

**Partnering to Win:
Teaming, Joint Venturing,
Mentor-Protégé**

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Some lessons
can't be taught.
They simply have
to be learned.

~ Jodi Picoult

Q U O T E D I A R Y . M E

TEAMING AND JOINT VENTURING ON FEDERAL PROJECTS

- Teaming Agreements
 - Subcontracts
- Joint Ventures
- Mentor-Protege



TEAMING

FAR 9.601 Definitions of a “Team Arrangement”

A “Contractor team arrangement,” as used in this subpart, means an arrangement in which -

- (1) Two or more companies form a partnership or joint venture to act as a potential prime contractor; or
- (2) A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program.

TEAMING

FAR 9.602 (on “Team Arrangements”)

Such arrangements may be desirable from both a Government and industry standpoint in order to enable the companies involved to-

1. Complement each other’s unique capabilities; and
2. Offer the Government the best combination of performance, cost, and delivery for the system or produce begin acquired.

TEAMING

FAR 9.603 (on “Team Arrangements”)

The Government “will recognize the integrity and validity of contractor team arrangements, provided the arrangements are identified and company relationships are fully disclosed in an offer, or for arrangements entered into after submission of an offer, before the arrangement becomes effective. The Government will not normally require or encourage the dissolution of contractor team arrangements...”

TEAMING

FAR 9.604 Limitations on Teaming:

Teaming Agreements may not:

1. Violate Antitrust Statutes
2. Limit Governments rights to
 - a. Require consent to subcontracts;
 - b. Determine the responsibility of the prime contractors; or
 - c. Hold prime contractor responsible for performance.

TEAMING



REASONS TO TEAM

1. Insufficient Experience
 - a. FAR Part 15
 - b. Read the Solicitation!
2. New(er) Relationship
3. Size Issues
4. Hassle
5. Work Share Issues

IS TEAMING RIGHT FOR YOU?

1. Does the opportunity comport with my Company's strategic goals?
2. Will the partner bring something to the table that I'm missing?
3. Can I properly function as a prime if we win?
4. Can I satisfy the performance of work requirements?
5. Have I previously teamed with this company?
6. How well do I know the opposing principals? Contracting team we will be working with?

**A nightmare is a big
dream....with a bad
team.**

John C. Maxwell

www.jdc hearts.com

Essential Provisions

1. Relationship of the Parties (Roles, Responsibilities)
2. Exclusivity
3. Awarding of a Subcontract (Enforceability)
4. Communications with Government
5. Protection of Proprietary Information/Non-Disclosure
6. Organizational Conflicts of Interest (OCI)
7. Term and Termination
8. Non-Solicitation of Employees
9. Disputes and Resolution Process
10. Limitation of Liability



Joint Ventures

Can I enter into a Joint Venture Agreement to Pursue an opportunity?

1. Issues to Consider:

a. Size Restrictions

- 1) Is the contract set-aside for small business?
- 2) Is my prospective JV partner small?
- 3) If the opportunity is “small” and my partner is other-than-small, am I in an approved Mentor-Protégé Relationship with my partner?

b. Three-In-Two Rule

c. Socioeconomic Restrictions

- 1) Is the opportunity set-aside for HUBZones, WOSBs, SDVOSBs or 8(a)s?

JOINT VENTURING



REASONS TO JV

1. Insufficient Experience

a. FAR Part 15

1) Past Performance, Experience

2. Valued, Vetted Relationship

a. Partner versus Future Subcontractor (Termination)

3. Size Issues

4. Work Share Issues

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www.idlehearts.com



What MUST my JV Agreement contain?

1. JV will pursue small business set-aside and partners are ALL SMALL
 - a. No mandatory provisions or restrictions on JV Agreement
2. JV will pursue set-aside for designated category (HUBZone, 8(a), WOSB, SDVOSB)
 - a. Partners must be small
 - b. At least one partner fall into designated category
 - c. Restrictions apply
3. JV will pursue set-aside work and one of the partners is other-than-small
 - a. Must be in Mentor-Protégé Relationship
 - b. Restrictions apply

Essential Provisions Designated Category

1. Purpose
2. Managing Venturer
3. Project Manager
4. Profits
5. Ownership
6. Special Bank Account
7. Equipment and Resources
8. Contract Negotiation
9. Source of Labor



Essential Provisions (Continued)

10. Contract Performance
11. Ensured Performance
12. Accounting and Administrative Records
13. Final Records
14. Quarterly Financial Statements
15. Profit-Loss Statement

must

MENTOR-PROTEGE



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IS M/P RELATIONSHIP RIGHT FOR YOU?

1. Does the JV Partner fit based upon my Company's strategic goals?
2. Will the JV Partner bring something to the table that I'm missing?
3. Will the JV Partner consider me a true partner?
4. Can I bring something to the table?
5. Have I previously worked with this company?
6. How well do I know the opposing principals? Contracting team I will be working with?
7. Does the JV Partner understand the regulatory requirements?



What MUST my MP JV Agreement contain?

1. Purpose
2. Managing Venturer
3. Ownership Interest (at least 51% Protégé)
4. Profits (commensurate with work performed)
5. Special Bank Account
6. Itemization Major Equipment, Facilities, Resources
7. Responsibilities of Parties
8. Ensure Performance
9. Accounting, Administrative Records kept with Protege

WHAT
YOU
NEED
TO
KNOW?



MP JV Agreement content (Cont.)

11. Final Original Records with Protégé
12. Submission of Quarterly Financials, 45 days
13. Submission of Final Profit-Loss Statement, 90 days



*13 C.F.R. 125.8



Son, after raking and bagging the leaves, clean all the dead plants off the hillside; then we'll see what else needs to be done. I know it's hard work, but you'll learn a good lesson from it.

Yeah, to live in a condo, where someone else'll do all this work!

Moral: What you teach someone isn't necessarily what they learn. *Browning*



Questions?



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