

Teaming Agreement Checklist

Key terms, required provisions, and due diligence for joint ventures, subcontracting, and teaming arrangements in government contracting.

Part of the GovCon Advanced Toolkit from AmerifusionGovCon.com | Updated March 2026

1 Types of Teaming Arrangements

Type	Structure	Best For	Key Rule
Prime/Sub	One prime, one or more subs	Most common. Simplest structure.	Sub revenue typically 30-50%
Joint Venture (JV)	New legal entity, shared risk	Large contracts, complementary skills	Must be separate legal entity
Mentor-Protege JV	Mentor + protege small business	8(a), HUBZone, SDVOSB set-asides	Protege performs 40% of work
Contractor Team Arrangement	Two+ primes, no new entity	Multiple IDIQ task orders	Each contracts directly with govt

2 Essential Agreement Provisions

- Scope of work: specific tasks each party will perform**
Vague scope leads to disputes. Define deliverables, not intentions.
- Workshare percentages: who performs what percentage of total work**
Must align with small business performance requirements if set-aside.
- Period of performance: start date, end date, option periods**
- Exclusivity clause: restrictions on competing or teaming elsewhere**
Be cautious. Unlimited exclusivity can restrict your other opportunities.
- Proposal responsibilities: who writes which sections, who manages**
- Pricing and payment: how pricing is set, payment terms and timing**
Net-30 is standard. Anything beyond net-45 is a red flag.
- Intellectual property: who owns work product, pre-existing IP protections**
Protect your pre-existing IP explicitly. Default rules may not favor you.
- Data rights: government data handling, proprietary protections**
- Key personnel: named individuals, replacement procedures**
- Insurance requirements: types, minimums, who carries what**

- Termination provisions: how either party can exit, notice period
Always include a termination-for-convenience clause for both parties.
- Dispute resolution: mediation, arbitration, or litigation
Arbitration is typically faster and cheaper than litigation.
- Flow-down clauses: which prime contract terms flow to subcontractors
FAR, DFARS, and agency-specific clauses must flow down.
- Non-disclosure / confidentiality: mutual NDA provisions

3 SBA Affiliation Rules (13 CFR 121.103)

WHY AFFILIATION MATTERS

Affiliation can disqualify a small business from set-aside contracts. Two companies are 'affiliated' when one controls or has the power to control the other. If your teaming partner's revenue is added to yours, you may exceed the size standard. Structure your agreement to avoid these triggers.

Affiliation triggers to watch for:

- One party controls the other's management or board of directors
- One party owns 50%+ of the other's voting stock or membership interests
- Agreement gives one party veto power over business decisions
Veto over day-to-day operations (beyond contract-specific decisions) = affiliation.
- Newly formed JV where one party controls the JV's operations
The managing venturer must be the small business in a set-aside JV.
- Economic dependence: 70%+ of revenue from one relationship
SBA looks at this as a strong indicator of control.
- Identity of interest: family members, shared officers, common investments

SAFE HARBOR: SBA MENTOR-PROTEGE

SBA Mentor-Protege joint ventures get an exception from affiliation rules. This is the safest way for a large business and small business to team on set-aside contracts. The protege's size is evaluated independently of the mentor.

4 Due Diligence: Evaluate Your Partner

- Active SAM.gov registration verified (check expiration date)
- No exclusions or debarments (SAM.gov Exclusions search)
- Small business certifications are current (SBA profile)
- Past performance on similar contracts (ask for 3+ references)
- Financial stability reviewed (D&B report, bank references)
- Insurance and bonding capacity confirmed
- Security clearances verified (facility and personnel, if required)
- No organizational conflicts of interest
- Litigation history reviewed
- 2-3 references contacted from other primes they have worked with
Ask specifically about payment disputes, quality, and responsiveness.
- Key personnel qualifications and availability confirmed
- Cultural fit and communication responsiveness assessed
A great company on paper that does not return calls is not a great partner.

5 Joint Venture Specific Requirements

- JV registered as separate legal entity (LLC or similar)
- JV registered in SAM.gov with its own UEI and CAGE code
- JV agreement filed with SBA (for 8(a) and mentor-protege JVs)
- Protege performs at least 40% of the work (mentor-protege JVs)
This is a hard requirement. SBA audits workshare after contract completion.
- JV has designated responsible individual from the small business
- JV populated with personnel from the small business for performance
- JV has separate bank account and financial records
- 3-in-2 rule tracked: max 3 contract awards in 2 years (8(a) JVs)
After 3 awards, the JV must demonstrate it has done something with the work.

6 Red Flags

WARNING SIGNS IN TEAMING ARRANGEMENTS

Partner refuses to put workshare commitments in writing | Agreement gives partner control over your business decisions beyond this contract | No termination clause or unreasonable exit penalties | Partner has history of payment disputes with subcontractors | Revenue share does not match workshare percentage | Partner insists on exclusive arrangement with no time limit | Partner cannot provide references from past teaming | Agreement is silent on IP ownership and data rights

Quick Reference: Workshare Requirements

Contract Type	Small Biz Minimum	Rule Source
Service contracts (SB prime)	50% of personnel cost	FAR 52.219-14
Supply contracts (SB prime)	50% cost of manufacturing	FAR 52.219-14
8(a) Mentor-Protege JV	40% by protege firm	13 CFR 125.8
Construction (SB prime)	15% with own employees	FAR 52.219-14
General construction (SB prime)	25% with own employees	FAR 52.219-14

Your GovCon Advanced Toolkit:

- 6. DCAA Pre-Audit Readiness Checklist
- 7. Proposal Compliance Matrix
- >>> 8. Teaming Agreement Checklist (you are here)**
- 9. Subcontractor Search Cheat Sheet

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This checklist is for informational purposes only. It is not legal advice. Consult an attorney experienced in government contracting before executing teaming agreements.