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Module 3
Winning Contracts
Pre 8(a) Business Development Program Training Series
U.S. Small Business Administration
Office of Government Contracting & Business Development
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Slide 1 The 8(a) Business Development Program
Module 3, Winning Contracts
Pre 8(a) Business Development Program Training Series
SBA – Office of Government Contracting & Business Development
Narrative

This is about federal contract markets and participating in the 8(a) Business Development Program.

Welcome to Module 3, Winning Contracts. This is the third module in a four-part, Pre 8(a) Business Development, training series.

Slide 2 Introduction

- 8(a) Business Development Program is designed to assist socially and economically disadvantaged small businesses
- Four-module education series intended to inform, educate and engage qualified small firms in the 8(a) program

Narrative

The 8(a) program is a federal program designed to assist socially and economically disadvantaged small businesses.

The four-part training series is intended to inform, educate and engage qualified small firms in the 8(a) program.

Slide 3 Course Contents

1. Federal Contracts
2. Marketing to the Government & Prime Contractors
3. Capture Management
4. Proposal Preparation
5. Cost & Pricing
6. Building Relationships
7. Resources and Assistance

Narrative

Module 3, Winning Contracts is divided into seven unique sections, each covering a specific topic. Woven together the sections create an information composite designed to help prospective 8(a) firms understand how to sell goods and services to the government. Specific topics in this module include: federal contracts; marketing to the government and prime contractors; capture management; proposal preparation; cost and pricing; building relationships; and, resources and assistance.

The other modules in the series provide prospective 8(a) firms with an overview of federal contracting; describe federal contracting procedures and rules; and, discuss business planning and operational management of an 8(a) participating firm.

Slide 4 Federal Contracts

Narrative

Part 1, federal contracts.

Slide 5 The Federal Market

- U.S. government is the largest buyer in the world
- Federal agencies buy just about every category of commodity and service available

Narrative

The U.S. government is the world's largest buyer of products and services. Purchases by military and civilian installations amount to nearly \$600 billion a year, and include everything from complex space vehicles to janitorial services.

In short, the government buys just about every category of commodity and service available.

There are significant contract opportunities available for qualified and competitive 8(a) firms and other small businesses.

Slide 6 8(a) Program, Firms and Benefits

- Help small disadvantaged businesses compete in the marketplace
- Provide business development support
- Prepare small disadvantaged firms for procurement and other business opportunities
- Currently, 7,000+ firms are participating in the 8(a) program
- In 2012, 8(a) firms benefited from more than \$16 billion in federal contracts

Narrative

The 8(a) program is designed to assist small disadvantaged businesses compete in the marketplace. It is also designed to assist such companies in gaining access to federal and private procurement markets.

It's important to understand that participation in the 8(a) program is no guarantee that you will get a government contract. However, the program has been a 'springboard' to success for many small disadvantaged businesses which have leveraged the business development support services, such as mentoring, procurement assistance, counseling, training, and other management assistance to succeed.

The ultimate objective, however, is to **prepare** small disadvantaged firms to compete for procurement and other business opportunities. Success in the 8(a) Program can be tied directly to the firm's commitment and efforts to the program's objectives.

Through the award of sole source and set-aside contracts, the 8(a) program provides market access and growth for qualified businesses.

Currently, there are some 7,000 firms participating in the 8(a) program. In 2012, certified 8(a) firms benefited from a vast menu of business development efforts and were successful in obtaining federal contracts that exceeded \$16 billion.

Slide 7 8(a) Contracts

- SBA is authorized to enter into contracts with other federal agencies and then subcontract with firms eligible for 8(a) program participation

- SBA may delegate its authority to other federal agencies
- Certified 8(a) firms can potentially receive sole-source contracts
 - up to \$4 million for goods and services
 - up to \$6.5 million for manufacturing

Narrative

What are contracts authorized by the 8(a) program?

Section 8(a) of the Small Business Act authorizes the SBA to enter into all types of contracts with other federal agencies and then “subcontract” these contracts with firms eligible for 8(a) program participation. Firms subcontracting to the SBA under the program are referred to as 8(a) contractors and the subsequent contracts are known as 8(a) contracts.

To make the program more efficient and to leverage its use, SBA has the authority to delegate its 8(a) program contract execution authority to other federal agencies – which it does. Contracts awarded under the program may be awarded on either a sole source or competitive basis.

Certified 8(a) firms have the potential to receive sole-source contracts, up to \$4 million for goods and services requirements and up to \$6.5 million for manufacturing requirements.

As such, 8(a) contracts are an important business development vehicle for 8(a) participating firms.

Slide 8 Marketing to the Government & Prime Contractors

Narrative

Part 2, marketing to the government and prime contractors.

In this section we look at how 8(a) firms and other small businesses can market their goods and services to the federal government.

Slide 9 Marketing to the Government

Narrative

Marketing to the government is different from marketing to the private sector, but there are many similarities.

In this section we discuss how to define your products and services in government terms; register in the government’s database; develop a compelling business profile and capability statement; find government contracts and subcontracts; market directly to agencies; subscribe to bid-matching services; use procurement vehicles; and, describe the importance of working with SBA’s Business Opportunity Specialists.

Slide 10 Define Products and Services

- Government/firms use the [North American Industry Classification System](#) (NAICS) to identify products and services
- DOD uses [Federal Supply Group and Class](#) (FSG/FSC)
- [Commercial and Government Entity](#) (CAGE) code used to identify a facility at a specific location

Narrative

The first step is defining your products and services.

Government agencies use the North American Industry Classification System, more commonly referred to as a NAICS code, to identify products and services by industry type. The NAICS code is a six digit number that describes a particular product or service a company supplies. A firm will generally have a primary NAICS code, but can have multiple NAICS codes as well.

