Findings

1. The Department of Energy (DOE) rules and regulations for the Mentor-Protege program are in accordance with the Department of Energy Acquisition Regulation (DEAR), within Title 48 Code of Federal Regulations Part 919, Subpart 919.70. Currently, DOE contractors eligible under DEAR 919.7005 may enter into agreements with businesses certified by the SBA in the 8(a) Program, other small disadvantaged businesses (SDBs), women-owned small businesses (WOSB), Historically Black College and Universities and other minority institutions of higher learning (HBCU/MIs), and small business concerns owned and controlled by service disabled veterans to provide those firms appropriate developmental assistance to enhance the capabilities of Protege.

2. DOE published guidelines for its Mentor-Protege Pilot Initiative on June 9, 1995, and the success of the DOE initiative led DOE to propose creation of a permanent DOE Mentor-Protege Program. DOE published the notice of proposed rulemaking on December 6, 1999, and the final rule for amending the DEAR became effective May 22, 2000 (Federal Register, April 21, 2000, Vol. 65, No. 78, page 21367). The DOE Mentor-Protege program has enabled small businesses to benefit from the vast wealth of knowledge acquired by large successful DOE contractors.

3. On July 25, 2016, the Small Business Administration (SBA) published the final rule establishing a government-wide mentor-protégé program for all small business concerns, implementing section 1347(b)(3) of the Small Business Jobs Act of 2010 (Public Law 111-240) and Section 1641 of the National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Public Law 112-239).

4. Section 1641 provides that a Federal department or agency cannot carry out its own agency specific mentor-protégé program for small businesses unless the head of the department or agency submitted a plan for such a program to SBA and received the SBA Administrator’s approval of the plan. SBA approved the DOE Mentor-Protégé Program on February 20, 2018. SBA also provided approval to DOE on July 10, 2018 to amend the current language in the DEAR to add new eligibility criteria in the DOE Mentor-Protégé program in order to open new participation to all small business concerns (including HUBZone small businesses, and veteran-owned small businesses).

5. Since businesses certified by the SBA in the 8(a) Program fit within the overall category of small business, small business certification under Section 8(a) of the Small Business Act by SBA is no longer needed to be eligible for selection as a Protégé in the DOE Mentor-Protégé Program. As such, the DOE Mentor-Protégé program will no longer separately designate firms certified under section 8(a) of the Small Business Act by SBA.
6. Section 1641 also requires the head of each Federal department or agency carrying out an agency-specific mentor-protégé program to report annually to SBA the participants in its mentor-protégé program, the assistance provided to small businesses through the program, and the progress of protégé firms to compete for Federal prime contracts and subcontracts. Therefore, DOE is taking action to amend the DEAR by updating DEAR 919.7002, Definitions, to reference appropriate subparts of the FAR.

7. In order to be more consistent with SBA's "All Small" Small Business Mentor-Protégé Program and to assist small businesses, the attached DEAR clause 952.219-70, entitled "DOE Mentor-Protégé program" is being amended in order to open participation in the mentor protégé program to all small business concerns. In addition, the current language in the DEAR 919.7001, DEAR 919.7002, DEAR 919.7003, DEAR 919.7006, and DEAR 919.7007 is being updated to add the new eligibility criteria. This change will enable more small business firms to receive business development assistance from DOE prime contractors eligible under DEAR 919.7005 that would otherwise not be available to them.

**Determination**

It is hereby determined that a class deviation to revise the DEAR to add new eligibility criteria for the DOE Mentor-Protégé program is appropriate pending formal amendment of the DEAR. This class deviation is effective upon the date of signature and will remain in effect until cancelled or until the DEAR is amended.

John R. Bashista, Director Office of Acquisition Management Department of Energy

S. Keith Hamilton, P.E., Deputy Associate Administrator Acquisition and Project Management and Senior Procurement Executive National Nuclear Security Administration

Effective Date: 2/21/19

Attachment: