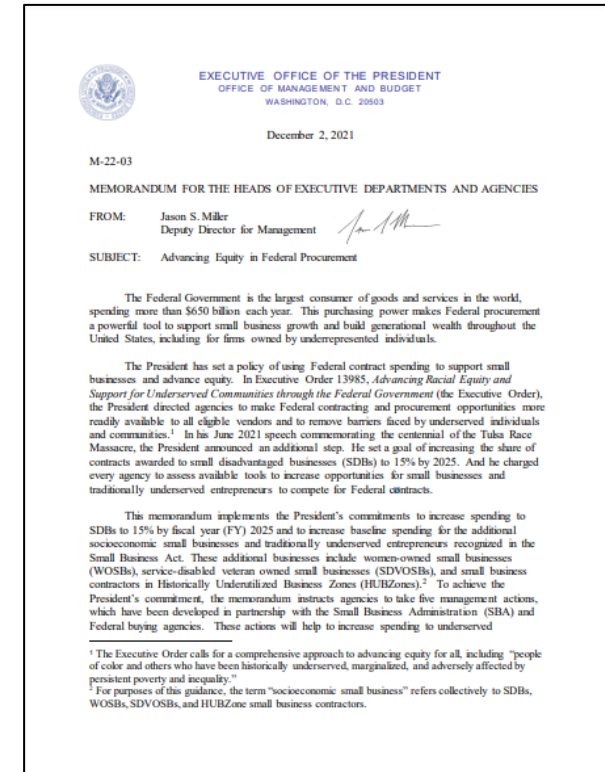




## Executive Order 13985 –Advancing Racial Equity and Support for Underserved Communities Through the Federal Government

### 5 Actions all federal agencies instructed to take:

1. Federal-wide SDB goal 13% for FY24 (15% by FY25);
2. Adjusts category management practices to boost small business opportunity;
3. Agencies develop a plan to increase new small business market entrants;
4. Builds small business utilization into SES performance plans; and,
5. Normalizes OSDBU Director's access to agency leadership.



