

Federal Contracting Basics



U.S. COAST GUARD



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Small Business & Technology Development Center (SBTDC)

- **Confidential one-on-one counseling**
- **General Business - planning, marketing, financing, human resources & operations**
- **Manufacturing & Technology Development and Commercialization**
- **International Business**
- **Marine Trades**
- **Management Education Services**
- **Procurement Technical Assistance Center (PTAC)**

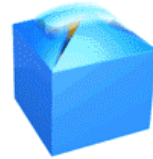
www.sbtcdc.org

PTAC assists you in...

- **Selling to the federal, state and local government**
- **Understanding government rules and regulations**
- **Identifying contracting opportunities**
- **Completing mandatory registrations and certifications**
- **Reviewing bids and proposals**
- **Researching award histories**

www.ncptac.org

Is the government market for me?



- **Consider what the govt. buys; what you have to sell.**
- **Explore entitlement to any preferences.**
- **Register as a potential vendor.**
- **Identify the agency likely to buy from you.**
- **Network- attend trade shows and events.**
- **Research on the internet. Become familiar with the internet web sites.**
- **Persevere – it will take time. Perseverance will pay off.**

Is the government market for me?

- **What a Government Contract can do for your business**
 - Diversify your customer base
 - Cover overhead costs
 - Even out cash flow
- **What a Government Contract can not do for your business**
 - Jump-start your business
 - Save your business
 - Be the sole source of your business

Fiscal Year Expenditures (2007)

- **Department of Defense – \$315 billion**
- **Department of Energy – \$22 billion**
- **General Services Administration – \$11.5 billion**
- **National Aeronautics and Space Administration – \$13 billion**
- **Health & Human Services – \$14 billion**
- **Veterans Affairs – \$12 billion**



How The Federal Government Buys

Potential Federal Customers

☞ ***Military Bases***

☞ ***GSA***

☞ ***VA***

☞ ***DLA***

☞ ***FEMA***

☞ ***USDA***

- **General Services Administration (GSA) – buys common use items which are available via catalogs for federal buyers**
www.gsaelibrary.gsa.gov
 - **Awards non-competitive contracts (Federal Supply Schedules) to multiple companies supplying comparable services and products**
 - **Use of Schedules is not mandatory**
 - **5 year contract term with 3 option terms**
 - **Each option term is up to five years long**
 - **54 Schedules**
 - **Vendors must market to federal agencies**

- **Veterans Administration (VA) – buys medical and dental equipment and supplies**
www.va.gov
 - **National Acquisition Center – awards national contracts and Federal Supply Schedules**
<http://www1.va.gov/oamm/nac/index.htm>
 - **Veterans Integrated Supply Network (VISN)**
 - **consolidated requirements for numerous medical facilities**
 - **Local Procurements – individual medical facilities**

- **Defense Logistics Agency (DLA) – buys, stores and distributes general supply items for the war fighter www.dla.mil**
 - **Defense Supply Center Philadelphia – Clothing & textiles, general & industrial, medical and subsistence support**
 - **Defense Supply Center Richmond – Aviation weapon system & environmental logistics support**
 - **Defense Supply Center Columbus – Land, maritime and missile support**
 - **Defense Energy Support Center – Bulk fuels and energy support**

- **Individual branches of the military**
 - **Army, Navy, Air Force, Marine Corps, Coast Guard**
- **Local Purchases**
 - **Military and Civilian agencies – purchase products and services for local operations**
- **Subcontracts**
 - **Subcontracting Plans required in contracts over \$500,000 and \$1 million for construction**
 - **Prime contractors have strong incentives to use small businesses**

Types of Procurements

- **Micro-Purchases**
 - **Purchases Less than \$3000 (supplies), \$2500 (services) and \$2000 (construction)**
 - **Credit Card transactions or purchase orders**
 - **Open to large and small business**
 - **Competition not required**
 - **Approximately 700,000 cards issued**
 - **\$18 billion in annual sales**

- **Simplified Acquisitions**
 - **Purchases \$3000 up to \$100,000**
 - **Set-aside for small business only**
 - **Informal buys up to \$25,000**
 - **Formal advertisement required for purchases over \$25,000**
 - **Can be set-aside for 8(a), HUBZone and SDVOSB companies**
- **Large Contracts**
 - **Purchases over \$100,000**
 - **Open to large and small businesses**
 - **Rigid process/well defined requirements**
 - **Can be set-aside for 8(a), HUBZone and SDVOSB companies**
 - **Typically IFBs and RFPs**

