

# **Business Opportunities: A Guide to Winning Federal Contracts**

Text File

## **Slide 1 Business Opportunities: A Guide to Winning Federal Contracts**

Welcome to SBA's online training course, Business Opportunities: A Guide to Winning Federal Contracts.

## **Slide 2 Introduction**

This is a self-paced training program designed to provide an overview of federal contract procedures and describe how to sell to the government. The course is easy to follow and the subject matter is indexed for quick reference and easy access. It will take about 30 minutes to complete the training program. Additional time will be needed to review included resource materials and to complete the suggested next steps at the end of the course.

By the way...., the "next steps" outlined at the conclusion of this course are probably the most important part of this training program. The reason ---- they will help you apply what you have learned and engage you in the government contracting process.

When you complete the course, you will have the option of receiving a printed Certificate of Completion from the SBA.

Click the forward button below to get started.

## **Slide 3 Course Objectives**

This course has four key objectives:

1. Provide an overview of the Federal buying market.
2. Explain how and where to find information about government contracting rules.
3. Describe how to find Federal contract opportunities and sell to the government. And,
4. Provide an overview as well as direct access to key contracting resources.

## **Slide 4 Course Outline**

There are ten topic sections within this course. Each section covers a different aspect of Federal contracting.

Reviewed together they tell a story that will help you understand what the federal market is, what the rules are, how to find contract opportunities and, most importantly, how to be successful in selling to the government.

## **Slide 5 Course Outline**

The course also includes information about specific SBA contracting programs, provides guidance on next steps and provides information and direct access to helpful procurement resources.

This is not the type of training program you want to review once and put aside. It is a comprehensive guide with many opportunities for the viewer to access more detailed information and participate in the Federal procurement process.

You will notice a button in the top right section of each slide that says Course Outline. Clicking on that button will bring you to the course outline – which will give you quick access to any section of the course.

Now, sit back, get comfortable and let's get started.....

### **Slide 6 The Federal Buying Market**

The U.S. government is the world's largest buyer of products and services.

Purchases by military and civilian installations amount to nearly \$400 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.

By law, federal agencies are required to establish small business contracting goals.

The current, government-wide procurement goal is that at least 23% of all government buys should be awarded to small businesses. The key word here, however, is that it's only a goal.

### **Slide 7 The Federal Buying Market (Cont)**

In addition, Federal contract goals are established for women-owned businesses, small disadvantaged businesses, firms located in HUBZones and service disabled veteran-owned businesses.

These government-wide goals, which are not always achieved, are 5%, 5%, 3% and 3%, respectively.

They are important because Federal agencies have a statutory obligation to reach-out and consider small businesses for procurement opportunities. However, again, these are only goals. It is up to you to market and match your business products and services to the buying needs of specific government agencies.

### **Slide 8 How the Government Buys**

The government buys many of the products and services it needs from suppliers who meet certain qualifications.

In addition the Government applies standardized buying procedures to acquire what it needs.

Throughout this training program we will discuss what qualifications are needed and what procedures are required by the Government.

### **Slide 9 How the Government Buys (cont)**

Contrary to how some may portray the government buying process, it is not like going down a dark road.

It's like anything else, the more you learn about the process, the easier it becomes.

### **Slide 10 How the Government Buys (cont)**

The government applies standardized procedures to purchase the goods and services it needs.

Contracting officials use procedures outlined in the Federal Acquisition Regulation, commonly known as the FAR, to guide government buys.

The primary contracting methods used by the government are: Micro-purchases;

Simplified Procedures; Sealed Bidding; Contract Negotiations; and, Consolidated Purchasing.

### **Slide 11 How the Government Buys (cont)**

Generally speaking, government purchases of individual items under \$3,000.00 are considered micro-purchases.

Such government buys do not require competitive bids or quotes and agencies can simply pay using a Government Purchase Card or credit card, without the involvement of a procurement officer.

An important point to remember is that micro-purchases, unlike other small government buys under \$100,000, are not reserved for small businesses. It is also important to be able to process credit cards, if you want to accommodate government agencies with their small buys.

### **Slide 12 How the Government Buys (cont)**

The Federal Acquisition Streamlining Act of 1994 removed many competition restrictions on government purchases under \$100,000. Instead of full and open competition, agencies can use simplified procedures for soliciting and evaluating bids up to \$100,000. Government agencies, however, are still required to advertise all planned purchases over \$25,000 in Federal Business Opportunities, the government's online listing and database of available procurement opportunities. Simplified procedures require fewer administrative details, fewer approval levels, and less documentation. The procedures require all federal purchases above \$3,000, but under \$100,000, to be reserved for small businesses, an important point.