You can find the NAICS codes for your products and services by clicking on the referenced hyperlink. It is also important to note that you can use your NAICS code or codes to conduct online searches at the websites of numerous federal agencies to learn what they are buying. To participate in contract opportunities within the Department of Defense, a firm will also need to know its Federal Supply Group or Class code. In addition, the Commercial and Government Entity or (CAGE) Code is a five-character ID number used extensively within the federal government. The CAGE code is used to support a variety of mechanized systems throughout the government and provides a standardized method of identifying a given facility at a specific location.

Slide 11 Register in SAM

- The System for Award Management (SAM) is the primary source for agencies to learn about prospective vendors
- Government maintained database
- A firm must register in the [SAM](#) to participate as a seller in the Federal space

Narrative

The System for Award Management, more commonly known as SAM, is the primary source for agencies to learn about prospective vendors.

SAM is a government-maintained free database of companies wanting to do business with the government. This database is a marketing tool for businesses and a searchable list of prospective vendors for the government. The SAM system replaces and consolidates the capabilities of the Central Contractor Registry (CCR), the Online Representations and Certifications Application (ORCA) and the Excluded Parties List (EPLS).

A firm must register in the SAM system to participate as a seller in the federal space. Further, a firm's profile in SAM must be updated at least once every 12 months – for the profile to stay active.

Completing an accurate and appealing small business profile in the government's SAM system is an important, foundational step in marketing your goods and services to the federal government.

Slide 12 Develop a Compelling Small Business Profile

- SAM profile is important. Small businesses should:
 - Learn as much as possible about the SAM system
 - Access the [SAM site](#) and perform multiple searches as if you were hiring a firm similar to your business
 - Treat your profile as if it were your business resume
 - Get feedback about your SAM profile and revise it accordingly
 - Update your profile annually or sooner if necessary

Narrative

Registering in the SAM system is an important marketing tool for your 8(a) firm.

As such, you should learn as much as possible about the SAM system. That includes accessing the SAM site and performing multiple searches, as if you were looking to hire a firm similar to your own business. Review profiles of businesses in similar areas of expertise and use them as a guides when developing your own business profile.

Also, treat your SAM and Dynamic Small Business Profile as your business resume. And, as with any resume, it should be regularly reviewed, updated and strengthened. Importantly,

spelling and grammar do matter as they reflect your attention to detail and can form a contracting officer's first impression of your firm.

Finally, get feedback. This is critical. When you talk with your BOS, contracting officers, mentors and other procurement professionals ask them for a candid appraisal of your SAM profile. This information should be used to make necessary adjustments.

Slide 13 Prepare a Quality Capability Statement

- Prepare a comprehensive *Capability Statement* outlining management, technical and business strengths
- Statement should include:
 - Specific capabilities and skills
 - Past performance history, with specific projects
 - Awards and commendations
 - Resumes of key management
- Seek feedback and refine accordingly
- Will serve as an important foundational element in the preparation of proposals that respond to government solicitations

Narrative

A business should prepare and maintain a comprehensive-yet concise-capability statement that clearly outlines its management, technical and business strengths. This too is important! Such a statement should include specific capabilities and skills, past performance history, awards and commendations, and resumes of key management personnel. A contracting officer's time is limited and valuable. A simple one page capability statement is more likely to be viewed, while a 5-10 page document may be tossed on a pile. There's time later on for a more detailed description of your firm's capabilities. Initially, you just want to pique their interest in you. As with your SAM profile, you should seek regular feedback on your capability statement and refine and update it accordingly. Your capability statement will likely serve as a foundational element in preparing proposals in response to government solicitations. The importance of developing and maintaining a solid and meaningful capability statement is, again echoed in a later section on proposal preparation.

Slide 14 Find Contract Opportunities

- Federal government lists contract opportunities online at www.fbo.gov
- Learn more about FBO: [User Guides](#), [Training Videos](#) & [FAQs](#)

Narrative

Knowing how to find contract opportunities is critical. A key resource is the government's website, Federal Business Opportunities.

To outreach contract opportunities to the public, the federal government operates a robust, online service called Federal Business Opportunities, but more commonly known as FBO or FedBizOpps. This single entry, government-wide website profiles available business opportunities and is one of the most powerful tools available to help you become successful in government contracting. The online tool identifies contract opportunities over \$25,000.00. Firms can also view past awarded contracts in the FBO – which may help you with preparing future proposals or bids. It can pinpoint contracting offices which regularly buy the types of goods and services you sell, thereby identifying points of contact for your marketing efforts.

The FBO is a very powerful tool. It is important that your 8(a) firm become familiar with how to fully use all aspects of this tool. The referenced FBO hyperlinks are very helpful.

Slide 15 Find Subcontract Opportunities

- Subcontracting or teaming can be profitable
- Performing as a subcontractor can prepare you to be a prime contractor in the future
- SBA maintains a database of subcontracting opportunities. This searchable database is called [SUB-Net](#)

Narrative

An alternative to seeking prime contracts is to explore subcontracting opportunities.

Subcontracting with a prime contractor can be a profitable experience as well as a growth opportunity for a business. If, after assessing the capabilities and capacity of your business, you conclude that you are not ready to bid competitively for prime contracts, you should consider opportunities available through subcontracting.

To help small businesses find opportunities, SBA maintains, SUB-Net, a searchable database of available subcontract opportunities.

Slide 16 Market Directly to Agencies

- Market products directly to federal agencies and large prime contractors
- Participate in procurement related conferences, activities and matchmaking events
- Take advantage of training and networking opportunities identified on SBA's local district office websites
- Discuss agency strategies with BOS

Narrative

Marketing your 8(a) firm directly to targeted agencies or prime contractors is also a powerful tool.

Direct marketing is achieved by learning what agencies or prime contractors have a need for and then clearly demonstrating to them how your firm can fill specific needs and add value.

