

**U.S. Small Business
Administration**

Selling to the Federal Government



Federal Contracting Facts

- ❖ The world's largest buyer of Goods and Services is the "Federal Government," with nearly **\$100 billion each year** in federal contracts going to small businesses.
- ❖ Contracts exist for every item imaginable, from paper clips to armored tanks.

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%

Office of Government Contracting Mission

To provide America's small businesses with the maximum practicable opportunity to participate in the federal procurement marketplace (\$400B market).



Office of Government Contracting Programs

Prime Contracting

- ❖ Procurement Center Representative (PCR)
- ❖ Agency Surveillance Reviews

Subcontracting Assistance

- ❖ Commercial Market Representative (CMR)
- ❖ Prime Contractor Compliance Reviews

Certificate of Competency (COC)

Size Determinations



First Thing to Do – Get Registered

- ❖ You must have a **DUNS number** - <http://fedgov.dnb.com/webform>.
- ❖ Your business must be registered in the **System for Award Management (SAM)** database at www.sam.gov.
- ❖ If you were previously registered in CCR and ORCA, your business profile should have migrated over to SAM, but you will still need to establish a SAM account.
- ❖ If you are a small business, you will also need to validate/update your **Dynamic Small Business Search (DSBS) Profile**. A link known as the “SBA Supplemental” page is available through SAM.
- ❖ **TIP:** Use your profiles as a free marketing tool. Include as much information about your business as possible such as licenses and past performance.
- ❖ **TIP:** Look at the SAM/DSBS profiles of other firms in your industry to see if your profile is competitive.



Identify Your Product or Service

Government coding systems: Knowing the codes that apply to your business will help you identify the government buying offices that have a need for your product or service and register and search for bid opportunities.

North American Industry Classification System Code (NAICS):

Used to classify business establishments

<http://www.census.gov/eos/www/naics/>

- ❖ If your industry is manufacturing, your size standard is **employee-based** and;
- ❖ If your industry is retail or services, your size standard is **revenue-based**.



Know the Federal Contract Certifications

“Self-Certification” Programs are:

- Small Business (SB);
- Small Disadvantaged Business (SDB);
- Women-Owned Small Business (WOSB);
- Economically-Disadvantaged WOSB (EDWOSB);
- Service-Disabled Veteran-Owned SB (SDVOSB) – self-certify except for VA contracts
- Veteran-Owned SB (VOSB) – self-certify except for VA contracts

“Formal Certification” Programs requiring SBA’s pre-approval:

- 8(a) Business Development (9-year program with annual reporting)
- HUBZone Empowerment Program (3-year re-certification)



Eligibility for 8(a) BD Program

- ❖ Must be a Small Business (SB)
- ❖ U.S. Citizen
- ❖ Reside in the United States
- ❖ 51% owned and controlled by socially and economically disadvantaged individuals who are of good character
- ❖ Net worth below \$250,000 (excludes equity in the firm and primary residence)
- ❖ In business at least two (2) years (to demonstrate potential for success)
- ❖ Complete SBA's 8(a) Suitability Tool at:
<http://imedia.sba.gov/vd/media1/training/sbdtool/player.html>



Eligibility for HUBZone

- ❖ Must be a Small Business
- ❖ Concern must be 51% owned and controlled by U.S. Citizen, Community Development Corporation, or Indian Tribe
- ❖ **Principal office must be located in HUBZone** (high-unemployment, low-income areas, in economically distressed communities to promote job growth, capital investment and economic development in these areas)
- ❖ **At least 35%** of the concerns employees must reside in any HUBZone
- ❖ To find out if your business is located in a HUBZone, visit <http://www.sba.gov/hubzone#>

Other HUBZone Facts

- ❖ Must be certified by SBA (re-certify every 3 years)
- ❖ Sole Source: up to \$6.5M (manufacturing) and \$4.0M (non-manufacturing)
- ❖ Interactive forum on Tuesdays and Thursdays at 2:00 p.m. Eastern Time; Call toll-free (888) 858-2144, access code 3061773#

Women-Owned Small Business (WOSB) Contracting Programs

Helps ensure a level playing field so WOSBs can compete for federal contracting opportunities.

WOSB

- ❖ Woman/Women directly own **51% or more**
- ❖ Control and manage daily operations
- ❖ Must be U.S. Citizens



Economically-Disadvantaged WOSB

Plus

- ❖ Net worth not exceeding \$750,000
- ❖ Income not exceeding \$350,000
- ❖ Assets not exceeding \$6.0 million



WOSB & EDWOSB Certifications

The SBA does **not certify** companies into the WOSB program like it does for the 8(a)BD and HUBZone programs. A WOSB or EDWOSB must:

- ❖ Register in SAM;
- ❖ **Self-certify** with documentation or certification through an SBA approved Third-Party Certifier;
- ❖ Provide documents supporting its status to the on-line WOSB repository, visit www.sba.gov/wosb;
- ❖ To participate, you must have a General Login System (GLS) account which can be established at <https://eweb.sba.gov/gls>.

