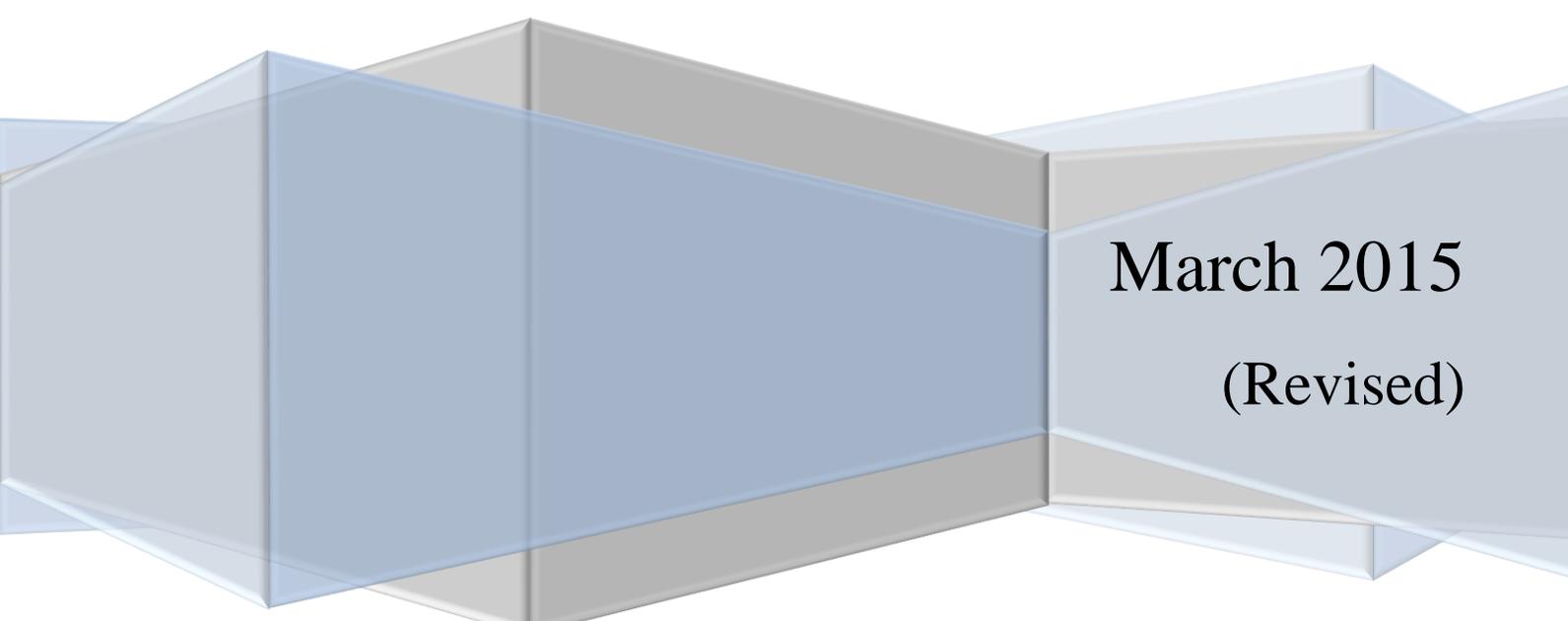


**U.S. Small Business Administration**  
**Office of Government Contracting and Business Development**

# **Government Contracting 101**

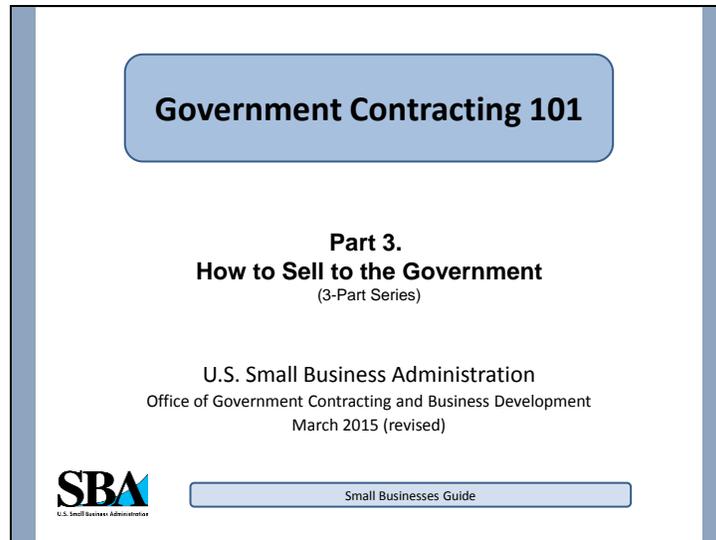
## **Part 3**

### **How to Sell to the Government**



**March 2015**  
**(Revised)**

Slide 1



Welcome to SBA's training program, Government Contracting 101, Part 3, How to Sell to the Government.