In addition, you can participate in procurement related conferences, industry day activities and matchmaking events. These activities will help you become known to agencies, key "contract players" and other participants in the procurement arena.

Also, visit your local SBA district office website. While at that site -- by clicking on events -- you can learn about training and networking opportunities. Finally, and importantly, talk with your Business Opportunity Specialist about specific agencies and how you can reach out to them.

Target your marketing by taking the time to identify who your federal customers may be. Go beyond the contracting activity's Small Business Specialist and contracting officers. Find out who the actual customer is, program chief, etc. and make contact with that individual. Keep in mind, "blast e-mails" may be easy to do, but tend to be treated as spam and are deleted without being read.

Slide 17 Subscribe to Bid Matching Services

- Some companies subscribe to bid-matching services
- Provide contract leads that match a client's qualifications
- PTAC's offer free bid-matching services
- Find your [local PTAC](#)

Narrative

To help find contract opportunities, some companies subscribe to bid-matching services. Such services provide leads on prospective contract opportunities that match a business's qualifications. These services can do much of the work associated with finding contract opportunities, but the business still has to prepare the bid and win the contract.

A small business can subscribe to a free bid-matching service through its local Procurement Technical Assistance Center. Other bid-matching services, including some which charge fees for their services, are also available. As with any fee-for-service provider, do your homework before entering into any agreements. Check their references before committing. The PTACs are often familiar with bid matching services, so ask a counselor about the firm's success and reputation.

Slide 18 Use Procurement Vehicles

- Consolidated purchasing vehicles
- Multiple Award Schedules
 - Learn about [GSA Schedules](#)
 - Learn about [GWACS](#)
 - Some agencies offer agency-wide contract vehicles
- Some Multiple Award Schedules maybe reserved specifically for 8(a) participating firms

Narrative

The Federal government tries to benefit from economies of scale and make it easier for vendors to sell to the government by establishing Multiple Award Schedules.

These schedules are often referred to as procurement vehicles. Two examples of this type of contracting include General Services Administration (GSA) Schedules and Government Wide Acquisition Contracts or (GWACs). Under the GSA Schedule, GSA negotiates prices and terms with prospective vendors and enters into an agreement with those vendors. Under the agreement, participating government agencies can purchase products and services from a schedule of prospective vendors, according to prices and terms already agreed to by the vendors. It is also important to note that some agencies offer agency-wide contract vehicles.

Procurement vehicles can be valuable tools for small businesses to gain access to contract opportunities. Importantly, some multiple award schedules are exclusively set-aside for 8(a) participating firms.

Also, be sure to be capable of accepting credit card payments, as many schedule and other purchases are made using credit cards as the preferred method of payment.

Slide 19 Work Closely with Your BOS

- SBA assigned Business Opportunity Specialists help prospective and existing 8(a) firms benefit from the program
- Assist clients with eligibility and program requirements, planning, goals and business assistance
- Assist clients with government contracting programs and opportunities

Narrative

The SBA assigns each participating 8(a) firm with a Business Opportunity Specialist (BOS) to help the firm benefit from the 8(a) program. This SBA staff person can be very helpful. BOSs are trained to help prospective and existing 8(a) firms with eligibility and program requirements, planning, goals and business assistance. They are also skilled in helping 8(a) firms benefit from government contracting programs and opportunities.

It makes good business sense to work closely with your BOS. Therefore, establish a good working relationship your BOS and with other experienced business coaches.

Slide 20 Capture Management

Narrative

Part 3, capture management.

Slide 21 A Strategic Approach

- Capture management is a strategic approach designed to help a firm win government contracts
- It's about positioning a vendor as the "best solution"
- Capture management includes:
 - Identifying opportunities
 - Knowing your customer
 - Positioning your firm to provide the best solution
 - Develop a clear strategy and winning approach

Narrative

Ok... So we have discussed the basic strategies behind marketing to the government. The next step is pulling it all together in a strategic approach defined as capture management.

Capture management is a process or approach designed to help a firm win federal contracts. It is about positioning a prospective vendor as the "best solution" to filling a government need.

Capture management typically includes: identifying opportunities your firm is capable of handling; knowing your customer; positioning your firm to fill specific needs; and, developing a clear strategy and winning approach.

It's an overall strategic approach to winning government business.

Slide 22 Identify Opportunities

- Discovering government needs – you can fill
- Finding opportunities by:
 - Talking frequently with your assigned BOS
 - Using the FBO/FedBizOpps website (www.fbo.gov)
 - Talking directly with agencies
 - Re viewing procurement forecasts
 - Participating in industry conferences
 - Networking with mentors, coaches and industry coaches

Narrative

It is impossible to sell your products or services to the government, if you don't know which agencies are buying, what their needs are and when they are buying.

Identifying opportunities is about discovering government needs -- you can fill. You can identify government opportunities by talking frequently with your assigned Business Opportunity Specialist, using the FBO website, talking directly with agencies, reviewing procurement forecasts, participating in industry conferences and networking with mentors, coaches, resource partners such as PTACs and SBDCs, and other industry experts.

Slide 23 Know Your Customer

- Knowing your customer is good business

- If you want to sell to a government agency you should understand the agency and its needs
- Resource tools include:
 - Agency websites
 - BOSs
 - Mentors
 - Conferences
 - Web search engines
 - Trade organizations

Narrative

Knowing as much as possible about your customers or prospective customers is just good business.

Become informed. Excellent resources include agency websites, BOSs, mentors, conferences, web search engines and trade organizations. Also, attend local contracting activity industry days to become familiar with their needs and key personnel. FBO is an excellent source for learning about industry days.