OMB Memo M-22-03  
Released December 2, 2021

**Objective: Remove Barriers and Provide Equal Access to Procurement Opportunities**

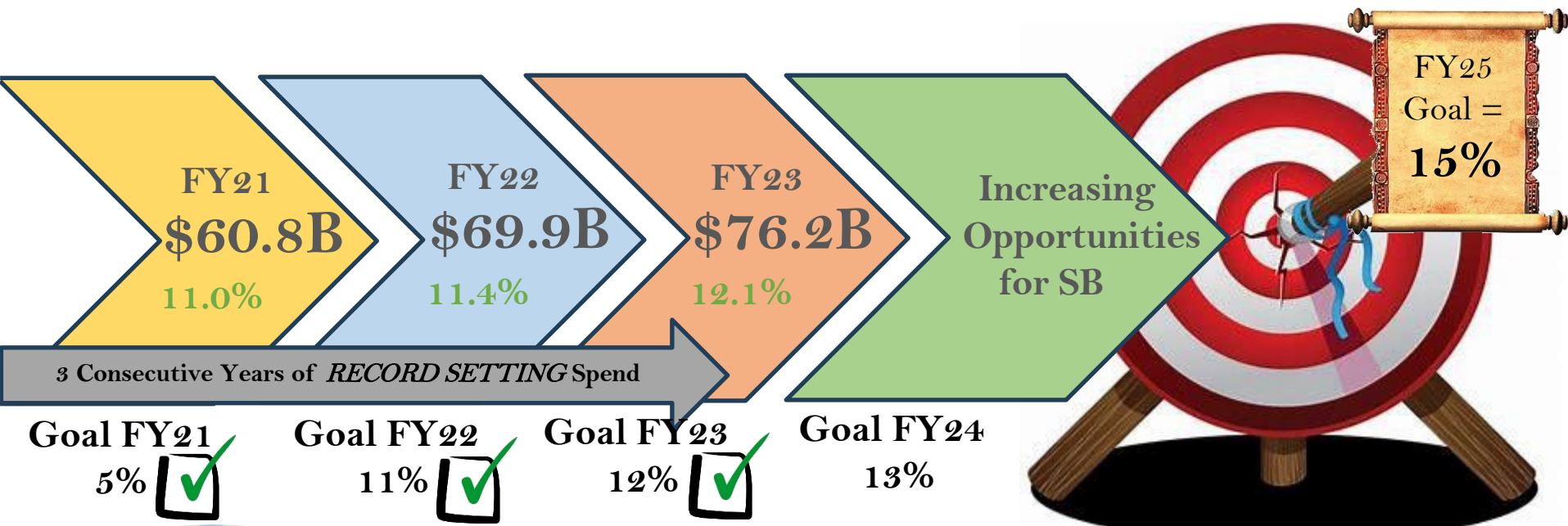


# Federal-Wide By the Numbers

Office of the Secretary of the Navy  
Small Business Programs



## Small Disadvantaged Business Performance



THE WHITE HOUSE  
WASHINGTON

**COMMITTED** to Leveling the Playing Field for Small Businesses



# Navy Overall FY23 Performance

## Office of the Secretary of the Navy Small Business Programs



## Department of the Navy

### Validated Fiscal Year 2023 FPDS-NG Data as of 22 February 2024



**Total: \$103.370B**

**\$83.450B**

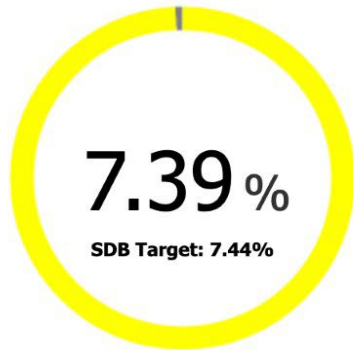
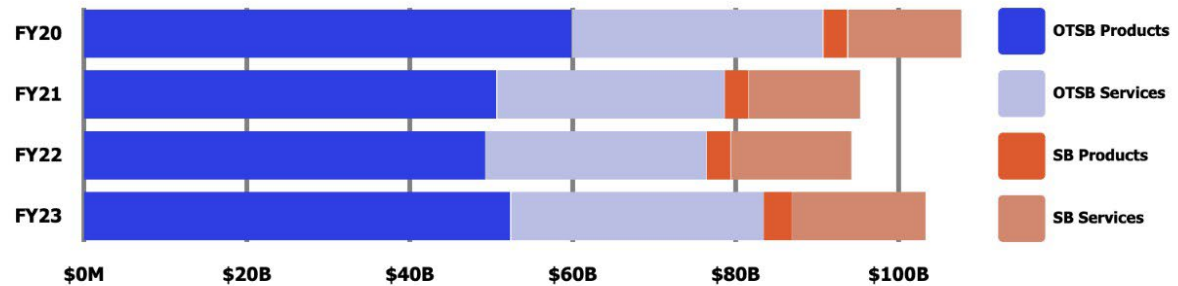
**Other Than SB**

**\$20.120B**

**Small Business**

*Per NDAA 2019 Small Business Local Area Set Aside Awards were "double credited" and accounted for \$198.70M in additional FY23 SB awards.*

Fiscal Year 2020, 2021, 2022 and FY2023 Full Year Prime Contract Awards



**\$20,119,555,427**

**Small Business**

**\$7,637,516,174**

**Small Disadvantaged**

**\$2,921,162,202**

**Service-Disabled**

**\$3,041,954,662**

**Women Owned**

**\$1,908,056,240**

**HUBZone**

Data Source: Validated Full Fiscal Year 2023 SAM.gov Data as of 22 February 2024

<https://www.secnnav.navy.mil/smallbusiness>

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"Small Business -  
The **First** Option"



# So What's the DON Doing to Increase Opportunities?

## Office of the Secretary of the Navy Small Business Programs



- ✓ Hosting SECNAV Roundtables;
- ✓ Hosting Large Business Engagements;
- ✓ Hosting AMA Webinars;
- ✓ Leading Quarterly Workforce Meetings;
- ✓ Navy Audit Service Conducting Subcontracting Audit;
- ✓ Refreshed Tapping Into Small Business in a Big Way Memo;
- ✓ Encouraging Workforce Complete Small Business Professional Credential;
- ✓ Improving Usefulness of LRAF and Established Standardized Template;
- ✓ SECNAV Hosted Command and PEO Engagements;
- ✓ Encouraging Contract Breakout Opportunities for Small Business; and,
- ✓ Partnering with Socio-Economic Specific Organizations on Outreach Opportunities to Attract New Entrants.



