

Selling to the Government 2019



U.S. Small Business
Administration

Government Contracting Area 1
Procurement Center Representative
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What We Will Cover

- Federal Contracting Facts
- Why a Small Business (SB) Program?
- What is a SB Set-Aside?
- How the Government Advertises – Informal and Formal
- How the Government Buys
- First Thing to do – Get Registered
- NAICS Example
- Small Business Certifications
- Market Your Company
- How to Identify Contract Opportunities
- Become a GSA Schedule Holder
- Is Becoming a Government Prime Contractor Right for you?
- Explore Subcontracting Opportunities
- What do Primes Look for in Subcontractors?
- Seek Help From Resource Partners
- Procurement Center Rep (PCR) Role
- SBA.GOV
- Tips to Contractors...Marketing to DoD
- Questions & Back Up Materials

Federal Contracting Facts

- ❑ Between several Sep 2018 and Feb 2019 appropriations bills, the President signed spending bills totaling \$1.324 trillion
- ❑ The Federal Government is the world's largest buyer of goods & services with purchases totaling more than \$500 billion yearly
 - ❑ Purchase card procedures and contracts exist for every item imaginable, from paper clips to armored tanks
 - ❑ Goal: quality goods/services delivered on-time at a fair price
- ❑ FY2017 (Oct 2016-Sep 2017), Federal agencies exceeded the 23% SB Prime Contracting Goal with \$105.7B to SB

Why a Small Business (SB) Program?

- ❑ U.S. policy that SB concerns shall have the maximum practicable opportunity to participate in the performance of contracts awarded by any Federal agency
- ❑ Goal of this policy is to ensure that a fair proportion of purchases, contracts, and subcontracts are placed with SB
- ❑ The U.S. uses the procurement process to advance these socioeconomic policies and objectives
 - ❑ How...you ask???? By applying Set-Aside requirements
- ❑ U.S. Small Business Administration (SBA) was created in 1953 to
 - ❑ Aid, counsel, assist, & protect the interests of SB concerns

What is a SB Set-Aside?

- A set-aside is the reserving of an acquisition exclusively for SB in general or for participation by a “category” of SB concerns
- Helps ensure a level playing field so that SB concerns can compete for contracting opportunities

Prime Contracting Government-Wide Procurement Goals

- | | |
|---|-----|
| <input type="checkbox"/> Small Business | 23% |
| <input type="checkbox"/> Small Disadvantaged Business (SDB) | 5% |
| <input type="checkbox"/> Women-Owned Small Business (WOSB) | 5% |
| <input type="checkbox"/> HUBZone Small Business | 3% |

How the Government Advertises - Informal

- ❑ Market Research(MR) required by FAR Part 10
 - ❑ Conduct & document MR appropriate to circumstances (size & complexity)
- ❑ Primary reasons the Government is required to perform MR
 - ❑ Identify availability of commercial products/services & customary terms & conditions
 - ❑ Identify the existence of capable SB Concerns
 - ❑ Is the requirement on a “Mandatory Source” list? See FAR Part 8.002 & 8.003
 - ❑ Is an ordering vehicle already available for use? See FAR Part 8.004
- ❑ MR Techniques often used by the Procurement Agencies
 - ❑ Contact other users / Post RFI to FBO / Post RFI to GSA Advantage! / Query Governmentwide database of contracts (link in FAR Part 10) / Review Trade Journals / Attend Trade Shows / Attend SB Matchmaker Events / Conduct Interchange Meetings / Internet Searches / Industry Days / other

How the Government Advertises - Formal

- ❑ Government must document the MR
 - ❑ Formal MR Report or on the SB Coordination Form...sometimes both
- ❑ >\$10,000 (micro) - \$15,000, Contracting Officer discretion
- ❑ >\$15,000 - \$25,000, unless an exception applies, must display solicitation in a public place or by any appropriate electronic means
- ❑ >\$25,000, unless an exception applies, must post solicitation to the Governmentwide Point of Entry: <https://www.fbo.gov>
- ❑ Once the “Formal” solicitation is released, all communications thereafter must flow through the Contracting Officer