Slide 24 Position Your Firm to be the Best Solution

- Positioning your firm to win is not just about elevating your profile, it's about substantiating your substance as a solution provider
- Positioning that includes:
 - Responding on-time, accurately and in a professional manner to an RFP or other government solicitation
 - Demonstrating a clear understanding of the government's need and offering a straight-forward solution
 - Offering fair and competitive pricing
 - Showing evidence of success through past performance

Narrative

Once you have identified specific contract opportunities and you understand the needs of a prospective government customer, you are ready to position your firm as being able to provide the best solution. This is not just about elevating your profile and putting together a good looking proposal, it's about substantiating your substance as a viable solution provider.

Positioning to win includes: responding on-time, accurately and in a professional manner to an RFP or other government solicitation; demonstrating a clear understanding of the government's need and offering a straight-forward solution; offering fair and competitive pricing; and, showing evidence of success through past performance and achievements.

Positioning your firm is articulated more thoroughly in the next section, proposal preparation.

Slide 25 Strategic Approach to Winning Contracts

- Capture management is an overall strategic approach to winning federal contracts
 - Identifying 8(a) and other contract opportunities you can fill
 - Knowing your government customers
 - Positioning your firm as the best solution provider

Narrative

In summary -- capture management is an overall strategic approach to winning federal contracts. It is about positioning your 8(a) firm as the “best solution” to filling a government need. Much of a firm’s positioning is shaped by how it finds and responds to contract opportunities.

Slide 26 Proposal Preparation

Narrative

Part 4, proposal preparation. This section provides an overview of the government’s solicitation process and explains how to prepare a proposal.

Slide 27 Types of Solicitations

- Government contracting is big business
- Bid package is usually a set of documents to which a bidder would develop a responsive proposal
- Solicitations used by the government typically come in three formats
 - Request for Quote (RFQ)
 - Request for Proposal (RFP)
 - Invitation for Bid (IFB)

Narrative

As we have noted in this and other pre-8(a) training modules, government contracting is big business with thousands of contracts -- in hundreds of billions of dollars -- being executed by the federal government each year.

The bid packages used by the government usually contain a set of documents to which a bidder develops a responsive proposal. Such solicitations typically come in three primary formats or types: Request for Quote (RFQ); Request for Proposal (RFP); and Invitation for Bid (IFB). Each of these solicitation types, as well as some of the key forms required by the government are discussed in the following slides.

As a helpful activity, go to the government’s FBO website and download a sampling of RFQs, RFPs and IFBs -- to familiarize yourself with their overall organization and format.

Slide 28 Solicitation Numbers

- Solicitation numbers are important to understand.....

Narrative

To better understand the types of solicitations, let’s first look at the government’s numbering system.

Each solicitation issued by the government is assigned a number. The number tells much about the solicitation. The first six digits identify the buying facility. The second two digits indicate the fiscal year the contract will be executed in. The alpha character defines the type of solicitation – which is both revealing and important. The R character – shown here -- indicates a request for proposal. The last four digits represent the order number.

The alpha code is further explained in the next slide.

Slide 29 About the Alpha Character

- R Request for Proposal
- M Purchase Order
- C Contract
- I Sealed bid

- J Reserved
- T RFQ under \$25k
- Q RFQ under \$150k

Narrative

The alpha character or code used in the numbering system is important to understand. Different letters mean different things.

For instance, R is for request for proposal, M is purchase order, C is contract of all types, I is for sealed bid, J is reserved, T is for a request for quote under \$25K, and Q is for a request for quote under \$150k.

Slide 30

- Request for Quotation RFQRFQ is informational -- used by the government to obtain information and quotations
- Estimated value of the government's need is expected to be under \$150,000 and simplified acquisition procedures will apply
- RFQ may also be used in circumstances where simplified acquisition procedures are not used
- Bid package typically includes Standard Form 18 (SF18)

Narrative

A Request for Quotation or RFQ is the type of solicitation used by the government to obtain information and quotations, but the responses are not considered offers. This solicitation type is typically used when the estimated value of the government's need is expected to be under \$150,000 and simplified acquisition procedures will apply. An RFQ, however may also be used in some circumstances where the estimate value of the government's need exceeds the simplified acquisition threshold.

An RFQ bid package typically includes Standard Form 18.

Slide 31 Request for Proposal (RFQ)

- RFP will result in a negotiated contract
- Proposals are often discussed and negotiated with government buying units and pricing, technical requirements and deliverables are subject to change
- Bid package typically includes Standard Form 33 (SF33) or Standard Form 1447 (SF1447)
- Electronic procurement systems, such as GSA's *eBuy* – offer a fully electronic RFQ/RFP system

Narrative

Request for Proposals or RFPs are used in negotiated acquisitions to communicate government requirements to prospective contractors and to solicit proposals.

RFPs for competitive acquisitions will, at a minimum, describe the government's requirements, anticipated terms and conditions that will apply, information required to be in the offeror's proposal, and factors that will be used to evaluate the proposal. An RFP will result in a negotiated contract.

An RFP bid package typically includes Standard Form 33 or Standard Form 1447. It is important to note that some procurement systems, such as GSA's eBuy – offer a fully electronic RFQ/RFP system.

If you are unsure of any provision within an RFP -- ask the contracting officer for an explanation. Your BOS and PTAC counselors can also provide helpful guidance.

Slide 32 Invitation for Bid (IFB)

- IFB is often referred to as a sealed bid solicitation
- Price is key
- Bid package typically includes Standard Form 33 (SF33) or Standard Form 1447 (SF1447)

Narrative

An Invitation for Bid or IFB is often referred to as a sealed bid solicitation. There are typically no discussions or negotiations with the government buying office and the bid package – when issued -- is considered complete for bidding purposes. Among qualified bidders, price is considered the key consideration by the government in awarding the contract.

Responsiveness to the solicitation's terms and conditions are key to a successful bid. Be sure to complete your bid package in accordance with the instructions. Non-responsive bids will be eliminated from consideration.