Types of Procurements

- ***Request for Quote (RFQ)***
- ***Invitation for Bid (IFB)***
 - ***Used for sealed bids***
 - ***Advertisement is required***
 - ***Negotiations are not permitted***
- ***Request for Proposal (RFP)***
 - ***Used when seeking creativity, different ideas or new ways of accomplishing a task***
 - ***Advertisement is required***
 - ***Negotiations are permitted***

Preference Programs

www.sba.gov

- **8(a) Business Development Program**
- **Small Disadvantaged Business (SDB) Program**
- **HUBZone Empowerment Contracting Program**
- **Women Owned Business Program**
- **Veterans Business Program**

- **8(a) Business Development Program**
 - **9 year program**
 - **Allows special government contracting opportunities – Set-asides**
 - **Exclusive training opportunities**
 - **Resource for business development assistance**
 - **Online registration**

- **Small Disadvantaged Business Program (SDB)**
 - **Certification only – no set-asides**
 - **Price Evaluation Adjustment (PEA)**
 - **Up to 10%**
 - **Non-negotiated acquisitions over \$100,000**
 - **Evaluation Factor**
 - **Points awarded to offeror with most dollars targeted to SDBs in the authorized NAICS codes**
 - **Monetary subcontracting incentives (up to 10%)**
 - **Online registration**

Criteria for 8(a) and SDB Programs

- **Small Business – at least 51% owned and controlled by socially and economically disadvantaged individual(s)**
- **Social Disadvantage criteria – recognizable as a member of a named minority group or otherwise so classified by SBA on an individual basis**
- **Economical Disadvantage criteria - personal net worth, excluding equity in primary residence and business, can not exceed \$250,000 (8a Program) and \$750,000 (SDB Program)**

- **HUBZone Empowerment Contracting Program – contracting opportunities for qualified small business concerns located in distressed communities**
 - **51% American owned**
 - **Principal office located in a designated HUBZone**
 - **At least 35% of employees must reside in a HUBZone**
 - **Contract Benefits**
 - **Competitive**
 - **Sole-source**
 - **Full and Open**
 - **Subcontracting**
 - **Online registration**

- **Women-owned Business Program**
 - **Self certify**
 - **5% government wide goal**
 - **Primes may require a National Certification**
 - **Women’s Business Enterprise National Council (WBENC)**
 - **National Association of Women Business Owners (NAWBO)**
- **Veteran-owned SB Program**
 - **3% government wide goal**
 - **Allows Set-asides for Service Disabled Veteran Owned Small Businesses (SDVOSB)**
 - **Can qualify as SDVOSB with “Zero” Disability status**

Things To Know (1)

- **Freedom of Information Act (FOIA)**
 - Gives the public access to information the federal government maintains
 - FOIA requests should be in writing
 - Agencies might charge a fee
- **Small and Disadvantaged Business Utilization (SADBU) Offices or Small Business Specialists**
 - Assist small businesses in knowing who/what/when/where/how their agency buys what you are selling

Things To Know (2)

- **Federal Acquisition Regulation (FAR)**
<http://farsite.hill.af.mil>
 - Establishes uniform policies and procedures for acquisition
 - Used by all executive agencies
 - Agency specific regulations (DoD, NASA, DOE,)

Military Specifications and Drawings

- <http://dodssp.daps.mil>
 - Unique to Department of Defense

Things To Know (3)

- **Federal Procurement Data System (FPDS)**
<https://www.fpds.gov>
- **Central repository of statistical information on federal contracting**
 - Detailed information for actions over \$25,000
 - Summary data on procurements <\$25,000
 - Identifies who bought what, from whom, for how much, when and where

Things To Do (1)

- Obtain Tax ID number (TIN): 1-800-829-1040
- Obtain DUNS : 1- (866) 705-5711 or www.dnb.com
- Identify your product codes (NAICS, SIC, FSC, PSC)
- Identify contract preferences (small, veteran, woman, etc)
- Register in CCR: www.ccr.gov
- Register in ORCA: <https://orca.bpn.gov>
- Identify your target agency/office/base
- Register in FedBizOpps: www.fbo.gov
- Register in Federal Procurement Data System:
<https://www.fpds.gov>
- Research contacts & opportunities (Fed Acq Jumpstation)
<http://prod.nais.nasa.gov/pub/fedproc/home.html>

Things To Do (2)

