

EXHIBIT P-40, BUDGET ITEM JUSTIFICATION						DATE					
						Feb-2004					
APPROPRIATION (TREASURY) CODE/CC/BA/BSA/ITEM CONTROL NUMBER						P-1 ITEM NOMENCLATURE					
Procurement, Defensewide OFFICE OF THE SECRETARY OF DEFENSE, MENTOR PROTÉGÉ						Major Equipment, OSD					
PROGRAM ELEMENT FOR CODE B ITEMS:			OTHER RELATED PROGRAM ELEMENTS								
Procurement Items	ID Code	Prior Years	CY FY 2003	BY FY 2004	BY1 FY 2005	BY2+1 FY 2006	BY2+2 FY 2007	BY2+3 FY 2008	BY2+4 FY 2009	To Comp	Total
Proc Qty											
Gross Cost (\$000)			25,034	25,419	26,345	26,716	27,025	27,480	28,081		186,100
Less PY Adv Proc											
Plus CY Adv Proc											
Net Proc (=P-1) (\$000)			25,034	25,419	26,345	26,716	27,025	27,480	28,081		186,100
Initial Spares											
Total Proc Cost (\$000)			25,034	25,419	26,345	26,716	27,025	27,480	28,081		186,100
Flyaway U/C											
Wpn Sys Proc U/C											

Description

The Mentor Protégé Program is a statutorily mandated program established to provide monetary or credit incentives to major Department of Defense prime contractors for the purpose of developing the technical capabilities of small disadvantaged businesses (SDBs) and other eligible entities to perform as valued subcontractors. The program enables major prime contractors to transfer and/or develop technology in the SDB community that is critical to the National Defense. It is intended that the mentor would impart to the protege firm the technical knowledge and skills to compete successfully in the defense marketplace. Under the program, mentor firms are eligible for reimbursement of certain costs (direct and indirect) incurred in providing developmental assistance to its protege firms. The statute authorizes reimbursement to be made pursuant to a line item on a Department of Defense contract, a separate contract, or other agreements between the Department of Defense and the mentor firm.