**To Explore Agency Equity Action Plans Visit:**

**<https://www.whitehouse.gov/equity/#equity-plan-snapshots>**



# By the Numbers

## Office of the Secretary of the Navy Small Business Programs



### FY23 Small Business Performance

INCREASE

- Small Business Overall Spend by **\$1.65B**
- SDB by nearly **\$700M**
- SDVOSB by nearly **\$200M**
- WOSB by nearly **\$350M**
- HUBZone by **\$110M**

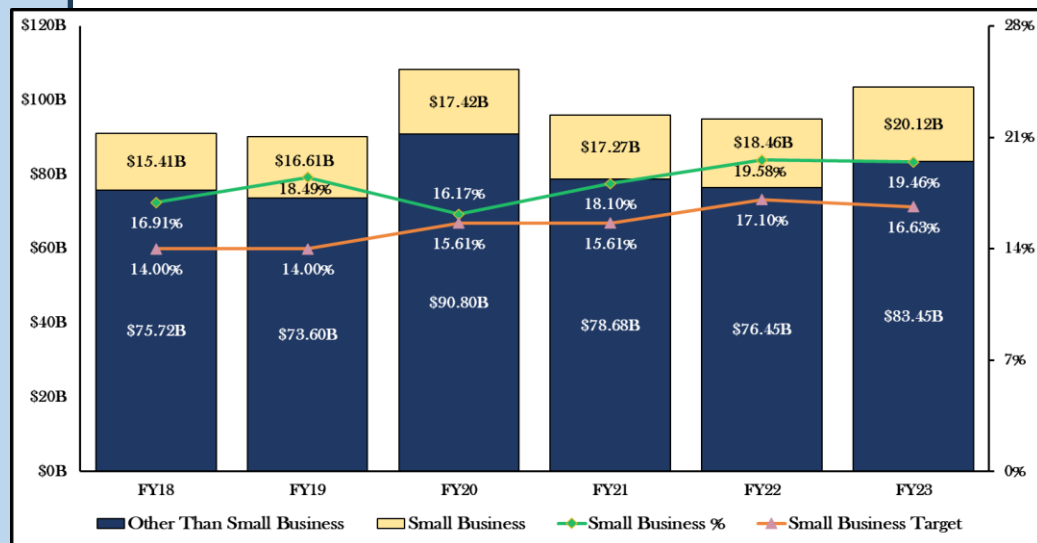
FY23 Resulted in  
RECORD BREAKING SPEND!

**ADVOCACY = PERFORMANCE**

Since FY 2018, the DON has **INCREASED**

Small Business execution by **30%**.

From \$15.4B in 2018 to \$20.1B in 2023.