Set-Asides

What is a set-aside? An acquisition reserved exclusively for offerors that fit into a specified category.

- ❖ 8(a) BD Program
- ❖ HUBZone Program
- ❖ SDVOSB Procurement Program
- ❖ EDWOSB
 - ❖ In Underrepresented NAICS Codes (216 NAICS Codes)
- ❖ WOSB Federal Contract Program
 - ❖ In Substantially Underrepresented NAICS Codes (157 NAICS Codes)
- ❖ ED/WOSB Codes are available at <http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses>

Parity

- There is no order of precedence among the 8(a), HUBZone, SDVOSB or WOSB Programs. All have equal standing in the procurement process
- Contracting Officers should consider market research results and Agency progress towards meeting its SB goals to determine which of the socioeconomic category will best meet the Government's needs
- “Once 8(a), always 8(a) Rule”

How to Identify Contract Opportunities

- ❖ **Federal Agency Procurement Forecasts:** Home Pages/Small Business Information/ Business Opportunities/Procurement Forecast
http://acquisition.gov/comp/procurement_forecasts/index.html
- ❖ **Federal Business Opportunities (FBO)** is the exclusive official source to identify federal contracts over \$25,000 www.fbo.gov
 - ❖ 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 and trade publications) are also publicized in the FBO.
- ❖ **Federal Data Procurement System – Next Generation (FPDS-NG)** –The best sources for past bids (i.e., FBO Archive or FPDS-NG).

Office of Small and Disadvantaged Business Utilization (OSDBU)

OSDBU – Civilian Agencies

Office of Small Business Programs (OSBP) – for Defense Agencies

- ❖ In place at the headquarters level of each federal agency
- ❖ Ensure that small businesses are afforded an equitable opportunity to compete for Prime Contracts
- ❖ List of OSDBU offices – <http://www.osdbu.gov/>

Small Business Specialists (SBS)

- ❖ Located at each federal buying office
- ❖ Provides assistance on how to market to an agency
- ❖ List of SBSs can be obtained from each agency's website

Agency Recurring Procurement Forecasts

http://acquisition.gov/comp/procurement_forecasts/index.html

Investigate Federal Supply Schedule Contracts

- ❖ The General Services Administration (GSA) manages Multiple Award Schedule (MAS) contracts, also known as Federal Supply Schedule (FSS) Contracts.
- ❖ Under MAS/FSS, contracts are awarded to multiple companies supplying comparable products and services at pre-negotiated prices, terms and conditions.
- ❖ Once GSA awards the contracts, federal contracting officers and other authorized users order directly from the contractor.
- ❖ Contracting officers may conduct set-asides using MAS/FSS contracts.
- ❖ Learn more about obtaining a MAS/FSS contract by contacting GSA or visiting <http://www.gsa.gov/portal/content/198005>

Market Your Company



- ❖ Present your **Capability Statement** to the federal activities and large prime contractors that buy your products and services;
- ❖ **Attend procurement conferences**, business expos and business matchmaking events;
- ❖ Add details to your **SAM/DSBS profiles** (e.g. GSA Schedule number, commercial customers, federal customers and special capabilities);
- ❖ Show contracting officers that your company is a good match for their needs and requirements **by making appointments and one-on-one presentations** for those that are willing.

Government Methods to Solicit Contractor Offers

- ❖ Simplified acquisition or small purchase procedures
- ❖ Sealed bidding procedures
- ❖ Negotiated Procurement procedures

Acquisition Methods

- ❖ Micro Purchase Procedures \$3,000 or less
- ❖ Simplified Acquisition Procedures (SAP) \$3,001 to \$150,000
- ❖ Formal Solicitation Procedures \$Over \$150,000

Types of Contracts

- ❖ Fixed Price – firm and adjusted
- ❖ Cost-Reimbursement
- ❖ Indefinite-Delivery, Indefinite-Quantity (IDIQ)
- ❖ Time and Material
- ❖ Labor-hour contracts
- ❖ Basic Ordering Agreements (BOA)

How to Respond to a Solicitation

- ❖ Generally, the cost of preparing a winning proposal is 3% to 5% of the contract's total dollar value.
- ❖ Bidders should examine each solicitation carefully to decide whether preparing a bid is worth the effort.
- ❖ Start to work on your bid immediately after receipt of the IFB.
- ❖ **READ THE SOLICITATION SEVERAL TIMES OVER.**
- ❖ Carefully examine the specifications, including all instructions and clauses.
- ❖ Questions should be directed to the contracting officer named in the solicitation.
- ❖ Make no assumptions.
- ❖ The contracting officer will provide essential specifications and standards.
- ❖ Bidders must meet the requirements of all the documents cited in the solicitation.