This small business set-aside applies, unless the contracting official can not obtain offers from two or more small firms who are competitive on price, quality and delivery.

### **Slide 13 How the Government Buys (cont)**

Sealed bidding is how the government buys competitively when its requirements are very specific, clear and complete.

An IFB or "Invitation For Bid" is the method used for the sealed bid process. Typically, an IFB includes a description of the product or service to be acquired, instructions for preparing a bid, the conditions for purchase, delivery, payment and other requirements associated with the bid, including a deadline for bid submissions.

Each sealed bid is opened in a public setting by a government contracting officer, at the time designated in the invitation. All bids are read aloud and recorded. A contract is then awarded by the agency to the lowest bidder who is determined to be fully responsive to the needs of the government.

Government-wide IFBs are available daily for review in the government's online listing service, Federal Business Opportunities. This electronic service, which is discussed in detail later, also provides direct links to available IFB invitations.

### **Slide 14 How the Government Buys (cont)**

Contract negotiations are used in many federal procurement actions. This is typically a more complicated process for companies wanting to sell to the government. It is also a method that is more time consuming for buying agencies.

This is how it works..... In certain cases, when the value of a government contract exceeds \$100,000 and when it necessitates a highly technical product or service, the government may issue a Request for Proposals. In a typical RFP, the government will request a product or service it needs, and solicit proposals from prospective contractors on how they intend to carry out that request, and at what price. Proposals in response to an RFP can be subject to negotiation after they have been submitted.

When the government is merely checking into the possibility of acquiring a product or service, it may issue a Request for Quotation (RFQ). A response to an RFQ by a prospective contractor is not considered an offer, and consequently, cannot be accepted by the government to form a binding contract. The order is an offer by the government to the supplier to buy certain supplies or services upon specified terms and conditions. A contract is established when a supplier accepts the offer.

Government-wide RFPs and RFQs are also available daily for review in the FBO.

### **Slide 15 How the Government Buys (cont)**

Most government agencies have common purchasing needs -- carpeting, furniture, office machine maintenance, petroleum products and perishable food supplies are just a few examples. Sometimes the government can realize economies of scale by centralizing the purchasing of certain types of products or services. This is called consolidated purchasing and multiple award, acquisition vehicles are typically used.

The most common multiple award schedules are GSA Schedules or Government Wide Acquisition Contracts, called G-WACs. These centralized buying vehicles are negotiated by the government with awards to many potential vendors and used by multiple agencies buying similar goods and services.

### **Slide 16 Federal Contracting Rules**

If you want to participate in the Federal procurement arena, you have to know the rules. Understanding the government's procurement rules is critical to your success as a government contractor. The Federal Acquisition Regulation system is the roadmap for doing business with the government. It outlines all of the rules.

The FAR is issued and maintained jointly by a collaborative board of government agencies and Federal procurement executives. It is a comprehensive guide indexed by topic. Do not be intimidated by its size or apparent complexity. It is an excellent resource tool. The most common FAR sections used by small business are:

Subpart 8.4 – Federal Supply Schedules

Part 13 – Simplified Acquisitions

Part 15 – Contracting by Negotiation

Part 19 – Small Business Programs

Check out the FAR after you complete this course. You can access it by clicking on the hyperlink.

Remember, it's a tool use it when you need it.

### **Slide 17 Small Business Size Standards**

As a small business, certain government programs may apply to you. The question then becomes, what is a small business, or more specifically, is my firm a small business?

Over the years SBA has established and revised numerical definitions for all for profit industries, and this numerical definition is called a "size standard." It is almost always stated either as the number of employees or average annual receipts of a business concern.

In addition to establishing eligibility for SBA programs, all federal agencies must apply SBA's size standards for contracts to be awarded to small firms. Most businesses operating in the United States are considered small businesses. Don't sweat it or over-think this issue.

When you complete this course, or another time at your convenience, come back to this section and click on the referenced hyperlinks to determine your small business size eligibility and to learn more about size standards.

### **Slide 18 Find Contract Opportunities**

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 need it.

To market or 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.

Not all contract opportunities, especially those under \$25,000.00, are identified in FBO. Prudent prospective contractors should research government buying needs and contact agencies directly. This will take some guidance to focus your search. However, the resources identified at the conclusion of this course can help you.

Your homework for tonight... Alright homework is the wrong choice of words.

At your convenience, after you complete this course, take a few minutes to visit the FBO Website and familiarize yourself with how it operates, what it displays and why its important. Also, take the time to review the FAQ section of the site. All kidding aside, it will be one of the most important homework assignments you have ever completed.