### FY23 DON Industrial Base (IB) Snapshot\*

+ **2,100** SB's ENTERED IB

- **1,097** SB's EXITED IB

**\$1.59B** awards for "new" SB Vendors

Validated FY23 as of 22 February 2024

\*Entered - Min. \$10K prime awards in FY23 and \$0 in FY22 & 21

Exited - Min. \$10K prime awards in FY22 & 21 and \$0 in FY23





# Small Business Goals

## Office of the Secretary of the Navy Small Business Programs



### Goals Set by Law

#### FY24 Statutory Goals

Small Business	23.00%
SDB	13.00%
WOSB	5.00%
SDVOSB	5.00%
HUBZone	3.00%



U.S. Small Business Administration

**SBA  
Negotiates  
Targets with  
DoD**



#### FY24 DoD Targets

Small Business	22.43%
SDB	11.55%
WOSB	5.00%
SDVOSB	5.00%
HUBZone	3.00%



#### FY24 DON Targets

Small Business	15.8%
SDB	8.51%
WOSB	2.37%
SDVOSB	2.37%
HUBZone	1.49%



# Navy YTD FY24 Performance

## Office of the Secretary of the Navy Small Business Programs



## Department of the Navy

### Fiscal Year 2024 FPDS-NG Data as of 16 July 2024



**Total: \$71.413B**

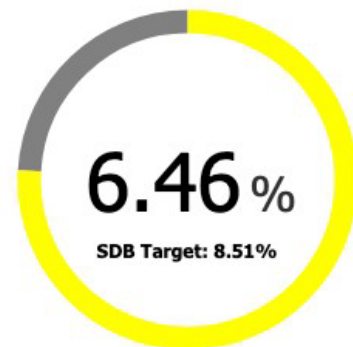
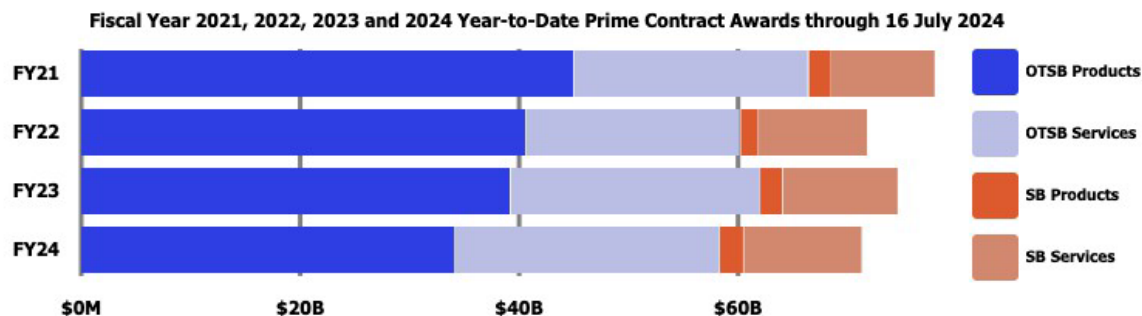
**\$58.336B**

**Other Than SB**

**\$13.190B**

**Small Business**

*Per NDAA 2019 Small Business Local Area Set Aside Awards were "double credited" and accounted for \$113.29M in additional FY24 SB awards.*



**\$13,190,304,028**

**Small Business**

**\$4,612,883,940**

**Small Disadvantaged**

**\$1,983,777,609**

**Service-Disabled**

**\$1,809,759,048**

**Women Owned**

**\$1,208,309,436**

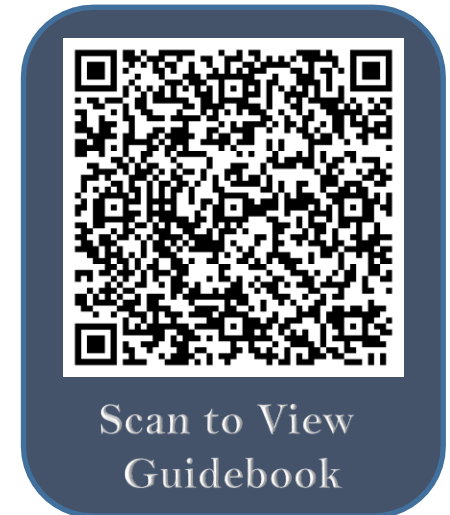
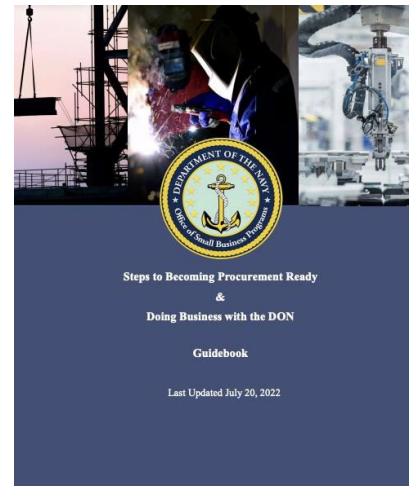
**HUBZone**





[www.secnav.navy.mil/SmallBusiness](http://www.secnav.navy.mil/SmallBusiness)

### 8 Steps to Becoming Procurement Ready



*Visit our YouTube Channel to watch the video*



**Procurement Readiness Video On Our DON OSBP Website & YouTube Channel!**







[www.secnav.navy.mil/SmallBusiness/pages/LRAE.aspx](http://www.secnav.navy.mil/SmallBusiness/pages/LRAE.aspx)

Command	Anticipated NAICS	Requirement Title	Anticipated Acquisition Strategy	Anticipated Total Value	Anticipated QTR & Year - Solicit/RFP	Anticipated Qtr & Year - Award
HQMC I&L	541611 – Administrative Management and General Management Consulting Services	USMC Military Working Dog Program Support Services	Small Business Set-Aside	<\$2M	FY2025 QTR 2	FY2025/QTR 4
NAVWAR	541330_Engineering Services	Engineering Systems, Security, and MBSE Services (c)	Small Business Set-Aside	> \$50M - < \$100M	FY2025/QTR 1	FY2025/QTR 3
NAVSEA	541330_Engineering Services	Mission Modules Engineering and technical Support	Women-Owned Small Business Set-Aside	>\$7.5M - <\$50M	FY2025/QTR 4	FY2026/QTR 4
ONR	517111 – Wired Telecommunications Carriers	BCO New Orleans/Gulfport	SDVOSB Set-Aside	> \$2M - < \$7.5M	FY2027/QTR 2	FY2027/QTR 4

NOTE: Major improvements in LRAE include common format and content, bi-annual cadence, and additional fields to communicate key information to industry



Scan to view  
Long Range  
Acquisition  
Estimates

*View LRAE's on the Command's Websites  
for Upcoming Procurements*





Register Now!