An IFB bid package typically includes Standard Form 33 or Standard Form 1447.

Slide 33 Uniform Contract Format (Part I)

- Uniform contract format contains four parts
- Part I
 - Section A – Solicitation/Contract Form (**SF 33, SF26, SF18 or SF1447**)
 - Section B – List of supplies & services to be acquired
 - Section C – Outlines or explains the statement of work
 - Section D – Describes packaging requirements
 - Section E – Specifies inspection and acceptance
 - Section F – Describes delivery and performance
 - Section H – Outlines any special provisions

Narrative

For most RFPs and IFBs, where simplified acquisition procedures are NOT applied, the government requires the use of a uniform contract format. This format is described in the noted FAR references and contains four parts and multiple sections.

Part I contains section A which includes the use of Standard Form 33, Standard Form 26 or Standard Form 1447. In some circumstances it may also include SF 18 – which is a Request for Quotations. Sections B – H include a list of supplies and services to be acquired, the statement of work, packaging requirements, inspection and acceptance specifics, delivery and performance requirements, and any special provisions.

Some of the provisions may only be incorporated by reference. However, you should go to the FAR to read those provisions to avoid any unpleasant surprises later on. Be sure you understand what you will be expected to do if you receive the contract award.

Slide 34 Uniform Contract Format (Parts II-IV)

- Part II
 - Section I – Contract clauses
- Part III
 - Section J – List of attachments
- Part IV
 - Section K – Representations, certifications and other statements of offerors

- Section L – Instructions, conditions and notices to offerors or respondents
- Section M – Evaluation factors and award

Narrative

Part II, section I, contains the clauses required by law or the FAR that govern the specific contract.

Part III, section J, contains a list of all attachments applicable to the contract. And, Part IV, sections K–M include information about representations and certifications – such as 8(a) certifications – required of offerors, instructions, conditions and notices to offerors, and importantly, section M outlines the evaluation factors that will be used to evaluate the award. It is important to note ----- contract solicitations for bids estimated to be below the simplified acquisition threshold or \$150,000 will use a streamlined contract format and may or may not use some of the parts and sections outlined in the uniform contract format.

Slide 35 A Closer Look at Standard Forms

Solicitation and Contract Forms

- **Standard Form 33**, Solicitation, Offer and Award
- **Standard Form 1449**, Solicitation / Contract / Order for Commercial Items*
- **Standard Form 1447**, Solicitation / Contract*
- **Standard Form 18**, Request for Quotation*
- **Standard Form 26**, Award / Contract

Narrative

Let's take a closer look at the specific government standard forms and when they are used.

Slide 36 Standard Form 33

- Standard Form 33, Solicitation, Offer and Award is the solicitation/contract form used by the federal government, not only to solicit orders, but also to award a contract
- Bilateral document – bidder signs the document and submits it to the government -- upon acceptance of the bid, the government signs the same document and a binding contract is established
- This form is used for either sealed bids or negotiated contracts valued at \$150,000 or more

Narrative

Standard Form 33, Solicitation, Offer and Award is the solicitation/contract form used by the federal government, not only to solicit orders, but also to award a contract.

It is a bilateral document, such that the bidder signs the document and submits it to the government. Then, upon acceptance of the bid, the government signs the same document and a binding contract is established.

This form is used for either sealed bids or negotiated contracts valued at \$150,000 or more.

Slide 37 Standard Form 1449

- Except in circumstances where an electronic solicitation is used, Standard Form 1449, Solicitation/Contract/Order for Commercial Items is the form used by the government to buy commercial items that are estimated to have a value under the simplified acquisition threshold

Narrative

Except in circumstances where an electronic solicitation is used, Standard Form 1449, Solicitation/Contract/Order for Commercial Items is the form used by the government to buy commercial items that are estimated to have a value of less than \$150,000 and simplified acquisition procedures will be applied.

Slide 38 Standard Form 1447

- Standard Form 1447, Solicitation/Contract is used in connection with negotiated acquisitions when simplified acquisition procedures will apply
- May be used in lieu of Standard Form 26 or Standard Form 33

Narrative

Standard Form 1447, Solicitation/Contract is used in connection with negotiated acquisitions when simplified acquisition procedures will apply. It may also be used in lieu of Standard Form 26 or Standard Form 33.

Slide 39 Standard Form 18

- Standard Form 18, Request for Quotation is the form used by the government to obtain information and quotations, but the responses are not considered offers
- Typically used when simplified acquisition procedures will apply
- May also be used for quotation requests that have an estimated value above \$150,000
- Standard Form 26 is sometimes used to award a contract resulting from the use of Standard Form 18

Narrative

Standard Form 18, Request for Quotation is the form used by the government – when quotations are not solicited electronically -- to obtain information and quotations, but the responses are not considered offers. An RFQ package is typically used when the estimated contract value is less than \$150,000 and simplified acquisition procedures will be applied. Importantly, an RFQ may also be used for quotation requests that have an estimated value above \$150,000. Standard Form 26 is sometimes used to award a contract resulting from the use of Standard Form 18.

Slide 40 Standard Form 26

- Standard Form 26, Award/Contract is the form used by the federal government to award a contract, usually as a result of a *Request for Quotation*
- Similar to SF 33, although it requires additional certification information

Narrative

Standard Form 26, Award/Contract is the form used by the federal government to award a contract, usually as a result of a *Request for Quotation*. In general, this form is similar to Standard Form 33, although it requires additional certification information.

Slide 41 How to Write the Proposal

- Do your homework --- carefully read the government's RFP or solicitation
- Respond appropriately
- Align your proposal with the government's needs
- Articulate what makes you the best solution provider

Narrative

Just thinking about responding to a government RFP or solicitation can be stressful. Writing the proposal, well that can make you even more anxious.