**NOTE:** *This supplemental workbook tracks the slides and narrative contained in the online course, **Government Contracting 101, Part 3**. It is the third module in a 3-part training series. The online version of the training program, with audio can be accessed at: [www.sba.gov/gcclassroom](http://www.sba.gov/gcclassroom). For the user's convenience, all hyperlinks contained in the copied slides are included as links at the end of the workbook.*

GCBD|joconnor|March|2015

## Slide 2

**Introduction**

- Designed to help small businesses take advantage of government contracting opportunities
- Part 3 (this module)
  - How to sell to the government
- Parts 1 & 2 (not included in this module)
  - Prime & subcontracting programs, SBA certification programs (8(a) Business Development & HUBZone) and WOSB & veterans programs
  - How the government buys

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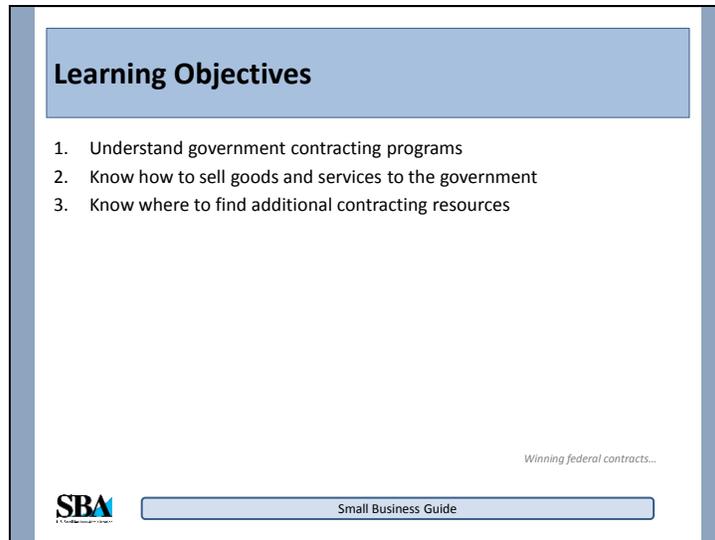
**SBA** Small Business Guide

This training module is designed to help small businesses participate in, and take advantage of, government contracting opportunities.

There are three parts to the GC 101 training series. This part, part three, specifically discusses how to sell goods and services to the government.

Parts one and two provide clarity and training around government contracting and SBA certification programs and how the government buys goods and services.

## Slide 3



**Learning Objectives**

1. Understand government contracting programs
2. Know how to sell goods and services to the government
3. Know where to find additional contracting resources

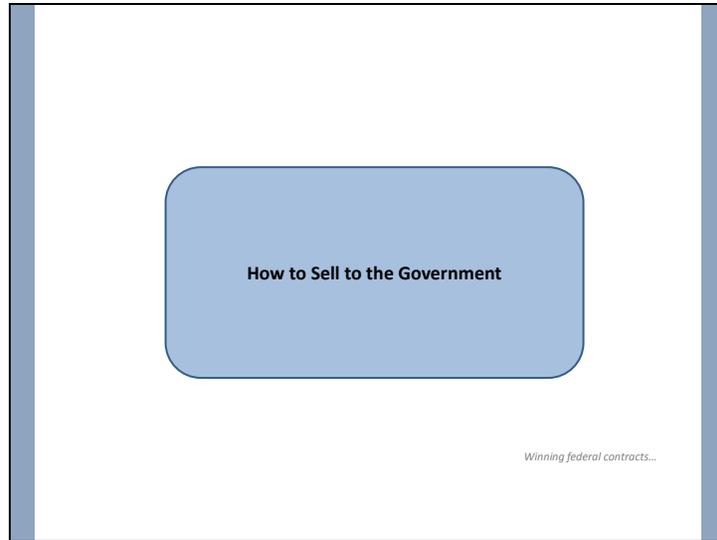
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After reviewing this training program you should:

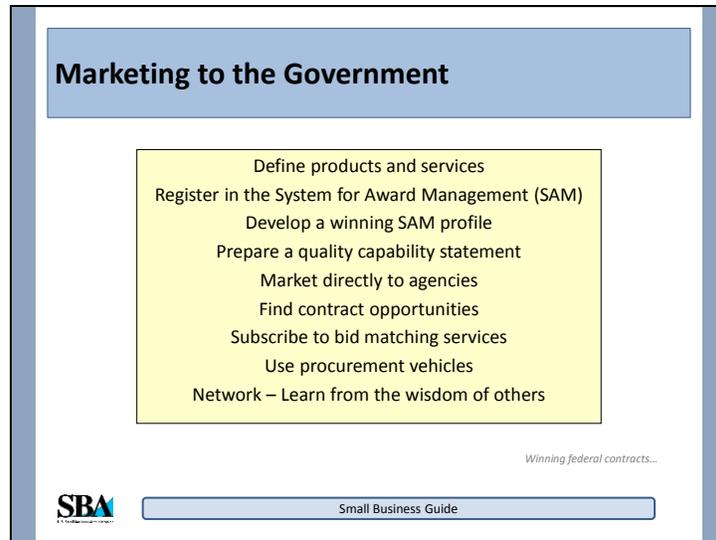
- Have a better understanding about government contracting programs;
- Know how to sell goods and services to the government; and,
- Know where to find additional contracting resources.

Slide 4



How to sell to the government.

## Slide 5



**Marketing to the Government**

- Define products and services
- Register in the System for Award Management (SAM)
- Develop a winning SAM profile
- Prepare a quality capability statement
- Market directly to agencies
- Find contract opportunities
- Subscribe to bid matching services
- Use procurement vehicles
- Network – Learn from the wisdom of others

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A small business wanting to participate in federal government contract opportunities needs to engage in several key foundational steps.

These steps include: define products and services; register in the System for Award Management; develop a winning SAM profile; prepare a quality capability statement; market directly to agencies; find contract opportunities; subscribe to bid matching services; use procurement vehicles; and, engage a mentor or partner.

Each of these foundational steps is discussed in the following slides.

## Slide 6

**Define Products and Services**  
Selling to the Government

- 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

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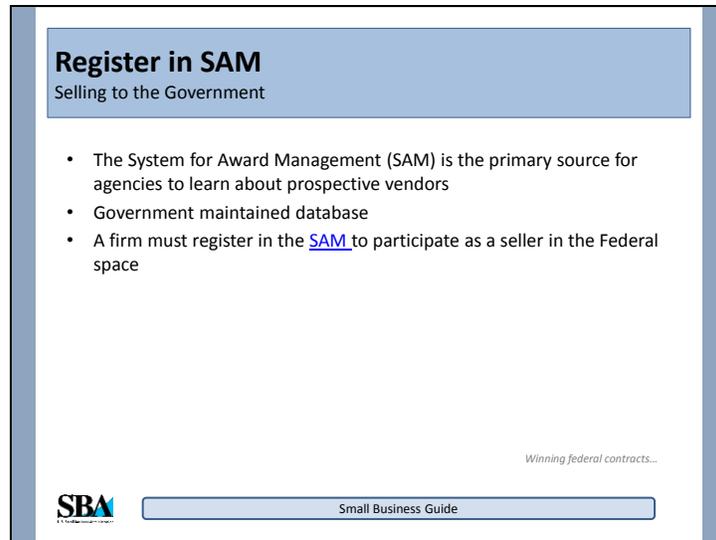
The first step is defining your products and services.

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 7



**Register in SAM**  
Selling to the Government

- 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

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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.

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 8

**Develop a Compelling Small Business Profile**  
Selling to the Government

- 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

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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.

Finally, get feedback. This is critical. When you talk with 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.

**Prepare a Quality Capability Statement**  
Selling to the Government

- 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

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A business should also 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 10

### Find Contract Opportunities

Selling to the Government

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



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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 11

### Find Subcontract Opportunities

Selling to the Government

- 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](#)



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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 12

**Market Directly to Agencies**  
Selling to the Government

- 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

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Marketing your 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 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.

## Slide 13

**Subscribe to Bid-Matching Services**  
Selling to the Government

- 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](#)

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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.

## Slide 14

**Use Procurement Vehicles**  
Selling to the Government

- 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

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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 by the government by using credit cards as the preferred method of payment.