**REGISTRATION IS OPEN FOR 2024!**  
**AUGUST 19 – 21, 2024**

San Diego Convention Center  
San Diego, CA

[www.navygoldcoast.org](http://www.navygoldcoast.org)

#NavyGC2024



**NDIN**  
San Diego



# Office of the Secretary of the Navy

## Small Business Programs



# DON OSBP

## Mentor Protégé Program (MPP)

### July 23, 2024

Ms. Mercedes Thurston  
DON OSBP Mentor Protégé  
Program Manager

“Small Business -  
The *First* Option”

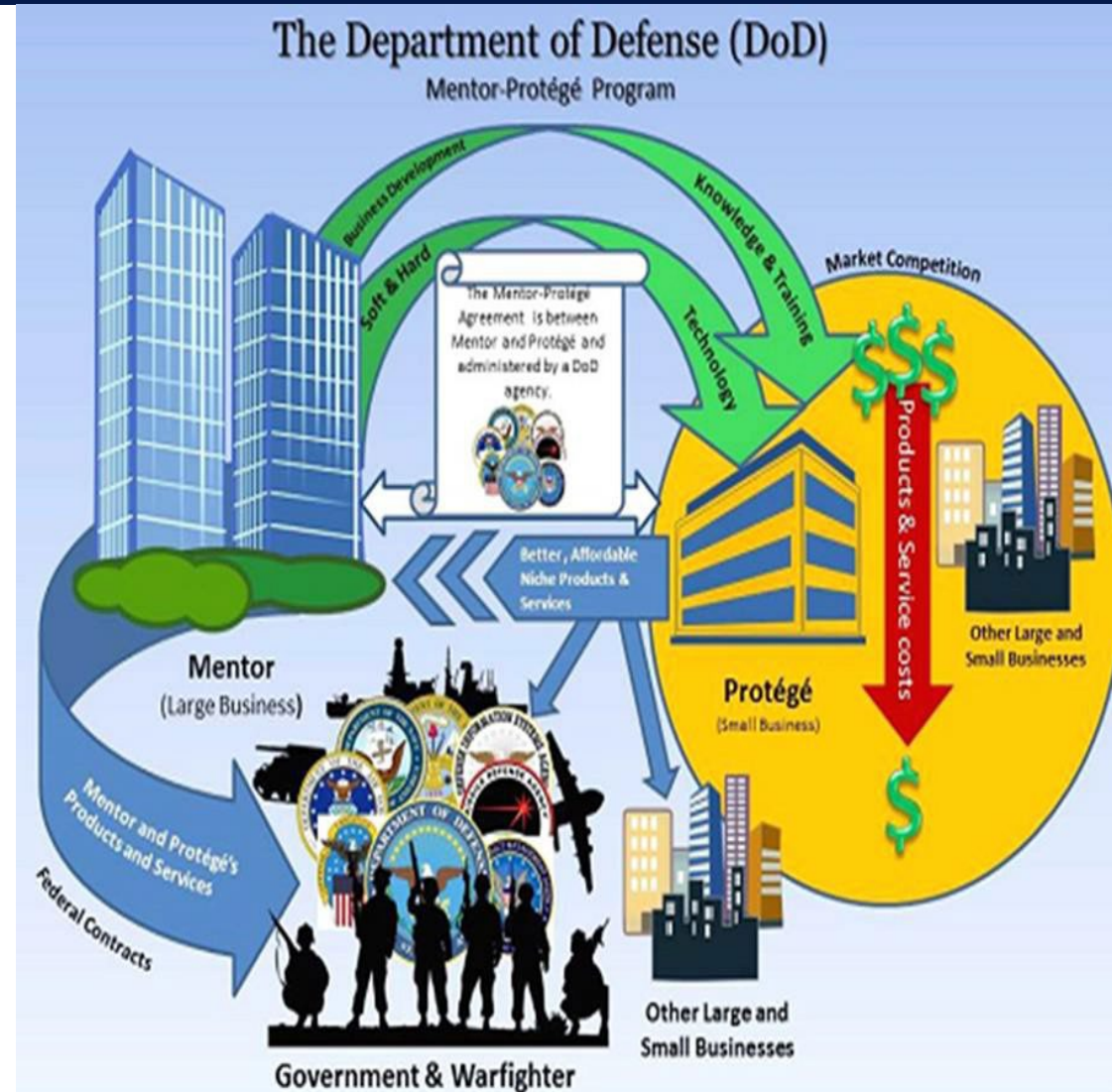


# What is the Mentor Protégé Program (MPP)?

## Office of the Secretary of the Navy Small Business Programs



- The Department of Defense (DoD) Mentor-Protégé Pilot Program was established under Section 831 of Public Law 101-510, the National Defense Authorization Act for Fiscal Year 1991.
- Created to provide incentives for DoD Prime Contractors to assist small business in enhancing their capabilities and increasing participation in government and commercial contracts.



# MPP Purpose

## Office of the Secretary of the Navy Small Business Programs



**The DoD Mentor-Protégé Program (MPP)** assists small businesses (Protégés) to successfully compete for prime contract and subcontract awards by partnering with eligible companies (Mentors) under individual, project-based agreements for three years\*.



**Mentor-Protégé Agreements (MPA)** consist of general business management assistance and engineering and technical (Technology Transfer) assistance.



**Technology Transfer** can include implementation of quality management systems, certifications, or it can work on specific technology that provides a benefit to a program within the DoD.



# MPP Goals

## Office of the Secretary of the Navy Small Business Programs



- Increase the overall participation of Small Disadvantaged Businesses (SDBs), Women Owned Small Businesses (WOSBs), Historically Underutilized Business Zone Small Businesses (HUBZone) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) in Government contracts.



- Enhance the capabilities of eligible small businesses so that they may perform significant work on DoD contracts which results in a increase in the overall defense industrial business base.



- Facilitate the formation or enhancement of long-term business relationships in order to develop a stable industrial business base for the Mentor, Protégé and DoD