Hyperlinks to the FBO site are available at multiple locations throughout this course. You can also use the hyperlinks on this slide to directly access FBO and the respective FAQs.

### **Slide 19 Find Contract Opportunities (cont)**

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

Subcontracting or teaming 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, consider opportunities available through subcontracting.

The experience gained from performing as a subcontractor can assist you in responding to solicitations as a prime contractor. Subcontracting, however, should not be viewed only as an opportunity for less-experienced businesses, but also as a vehicle to enhance your qualifications to become more competitive to perform as a prime contractor.

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

While this Website is designed primarily as a place for large businesses to post solicitations and notices, it is also used by Federal agencies, state and local Governments, non-profit organizations, colleges and universities, and even foreign Governments to list available subcontract and partnering opportunities. A hyperlink to SUB-Net is provided for your convenience and future use.

### **Slide 20 Define Your Products & Services**

You need to make it easy for the government to identify the products and services you sell, as well as to uniquely identify your business.

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. Learning your NAICS codes is not a difficult thing to do, but it's important. 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 (DOD), you will also need to know your Federal Supply Group or Class code. Again, this can be easily obtained by clicking on the FSG hyperlink.

A NAICS code, or codes, identifies the products and services your company supplies. It does not uniquely identify your business. The Federal government uses D-U-N-S numbers, provided by Dun & Bradstreet, to identify prospective vendors.

You can obtain a D-U-N-S number at no cost to you by clicking on the hyperlink.

### **Slide 21 Selling to the Government**

Ok... Let's recap for a moment. So far we have discussed the federal market, looked at various contracting methods, discussed contracting rules, explained how to find contract opportunities and we talked about identifying your company and products.

Now, let's explore several other approaches to help position your business so that you can take advantage of government contract opportunities.

Specifically, we will discuss registering your company with the Central Contractor Registry, marketing your business directly to agencies, and using procurement vehicles. Each of these approaches is further discussed in the following slides.

I also want to point out the link to the Online Representations & Certifications Application system. This is only provided for future reference.

### **Slide 22 Selling to the Government (cont)**

The Central Contractor Registration, more commonly known as the CCR, is the primary source for agencies to learn about prospective vendors. Let me repeat that..... It is the PRIMARY source for government agencies to learn about prospective vendors.

The CCR is a government-maintained 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 CCR provides agencies with the ability to search for companies based on their abilities, size, location, experience, and ownership.

In addition, the CCR is the vehicle used to identify or self-certify your company as a small business, woman-owned, veteran-owned and/or a service-disabled, veteran owned business.

We have all heard the expression, "You got to play to win." Well, to succeed in government contracting, you have to register to participate. Registering your business in the CCR is a significant, but necessary, step if you want to sell to the government.

At a convenient time, after you complete this training program, click on the hyperlink or icon to learn more about the CCR and, if you are ready, register your business.

### **Slide 23 Selling to the Government (cont)**

Aside from some of the differences we have already talked about, selling to the government is not that much different than selling in the private sector.

It all comes down to marketing. Learn what agencies or prime contractors have a need for and reach out to them, demonstrating how you can add value and why they should buy from you.

In addition, be active. Participate in procurement related conferences, activities and match-making events. Use these activities to become known and to be a "player."

### **Slide 24 Selling to the Government (cont)**

There is merit to hitching your wagon to an existing wagon-train.

OK, so maybe that's not the best analogy. But, there is merit to participating in a consolidated agreement where multiple vendors are pre-approved for prospective contract awards from multiple agencies.

Earlier in the course we talked about consolidated purchasing programs. Under such programs, 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. A prominent example of this type of contracting is the GSA Schedule. As such, GSA negotiates prices and terms with prospective vendors and enters into an agreement. 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. Another procurement vehicle example is Government Wide Procurement Contracts or G-WACs.

Procurement vehicles can be valuable tools. As you continue your journey into the government contracting space, learn as much as you can about procurement vehicles and how they could benefit your business. Use the referenced hyperlinks to learn more about GSA Schedules and available G-WACs.

### **Slide 25 SBA Certification Initiatives**

SBA administers three certification initiatives, designed to assist specific market groups in the government contracting space. These initiatives include the HUBZone program, the 8(a) Business Development Program and the Small Disadvantaged Business Certification initiative.

Each agency initiative is discussed in the following sections.

### **Slide 26 SBA Certification Initiatives (cont)**

The term HUBZone comes from the phrase, Historically Underutilized Business Zone.