## Slide 15

**Network – Learn from the Wisdom of Others**  
Selling to the Government

- 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

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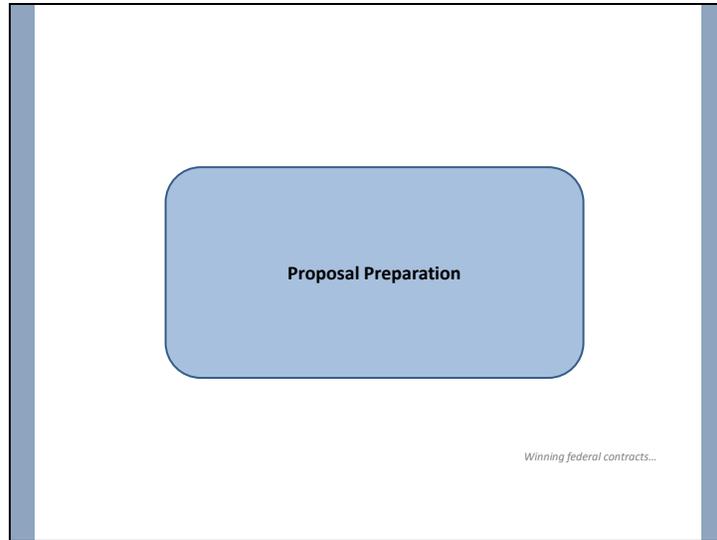
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If there is one message that is consistent throughout this presentation, it is knowledge is everything. You don't know what you don't know. A business can waste a lot of time and expend unnecessary resources if it doesn't understand how to play in 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 16



Proposal preparation.

## Types of Solicitations

Proposal Preparation

- 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)



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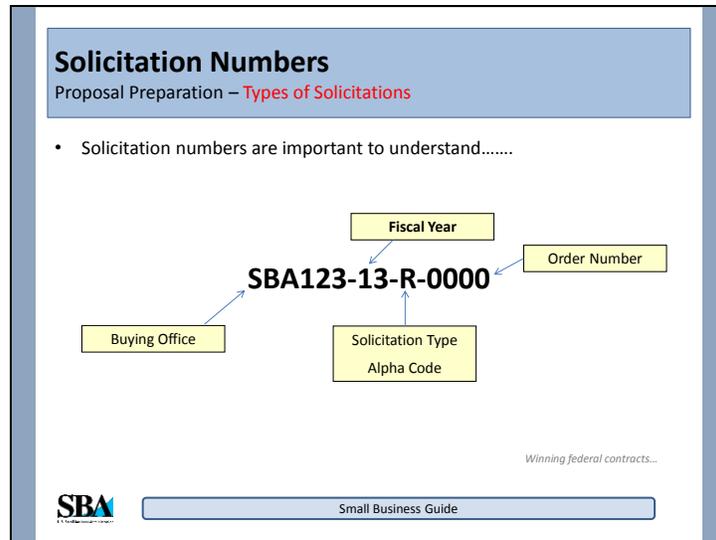
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As we have noted in this and other training modules, government contracting is big business with thousands of contracts -- in hundreds of billions of dollars -- being executed by the federal government each year.

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 18



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 19

**About the Alpha Character**  
Proposal Preparation – **Types of Solicitations**

- R Request for Proposal
- M Purchase Order
- C Contract
- I Sealed bid
- J Reserved
- T RFQ under \$25k
- Q RFQ under \$150k

Solicitation Type  
Alpha Code

**SBA123-13-J-0000**

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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.

**Request for Quotation (RFQ)**  
Proposal Preparation - *Types of Solicitations*

- RFQ 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)

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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 21

**Request for Proposal (RFP)**  
Proposal Preparation - **Types of Solicitations**

- 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

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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.

## Slide 22

**Invitation for Bid (IFB)**  
Proposal Preparation - *Types of Solicitations*

- 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)

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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.

**Uniform Contract Format (Part I)**  
Proposal Preparation

- 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

FAR Part 14.201  
Sealed Bidding

FAR Part 15.204  
Negotiated Contracts

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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 24

**Uniform Contract Format** (Parts II-IV)  
Proposal Preparation

- 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

FAR Part 14.201  
Sealed Bidding

FAR Part 15.204  
Negotiated Contracts

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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.

**A Closer Look at Key Standard Forms**  
Proposal Preparation

**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

\* Typically used when simplified acquisition procedures apply

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

## Slide 26

### Standard Form 33 – Solicitation, Offer & Award

Proposal Preparation – [Contract Forms](#)

- 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

[View the Form](#)  
[SF 33](#)