- National Defense Authorization Act for Fiscal Year 2023 codification from pilot to permanent and addressed industry concerns related to the MPP.
  - Lower threshold for Mentor Eligibility: from \$100 million to \$25 million in total defense contracts for the prior fiscal year;
  - Increased Duration for MPP Relationships: extends participation from two to three years;
  - Enhanced Data Collection: requires DoD OSBP to “maintain outcome-based performance goals and annually collect data
  - Pilot Program to Incentivize Protégé Participation: Protégé Technical Reimbursement Program which allows the protégé to receive up to 25 percent of the reimbursement that the mentor firm
  - Increased Post-Award Reporting: from 2 years to 5 years



# Who Can Be A Mentor?

## Office of the Secretary of the Navy Small Business Programs



### The Mentor



- Currently performing under at least one active approved Subcontracting plan
- Has DoD contracts totaling at least \$25M\* in previous fiscal year.
- Is other than small entity (can be waived)
- Prime contractor with an active subcontracting plan or is an 8(a) graduate with documentation of its ability to serve as a Mentor.

### Eligibility



- Be eligible for award of a Federal contract
- Must Demonstrate:
  - Qualified to provide assistance;
  - In good financial health and character; and,
  - Is not on debarred/suspended



# Who Can Be A Protégé?

## Office of the Secretary of the Navy Small Business Programs



### The Mentor



- Small Business Concern
- Eligible for award of Federal contracts
- Not owned by individual/entity with stock options/securities in Mentor
- Satisfy at least one of the eligibility criteria.
- No more than size of standard corresponding to primary North American Industry Classification System (NAICS) code.

### Eligibility



- Small Disadvantaged Business (SDB)
- Women-Owned Small Business (WOSB)
- HUBZone Small Business (HUBZone)
- Service-Disabled Veteran-Owned Small Business (SDVOSB)
- A business employing the severely disabled;
- A business owned and controlled by a Native American tribe
- A business owned and controlled by a Native Hawaiian Organization
- An entity providing goods/services in private sector critical to enhancing DoD supplier base.