The HUBZone Program is designed to stimulate economic development and create jobs in urban and rural communities by providing federal contracting preferences to small businesses. These preferences are available to small firms who qualify because they are located in a HUBZone designated area or employ staff who live in such an area.

Use the hyperlinks to determine if you are in a designated HUBZone area or if you would like to learn more about the program.

### **Slide 27 SBA Certification Initiatives (cont)**

The 8(a) Business Development Program is designed to assist eligible socially and economically disadvantaged small businesses. The program provides qualified firms access to capital and credit, business counseling and training, and Federal and non-Federal procurement opportunities.

Through the award of sole source and limited-competition contracts, the 8(a) program provides market access and growth for qualified businesses. The 8(a) program is not intended for everyone. You must be eligible to participate and receive formal certification from the SBA.

Use the hyperlinks, at a later time, to learn more about the 8(a) program and determine if you are eligible and suited for the program.

### **Slide 28 SBA Certification Initiatives (cont)**

SBA administers two specific business assistance initiatives for small disadvantaged businesses. These initiatives are the 8(a) Program, we just discussed, and Small Disadvantaged Business Certifications. The SDB initiative requires eligible companies to be formally certified by the SBA.

While the 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in federal procurement. Firms that are 8(a) certified automatically qualify for SDB certification.

Use the hyperlink to learn more about SDB certification and specific contract preferences associated with the initiative.

### **Slide 29 Have a Question?**

Don't be shy.....

This course has covered a great deal of material. And, there is much to learn and understand about government contracting. If you have questions about the federal market place, government contracting methods, finding contract opportunities or other questions about winning federal contracts, contact SBA or one of our resource partners. We will help you.

If we do not have the answer to your specific question, we will direct you to a resource that does.

Use the 800 number or referenced hyperlinks to contact us directly.

### **Slide 30 Next Steps**

Now that you have completed the course, take the next steps. Put what you have learned into action.

This is the most important part of this course. You should consider printing this page so that you have it for future reference.

Step1. Identify NAICs codes your business operates within.

Step2. Apply for a D-U-N-S number, if you do not already have one.

Step3. Register in the Central Contractor Registration, the CCR.

Step4. Familiarize yourself with Federal Business Opportunities (FBO) and practice searching for contract opportunities within your business market areas.

Step5. Learn as much as you can from experienced people in the procurement industry. For starters, discuss what you have learned from this course with an SBA or PTAC representative. Once you have digested that information, call a Federal agency and talk with a government contracting officer. Ask educated questions and learn..... Best of luck.....

### **Slide 31 Additional Assistance**

Many resources are available to assist you. The following resources can help you build a foundation in government contracting.

- Procurement Technical Assistance Centers, located at various locations around the country, help businesses understand and succeed in government contracting markets.
- SBA has over 60 district offices located throughout the country to help you start and grow your business.
- There are more than **1,000 Small Business Development Center** locations around the country. **SBDC's** provide management assistance to current and prospective small business owners.
- SCORE is a powerful source of free and confidential small business advice to help build your business. More than 10,000 SCORE volunteers are available to share their wisdom and lessons learned in business.
- The Small Business Training Network is a powerful virtual campus.
- And finally, **Women's Business Centers** assist women in achieving their dreams by helping them start and run successful businesses. Some 90 WBCs are located around the country.

Click on these resources to learn more and access their assistance.

### **Slide 32 Other Resources (cont)**

Other more specific resources can help you with detailed contracting issues and questions. Specifically, these resources include: the Central Contractor Registration; Federal Business Opportunities; Acquisition Central – this is an excellent general resource; Federal Agency Procurement Forecasts; Procurement Technical Assistance Centers; and the FAR.

### **Slide 33 Other Resources (cont)**

Additional resources include: DoD's Office of Small and Disadvantaged Business Utilization; SBA's Office of Government Contracting & Business Development; the Office of Federal Procurement Policy; the Acquisition Center for Excellence; and Online Representations & Certifications Knowledge is power. Use these resources to help you.

### **Slide 34 Course Completion Certificate**

CONGRATULATIONS ON COMPLETING THIS COURSE.

WE HOPE IT WAS HELPFUL AND PROVIDED A GOOD WORKING

KNOWLEDGE OF NEW TECHNOLOGIES CAN BENEFIT SMALL BUSINESSES.

YOU EARNED A CERTIFICATE OF COMPLETION FROM THE SBA.  
THANK YOU FOR PARTICIPATING IN THIS COURSE. WE WISH YOU THE VERY BEST IN THE FUTURE. CLICK  
THE PRINT BUTTON TO RECEIVE YOUR CERTIFICATE.