U.S. Small Business Administration
Helping small businesses to start, grow and succeed.

Government Contracting Briefing
Federal Contracting Facts

- The world’s largest buyer of goods and services is the Federal Government, with purchases totaling more than $500 billion per year.

- Contracts exist for every item imaginable, from paper clips to armored tanks.

- Federal agencies are required to establish contracting goals, with at least 23 percent of all government buying targeted to small firms.

- A product or service regularly purchased by the federal government.
Prime Contracting Government-wide Procurement Goals

- Small Business (SB) - 23%
- Small Disadvantaged Business (SDB) - 5%
- Women-Owned Small Business - (WOSB)- 5%
- HUBZone Small Business – 3%
- Service-Disabled Veteran-Owned SB (SDVOSB) - 3%
Prime Contracting Government-wide Procurement Goals

- 2016 Contracting Set Asides
- Goals were Exceeded
- Small Business 24% $100 Billion
- Category Breakdown
  - Sm Disadvantaged includes 8(a) 10% $39 Billion
  - Service Disabled Veteran 4% $16 Billion
  - Women Owned SB 5% $20 Billion
  - HUBZone 2% $7 Billion
First Things First– Get Registered

• Obtain a Dun & Bradstreet (DUNS) Number
  • www.dnb.com
  • Unique nine-digit identification number for each physical location of your business
  • Free of charge

• Register with the System of Award Management (SAM)
  • www.sam.gov
  • SAM is a new database system where the following have been migrated:
    • Central Contractor Registry (CCR)
    • Federal Agency Registration (Fedreg)
    • Online Representations and Certifications Application (ORCA)
    • Excluded Parties List System (EPLS) Primary database of vendors doing business with the federal government
  • Marketing Tool
    • SAM allows Government agencies and contractors to search for your company based on your ability, size, location, experience, ownership, and more.
    • Refine & revise your profile regularly. Make sure you are “Active”.

• You won’t get paid without it
First Things First– Get Registered

- **North American Industry Classification System (NAICS Codes)**
  - The standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy
  - Activity based
  - Determines “size” standard
  - Procurement contracting officers assign NAISC codes to their opportunities
  - Register **ALL** the NAICS codes that describe what you do, can do, or would like to do as a prime or subcontractor

- **Prepare a Quality Capability Statement**
  - Outlines your management, technical, and business strengths
  - Specific capabilities & skills
  - Past performance history
  - Awards and recognition
  - Resumes of key personnel
  - Maintain it. Update it. Request feedback on it!!
  - This is your “Elevator Speech” on paper
SBA Certifications

- 8(a) Business Development Program
  - Application Process

- Historically Underutilized Business Zone (HUBZone)
  - Application Process

- Service Disabled Veteran Owned Small Business (SDVOSB)
  - Self-Certification in SAM

- Women Owned Small Business (WOSB) Certification
  - Self-Certification in SAM & ECertify

- Economically Disadvantaged Woman Owned Small Business (EDWOSB)
  - Self-Certification in SAM
8(a) Business Development Program

- What is the 8(a) BD Program?
  - www.sba.gov/8abd
  - 9 year business development program
  - Business assistance program for small disadvantaged businesses.
  - Offers a broad scope of assistance to firms that are owned and controlled at least 51% by socially and economically disadvantaged individuals.

- Benefits of the Program
  - Participants can receive sole-source contracts
    - $4 million for goods and services
    - $6.5 million for manufacturing
  - Assists 8(a) firms in building their competitive and institutional know-how, they are also encouraged to participate in competitive acquisitions (www.fbo.gov).
  - Specialized business training, counseling, marketing assistance, and high-level executive development provided by the SBA and our resource partners.
  - 8(a) participants also may receive assistance in obtaining access to surplus government property and supplies, SBA-guaranteed loans, and bonding assistance for being involved in the program.
8(a) Business Development Program - Eligibility

- The individual(s) must be an American citizen, by birth or naturalization.
- At least 51% owned and controlled by socially and economically disadvantaged individual(s).
  - Socially disadvantaged groups include:
    - Black American, Hispanic American, Native American, Asian Pacific American, Subcontinent Asian American
  - Economically disadvantaged businesses must have:
    - Net worth below $250K (excludes the individual's equity in the firm and in the primary residence)
- The business must be a small business.
- In business at least 2 years (to demonstrate potential for success)
- The principals must show good character.
- A product or service regularly purchased by the federal government.

QUESTIONS

- For general questions about the 8(a) BD program - 8aquestions@sba.gov
- For help with the 8(a) electronic application - BDMIS@sba.gov
- For help with 8(a) regulations and requirements - 8aBD@sba.gov
**Historically Underutilized Business Zone (HUBZone) Program**

- **What is the HUBZone Program?**
  - [www.sba.gov/hubzone](http://www.sba.gov/hubzone)
  - Provides “place-based” opportunities for federal prime contract and subcontract benefits.
  - The program encourages economic development in historically underutilized business zones.