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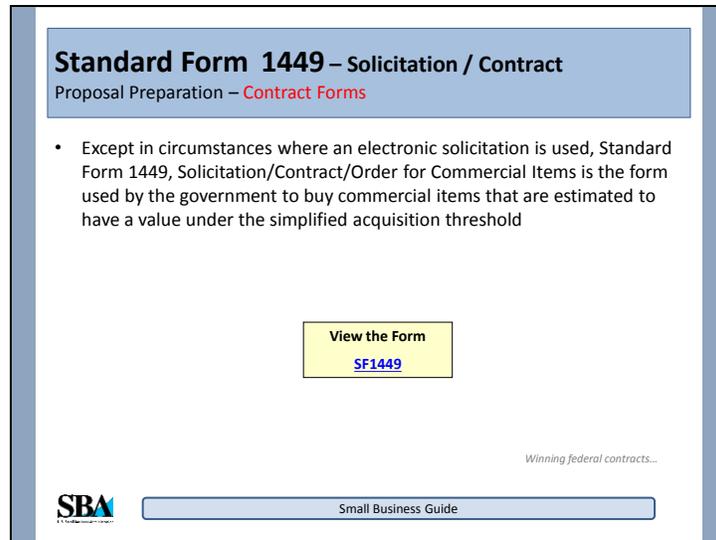
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Standard Form 33, Solicitation, Offer and Award is the solicitation/contract form used by the federal government, not only to solicit orders, but also to award a contract.

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 27



**Standard Form 1449 – Solicitation / Contract**  
Proposal Preparation – **Contract Forms**

- 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

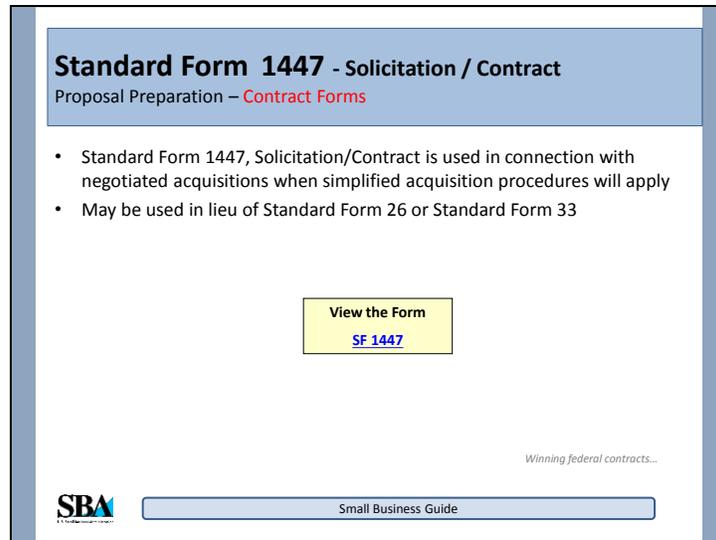
[View the Form SF1449](#)

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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 28



**Standard Form 1447 - Solicitation / Contract**  
Proposal Preparation – **Contract Forms**

- 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

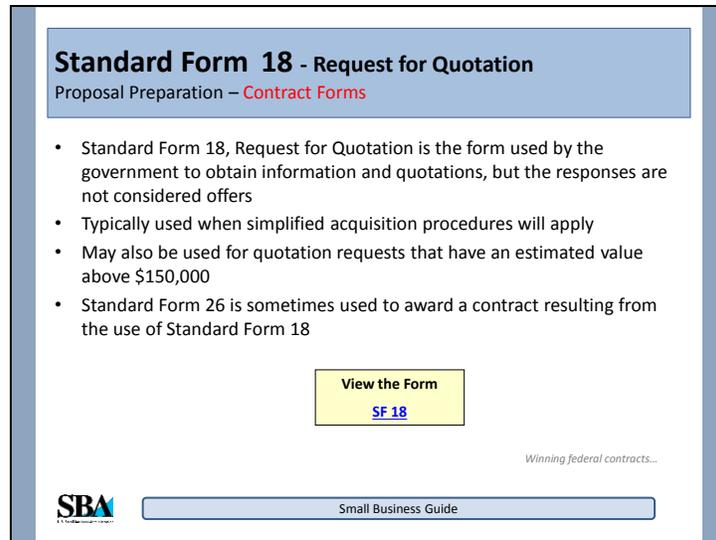
[View the Form](#)  
[SF 1447](#)

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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.



**Standard Form 18 - Request for Quotation**  
Proposal Preparation – **Contract Forms**

- 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

[View the Form SF 18](#)