- Reimbursable MPAs
- Credit MPAs
- Hybrid MPAs (Credit MPA + Reimbursable MPA)





## Reimbursable:

- Provides monetary reimbursement only for the cost of developmental assistance incurred by the Mentor firm and provided to a Protégé firm in accordance with the approved agreement.
- Allowable Cost include:
  - Assistance provided by HBCU/MI/SBDC/Apex Accelerators
  - Direct labor costs (for assistance by Mentor firm employees)
  - Cost for developmental trainings and conferences





## Credit:

- Allow mentor to receive credit toward subcontracting goals for costs incurred
- Credit Agreements are administered by DCMA

## Hybrid:

- Combination of the reimbursable and credit agreement.
- One year must be credit and one year is reimbursable.
- Developmental assistance costs may only be incurred after receipt of DCMA approval letter.



# Mentor & Protégé Benefits

## Office of the Secretary of the Navy Small Business Programs



### Mentor Benefits



- Develop long-term business relationships with SDB concerns.
- Develop high-quality subcontracting pool
- Pursue new market opportunities as a team
- Issue subcontracts to Protégé on a non-competitive basis
- Receive cost reimbursement or small business subcontracting credit
- Gain source selection past performance on evaluation factor

### Protégé Benefits



- Technology transfer
- Engineering & Technical training
- Business Infrastructure enhancement
- Develop business relationship with Prime Contractor
- Expand subcontracting opportunities
- Business development and planning training
- Leverage technical expertise of the Mentor
- Improve competitive advantage





# Protégé's Impact Navy Programs of Record

## Office of the Secretary of the Navy Small Business Programs



CVN, Nuclear Aircraft Carrier



AN/APY- 10 Maritime/Overland Radar



MQ-25



Navy Personnel and Pay Modernization  
(PPM/NP2)



# How To Participate

## Office of the Secretary of the Navy Small Business Programs



### Mentor Application

- Mentor applicant submits application package for DoD for review and approval
- Upon approval applicant may submit agreement proposal for review

### Mentor Aligns with Protégé

- The DON does not release a solicitation or BAA; the process is initiated by the mentor and the mentor's selection of a protégé

### Identify MBA

- The Mentor identifies a major buying activity (MBA) for sponsorship. The Mentor provides a white paper or other initial documentation identifying the proposed agreement to the MBA and customer supported

### Introductory Briefing

- In an introductory briefing, stakeholders reach a tentative agreement and sponsorship is solidified

### Agreement Submission

- Mentor works with Protégé to finalize proposal submission
- A formal MPA is submitted to the DON OSBP for approval through the MBA small business office with endorsement

### MPP Contract Process Begins

- Once MPA is approved, funds will be submitted to the COE and a stand alone contract will be issued to the Mentor



*Note: A detailed flow and description of the process can be found in the [DON MPP Guidebook](#).*



# Criteria for MPA

## Office of the Secretary of the Navy Small Business Programs



- Agreement length of three\* years
- Must include a detailed developmental program for the protégé containing
  - Specific milestones
  - Goals and estimated dollar amount of potential subcontracts between the mentor and protégé.
  - Show value to DoD and enhancements to Defense Industrial Base through specific quantitative and qualitative metrics.
- Must provide detailed cost breakdown
  - **The total amount reimbursed to a DoD Mentor for costs of assistance furnished to a DoD Protégé in a year may not exceed \$1M**

