



CHIEF MANAGEMENT OFFICER  
9010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-9010

MEMORANDUM FOR DESIGNATED FEDERAL OFFICER, DEFENSE BUSINESS BOARD

SUBJECT: Defense Business Board—Assessment of the Mentor Protégé Program

Section 872(d) of the National Defense Authorization Act for Fiscal Year 2020 (“the FY 2020 NDAA”) (Public Law 116-92), signed by the President on December 20, 2019, requires the Secretary of Defense to direct the Defense Business Board (DBB) to submit, no later than March 31, 2022, to the Congressional Defense Committees a report evaluating the effectiveness of the Mentor-Protégé Program established under section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note), including recommendations for improving the program in terms of performance metrics, forms of assistance, and overall program effectiveness (Attached).

As the Department of Defense (DoD) Sponsor for the DBB and acting on behalf of the Secretary of Defense, I request that no later than April 30, 2020, you provide me a timeline on conducting the statutory assessment, to include your recommendations on whether I should task the entire DBB or establish a new DBB subcommittee to conduct the assessment along with recommendations on whether additional individuals should be considered for appointment at the DBB or subcommittee levels. If you recommend the utilization of the subcommittee framework to conduct the assessment, as opposed to the DBB, then establishment and utilization of the subcommittee must conform to the Federal Advisory Committee Act (5 U.S.C., Appendix), federal regulations, and DoD policy and procedures, to include any subcommittee recommendations being provided to the DBB for its thorough discussion and deliberation at a properly noticed and open meeting, subject to the Government in the Sunshine Act (5 U.S.C. § 552b).

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Date: 2020.04.07 15:14:15  
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Lisa W. Hershman

Attachment:

As stated

cc:

- Secretaries of the Military Departments
- Chairman of the Joint Chiefs of Staff
- Under Secretaries of Defense
- Chiefs of the Military Services
- Chief of the National Guard Bureau
- Chief of Space Operations
- General Counsel of the Department of Defense
- Assistant Secretaries of Defense
- Special Assistants to the Secretary of Defense

TAB A

1           “(B) BEST IN CLASS DEFINED.—The term  
2           ‘best in class’ has the meaning given such term  
3           by the Director of the Office of Management  
4           and Budget.

5           “(C) EFFECTIVE DATE.—The Adminis-  
6           trator shall report on the information described  
7           by subparagraph (A) beginning on the date that  
8           such information is available in the Federal  
9           Procurement Data System, the System for  
10          Award Management, or any successor to such  
11          systems.”.

12 **SEC. 872. REAUTHORIZATION AND IMPROVEMENT OF DE-**  
13                   **PARTMENT OF DEFENSE MENTOR-PROTEGE**  
14                   **PROGRAM.**

15          (a) REAUTHORIZATION.—

16           (1) IN GENERAL.—Subsection (j) of section 831  
17          of the National Defense Authorization Act for Fiscal  
18          Year 1991 (Public Law 101–510; 10 U.S.C. 2302  
19          note) is amended—

20           (A) in paragraph (1), by striking “Sep-  
21          tember 30, 2018” and inserting “September 30,  
22          2024”; and

23           (B) in paragraph (2), by striking “Sep-  
24          tember 30, 2021” and inserting “September 30,  
25          2026”.

1           (2) PROGRAM PARTICIPATION TERM.—Sub-  
2           section (e)(2) of such section is amended by striking  
3           “three years” each place such term appears and in-  
4           serting “two years”.

5           (3) EFFECTIVE DATE.—The amendments made  
6           by this subsection shall take effect on the date on  
7           which the Secretary of Defense submits to Congress  
8           the small business strategy required under section  
9           2283 of title 10, United States Code. The Secretary  
10          of Defense shall notify the Law Revision Counsel of  
11          the House of Representatives of the submission of  
12          the strategy so that the Law Revision Counsel may  
13          execute the amendments made by this subsection.