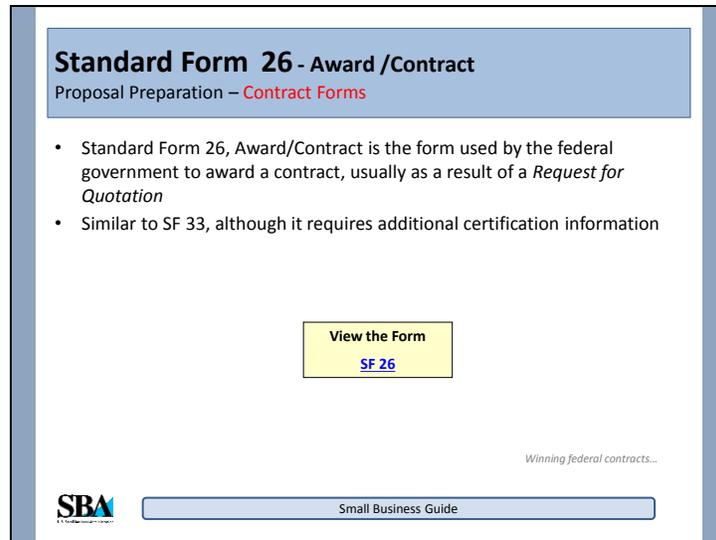
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Standard Form 18, Request for Quotation is the form used by the government – when quotations are not solicited electronically -- to obtain information and quotations, but the responses are not considered offers. An RFQ package is typically used when 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 30



**Standard Form 26 - Award /Contract**  
Proposal Preparation – **Contract Forms**

- 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

[View the Form](#)  
[SF 26](#)

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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 31

**How to Write the Proposal**  
Proposal Preparation

- 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

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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.

**Review the Solicitation and Rules**  
Proposal Preparation

- 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

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**SBA**  
Small Business Guide

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.

**Prepare and Respond Appropriately**  
Proposal Preparation – *How to Write the Proposal*

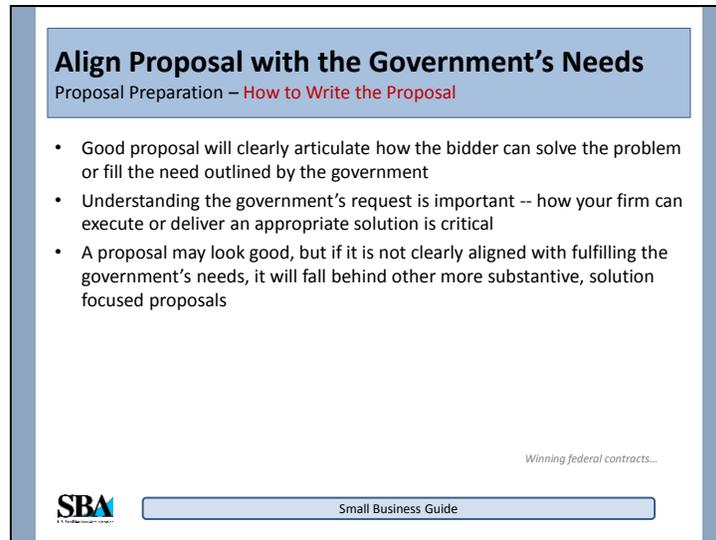
- Responding appropriately follows from reading and understanding the government's request
- Answer all questions, provide all information and follow all schedules in the order, time-frame and structure requested
- This is important

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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!



**Align Proposal with the Government's Needs**  
Proposal Preparation – *How to Write the Proposal*

- 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

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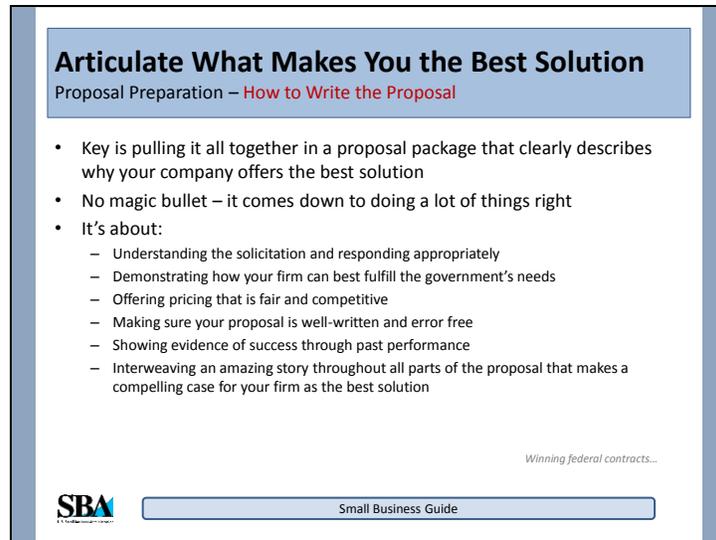
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A good proposal will clearly articulate how the bidder can solve the problem or fill the need outlined in the government's solicitation. This again, follows from understanding the nature of the procurement request.

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.



