

**SUPPORTING STATEMENT**  
U.S. Small Business Administration  
**The “All Small Mentor Protégé Program”**  
**August 17, 2016**

**A: JUSTIFICATION**

**1. Circumstances necessitating the collection of information**

*Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the applicable section of each statute and regulation that mandates or authorizes the collection of information.*

Section 1347(b)(3) of Public Law 111-240 (2010) authorized SBA to create a Mentor- Protégé Program for HUB Zone, Service Disabled Veteran Owned (SDVOB) and Women-owned small business (WOSB) concerns. Section 1641 of the National Defense Authorization Act for Fiscal Year 2013 (NDAA), Public Law 112-239 authorized SBA to establish a Mentor-Protégé Program for all small business concerns. Instead of 4 different programs, SBA elected to establish one Mentor-Protégé Program based on this later authority. See 13 CFR 125.9. This information collection will facilitate implementation and administration of that program.

**2. How, by whom, and for what purpose information will be used**

*Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

SBA proposes to collect information from firms that want to participate in the “All Small Mentor-Protégé Program” described above, whether as a mentor or a protégé. In general the information will be used to approve and monitor these relationships. This information will be collected by SBA’s Office of Government Contracting and Business Development. The specific use of each set of information is as follows:

(a) Mentor-Protégé Agreement: The agreement between a mentor and protégé is required to include an assessment of the protégé’s needs and goals; a description of the how the mentor intends to assist the protégé in meeting its goals; and the timeline for delivery of such assistance, and a measurement of how success will be determined. SBA will use the information to determine whether the proposed assistance would enhance the development of the protégé and not merely further the interest of the mentor.

(b) Mentor-Protégé Benefits Report: Protégés will be required to report on the status of their mentor-protégé relationships, including identification of the technical, management and/or financial assistance provided by mentors to protégé’s and a description of how that assistance has impacted the development of the protégé. This information collection would be used to, among other things, evaluate whether and to what extent the protégés are benefiting from the relationship and to determine whether to approve the continuation of the mentor-protégé relationship. Collection of this information will also help prevent fraud and abuse of the Mentor-Protégé Program.

(c) Financial and Other Information: Mentors must demonstrate that it is “capable of carrying out its responsibilities to assist the protégé firm under the proposed mentor-protégé

agreement.” And, to do so, it “may” submit tax returns, or audited financial statements, or SEC filings. SBA will not require these financial documents at time of application; but reserves the right to collect this information through regular reporting and evaluation processes, if deemed necessary.

(d) Joint venture performance of work report: Firms that are part of a joint venture will be required to submit performance of work reports. The information will be used to monitor compliance with performance of work requirements.

(e) Joint Venture Agreements: Parties in the joint venture will be required to execute an agreement that complies with the requirements set forth in 13 CFR §§ 125.18, 126.616 and 127.506. Parties may be required to submit this agreement to SBA on request.

### **3. Technological collection techniques**

*Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce the burden.*

Firms applying to the SBA Small Business Mentor Protégé Program will submit their application and (upload any relevant documents) to SBA electronically. Applications will be submitted to <https://certify.sba.gov/> beginning October 1, 2016.

### **4. Avoidance of Duplication**

*Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.*

Although SBA might have information on some mentors and protégés , e.g., those in the HUBZone or Women-Owned Small Business Program, this information collection is specific to the relationship between and among mentors and protégés and is not currently available to SBA. Updated Information submitted annually once the relationship has been established, would be necessary to ensure ongoing compliance and eligibility. Documents uploaded into the [certify.sba.gov/repository](https://certify.sba.gov/repository) will be easily shared between programs, avoiding duplication of the same documents being uploaded several times for each individual program. In addition, information collected in SAM.gov will be imported into Certify.sba.gov, which will eliminate the applicant entering profile information multiple times for each program.

### **5. Impact on small businesses or other small entities**

*If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.*

Information will be collected from small business concerns that want to participate in the mentor protégé program. Every effort would be made to limit the requirements to that which is necessary for SBA to make an informed decision regarding the mentors' and protégés' eligibility and capacity to participate in the program. Some of the requested information is currently maintained in the ordinary course of business, which would reduce the reporting burden. In addition, see answer to Question 4 which discusses the use of electronic functionality and shared repository protocols to reduce information collection burden.

## **6. Consequences if collection of information is not conducted**

*Describe the consequence to the Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

Failure to collect this information would impair SBA's ability to ensure that the benefits of the program flow to the intended small business concerns and that the mentor protégé program is meeting its objectives.

