

How to Get Government Contracts

sbtdc | PTAC
**Procurement Technical
Assistance Center**

SMALL BUSINESS AND TECHNOLOGY DEVELOPMENT CENTER (www.sbtcdc.org)

- The SBTDC is North Carolina's leading resource for growing and developing businesses. Since 1984, the SBTDC has helped over 100,000 North Carolina business owners and prospective entrepreneurs make better decisions – often leading to increased revenue and employment.
- ***Our average established business client has experienced double-digit percentage increases in sales and employees soon after working with the SBTDC.***
- Our clients also credit the SBTDC with saving revenues and jobs – an average of 4,000 NC jobs each year.

Procurement Technical Assistance

Center (www.sbtadc.org/services/gov_procurement.asp)

- NC PTAC helps businesses obtain contracts by providing comprehensive assistance in selling products and services to local, state and federal government entities. In program year 2004, the NC PTAC assisted businesses in securing \$1.1 billion in contract awards.
- The purpose of the NC PTAC is to generate employment and to improve the general economic condition of the state by assisting all North Carolina companies including those eligible for preferential consideration in obtaining and performing under local, state and federal government contracts.
- We provide procurement technical assistance by offering no-fee and confidential counseling on selling your products and/or services to the appropriate government agency.

START ON THE RIGHT PATH

- Government contracting is a special “animal” that requires study and dedication
 - Just like any business venture, you must know the market before you start on a wild goose chase
 - You have to know what agency has bought, and will be buying, your service or product

START ON THE RIGHT PATH (cont'd)

- **IS GOVERNMENT CONTRACTING RIGHT FOR YOU?**
 - Willing to do ongoing, detailed research to find procurement opportunities and take the time to prepare and present offers (including bids and quotes).
 - Willing to be a subcontractor to companies that are prime contractors?
 - Positive your business can financially support the execution of a government contract that may involve significant start-up costs?
 - Prepared to learn and follow the rules relating to federal acquisitions?

START ON THE RIGHT PATH (cont'd)

● Simplified Acquisitions

- Account for 90% of purchase transactions
- Purchases between \$3,000 and \$100K are reserved for small businesses
- Micro purchases are those less than \$3,000
 - 85% of Government purchasing actions



START ON THE RIGHT PATH (cont'd)

- **Sealed Bidding**

- A rigid procurement process
- Not open to negotiation
- For non-commercial supplies or services greater than \$100K
- Clear and detailed specifications
- Awarded on price factors
 - But also to responsive/responsible bidders **only**

START ON THE RIGHT PATH (cont'd)

- **Negotiated Procurements**
 - Request for Proposals
 - Most flexible but most complicated procurement method
 - Many forms to complete
 - 80% of contracts exceeding \$100K
 - Evaluation criteria cited in solicitation
 - Contracting Officer (CO) may negotiate

START ON THE RIGHT PATH (cont'd)

- **Contract Payment**
 - Prompt Payment Act (FAR Subpart 32.9)
 - Government invoice payment is the 30th day after the designated billing office receives a proper invoice from the contractor or receipt of goods or services – whichever is later (exceptions FAR 32.904)
 - Electronic funds Transfer (EFT)

START ON THE RIGHT PATH (cont'd)

- **Step 1 - Central Contractor Registration**
(www.ccr.gov)
 - Your business must be registered in CCR to be awarded a government contract
 - ✓ DUNS Number
 - ✓ NAICS Code
 - ✓ SIC Code
 - ✓ FSC or PSC Code
 - ✓ Tax Identification Number
 - ✓ Banking Information
 - ✓ Primary and Alternate Contact Information

Federal Small Business Goals

- Step 2 - Small Business Certification
 - Federal agencies are tasked to meet certain small business goals when awarding government contracts
 - Defense prime contractors are also tasked to meet small business goals in their sub-contracting plan
 - Required for services \geq \$550K
 - Required for construction \geq \$1m

Federal Small Business Goals (cont'd)

- Categories
 - Small Businesses – 23% (self certification)
 - Service Disabled Veteran-Owned Small Business (SDVOSB) – 3% (self certification)
 - Small Disadvantaged Business (SDB) – 5% (self certification)
 - SBA 8(a) certified firms are also considered SDB

Federal Small Business Goals (cont'd)

- Categories
 - HUBZone (Historically Underutilized Business Zone) – 3% (SBA certification required)
 - Woman Owned Business – 5% (self certification)
 - Veteran Owned Business – 3 % (self certification)
 - Applies mostly to the Department of Veterans Administration

START ON THE RIGHT PATH (cont'd)

- Step 3 – Federal Business Opportunities (www.fbo.gov)
 - You can't sell your products or services to the government if you don't know which agencies are buying and what their needs are.
 - Announces available business opportunities and is a powerful tool to help you become successful in government contracting
 - FBO identifies contract opportunities \geq \$25,000

START ON THE RIGHT PATH (cont'd)