**Articulate What Makes You the Best Solution**  
Proposal Preparation – *How to Write the Proposal*

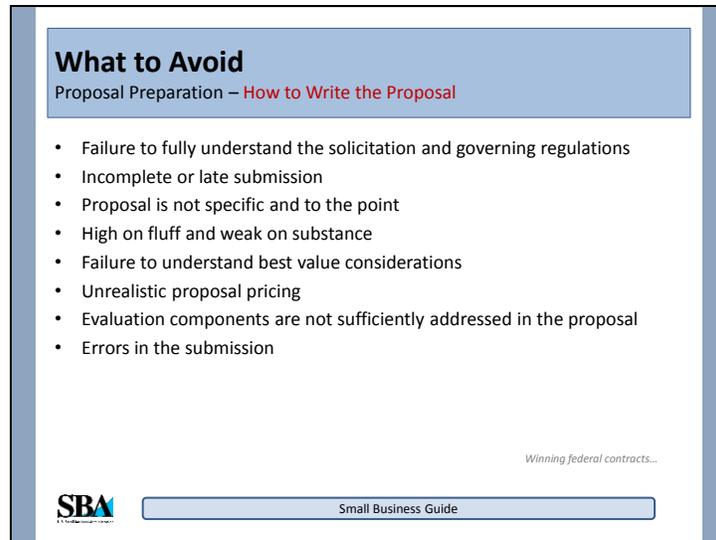
- Key is pulling it all together in a proposal package that clearly describes why your company offers the best solution
- No magic bullet – it comes down to doing a lot of things right
- It's about:
  - Understanding the solicitation and responding appropriately
  - Demonstrating how your firm can best 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

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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.



**What to Avoid**  
Proposal Preparation – *How to Write the Proposal*

- 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

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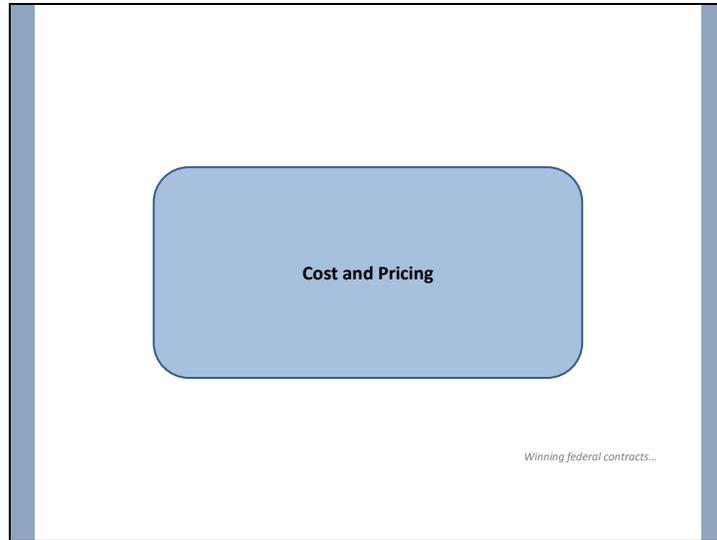
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Sometimes learning from others provides the best lessons.

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.

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Cost and pricing.

**Introduction to Contract Pricing**  
Proposal Preparation – **Cost and 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

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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.

**Negotiated Contracts vs. Sealed Bid Contracts**  
Proposal Preparation – **Cost and Pricing**

- 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

FAR Part 14.000  
Sealed Bidding

FAR Part 15.000  
Negotiated Contracts

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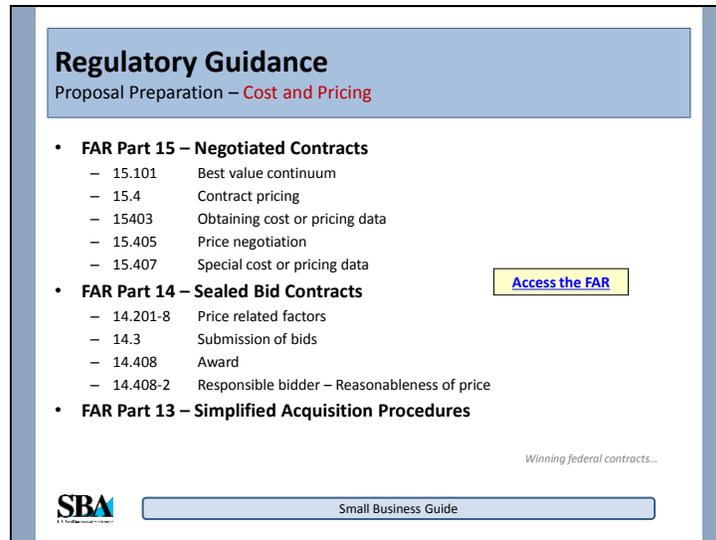
As discussed earlier, there are two fundamental contract categories: negotiated contracts and sealed bid contracts. The distinction between the two is important.