It doesn't have to be that way. Preparing a response to a government procurement request or invitation is an important task, not necessarily a daunting one. It should be approached with diligence and professionalism.

Writing a successful proposal is about doing your homework, preparing and responding clearly and appropriately, aligning your proposal with the government's needs and articulating what makes you the best solution provider. These elements are critical to successful proposal writing.

Slide 42 Carefully Review the Solicitation and Rules

- Preparation is key – you must be prepared...
- Carefully review the solicitation, including all applicable schedules, clauses, and attachments
- Review and understand the regulations (**FAR Parts**) governing the specific type of solicitation you plan to respond to
- **Key Regulatory References**
- FAR Part 13 – Simplified Acquisition Procedures
- FAR Part 14 – Sealed Bids
- FAR Part 15 – Contracts by Negotiation
- FAR Part 16 – Types of Contracts

Narrative

Preparation is key...

If you are going to respond to a government RFP or other type of procurement request, you must be prepared, or you will likely just be wasting your time.

Carefully read the solicitation, including all applicable schedules, clauses and attachments. This is important. The solicitation is designed to provide prospective bidders with all of the information needed to write a successful proposal. The agency that prepared the solicitation expects you to read and follow it carefully.

Also, make sure you review and understand the regulations (FAR Parts) governing the specific type of solicitation you plan to respond to. Some of the regulatory references relevant to the solicitation and proposal process are highlighted in this slide. If possible, assemble a team to review and prepare the proposal.

Keep in mind, these are only some references. Other regulatory or policy guidance may be applicable to the specific procurement you are considering. Talk with your BOS, PTAC or a contracting officer for more assistance. Some PTACs and SBDCs offer training on how to prepare and submit proposals. Consider taking such training.

Slide 43 Prepare and Respond Appropriately

- Responding appropriately follows from reading and understanding the government's request
- Answer all questions, provide all information and follow all schedules in the order, time-frame and structure requested
- This is important

Narrative

Responding appropriately to a solicitation follows from reading and understanding the government's request. Solicitations are usually very specific and follow a uniform contract format. It is important that you respond, as you are asked – answering all questions, providing all information and following all schedules in the order, time-frame and structure requested. Eliminate any guesswork by ensuring that each response is appropriately identified so the reviewer can readily recognize the section of the RFP which is being addressed. This may sound like common sense and it is. But, you would be surprised to learn how many proposals submitted to the government that are received after the due-date and that do not respond to what was asked for, or requested. Responding appropriately is important!

Slide 44 Align the Proposal with the Government's Needs

- Good proposal will clearly articulate how the bidder can solve the problem or fill the need outlined by the government
- Understanding the government's request is important -- how your firm can execute or deliver an appropriate solution is critical
- A proposal may look good, but if it is not clearly aligned with fulfilling the government's needs, it will fall behind other more substantive, solution focused proposals

Narrative

A good proposal will clearly articulate how the bidder can solve the problem or fill the need outlined in the government's solicitation. This again, follows from understanding the nature of the procurement request.

Understanding the government's need is important. Even more important, however is how your firm plans to execute or deliver an appropriate solution. It is, after all about convincing a government review panel that your proposal solves a specific problem or need and is the best fit. A proposal may look good and read well, but if it is not clearly aligned with fulfilling the government's needs, it will likely fall behind other more substantive, solution focused proposals. Don't get caught up in telling a great story about your company, focusing too much on "we can do the work." What really matters is substantiating how you can do the specific work that is needed.

Slide 45 Articulate What Makes You the Best Solution

- Key is pulling it all together in a proposal package that clearly describes why your company offers the best solution
- No magic bullet – it comes down to doing a lot of things right
- It's about:
 - Understanding the solicitation and responding appropriately
 - Demonstrating how your firm can best fulfill the government's needs
 - Offering pricing that is fair and competitive
 - Making sure your proposal is well-written and error free
 - Showing evidence of success through past performance
 - Interweaving an amazing story throughout all parts of the proposal that makes a compelling case for your firm as the best solution

Narrative

A typical government solicitation requires the bidder to provide a great deal of information. The key is pulling it all together in a proposal package that clearly describes why your company

offers the best solution and is the best fit to perform the work. Think capture management..... There is no magic bullet. It comes down to doing a lot of things right. It's about: understanding the solicitation and responding appropriately; clearly demonstrating how your firm can best fulfill the government's need; offering pricing that is fair and competitive; making sure your proposal is well-written and error free; showing evidence of success through past performance; and finally, interweaving an amazing story throughout all parts of the proposal, including the executive summary – that makes a compelling case for your firm as the best solution.

Slide 46 What to Avoid

- Failure to fully understand the solicitation and governing regulations
- Incomplete or late submission
- Proposal is not specific and to the point
- High on fluff and weak on substance
- Failure to understand best value considerations
- Unrealistic proposal pricing
- Evaluation components are not sufficiently addressed in the proposal
- Errors in the submission

Narrative

Sometimes learning from others provides the best lessons.

With regards to solid proposal preparation, some key things to avoid include: not fully understanding the solicitation and governing regulations; submitting an incomplete or late submission; not providing specificity or focus; highlighting too much fluff and not enough substance, not understanding best value considerations; unrealistic pricing; failure to address evaluation factors; and errors in the submission.

If you aren't selected for a contract, consider asking for a debriefing to learn where you may have gone wrong and what you can do to improve your future proposals. Done in a professional manner, this can be a way to show contracting staff of your willingness to improve and to be more responsive to the government's needs.

Slide 47 Cost and Pricing

Narrative

Part 5, cost and pricing. This section is about considering contract costs and proposing a price to the government.