- Step 4 – Small Business and Disadvantaged Business Utilization Office
 - Promote small business prime and subcontracting opportunities
 - Small business specialists are important contacts for introducing your business and marketing your product and/or service
 - List of agency contacts:
(www.osdbu.gov/offices.html)

START ON THE RIGHT PATH (cont'd)

- **Step 5 - Position Your Business**
 - Align your business with the right agency and be prepared and able to solve the agencies problem
 - Do your homework, build relationships early don't plan on getting the end user in your back pocket to win contracts

START ON THE RIGHT PATH (cont'd)

- **Step 6 - GSA Schedule Benefits**
 - ✓ Buying process is streamlined - government buyers can purchase your services and/or products via task orders
 - ✓ Schedule status can increase your visibility and credibility.
 - ✓ Schedule status may open up your state and local government opportunities. Congress recently authorized state and local governments to buy IT products and services off the Schedule.
 - ✓ Contract term – 5 years (base year + 4 option years)

START ON THE RIGHT PATH (cont'd)

- The government wants to know four things:
 - Can you solve its problem?
 - Method or process in solving its problem!
 - Do you have the capacity to solve its problem?
 - Can you solve the problem with minimal risk and at a fair and reasonable price?

START ON THE RIGHT PATH (CONT'D)

- **Critical Success Factors**
 - ✓ Demand for your product or service
 - ✓ Adequate time and personnel to devote to Government contracting
 - ✓ Management and technical expertise
 - ✓ Financially stable/adequately capitalized
 - ✓ Experience and past performance

START ON THE RIGHT PATH (cont'd)

- **Critical Success Factors**
 - ✓ Identify target agency/customer
 - ✓ Market Research
 - ✓ Complete all required registrations
 - ✓ Small Business Certifications
 - ✓ Developing relationship with target agencies and prime contractors
 - ✓ Know the acquisition process
 - ✓ Know the purchasing dollar thresholds
 - ✓ Know where to find procurement opportunities

START ON THE RIGHT PATH (cont'd)

- Critical Success Factors
 - Learn How to Communicate Your Past Performance
 - Be able to effectively tell the agency who you are and what you have done
 - Commercial work counts toward past performance
 - Past performance should be within the past 3 years AND be relevant

START ON THE RIGHT PATH (cont'd)

- Critical Success Factors

- Write Effective Responses to RFPs

- Separate your company from the competition
- Clearly and succinctly tell the government about its problem and your process to solve the problem
- Convince the government that you have the management, staff, knowledge, skills and experience to solve its problem
- Response should not attempt to capture unreasonable profits
- Agency's typically have a government estimate in place before the solicitation is advertised – based on market pricing

START ON THE RIGHT PATH (cont'd)

- **Identifying potential customers**
 - Federal Business Opportunities (www.fbo.gov)
 - SBA SubNet (**www.sba.subnet**)
 - Research Federal agency websites
 - Contact Small Business Specialists (agency website)
 - Defense Prime Contractors (http://www.sba.gov/aboutsba/sbaprograms/gc/contacts/gc_subcontracts_opportunities.html)
 - Attend procurement conferences and other outreach events

WEBSITES

- **Central Contractor Registration:** (www.cccr.gov)
- **ORCA:** (www.orca.bpn.gov)
- **Federal Business Opportunities:** (www.fbo.gov)
- **DUNS:** (<http://fedgov.dnb.com/webform/displayHomePage.do>)
- **NAICS Code:** (www.census.gov/naics)
- **SIC Code:** (www.osha.gov/pls/imis/sicsearch.html)
- **FSC Code:** (www.drms.dla.mil/asset/fsclist.html)
- **PSC codes:** (www.fpds-ng.com/downloads/psc_data)
- **NIGP Codes** — (www.doa.state.nc.us/PandC/ipsalpha.htm)

WEBSITES

- Federal Procurement Data System (FPDS)
(www.fpds.gov)
- USAspending.org (www.usaspending.org)
- Subcontracting Opportunities Directory:
 - (www.web.sba.gov/subnet)
 - (www.sba.gov/aboutsba/sbaprograms/gc/contacts/gc_subcontracts_opportunities.html)
 - (www.acq.osd.mil/osbp/doing_business/Subcontracting_Directory_0908.pdf)

SUMMARY

- What you need *before* you pursue government contracts/subcontracts
 - ✓ Management and technical expertise
 - ✓ Adequate capitalization
 - ✓ Drive, determination, & patience
 - ✓ Competitive advantage
 - ✓ Demand for products/services
 - ✓ Adequate Pricing and margins
 - ✓ Effective quality control system
 - ✓ Current business/marketing plan
 - ✓ Bonding, insurance and security clearance (if required)
 - ✓ Computer Literacy, Internet capacity



NC PROCUREMENT TECHNICAL ASSISTANCE CENTER

THANK YOU

(www.sbtcd.org)