How the Government Buys

- ❑ \$10,000 and below, usually purchased by credit card (micro-purchase – No SB Set-Aside requirement)
- ❑ >\$10,000 - \$250,000 automatically reserved for SB
 - ❑ Reasonable expectation of at least 2 offers, from responsible SB, @ fair market price
 - ❑ Does not preclude award to 8(a), HUBZone, SDVOSB or WOSB
 - ❑ IAW FAR 19.203(a), no order of precedence among the SB programs
 - ❑ If set-aside and only 1 acceptable response rec'd the CO should award
- ❑ >\$250,000 Contracting Officers shall set-aside for SB when there is a reasonable expectation of 2 offers from responsible SB @ fair market price
 - ❑ Total SB set-asides shall not be made unless reasonable expectation exists

First Thing to do – Get Registered

- ❑ To bid on federal contracts, your business must be registered in the System for Award Management (SAM) database at <https://www.sam.gov/SAM/> (update at least annually)
 - ❑ SAM Quick Start Guide for Contract Registrations: https://sam.gov/SAM/transcript/Quick_Guide_for_Contract_Registrations.pdf
 - ❑ Identify your product(s) or service(s) under the North American Industry Classification System (NAICS) Code: <https://www.census.gov/eos/www/naics/>
 - ❑ Based upon the NAICS Codes selected, you are considered either a large or a small business. Note: You can be large under one code & small under another. https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf
- ❑ When SAM registration is complete...go back in and link the SAM and Dynamic Small Business Search (DSBS) databases
- ❑ In addition to Federal Agencies, Primes Contractors (large & small) use DSBS to find subcontractors & partners

NAICS Example

- Your company provides for all of the following: installation, repair, and maintenance of Fire Extinguishers
 - Agency #1 requires the installation of Fire Extinguishers and applies NAICS Code 238220 which has a Size Standard of \$15M
 - Agency #2 requires Fire Extinguisher repair & maintenance without installation & applies NAICS Code 811310 which has a Size Standard of \$7.5M
- If your company's most recent 3 years of annual average gross revenue or "annual receipts" (defined in FAR Part 19) is \$10M, your company would be small under NAICS Code 238220, but large under NAICS Code 811310
- NAICS Code Size Standards are described by either "Annual Receipts" or by the "Number of Employees"Be sure you are small under the NAICS code identified
- The Federal Government is prohibited from using the following NAICS Code Sectors: 42, 44, and 45

Small Business Certifications

- Self-Certifications for SB Set-Asides (Prime & Subcontracts)
 - Small Business/SDB/WOSB/EDWOSB
 - VOSB and SDVOSB – Self-Certified **except for VA contracts**
- The VA has a formal process for VSOB and SDVOSB set-asides
 - Vets First Verification Program:
<https://www.va.gov/osdbu/verification/>
- SBA's Formal Certification Programs
 - WOSB / 8(a) / HUBZone
 - <https://www.sba.gov/federal-contracting/contracting-assistance-programs>
 - Only WOSBs/EDWOSBs in “certify.SBA.gov” can bid on WOSB/EDWOSB set-asides—Additionally, this set-aside is limited to specified NAICS Codes

Market Your Company

- ❑ Effectively market your company's product or service
 - ❑ Identify your customers (Who buys/How/When?)
 - ❑ Identify the Agency Small Business Specialist—liaison between Industry & Gov't
 - ❑ Research requirements (Know more than the Agency knows)
- ❑ Present your capabilities directly to the federal activities and large prime contractors that buy your products and services
- ❑ Attend procurement conferences, business expos, industry days & matchmaking events
- ❑ Show Program Managers and Contracting Officers that your company is a good match for their needs and requirements
 - ❑ Provide “quality” information on-time....answer all questions

Market Your Company (Continued)

Add details to your Dynamic Small Business Search (DSBS) profile (e.g. GSA Schedule No., Commercial/Federal Customers, Elaborate in the DSBS “Capabilities Narrative”)

Compare your profile to information contained in your competitor’s profile.