Slide 48 Introduction to Contract Pricing

- Contract pricing is an important aspect of procurement and an important component in developing a strategy to win federal contracts
- COs are responsible for ensuring that agencies purchase supplies and services from responsible sources at fair and reasonable prices
- 8(a) firm responsible for developing a contract pricing strategy that is reasonable, competitive, but profitable

Narrative

Contract pricing is an important aspect of procurement and a particularly important component in developing a strategy to win federal contracts. There are two sides to this issue.

First the government's perspective. Federal contracting officers are responsible for ensuring that government agencies purchase supplies and services from responsible sources at fair and reasonable prices. As such and to accomplish this, most contracting officers and agency buyers conduct considerable market research to better understand markets and pricing.

A contractor will likely have a related, but different perspective. An 8(a) firm, or any company for that matter wanting to do business with the government is responsible for developing a contract pricing strategy that is reasonable, competitive, but profitable. The typical contract bidder wants to make as much as possible in profit, but at the same time be competitive and win the bid.

As such, with contracting officers doing considerable market research and a high number of firms competing for federal contracts, pricing is an important variable. A variable that can make or break your success in federal contract markets. A business must be aware of historical and current pricing trends, be thoughtful in its pricing analysis, competitive and able to make a profit --- if it wants to succeed in the federal contract space.

Slide 49 Negotiated Contracts vs. Sealed Bid Contracts

- Two key types of contracts
- Any contract awarded using other than sealed bidding procedures is considered a negotiated contract
- Procedures for contracting by negotiation permit negotiations prior to contract award, but may or may not include negotiated discussions
- Pricing a proposal will likely be influenced by your ability to negotiate or not negotiate

Narrative

As discussed in the earlier section, proposal preparation, there are two fundamental contract categories: negotiated contracts and sealed bid contracts. The distinction between the two is important.

The FAR states that any contract awarded using other than sealed bidding procedures is considered a negotiated contract. Procedures for contracting by sealed bidding require the government to evaluate bids without discussions and award to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the government considering only price and price related factors. Negotiations are not permitted prior to the contract award. Procedures for contracting by negotiation permit negotiations prior to contract award. However, a solicitation under procedures for contracting by negotiation may or may not actually include negotiations. For example, the instructions to offerors may include the provision, the "Government intends to evaluate proposals and award without discussions." When that provision is used, actual negotiations are not permitted unless the contracting officer determines in writing that they are necessary.

The pricing you propose in response to a government solicitation will be influenced by your ability to negotiate or not negotiate.

Slide 50 Regulatory Guidance

- FAR Part 15 – Negotiated Contracts
 - 15.101 Best value continuum
 - 15.4 Contract pricing
 - 15.403 Obtaining cost or pricing data
 - 15.405 Price negotiation

- 15.407 Special cost or pricing data
- FAR Part 14 – Sealed Bid Contracts
 - 14.201-8 Price related factors
 - 14.3 Submission of bids
 - 14.408 Award
 - 14.408-2 Responsible bidder – Reasonableness of price
- FAR Part 13 – Simplified Acquisition Procedures

Narrative

How you analyze your costs and price your proposal is primarily up to you, as long as you follow applicable government rules and guidelines.

Federal rules for negotiated and sealed bid contracts and contracts that follow simplified acquisition procedures are outlined in FAR parts, 15, 14 and 13, respectively. Also, highlighted in the slide are FAR subparts that are pricing related.

It is important to note, in addition to FAR guidance, other agency pricing guidelines or policies may also apply for specific contracts.

Slide 51 Pricing Approach

- **Product Pricing** (typical formula)
 - Material Costs + Labor Costs + Overhead Expenses + Profit
- **Service Pricing** (typical formula)
 - Hourly Overhead Expense + Hourly Wage + Profit

Narrative

The pricing approach used by bidders for products and services being procured, besides following specific contract rules, is pretty typical, but unique to the business doing the pricing. That is, individual business costs and other considerations are factored into pricing formulas that are typical or generally used.

For instance, with regards to product pricing, a firm would typically consider and add material costs, plus labor costs, plus estimated overhead expenses, plus a profit margin to arrive at a price it would propose or charge for the product being delivered.

Regarding the pricing of a service, a firm would typically consider and add estimated hourly overhead expenses, plus hourly wages, plus a profit margin to arrive at a price it would propose or charge.

It is important to point out, that some government solicitations and contracts are very unique regarding costs and pricing and specific cost and pricing requirements may apply. Carefully review all government requirements.

Slide 52 Important Pricing Considerations

- Learn from past contracts -- review pricing history
- Consider all costs -- even special requirements
- Factor best value considerations
- Include bidding costs
- Allow for overhead and profit

Narrative

Contract pricing is a critical component in developing a strategy to win federal contracts. A successful pricing strategy will: learn from past contracts; consider all costs -- even special

requirements; factor best value considerations; include bidding costs; and, importantly allow for sufficient overhead expenses and profit.

If a solicitation is using a 'best value' approach, the contracting officer may not make an award to the offeror providing the lowest price, rather an award will be made to that offeror who is providing the government with an approach that best meets the government's needs. While price is always a consideration, in a best value scenario it doesn't have to be the primary consideration.

Slide 53 Building Relationships

Narrative

Part 6, building relationships.

Slide 54 Building Relationships is Good Business

- Successful business people generally have a carefully developed and cultivated portfolio of relationships
- Building relationships is good business
 - Network - Learn from the wisdom of others
 - Build a relationship with your BOS
 - SBA Mentor-Protégé Program / Other mentor-protégé programs

Narrative

Truly successful business people don't necessarily have a mountain of contacts whose names they barely know and who are listed in some electronic file. Rather, they have a carefully developed and cultivated portfolio of relationships.

Building solid relationships is good business. Remember, agencies don't buy - people do.