## **7. Existence of special circumstances**

*Explain any special circumstances that would cause an information collection to be conducted in a manner, etc.*

Not applicable

## **8. Solicitation of Public Comment**

*If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.*

SBA published the final mentor-protégé rule on July 25, 2016, in which was included the Paperwork Reduction Act Regulatory Impact Analysis and any comments received. *(As required by the Paperwork Reduction Act and OMB regulations, SBA solicited comments from the public during the proposed rule filing dated February 5, 2016.)* A summary is provided below. See Page 48574-48576 of final rule, Section – Compliance with Executive Orders

1. OMB determined that this proposed rule is a significant regulatory actions for purposes of Executive Order 12866; however this is not a major rule, under the Congressional Review Act.
2. The small business mentor-protégé program is consistent with SBA's statutory mandate to assist small businesses, and this regulatory action promotes the Administration's objectives.
3. SBA met with representatives from various agencies to obtain their feedback on the proposed program. SBA met with government-wide representatives involving OSDBUGs (Office of Small Disadvantaged Businesses) in many federal agencies. It was agreed that SBA's proposed mentor-protégé program would complement the already existing Federal programs. SBA also presented the proposed program to businesses in 13 cities in the US and sought their input, suggestions, recommendations and relevant information. SBA considered input from additional industry groups, individual businesses and Federal agencies. Finally, SBA conducted a series of tribal consultations pursuant to Executive Order 13175: 3 in person consultations, and 2 telephonic consultations.
4. Overall, commenters agreed that the collection of information identified in the proposed rule was necessary for the proper performance of SBA's functions, and would not be overly burdensome for affected business concerns.

**9. Payment of gifts**

*Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.*

No gifts or other payments will be provided.

**10. Assurance of Confidentiality**

*Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.*

The information collected will be protected to the extent permitted by law, including the Freedom of Information Act, 5 U.S.C. 552.

**11. Questions of a sensitive nature**

*Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

There are no questions of a sensitive nature.

**12. Estimate the hourly burden of the collection of information**

*Provide estimates of the hour burden of the collection of information, as well as the hour cost burden. Indicate the number of respondents, frequency of response, annual hour and cost burden, and an explanation of how the burden was estimated.*

SBA estimates the hourly cost in the collection of information for the Mentor-Protégé program as \$50/hour which is the estimated average hourly cost for a mid-level technical writer or project manager to perform the tasks outlined below.

a) Mentor-Protégé Agreement

Estimated Number of Mentors and Protégés: 2,000  
Estimated Response Time: 1 hour.  
Total Estimated Annual Hour Burden: 2,000  
Total Estimated Annual Cost Burden: \$100,000.

b) Mentor-protégé Benefits Report: SBA Form 2460 The information to be included in these reports is the same type of information that is currently required of protégés participating in SBA's 8(a); therefore, the burden estimates is based on the agency experience with that collection of information.

Estimated Number of Protégés: 2000  
Estimated Response Time: 2 hours.  
Total Estimated Annual Hour Burden: 4,000.  
Total Estimated Annual Cost Burden: \$200,000.

- c) Financial and Other information. Mentors and Protégé would generally maintain this information in the ordinary course of business and as such the burden resulting from this information collection would primarily stem from gathering and compiling the data.

Estimated Number of Mentors and Protégés: 2,000

Estimated Response Time: 1 hour.

Total Estimated Annual Hour Burden: 2,000

Total Estimated Annual Cost Burden: \$100,000.

- d) Joint venture performance of work reports

Estimated Number of SBC Joint Venture Partnerships: 2,000

Estimated Response Time: 1 hour.

Total Estimated Annual Hour Burden: 2,000.

Total Estimated Annual Cost Burden: \$100,000.

- e) Contents of a Joint Venture

Estimated Number of Joint Venture Partnerships: 2,000

Estimated Response Time: 1 hour.

Total Estimated Annual Hour Burden: 2,000.

Total Estimated Annual Cost Burden: \$200,000.

### **13. Estimate the total annual cost burden for submission**

*Provide an estimate for the total annual cost burden to respondents or record-keepers resulting from the collection of information. Do not include hour cost burden from above.*

No additional costs are anticipated; firms maintain information in the general course of business.

### **14. Annualized Cost to the Federal Government**

*Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, including a quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.*

The annualized cost to the federal government is estimated at approximately \$1,302,787. The following method was used to estimate these costs:

1. Development of the MPP Work Breakdown Structure (WBS) where effort was estimated at the task level.
2. Analysis of employee availability (annual working hours)
3. Analysis of expected throughput (30 / 60 / 90 day applications processed per month/year)
4. Analysis of expected application volume (monthly / annually)

### **15. Explanation of program changes in Items 13 or 14 on OMB Form 83-I**

*Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I*

Not applicable; this is a new collection.

**16. Collection of information whose results will be published**

*For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques... Provide time schedules for the entire project.*

Not applicable.

**17. Expiration date for collection of information**

*If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why the display would be inappropriate.*

Not applicable.

**18. Exceptions to certification in block 19 on OMB Form 83-I**

*Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB Form 83-I*

Not applicable.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

*Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used.*

Not applicable.