14          (b) OFFICE OF SMALL BUSINESS PROGRAMS OVER-  
15          SIGHT.—Section 831 of the National Defense Authoriza-  
16          tion Act for Fiscal Year 1991 (Public Law 101–510; 10  
17          U.S.C. 2302 note) is amended—

18                 (1) by redesignating subsection (n) as sub-  
19                 section (o); and

20                 (2) by inserting after subsection (m) the fol-  
21                 lowing new subsection:

22                 “(n) ESTABLISHMENT OF PERFORMANCE GOALS  
23                 AND PERIODIC REVIEWS.—The Office of Small Business  
24                 Programs of the Department of Defense shall—

1           “(1) establish performance goals consistent with  
2           the stated purpose of the Mentor-Protege Program  
3           and outcome-based metrics to measure progress in  
4           meeting those goals; and

5           “(2) submit to the congressional defense com-  
6           mittees, not later than February 1, 2020, a report  
7           on progress made toward implementing these per-  
8           formance goals and metrics, based on periodic re-  
9           views of the procedures used to approve mentor-pro-  
10          tege agreements.”.

11          (c) MODIFICATION OF DISADVANTAGED SMALL  
12 BUSINESS CONCERN DEFINITION.—Paragraph (2) of sec-  
13 tion 831(o) of the National Defense Authorization Act for  
14 Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302  
15 note), as redesignated by subsection (b)(1), is amended  
16 in the matter preceding subparagraph (A) by striking “has  
17 less than half the size standard corresponding to its pri-  
18 mary North American Industry Classification System  
19 code” and inserting “is not more than the size standard  
20 corresponding to its primary North American Industry  
21 Classification System code”.

22          (d) INDEPENDENT REPORT ON PROGRAM EFFEC-  
23 TIVENESS.—The Secretary of Defense shall direct the De-  
24 fense Business Board to submit, not later than March 31,  
25 2022, to the congressional defense committees a report

1 evaluating the effectiveness of the Mentor-Protege Pro-  
2 gram established under section 831 of the National De-  
3 fense Authorization Act for Fiscal Year 1991 (Public Law  
4 101–510; 10 U.S.C. 2302 note), including recommenda-  
5 tions for improving the program in terms of performance  
6 metrics, forms of assistance, and overall program effec-  
7 tiveness.

8 (e) REPORT.—Not later than 180 days after the date  
9 of the enactment of this Act, and annually thereafter until  
10 September 30, 2024, the Secretary of Defense shall sub-  
11 mit to the congressional defense committees a report on  
12 the Mentor-Protege Program established under section  
13 831 of the National Defense Authorization Act for Fiscal  
14 Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note)  
15 that describes—

16 (1) each mentor-protege agreement entered into  
17 under such section, disaggregated by the type of dis-  
18 advantaged small business concern (as defined in  
19 subsection (o) of such section) receiving assistance  
20 pursuant to such an agreement;

21 (2) the type of assistance provided to protege  
22 firms (as defined in such subsection) under each  
23 such agreement;

1           (3) the benefits provided to mentor firms (as  
2 defined in such subsection) under each such agree-  
3 ment; and

4           (4) the progress of protege firms under each  
5 such agreement with respect to competing for Fed-  
6 eral prime contracts and subcontracts.

7 **SEC. 873. ACCELERATED PAYMENTS APPLICABLE TO CON-**  
8 **TRACTS WITH CERTAIN SMALL BUSINESS**  
9 **CONCERNS UNDER THE PROMPT PAYMENT**  
10 **ACT.**

11 Section 3903(a) of title 31, United States Code, is  
12 amended—

13           (1) in paragraph (1)(B), by inserting “except as  
14 provided in paragraphs (10) and (11),” before “30  
15 days”;

16           (2) in paragraph (8), by striking “and”;

17           (3) in paragraph (9), by striking the period at  
18 the end and inserting a semicolon; and

19           (4) by adding at the end the following new  
20 paragraphs:

21           “(10) for a prime contractor (as defined in sec-  
22 tion 8701(5) of title 41) that is a small business  
23 concern (as defined under section 3 of the Small  
24 Business Act (15 U.S.C. 632)), to the fullest extent  
25 permitted by law, require that the head of an agency