- **Identify your North American Industry Classification System (NAICS) codes**
<http://www.census.gov/epcd/www/naics.html>
 - Identifies your industrial classification
 - Applicable for US, Canada, Mexico
- **Determine if you are a “small” business**
 - Varies by industry
 - Based on revenue or number of employees

Things To Do (3)

- **Identify your Standard Industrial Classification (SIC) codes**

<http://www.census.gov/epcd/www/naics.html>

- **Have been replaced by NAICS codes**
- **Still required by Department of Defense**

Things To Do (4)

- **Identify Federal Supply Codes (FSC) & Product Service Codes (PSC)**
www.softshare.com/tables/pscs
 - **Classification system for every product/service in government inventory**
 - **10-99 used for Products**
 - **A-Z used for Services**
 - **Use when searching for bid opportunities**
- **Also search FSC with www.dlis.dla.mil/h2 or http://www.supply.dla.mil/build_fsc.asp**

Things To Do (5)

- **Register via Central Contractor Registration [CCR] www.ccr.gov**
 - **Mandatory requirement – authorizes Electronic Funds Transfer**
 - **Assigns Commercial & Government Entity Code (CAGE Code)**
 - **Issues a Trading Partner Identification Number (TPIN)**
 - **Tax Identification Number or Employer Identification Number (TIN/EIN) required**
800.829.1040

Things To Do (6)

- **Dynamic Small Business Search (also known as PRO-Net)**
 - **Small Business Directory**
 - **Used by federal contracting personnel**
 - **Used by prime contractors**
 - **Access available only through CCR system**
- **Vendors should include ...**
 - **Capabilities Narrative**
 - **Keywords**
 - **Performance History References**

Things To Do (7)

- **Complete Online Representations and Certifications Application (ORCA)**
www.bpn.gov - under Vendor
- **Active CCR required**
 - **Must have MPIN (Marketing Partner ID Number)**
 - **9 digit alphanumeric (no spaces or symbols) vendor makes up**
 - **Yearly update required**

Should I Market To The Federal Government?

- **Do you have a product or service they currently use or could use?**
- **If you do, why should the government purchase from you?**
 - **Can you deliver on time?**
 - **Can you offer a low price?**
- **Do you fall under one of the Preference Programs?**
- **Would you do better as a subcontractor?**

Finding Opportunities (1)

- **Federal Business Opportunities – mandatory for bids exceeding \$25,000**
www.fbo.gov
 - Register for email notifications
 - Manually search via keywords or Federal Supply Codes
 - Search via Total Small Business Set-asides
 - Look for “Sources sought/Request for Information” notices

Finding Opportunities (2)

- **Check agency websites for...**
 - **Informal requirements \$2500 up to \$25,000**
 - **Procurement forecast information**
 - **General information about the agency**
- **Use Federal Acquisition Jumpstation to locate agency websites**

<http://prod.nais.nasa.gov/pub/fedproc/home/html>

Finding Opportunities (3)

- **DoD Subcontracting Directory**
www.acq.osd.mil/sadbu - under Doing Business with DoD
 - Lists Primes by state
 - Provides conference information
 - Small Business Specialists by state
- **SBA Subcontracting Directory**
<http://web.sba.gov/subnet>
 - Primes by state
 - Prime contractor projects & requirements

Bidding Tips

- **Carefully Read the Terms and Conditions - don't overlook ...**
 - **Financial information**
 - **References**
 - **Insurance Requirements**
 - **Payment Terms**
 - **Performance**
 - **Default, Termination and Cancellation conditions**

- **Follow the prescribed procedures**
- **Direct questions to the Contracting Officer**
- **Get key players involved in preparing the bid**
- **Have someone unfamiliar with the solicitation proofread your proposal/bid**
 - Does it make sense?
- **Submit your bid on time in the prescribed manner**

Contract Award

- **Are you the low bidder?**
- **Offer the Best Value?**
- **Is it a “Responsive” Bid?**
 - Submitted on time
 - Conforms to all requirements and specifications
- **Is it a “Responsible” Bid?**
 - Technical and Production Capability
 - Financial capability
 - Accounting system
 - Quality Assurance system
 - Inventory System
 - Performance record
- **Pre-award Survey**

Where to Start?

- **Learn the process!**
- **Complete required registrations**
- **Identify your market**
- **Become familiar with the agencies you want to target**
- **Contact the SADBUI Office or the Small Business Specialist for information**
- **Contact the PTAC for assistance**

NC PTAC Counselors

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***THANK YOU...and
GOOD LUCK!***