****DSBS Table Below = Maine & NAICS 238220****

#	Name and Trade Name of Firm	Contact	Address and City, State Zip	Capabilities Narrative
23	McCue, David RADIGAN MECHANICAL	David R McCue	26 PURPLE HEART LN CARMEL, ME 04419-0000	
24	NORTHERN ELECTRIC CO.	Shelly Gillis	101 Main St Ashland Ashland, ME 04732-0000	
25	Dean & Allyn, Inc.	DANA A Stewart	116 US Route 100 GRAY, ME 04039-0000	Sprinkler System Design, Installation and Inspections. 24/7 Fire Protection Service and Maintenance. Fire Alarm System Installation and Testing. Range Hood Installation and Testing. Extinguisher Sales and Full Service. Special Hazard Protection. Exit and Emergency Lighting Systems. Backflow Preventer Testing and Repair. Preventive Maintenance.
26	WILSON 5 SERVICE COMPANY, INC.	James D. Woodman	6 PAGE ST KITTERY, ME 03904-1416	FACILITY MANAGEMENT, LIGHTING MAINTENANCE, MECHANICAL MAINTENANCE, JANITORIAL,CUSTODIAL, CFM CONTRACTS, Maintenance

How to Identify Contract Opportunities

- ❑ Federal Business Opportunities (FBO) <https://www.fbo.gov> is the “official” posting site for Federal procurement opportunities >\$25,000
 - ❑ Keyword Search (e.g. Extinguisher or 811310)
 - ❑ Don’t need an account to view
 - ❑ User Guides listed on the right-hand side
 - ❑ Various Small Business events listed on the right-hand side
- ❑ Know your customers
 - ❑ Search Agency websites for forecasted requirements
 - ❑ If Prime contracts exist, ID Prime & solicit them for subcontracts
- ❑ Other useful Federal Acquisition Links:
<http://www.acquisition.gov/> Scroll down to “Service Contract Inventory”

How to Identify Contract Opportunities

(Continued)

- When you find Requests for Information, Sources Sought, etc. on FBO, please...please...please take the time to respond
 - This is part of the contracting activities Market Research and WILL directly affect the decision on whether to Set-Aside or not
- When you find something on FBO that you qualify for and are certified in either the 8(a) or HUBZone Programs, contact your SBA District Office's Business Opportunity Specialist or SBA Procurement Center Representative
 - Locating Your Local SBA District Office: <https://www.sba.gov/local-assistance/find/?type=SBA%20District%20Office&pageNumber=1>
 - Locating Your PCR: <https://www.sba.gov/federal-contracting> (scroll to Counseling and Help)
 - Identify correct PCR by both "Location" and "Activities Covered"

Become a GSA Schedule Holder

- ❑ GSA establishes long-term government-wide contracts with “Volume Discounts” to Federal Government Agencies
 - ❑ <http://gsa.federalschedules.com/gsa-schedule/getting-on-the-gsa-schedule/?msclkid=dae5ffa62ceb1d8376faa32d81aaa2f9>
- ❑ Commercial Products & Hourly-Type Services are covered by GSA
 - ❑ Be certain your product/service list doesn't conflict with Mandatory Sources – e.g. AbilityOne and UNICOR (aka FPI)...unless the VA is your customer
- ❑ Agencies use GSA because it is EASY (See FAR Part 8)
 - ❑ Postings are to the GSA Advantage! or eBuy sites & not to FBO...no posting time requirements or need to post award info.
 - ❑ No Set-Aside requirements...FAR Part 19 does not apply...However, Contracting Officers may set-aside orders to any of the SB concerns
 - ❑ No “formal” FAR Part 15 Source Selection Evaluation Procedures required
 - ❑ No Certified Cost or Pricing Data...Commercial & Fixed Pricing
 - ❑ No Debriefings required

Is Becoming a Government Prime Contractor Right for you?

- Do you have the time required to gain access to all required systems/databases?
- Do you have the time required to identify logical buyers?
- Can your business financially support the costs involved in a Government contract?
 - In most cases...the Government pays upon delivery...rarely in advance
- Are you prepared to learn sections of the Federal Acquisition Regulation and any Agency-appropriate Supplement?
 - <https://www.acquisition.gov/browse/index/far>
- Does your niche require employee or facility clearances (FCL)?
 - In many cases, clearances are required as a condition of contract award