How to Respond to a Solicitation

- ❖ Once you have read the Invitation for Bid (IFB) carefully, you should prepare a work plan and a delivery schedule. Some solicitations require bidders to submit this as part of the offer.
- ❖ The work plan should detail the time and material costs of fulfilling the contract – information you'll need in determining your bid price.
- ❖ The delivery schedule should detail distances to the locations to which you'll ship the products.
- ❖ You will probably have to submit information about the company's financial stability and relevant experience.
- ❖ You must address performance and delivery at least equal to the IFB's minimum standards.
- ❖ A bid must meet the exact specifications called for in the bid request, or the bid may be declared nonresponsive.



How to Respond to a Solicitation

- ❖ Because price is the primary evaluation factor in sealed bidding, it is to your advantage to determine the price that the government paid for similar supplies and services in the past. The best sources are past bids (i.e., FBO Archive or FPDS-NG).
- ❖ After a contracting activity issues an IFB, but before bid opening, it may make changes to the IFB such as quantities, specifications, delivery schedules, or opening dates. Such changes are made through an IFB amendment (SF 30).
- ❖ Any amendments that are made to an IFB must be sent to each contractor that was sent a solicitation package.
- ❖ Upon submission of the IFB, bidders must acknowledge all issued amendments. Failure to do so may cause the bid to be declared nonresponsive.

How to Respond to a Solicitation

- ❖ Once you have completed your bid, review it for clarity, consistency, and accuracy. Compare your work plan, budget, and schedule to ensure they agree. Double-check cost figures and computations to be sure that all information has been included.
- ❖ If everything checks out, the next step is to submit your bid.
- ❖ Review the submission instructions and verify the address to which the bid should be sent to allow enough time to meet the deadline.
- ❖ **THE GOVERNMENT WILL NOT ACCEPT BIDS THAT ARE EVEN FIVE SECONDS LATE!**
- ❖ An IFB is a contractual document. If a prospective bidder submits an erroneous bid and is awarded a contract on that basis, the result could be little or no profit, or serious financial loss.

Subcontracting to Small Business is the Law

On federal contracts valued over \$650K (\$1.5M for construction), Large, Prime Contractors (LPCs) are required to establish plans & goals for subcontracting to small businesses. FAR Subpart 19.7

Subcontracting With a Large Prime Contractor

- ❖ Subcontracting with a federal Prime Contractor is an excellent way for small businesses with little or no government contracting experience to learn more about federal contracting without selling directly to the government.
- ❖ Do not neglect this very large secondary market.
- ❖ Smaller firms often fill niches that round out a prime contractor's services.
- ❖ The Small Business Liaison Officer (SBLO) is the primary person responsible for developing and implementing the prime's small business plan. The SBLO is the first person a small business should contact when trying to do business with a large prime contractor.

Finding Subcontracting Opportunities

Directory of Large Prime Contractors

www.sba.gov/gc/sbsd.html

SUB-Net

<http://web.sba.gov/subnet>

www.fbo.gov

(get to SUB-Net from FBO homepage)



Other Contracting Tips

- ❖ Become familiar with the Federal Acquisition Regulations (FAR);
- ❖ SBA has created a series of free online contracting courses designed to help small businesses understand the basics about contracting with governmental agencies. Visit the **GC Classroom** at <http://www.sba.gov/gcclassroom> ;
- ❖ Self-certify (or apply for certifications) in as many socio-economic categories as you are eligible;
- ❖ Marketing Research Tool – do research on the Federal Procurement Data System (FPDS) at <https://www.fpds.gov/>;
- ❖ Keep your Dun and Bradstreet financial profile up to date;
- ❖ Consider state and local government certification programs, visit <http://www.sba.gov/content/state-government-certifying-agencies>

Business Size Determination

SBA determines whether a business is small or “other than small” (eligibility)

- ❖ Procurements
- ❖ COCs
- ❖ 8(a) and HUBZone certifications
- ❖ Loans
- ❖ Other Federal Programs

Size Determination Terms

- ❖ Affiliation – Management, Ownership & Control
- ❖ NAICS Codes – North American Industry Classification System
- ❖ Size Standards – tied to NAICS Codes
 - ❖ Average Annual Revenue
 - ❖ Average Number of Employees

Learn About Other SBA Programs

- ❖ Financial Assistance
- ❖ Online Training (free online courses)
- ❖ Counseling
- ❖ Laws & Regulations
- ❖ Disaster Assistance
- ❖ Surety Bond Guarantee Program---A major revision in the program more than triples the eligible contract amount, **from \$2 million to \$6.5 million**, the Agency will guarantee on surety bonds for both public and private contracts.