Slide 55 Network – Learn from the Wisdom of Others

- A firm can waste a lot of time and expend unnecessary resources if it doesn't understand how to play in the federal contracting arena
- Knowledge is everything
- Network and cultivate relationships with people experienced in the contracting space

Narrative

If there is one message that is consistent throughout this presentation, it is knowledge is everything. You don't know what you don't know. A business can waste a lot of time and expend unnecessary resources if it doesn't understand how to play in the federal contracting arena.

Learn from the wisdom of others. Others, who have seasoned knowledge and experience in federal contracting. Network, ask questions and cultivate relationships.

Engage knowledgeable people who can help guide you through the challenging aspects of trying to win federal contracts.

Slide 56 Build a Relationship with Your BOS

- SBA assigned Business Opportunity Specialists help prospective and existing 8(a) firms benefit from the program
- Assist clients with eligibility and program requirements, planning, goals and business assistance
- Assist clients with government contracting programs and opportunities

Narrative

Ok.... so you have seen this slide before. That's because it's important!

The SBA assigns each participating 8(a) firm with a Business Opportunity Specialist to help the firm benefit from the 8(a) program. BOSs are trained to help prospective and existing 8(a) firms with eligibility and program requirements, planning, goals and business assistance. They are also skilled in helping 8(a) firms benefit from government contracting programs and opportunities.

It makes good business sense to create a strong working relationship with your BOS.

Slide 57 SBA's Mentor-Protégé Program

- Program offers significant benefits to participating 8(a) firms
 - Technical and management assistance
 - Prime contracting
 - Financial assistance
 - Qualification for other SBA programs

Narrative

A very helpful program for participating 8(a) firms is SBA's Mentor-Protégé Program.

This relationship building initiative is designed to enhance the capability of 8(a) participants to compete more successfully for federal contracts. The program encourages 8(a) firms to partner with experienced contracting firms, serving as mentors.

Under the program, 8(a) firms can gain significant benefits, including: technical and management assistance; prime contracting support; financial assistance in the form of equity or loans; and, qualification for other SBA programs.

Slide 58 Technical and Management Assistance

- Technical and management assistance -- a mentor's expertise, resources and capabilities may be made available to a protégé firm

Narrative

Technical and management assistance from a mentor can be a great help. Under the Mentor-Protégé Program, a mentor's expertise, resources and capabilities may be made available to the 8(a) protégé firm.

Slide 59 Prime Contracting

- Prime contracting -- mentors can enter into joint-venture arrangements with protégé firms to compete for government contracts
- Gives an 8(a) firm more leverage in bidding for contracts

Narrative

Under the program, and this is huge, mentors can enter into joint-venture arrangements with protégé firms to compete for government contracts. This gives an 8(a) firm more leverage in bidding for contracts.

Slide 60 Financial Assistance

- Financial assistance -- mentors can own an interest of up to 40% in a protégé firm to help it raise capital
- Key advantage

Narrative

Another key advantage under the Mentor-Protégé Program is that mentors can own an interest of up to 40% in a protégé firm to help it raise capital. This too, can be very helpful.

Slide 61 Qualification for Other SBA Programs

- Qualification for other SBA Programs -- protégé firm can obtain other forms of SBA assistance as a result of its good standing in the Mentor-Protégé Program

Narrative

Finally, an 8(a) protégé firm can obtain other forms of SBA assistance as a result of its good standing in the Mentor-Protégé Program.

It is important to point-out that other agencies also have mentor protégé programs that can be helpful to 8(a) firms.

Building relationships through networking, business couches, SBA, partnerships or through mentor-protégé programs, represent an important dimension in winning contracts.

Slide 62 Resources and Assistance

Narrative

Part 7, resources and assistance.

Slide 63 Resources and Tools

- Federal Acquisition Regulations
 - <https://www.acquisition.gov/far>
- Acquisition Central
 - <https://www.acquisition.gov/>
- FAR Part 19 – Small Business Programs
 - <http://www.acquisition.gov/far>
- Code of Federal Regulations (13CFR)
 - <http://www.gpoaccess.gov/cfr/index.html>
- Federal Business Opportunities
 - <http://www.fbo.gov>
- SBA-Government Contracting
 - <http://www.sba.gov/aboutsba/sbaprograms/gc/index.html>

Narrative

Numerous resources are available to assist individuals who are interested in learning more about and participating in the 8(a) Business Development Program.

Slide 64 Resources and Tools

- Learn more about:
 - SAM Registration – <http://www.sam.gov>
 - SBA Size Standards - <http://www.sba.gov/category/navigation-structure/contracting/contracting-officials/eligibility-size-standards>
 - 8(a) Business Development Program - <http://www.sba.gov/content/8a-business-development-0>
 - WOSB Program - <http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses>
 - HUB Zone Program- <http://www.sba.gov/content/hubzone-0>

- Local (client) resources:
 - SBA district office - <http://www.sba.gov/localresources/index.html>
 - Procurement Technical Assistance Center (PTAC) - http://www.ptac-us.org/new/Govt_Contracting/find.php
 - SCORE chapter - <http://www.score.org>
 - Small Business Development Center - <http://www.asbdc-us.org>

Women's Business Center - <http://www.awbc.biz/locate.asp>

Narrative

Use these resources to become better informed and improve your chances of being a successful participant in the 8(a) program.

Slide 65 Contact Us...

- Thank you for taking the time to learn about the 8(a) Business Development Program
- Please contact us with any questions you may have
- This is the third module in a four-part Pre-8(a) Business Development Program, training series

U.S. Small Business Administration
Office of Government Contracting and Business Development
 800 U-ASK SBA

Narrative

Thank you for taking the time to learn about the 8(a) Business Development Program. Much information has been discussed and we hope it is helpful. Please contact us with any additional questions you may have. In addition, this is the third module in a four-part, Pre 8(a) program, training series. Consider viewing all of the modules in SBA's online **Government Contracting Classroom**. Also, talk with your BOS about other available training that could benefit your participation in the 8(a) program.

Thank you.