



OMB Control Number: 3245-0393
Expiration Date:

Small Business Administration Small Business Mentor-Protégé Program

Joint Venture Agreements

General Information and Instructions:

Any joint venture agreement between a protégé and a mentor authorized to participate in the small business mentor protégé program established under 13 C.F.R. § 125.9 is required to include certain provisions. These requirements are the same for contracts in the Service-Disabled Veteran Owned Small Business Program, Hubzone Program, Women Owned Small Business Program, as set forth in 13 C.F.R. §§ 125.18, 125.616 and 127.506.

Submission of the information is voluntary; however, failure to submit all of the requested information will affect SBA's ability to properly review your request for approval to participate in the Small Business Mentor-Protégé Program; without SBA's approval you will be unable to participate in the program.

Paperwork Reduction Act Burden Statement: According to the Paperwork Reduction Act, no person is required to respond to a collection of information unless it displays a valid OMB Control Number. The time burden for reporting this collection of information is estimated to average 1 hour. This estimate includes time for reviewing instructions, gathering and submitting the data requested below. Please note that the times associated with Form 355 (OMB Control #3245-0101) and the Mentor-Protégé Agreement (OMB Control # to be assigned) are calculated separately and not included in this estimate.

You may send comments regarding the burden estimate or any other aspect of this collection of information to Small Business Administration, Chief, AIB, 409 3rd Street, S.W., Washington D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. DO NOT SEND THE REQUESTED INFORMATION TO OMB.

Contents of Joint Venture Agreements:

Each agreement must include provisions:

- (i) Setting forth the purpose of the joint venture;
- (ii) Designating the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern, and the Women-Owned Small Business (WOSB) concern as the managing venturer of the joint venture, and an employee of the Service-Disabled Veteran-Owned Small Business Concern, the HUBZone concern, and the Women-Owned Small Business (WOSB) concern managing venturer as the project manager responsible for performance of the contract;
- (iii) Stating with respect to a separate legal entity joint venture, the Service-Disabled Veteran-Owned Small Business concern, the HUBZone concern, and the Women-Owned Small Business (WOSB) concern must own at least 51% of the joint venture entity;
- (iv) Stating the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern, and the Women-Owned Small Business (WOSB) concern must receive profits from the joint venture commensurate with the work performed by the Service-Disabled Veteran-Owned Small Business concern, the HUBZone concern, and the Women-Owned Small Business (WOSB) concern or in the case of a separate legal entity joint venture, commensurate with their ownership interests in the joint venture;
- (v) Providing for the establishment and administration of a special bank account in the name of the joint venture. This account must require the signature of all parties to the joint venture or designees for withdrawal purposes. All payments due the joint venture for performance on a contract will be deposited in the special account; all expenses incurred under the contract will be paid from the account as well;
- (vi) Itemizing all major equipment, facilities, and other resources to be furnished by each party to the joint venture, with a detailed schedule of cost or value of each, where practical. If a

contract is indefinite in nature, such as an indefinite quantity contract or a multiple award contract where the level of effort or scope of work is not known, the joint venture must provide a general description of the anticipated major equipment, facilities, and other resources to be furnished by each party to the joint venture, without a detailed schedule of cost or value of each, or in the alternative, specify how the parties to the joint venture will furnish such resources to the joint venture once a definite scope of work is made publicly available;

(vii) Specifying the responsibilities of the parties with regard to negotiation of the contract, source of labor, and contract performance, including ways that the parties to the joint venture will ensure that the joint venture and the Service-Disabled Veteran-Owned Small Business concern (SDVO SBC), the HUBZone concern, and the Women-Owned Small Business (WOSB) concern small business partner(s) to the joint venture will meet the performance of work requirements set forth in paragraph (b)(3) of this section, where practical. If a contract is indefinite in nature, such as an indefinite quantity contract or a multiple award contract where the level of effort or scope of work is not known, the joint venture must provide a general description of the anticipated responsibilities of the parties with regard to negotiation of the contract, source of labor, and contract performance, not including the ways that the parties to the joint venture will ensure that the joint venture and the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern small business partner(s) to the joint venture will meet the performance of work requirements set forth in paragraph (d) of this section, or in the alternative, specify how the parties to the joint venture will define such responsibilities once a definite scope of work is made publicly available;

(viii) Obligating all parties to the joint venture to ensure performance of the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the

Women-Owned Small Business (WOSB) concern contract and to complete performance despite the withdrawal of any member;

(ix) Designating that accounting and other administrative records relating to the joint venture be kept in the office of the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern managing venturer, unless approval to keep them elsewhere is granted by the SBA upon written request;

(x) Requiring that the final original records be retained by the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern managing venturer upon completion of the contract performed by the joint venture;

(xi) Stating that quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the joint venture's principals) must be submitted to SBA not later than 45 days after each operating quarter of the joint venture; and

(xii) Stating that a project-end profit and loss statement, including a statement of final profit distribution, must be submitted to SBA no later than 90 days after completion of the contract.

(3) Performance of work. (i) For any Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern contract, including those between a protégé and a mentor authorized by § 125.9 or § 124.520 of this chapter, the joint venture must perform the applicable percentage of work required by § 125.6.

(ii) The Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern partner(s) to the joint venture must perform at least 40% of the work performed by the joint venture.

(A) The work performed by the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern partner(s) to a joint venture must be more than administrative or ministerial functions so that they gain substantive experience.

(B) The amount of work done by the partners will be aggregated and the work done by the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern partner(s) must be at least 40% of the total done by all partners. In determining the amount of work done by a non- Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern partner, all work done by the non- Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern partner and any of its affiliates at any subcontracting tier will be counted.

(4) Certification of Compliance. Prior to the performance of any Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) contract as a joint venture, the Service-Disabled Veteran-Owned Small Business Concern (SDVO SBC), the HUBZone concern and the Women-Owned Small Business (WOSB) concern partner to the joint venture must submit a written certification to the contracting officer and SBA, signed by an authorized official of each partner to the joint venture, stating as follows:

(i) The parties have entered into a joint venture agreement that fully complies with paragraph (b) (2) of this section.