Contact your local
SBA District Office at
(818) 552-3201

Important Government Contracting Web Sites

www.sba.gov

www.sam.gov

www.fbo.gov

www.acquisition.gov

(Acquisition.gov aggregates federal acquisition content by providing one website for regulations, systems, resources, opportunities and training)



Seek Help from Resource Partners

- ❖ **Procurement Technical Assistance Centers (PTAC)** – provide assistance to businesses in marketing products and services to the Federal, state and local governments at no or nominal cost;
- ❖ **Small Business Development Centers (SBDC)** – provide one-on-one management assistance to small businesses;
- ❖ **Women’s Business Centers (WBC)** – geared to assist women entrepreneurs;
- ❖ **SCORE** – get free and confidential small business mentoring and advice (online and in-person mentoring) from successful business advisors.



Contact Information

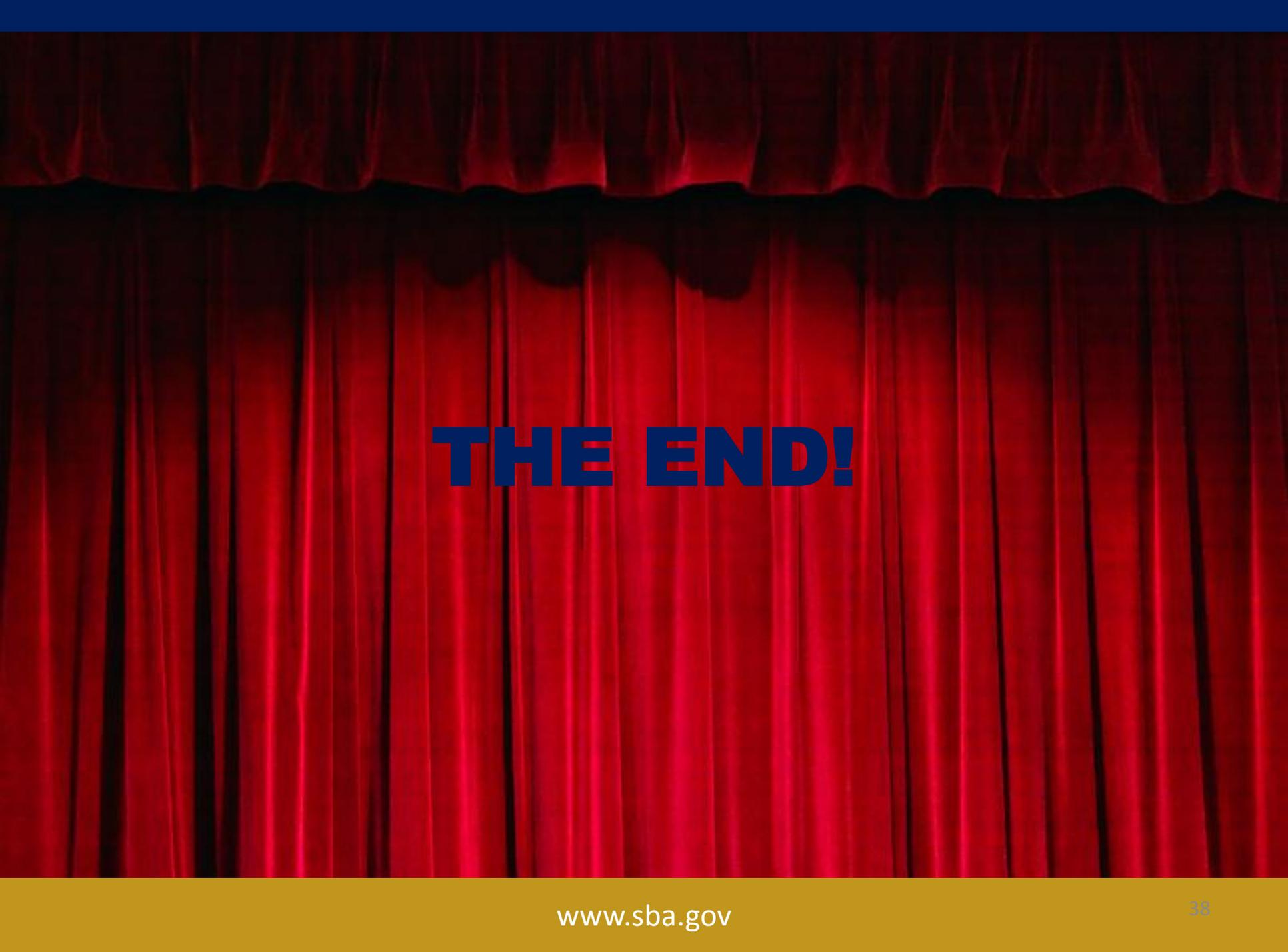
Commercial Market Representative (CMR)

Marina Laverdy

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A background of red theater curtains with a scalloped top edge. The curtains are illuminated from the side, creating a gradient of red light across the scene.

THE END!