Specific content found in DFARS Appendix I-107



# Protégé Pilot Initiative

Office of the Secretary of the Navy  
Small Business Programs



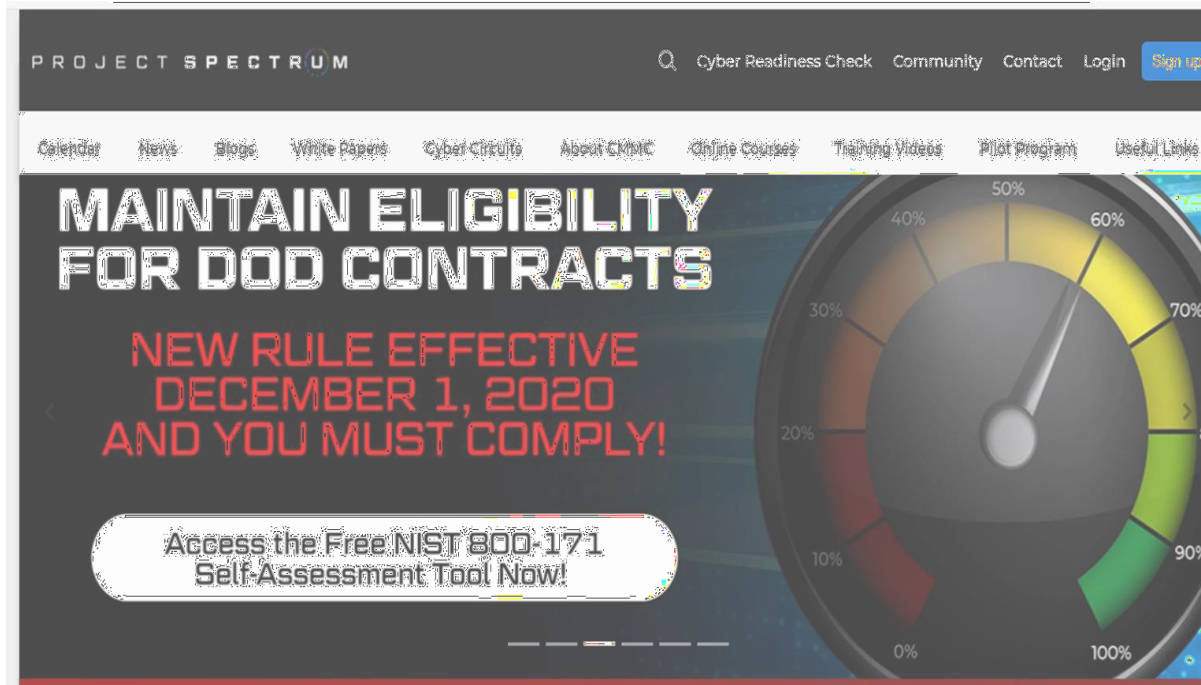
- Protégé Pilot Initiative was established in NDAA FY23 for a Five (5) year period
- Reimbursement amount is up to 25% of the Mentor-Protégé Agreement
  - 25% is an additional cost to the MPA and does NOT affect the Mentor's reimbursement amount
  - Mentor can receive up to 3% for management
- Protégé reimbursements for Engineering, Software Develop or Manufacturing Customization







## Project Spectrum and the MPP



- PS includes a web portal, cyber readiness check, and customized dashboard.
- Pilot participation gives unique access to resources and coaching to prepare for CMMC.

See [Project Spectrum](https://www.secnav.navy.mil/smallbusiness) website for more information.





## Mercedes Thurston

Checkout DON's MPP Webpage

DON OSBP Mentor Protégé  
Program Manager

(202) 685-1076 (Office)

(703) 946-7870 (Cell)

[Mercedes.Thurston@navy.mil](mailto:Mercedes.Thurston@navy.mil)



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# Questions?







# BACK-UP & ALTERNATE SLIDES





### Policy and Regulation:

- DFARS 219.71-

[https://www.acq.osd.mil/dpap/dars/dfars/html/current/219\\_71.htm](https://www.acq.osd.mil/dpap/dars/dfars/html/current/219_71.htm)

- DFARS Appendix I-

[https://www.acq.osd.mil/dpap/dars/dfars/html/current/appendix\\_i.htm](https://www.acq.osd.mil/dpap/dars/dfars/html/current/appendix_i.htm)

### Department of Navy (DON):

- DON Operations Plan –

<https://www.secnav.navy.mil/smallbusiness/Documents/DON%20OSBP%20Ops%20Plan%202023.04.11.pdf>

- Mentor Protégé Program Guidebook

<https://www.secnav.navy.mil/smallbusiness/Documents/DON%20Mentor%20Protege%20Program%20Guidebook%20-%20JUNE2023r1.pdf>

### DoD Office of Small Business Programs:

<https://business.defense.gov/Programs/Mentor-Protege-Program/>





## Requirements for the Package

- Executive Summary
- The Mentor Protégé Agreement
- Benefits Statement/Return On Investment Document
- Technical Proposal
- Cost Proposal





## Other Key Notes:

- The assistance to be provided should be based on a needs assessment of the protégé.
- Consideration should be given to ROI for the customer, Navy, Mentor, Protégé, and DoD.
- An MPA is a marriage requiring courtship/dating. In most cases protégés are selected from the supplier base of the Mentor.
- Small businesses should be marketing themselves to large primes for subcontracting opportunities and partnerships. Build performance, grow, and establish yourself as a value-added supplier/partner and potential candidate for the program.