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 40



**Regulatory Guidance**  
Proposal Preparation – **Cost and Pricing**

- **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**

[Access the FAR](#)

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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.

**Pricing Approach**  
Proposal Preparation – **Cost and Pricing**

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

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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.

**Important Pricing Considerations**  
Proposal Preparation – **Cost and Pricing**

- 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

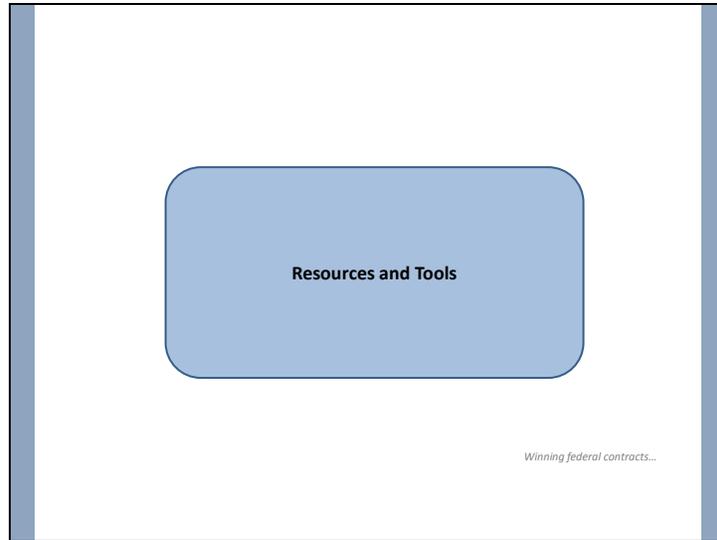
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Contract pricing is a critical component in developing a strategy to win federal contracts. A successful pricing strategy will: learn from past contracts; consider all costs -- even special requirements; factor best value considerations; include bidding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

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Resources and tools.

## Slide 44

**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>

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Information is power. Numerous resources are available to help you better understand government contracting programs.

## Slide 45



**Resources and Tools**

- System for Award Management
  - <http://www.sam.gov>
- Agency Supplemental Regulations
  - [http://www.acquisition.gov/agency\\_supp\\_regs.asp](http://www.acquisition.gov/agency_supp_regs.asp)
- Find your local:
  - [SBA district office](#)
  - [Procurement Technical Assistance Center \(PTAC\)](#)
  - [SCORE chapter](#)
  - [Small Business Development Center](#)
  - [Women's Business Centers](#)

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**SBA** U.S. DEPARTMENT OF COMMERCE

Small Business Guide

Learn from these resources and use them as tools.

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**Contact Us...**

- Thank you for participating in Part 3, of the Government Contracting 101 training program
- Review Parts 1 and 2
  - Government Contracting and SBA Certification Programs
  - How the Government Buys Goods and Services

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

**GC Classroom**  
[www.sba.gov/gclassroom](http://www.sba.gov/gclassroom)

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Thank you for participating in Part 3, of the GC 101 training program. Much information was covered and we hope it was helpful.

Please also review parts 1 and 2, which provide clarity and training around government contracting and SBA’s certification programs, and, how the government buys goods and services.

Also, consider viewing other training modules in SBA’s online **Government Contracting Classroom**.

Thank you.

GCBD|joconnor|March|2015

## Hyperlinks Contained in the Workbook

- Federal Acquisition Regulations
  - <https://www.acquisition.gov/far>
- 13 CFR 124
  - <http://www.gpo.gov/fdsys/pkg/CFR-2006-title13-vol1/content-detail.html>
- Acquisition Central
  - <https://www.acquisition.gov/>
- System for Award Management
  - <http://www.sam.gov>
- FAR Part 19 – Small Business Programs
  - <http://www.acquisition.gov/far>
- Access & Register in GLS
  - [https://eweb.sba.gov/gls/dsp\\_addcustomer.cfm?IMAppSysTypNm=8ASDB](https://eweb.sba.gov/gls/dsp_addcustomer.cfm?IMAppSysTypNm=8ASDB)
- 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>
- Learn more about:
  - [Non-manufacturer waivers](#) (SBA information)
  - [SBA Size Standards](#)
  - [8\(a\) Business Development Program](#)

- [WOSB Program](#)
  - [HUB Zone Program](#)
- Local (client) resources:
  - [SBA district office](#)
  - [Procurement Technical Assistance Center \(PTAC\)](#)
  - [SCORE chapter](#)
  - [Small Business Development Center](#)
    - [SBA/SBDC Program Office](#)