- **Benefits of the Program?**
  - Participants can receive sole-source contracts
    - $4 million for goods and services
    - $6.5 million for manufacturing
  - Participants can receive competitive contracts ([www.fbo.gov](http://www.fbo.gov)).
  - 10% price evaluation preference in full and open contract competitions, as well as subcontracting opportunities.
    - The offer of the HUBZone small business will be considered lower than the offer of a non-HUBZone/non-small business-providing that the offer of the HUBZone small business is not more than 10 percent higher.
Historically Underutilized Business Zone (HUBZone) Program - Eligibility

- Must be a small business.
- Must be owned and controlled only by US Citizens, Community Development Corporation or Indian Tribes.
- The principal office must be located in a HUBZone.
  - High-unemployment, low-income areas in economically distressed communities, referred to as, to promote job growth, capital investment and economic development in these areas, including Indian reservations.
  - HUBZone Map: [www.sba.gov/hubzone-maps](http://www.sba.gov/hubzone-maps)
- At least 51% owned and controlled by US Citizens or an Indian tribe.
- At least 35% of the concerns employees must reside in any HUBZone.

QUESTIONS?

- The HUBZone office offers eligibility assistance on Tuesdays and Thursdays from 2:00 to 3:00 p.m. EST. Please call 1-888-858-2144 Access code 3061773#
Service-Disabled Veteran-Owned Small Businesses (SDVOSB)

- Self-Certification through SAM
  - DD 214
- VA determines Service Disability
  - SBA determines size, if protested
- No term limits – no need to apply or reapply
- Competitive and sole-source contracts

QUESTIONS?

- Veterans Business Outreach Center

  1437 S. Jackson Street
  Seattle, WA  98144
  Tel: (206) 324-4330
  Email:  info@seattleccd.com
  http://www.seattleccd.com
What is the WOSB & EDWOSB Contracting Program?

- [www.sba.gov/wosb](http://www.sba.gov/wosb)
- Self-Certification through SAM
- Levels the playing field for WOSBs to compete for and win federal contracts.
- Provides procuring agencies a tool to help meet their WOSB contracting goal.
- Ultimately, the program helps create and retain more jobs for WOSBs.
Women Owned Small Business (WOSB) Contracting Program – Eligibility

- **WOSB Requirements:**
  - Must be an American citizen, by birth or naturalization.
  - At least **51% unconditionally and directly owned by women.**
  - The woman must manage the **day-to-day operations**
  - The woman must make the **long-term decisions** for the business
  - A woman must **hold highest officer position**
  - The woman must work at the business **full-time during normal working hours**
  - No **minimum amount of time** the business has been operational
EDWOSB Requirements:

WOSB Requirements Plus

- Net worth not to exceed $750,000 excluding:
  - Ownership in business and primary personal residence
  - Income reinvested or used to pay taxes of business
  - Funds reinvested in IRA or other retirement account**
  - Transferred assets within two years if to or on behalf of immediate family member for select purposes***

- Average three income not to exceed $350,000 excluding:
  - Income reinvested or used to pay taxes of business

- Fair market value of assets not to exceed $6 million excluding:
  - Funds reinvested in IRA or other official retirement account

QUESTIONS?

1-800-U-ASK-SBA (1-800-827-5722)
Answer Desk TTY: (704) 344-6640
Email: wosb@sba.gov
EDWOSB Requirements:

WOSB Requirements Plus

- **Net worth** not to exceed $750,000 excluding:
  - Ownership in business and primary personal residence
  - Income reinvested or used to pay taxes of business
  - Funds reinvested in IRA or other retirement account**
  - Transferred assets within two years if to or on behalf of immediate family member for select purposes***

- **Average three income** not to exceed $350,000 excluding:
  - Income reinvested or used to pay taxes of business

- **Fair market value of assets** not to exceed $6 million excluding:
  - Funds reinvested in IRA or other official retirement account

QUESTIONS?

1-800-U-ASK-SBA (1-800-827-5722)
Answer Desk TTY: (704) 344-6640
Email: wosb@sba.gov
Set Asides

- It is very important that you understand what a Set Aside is and how it pertains to your business. Set Asides tell you how the agency is going to award the contract.