Explore Subcontracting Opportunities

- ❑ Prime contract winners often require subs to fulfil requirements
 - ❑ Subcontract Plans required from Large Primes when the contract will exceed >\$700K (\$1.5M Construction) & subcontract opportunities exist
 - ❑ SB Primes can now use “Similarly Situated Entities” to help meet their LOS for Set-Aside requirements
 - ❑ SB Primes competing against LB use SB Subs to meet SB Participation Plans
- ❑ The SBA/GC Subcontracting Opportunities Directory contains a listing of Large Business Federal Prime contracts with the following information: Contract #/ Completion Date/ NAICS Code/ PSC/ Place of Performance/ & Phone Numbers. NOTE: You may be required to download the excel document before it will open
 - ❑ <https://www.sba.gov/document/support--directory-federal-government-prime-contractors-subcontracting-plans>

Explore Subcontracting Opportunities (Cont'd)

- ❑ SBA's SubNet bridges the gap between businesses seeking SB and SB seeking contracting opportunities
 - ❑ https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm
- ❑ GSA Subcontracting Directory for SB
 - ❑ <https://www.gsa.gov/small-business/find-and-pursue-government-contracts/seek-opportunities/subcontracting-directory-for-small-businesses>
- ❑ Some Large Primes wish to keep their subcontracting requirements more private, for this reason they will develop their own "Supplier" sites rather than using the SBA SubNet site
 - ❑ You will need to do some legwork to find links to these Primes
- ❑ General Dynamics Enterprise Supplier Registration Portal
 - ❑ <https://suppliers.gendyn.com/>

What do Primes Look for in Subcontractors?

- SB concerns that can provide products/services cheaper or better (more efficiently/higher quality) than if done in-house
- Good References
- Socio-Economic Status that can help the prime meet its subcontracting goals
- SB concerns that understand requirements & how execution of their portion affects other aspects of the overall contract
- SB concerns that meet the Terms & Conditions of their subcontract, especially with respect to price & delivery
- SB concerns that communicate openly
 - Don't let problems fester / No surprises to either the Prime or the Customer...unlike wine...bad news does not get better with Age

Seek Help From Resource Partners

- ❑ PTACs provide a wide variety of assistance to businesses wishing to market their products/services to the Federal, state, & local government
 - ❑ <http://www.aptac-us.org/>
- ❑ SB Development Centers; Women's Business Centers; SCORE Business Mentors ***Most services are FREE!***
 - ❑ <https://www.sba.gov/local-assistance/find/?type=Small%20Business%20Development%20Center&pageNumber=1>
- ❑ SB Loan Information or how to certify as an 8(a) or HUBZone SB Concern; contact the District Office in your State by internet search...Google: Small Business District Office “Maine”
- ❑ Federal Acquisition Resources, Guidance, Regulations
 - ❑ <https://www.acquisition.gov/>

Procurement Center Rep (PCR) Role

- ❑ Advocate increases in SB share of Federal Procurements
 - ❑ Review acquisitions not Set-Aside...Initiate/Recommend SB Set-Aside
 - ❑ Provide SB sources to Federal buyers—Assist in meeting Agency Goals
 - ❑ Provide counsel on acquisition strategies & SBA regulations/policy
 - ❑ Review & provide recommendations on subcontracting plans
 - ❑ Perform/Support: Training / Events / Agency Surveillance Reviews
- ❑ Assist SB in attaining a share of Federal Procurements
 - ❑ Counsel SB Firms prior to and after contract award
- ❑ Which PCR should you contact
 - ❑ For specific upcoming acquisitions or current contracts that you hold, contact the PCR in the state where the buying activity is located
 - ❑ For general contracting questions, contact the PCR that covers your area

SBA.GOV <https://www.sba.gov/>

Business Guide

- Plan / Launch / Manage / and Grow Your Business

Funding Programs

- Loans / Investment Capital / Disaster Assistance / Surety Bonds / Grants

Federal Contracting

- Contracting Guide / Contracting Assistance Programs / Counseling and Help

Learning Center

- Offers 63 Course Topics

Local Assistance

- SBA District Offices / SBA Regional Offices / Disaster Field Offices

- Scroll down for a listing of Resource Partners with Links

Tips to Contractors...Marketing to DoD:

- <https://business.defense.gov/Small-Business/Marketing-to-DoD/Tips-for-Marketing-to-DoD/>
- Follow the Money
- Arm yourself with information and facts, not emotion
- Find your niche...don't try to be everything to everyone
- Target your market...customer's mission, challenges, etc
- Meet with Agency SB Professionals (site has link to all DoD SB Offices)
- Tailor presentation to customer...know requirement & challenges
- Explain how your supply/service positively impacts project c/s/p
- Be able to identify "What separates you from your competitors"
- Describe Past Performance relevancy to upcoming acquisition. Be specific. Don't expect a prospective customer to do this
- When meeting with PMs/COs, be prepared to discuss "real" requirements and not your "sales" pitch

Any Questions?

