

COUNCIL OF DEFENSE AND SPACE INDUSTRY ASSOCIATIONS

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April 14, 2000

CODSIA Case No. 6-00

Defense Acquisition Regulations Council
Attn: Ms. Susan Schneider
PDUSD (AT&L) DP (DAR)
IMD 3D139
3062 Defense Pentagon
Washington, DC 20301-3062

Dear Ms. Schneider:

Re: Defense Federal Acquisition Regulation Supplement; Mentor-Protégé Program
Improvements; DFARS Case 99-D307

Members of the Council of Defense and Space Industry Associations (CODSIA) appreciate the opportunity to comment on the interim rule regarding the DFARS Mentor Protégé Program improvements published in the *Federal Register* February 10, 2000 (Vol. 65, No. 28). Formed in 1964 by industry associations with common interests in the defense and space fields, CODSIA is currently composed of eight associations representing over 4,000 member companies across the nation. Participation in CODSIA projects is strictly voluntary. A decision by any member association to abstain from participating in a particular activity is not necessarily an indication of dissent.

CODSIA members are fully committed to the DoD Mentor-Protégé Program. This program has provided industry the opportunity to assist Small Disadvantaged Businesses (SDBs) in becoming dynamic, competitive contractors and subcontractors for the Defense Department. We will continue to work for the success of the program, and it is in this spirit and with this intention that the following comments are submitted.

CODSIA members agree with the extension in the time period available for entering into new Mentor-Protégé agreements and for Mentors to incur costs under the program. We also agree with the performance of annual audits by the Defense Contract Management Agency (DCMA). These audits will provide indisputable evidence of the value of this program. However, CODSIA members are concerned about the change in reporting requirements for Protégé companies. Currently, the Mentor is required to prepare and submit a Mentor-Protégé Semi-Annual Report to the DoD for each current agreement. This report provides data about the progress of the agreement, including subcontracting activity with the protégé, the types of

technical assistance and training provided to the protégé, protégé accomplishments and awards, and the return on investment. The collaboration required to prepare this report constitutes an informal program review; any questions or problems encountered in the development of this report are addressed and solved, making the signed document an agreement as to the progress of the Mentor-Protégé agreement. This new requirement puts the burden on both parties to create separate reports which is divisive and does not add value, nor do most protégé firms have the necessary overhead structure to permit fulfillment of extra reporting requirements. This change in reporting requirements in the DFARS case simply adds work for the Protégé companies.

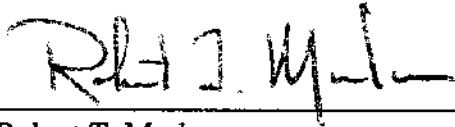
In Section I-100 Purpose of Appendix I- Policy and Procedures for the DoD Pilot Mentor-Protégé Program, CODSIA members recommend the addition of paragraph (4): "Capitalize upon the diverse talents and capabilities brought to the market place by SDBs, thus fostering the establishment of responsive and reliable SDB suppliers of high quality products and services to the DoD in support of our nation's defense." This is a DoD program and its basic reason for existence is in what it can do for the national defense. The concept of taking advantage of the diverse talents and creativity found in SDBs for this reason is sound, and accurately reflects the nation's strength in its diversity.

Finally, the reporting burden is understated by orders of magnitude. Most of the program's record keeping is for the purpose of preparing the semi-annual and annual reports, and DCMA audits. It is estimated that over 120 cumulative staff hours are invested every 6 months in preparing a report for each protégé. This includes: Reporting (8 hrs), Coordination for Accuracy and Consistency (Protégé- 8hrs; Mentor's corporate staff-16hrs) and Record Keeping (90 hrs). If no requirement existed for the two reports per year or DCMA review, record keeping by the Mentor would be minimal.

Thank you again for the opportunity to comment on the DFARS Mentor Protégé Program amendments. If you have any questions, please feel free to contact William Lewandowski, project officer for the CODSIA case on this subject. Mr. Lewandowski can be reached at (202) 371-8432 or via e-mail at william@aia-aerospace.org.

Sincerely,

(SEE ATTACHED CODSIA SIGNATORIES)



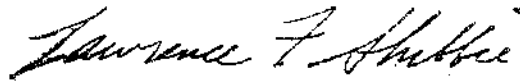
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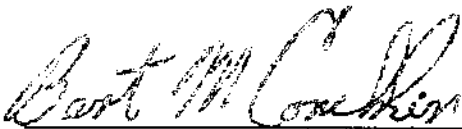
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