Sole Source Contracts (8a-Hubzone-Women Owned-Veteran Owned) No Competition Required

Competitive 8a

Small Business- every small business qualifies for this Full and Open- any size business can bid.
Government Purchasing Thresholds

- Micro Purchases (credit cards) up to $3,000
- Simplified Acquisition Procedures (SAP) contracts of $2,500 to $150,000
- Simplified Commercial contracts: $100,000 to 5,000,000
- Commercial off the shelf (COTS) contracts: no dollar limit.
- Commercial items: contracts over $2,500
- Any Action over $25,000 is on FBO
Federal Acquisition Regulations

- No discussion of government procedures and rules is complete without talking about the basic rulebook for government contracts, the FAR.
- Relevant parts for small business include Part 19, Small Business Programs, and Part 52, which contains the standard terms and conditions contained in a gov contract.
FAR & Bids

- Ensure you understand the FAR clauses and requirements before making an offer. Familiarize yourself with every clause, there will be many. Some will and can cost you money. Pay attention, if you have questions contact the CO.
- Read the FAR Handout
How to Identify Contract Opportunities

- **Self Market**
- **Federal Business Opportunities (FedBizOpps) (FBO):**
  - [www.fbo.gov](http://www.fbo.gov)
  - Exclusive official source to identify federal contracts over $25,000.
  - Increased use of Sources Sought Notices in the FBO – Become familiar with and Respond to these notices. Pay attention to what specifically the agency is asking for in the notice.
  - Large contract awards and special notices - (e.g., procurement conferences) are also publicized in the FBO.
- **Federal Office of Small and Disadvantaged Business Utilization Directors Interagency Council**
  - [http://www.osdbu.gov/members.html](http://www.osdbu.gov/members.html)
- **SUB-Net**
  - [www.sba.gov/sub-net](http://www.sba.gov/sub-net)
  - Database of subcontracting solicitations and opportunities posted by large prime contractors and other non-federal agencies.
  - Used by state and local governments, non-profit organizations, colleges and universities to post solicitations and identify small businesses.
- **SBA Procurement Center Representative (PCR):**
  - Kevin Michael – kevin.michael@sba.gov or call 253-931-7161
Seek Help From Resource Partners

- **PTAC**
  - Provides assistance to business firms in marketing products and services to the Federal, state and local governments available at no or nominal cost.
  - [http://www.washingtonptac.org](http://www.washingtonptac.org)

- **Small Business Development Centers**
  - Provides one on one management assistance to small businesses.
  - [http://www.wsbdc.org](http://www.wsbdc.org)

- **Women’s Business Centers**
  - [http://www.nwwbc.org](http://www.nwwbc.org)

- **SCORE**
  - Get free & Confidential small business mentoring and advice (online and in-person mentoring) from Successful Business Advisors.
  - [www.seattlescore.org](http://www.seattlescore.org)
Learn About Other SBA Programs:

- **www.sba.gov/wa**
  - Online Training - Free Online Courses
    - Federal procurement training modules to improve your company’s odds to win federal prime and subcontracts at: [http://www.sba.gov/content/online-courses-government-contracting](http://www.sba.gov/content/online-courses-government-contracting).
  - Financial Assistance
  - Contract Opportunities
  - Counseling & Assistance
  - Laws and Regulations
Additional Websites

- Apply for 8(a) at http://www.sba.gov/content/steps-applying-8a-program
- USA Spending- http://www.usaspending.gov
- Acquisition Central www.acquisition.gov
Marketing to the Dept of Defense

- ARE YOU READY TO MARKET TO THE GOVERNMENT?
- Identify Your Product / Service
- Federal Supply Classification Code (FSC) or Product Service Code (PSC):
  - **EX:** D302 ADP systems development services
  - www.dlis.dla.mil/h2 or www.fbo.gov
- Identify Your North American Industry Classification Codes
  - **EX:** 541512 Computer Systems Design Services
  - www.census.gov/eos/www/naics/
- Determining SBA Size Standard
  - **EX:** 541512 $25M average annual receipts preceding 3 yrs
  - **NOTE:** There is a separate size standard for each NAICS.
  - www.sba.gov/category/navigation-structure/contracting/contracting-officials/size-standards
Marketing to the Dept of Defense

- DATA UNIVERSAL NUMBERING SYSTEM (DUNS)
  - Mandatory for registering in SAM
  - Provided by Dun & Bradstreet (D&B); free
  - Web request & receive within 1 day; telephone request takes ~ 10 minutes
  - Unique 9 digit identification # for each location/address & each legal division
  - List sold to other companies; must contact D&B to request removal from marketing list fedgov.dnb.com/webform/ or call 866.705.5711

- SYSTEM FOR AWARDS MANAGEMENT (SAM)
  - All records from CCR/FedReg, ORCA, and EPLS, active or expired, were moved to SAM.
  - Mandatory to receive DoD prime contract, Allows electronic payment
  - Must renew annually or expires
  - Automatically assigns a Commercial & Government Entity (CAGE) Code
  - Automatically assigns a Marketing Partner ID (MPIN) to access other government applications (EX: Past Performance Information Retrieval System, etc) www.sam.gov
SBA Dynamic Small Business Search

- When registering in SAM select “small business” & a sub-set of your SAM data will be sent to SBA for size validation and inclusion in DSBS.
- Recommend updating profile when renewing SAM
- Complete a Quality profile
- Government uses DSBS to perform market research to locate 8(a), Hubzone, SDVOSB, EDWOSB, small business primes.
- Industry uses DSBS to locate subcontractors, teaming partners, verify small business reps and certs.
- Dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm
Locating DOD Customers/Opportunities

- Report issues each fiscal year of products and services purchased by DOD sorted by procurement classification code including name, location of buying office, number of actions, and dollars.