Back-up Materials and

Additional Information

SBA's Dynamic SB Search (DSBS)

- ❑ This tool allows you to hone in on SBs by selecting either several or few discriminating criteria
 - ❑ Link: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm
 - ❑ ME (State) & 8(a) combined produced 8 listings
 - ❑ ME & HUBZone combined produced 27 listings
 - ❑ By adding an additional filter in the “Specific Nature of Business – NAICS 238220”, the list of 27 is reduced to 2
 - ❑ Sometimes a SAM search brings up several entities with the same or similar name. If you find names using the DSBS, you can select the link under the “Name & Trade Name of Firm” which will ensure you get the correct web page, DUNS and CAGE Codes

NAICS and Size Standards

- ❑ Link: <https://www.census.gov/eos/www/naics/>
- ❑ Enter a “Keyword” or NAICS into the 2017 NAICS Search
 - ❑ Previous NAICS for same/similar acquisition
 - ❑ Contractor suggestions during RFI phase
- ❑ For Prime contracts, the CO shall determine the NAICS code which best describes the “Principal Purpose” of the product or service being acquired. FAR 19.102(b)(1) and FAR 19.303(a)(1)&(2)
 - ❑ Only one NAICS can be identified as “Principal Purpose”
 - ❑ Have technical rep/PM describe/quantify elements of the scope
 - ❑ IAW FAR 19.303(c), this determination is final unless appealed

NAICS and Size Standards

- ❑ Size Stds Link: <https://www.sba.gov/document/support-table-size-standards>
 - ❑ You may need to “save as” before you can open this document
- ❑ IAW FAR 19.102(c) only one size standard can be used; apply size standard whose definition best describes the principal purpose of the product or service
- ❑ IAW FAR 19.102(d) when an acquisition presents two “equally” supported “Principal Purpose” industries, the CO shall select the NAICS code & apply the size standard for the industry accounting for the greatest percentage of the estimated contract price

FY19 Goals / SB Offices / Tips

SBA FY18 Goaling Guidelines

https://www.sba.gov/sites/default/files/resources_articles/FY18_Small_Business_Goaling_Guidelines.pdf

Office of Small Business Programs, DoD Link:

<https://business.defense.gov/About/Goals-and-Performance/>

Both Prime Contracting & Subcontracting Goals

DoD Small Business Offices

<https://business.defense.gov/Small-Business/DoD-Small-Business-Offices/>

FBO Active & Archives

❑ Link: <https://www.fbo.gov/>

❑ Allows for search by Place of Performance

❑ Right-hand side has “Small Business Events” and “Vendor Collaboration”

❑ Opportunities Tab allows for research of “Archives”

❑ Opportunities Tab and “Advanced Search” allows archived documents to be searched by Place of Performance...plus

Federal Procurement Data System (FPDS) – Next Generation (NG)

❑ Link: https://www.fpds.gov/fpdsng_cms/index.php/en/

❑ All contracts >\$10K and All mods regardless of \$ value

❑ Summary level information only

❑ FPDS does not include: Subcontracting Data/Line Item Info/Accounting Info/Attachments (SOW/WD/QASP/etc)/Ts&Cs/Deliverables

❑ Must have an account to query database

❑ Must request copies of contracts & mods through FOIA

❑ What's the difference between FPDS-NG and USASpending.gov

❑ FPDS-NG “real-time” data except for DoD 90-day delay. FPDS-NG provides data to USASpending.gov...not in “real time”

Miscellaneous Links

- ❑ DLA Internet Bid Board System (DIBBS)
<https://www.dibbs.bsm.dla.mil/>
- ❑ SCORE <https://www.score.org/>

Questions?

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