- Siadapp.dmdc.osd.mil/procurement/historical_reports/statistics/procstat.html

- Then scroll down to ST28
USE AVAILABLE RESOURCES

- **Small Business Administration (SBA)**
  - Counseling - in person, email
  - Small business certifications
  - Financial Assistance
  - Training (online, classroom, free or low cost) [www.sba.gov](http://www.sba.gov)
- **Small Business Development Centers**
  - Counseling
  - Small business management assistance
  - Training (classroom, free or low cost) [www.sba.gov/sbdc](http://www.sba.gov/sbdc)
- **Procurement Technical Assistance Centers (PTACS)**
  - Counseling - in person, email
  - Registration assistance
  - Bid-matching
  - Training (online, classroom, free or low cost) [www.dla.mil/db/procurem.htm](http://www.dla.mil/db/procurem.htm)
USE AVAILABLE RESOURCES

- Service Corps of Retired Executives
  - Counseling - in person, email, field visit
  - Training (classroom, free or low cost) www.score.org

- Small Business Program Offices
  - Located at every DoD & Federal buying activity
  - All DoD: www.acq.osd.mil/osbp
IN-PERSON PITCH

- Have three marketing "presentations" ready at all times:
  - "Elevator speech"
  - One page capability sheet
  - Full Capability presentation
- Know your audience
- Be focused & be brief
- Stand out from the crowd!
- How can the customer benefit from doing business with you"?
- What problems/challenges do you solve for your customer?
IN-PERSON PITCH

- One page capability sheet
- Few graphics
- Company name, website, contact info, locations, small business categories, CAGE code
- Certifications
- NAICS & capabilities
- DoD/Federal/State & local contracts with POC info
- Significant subcontracts with POC information
- GSA contracts (if any)
EMAIL MARKETING

- Send to the right customer! Frequency?
- Marketing pitch, virus or SPAM? Include subject line & content in body of email, not just an attachment
- Be brief - use your one page capability sheet
- Limit graphics - oversized attachments may be stripped
- Stand out from the crowd!
- How can the customer benefit from doing business with you?
- What problems do you solve for your customer?
- The following attachments may not be received by DoD recipients due to firewalls: .avi, .bat, .cmd, .com, .dll, .eml, .exe, .pif, .scr, .vbs, and .zip
FEDBIZOPPS

- DoD & Federal contracting activities synopses most proposed requirements & contract awards >$25,000 in www.fbo.gov
- Active or archive search by dates and/or:
  - Types of Notice
  - Solicitation number or contract number
  - Place of performance zip code
  - Set-aside type
  - FSC/PSC/NAICS
  - Key words, Selected agencies
- Register for Vendor Notification Service by:
  - Specific solicitation number
  - Same selections as above
  - All procurement notices (caution)
Know Your Competitors

- Who are they?
- What are their strengths?
- Weaknesses?
- Review their brochures, websites
- Review their DSBS profiles
Target the Right Customer

- Develop a Business Plan
- Develop a Marketing Plan
- Who are your potential customers?
- Which agencies or activities?
- What are their needs?
- What are their challenges?
- Review their Websites
- Know your limits
- Know your customers regulation and procedures
Tools

- Acquisition Central – Federal Acquisition Regulations (FAR)  [www.acquisition.gov](http://www.acquisition.gov)
- Small Business Training Network  [www.sba.gov/training](http://www.sba.gov/training)
Need More Help?

• Check out the classroom:
  • https://www.sba.gov/gcclassroom
  • Online Training - Free Online Courses
  • The entire class is online in the classroom and more.
    • Federal procurement training modules to improve your company’s odds to win federal prime and subcontracts at: http://www.sba.gov/content/online-courses-government-contracting.

• Financial Assistance
• Contract Opportunities
• Counseling & Assistance
• Laws and Regulations
Affordable Care Act (ACA)

- ACA increases the affordability and rate of health insurance coverage for Americans and reduced the overall costs of health care.
- It provides a number of mechanisms — including mandates, subsidies, and tax credits — to employers and individuals to increase the coverage rate and health insurance affordability.
- For more information please go to:
  - [www.sba.gov/healthcare](http://www.sba.gov/healthcare)
Questions?
Call PTAC