

# **FedBiz 101**

## **How to Start Doing Business with the Federal Government**



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## Procurement Processes & Procedures

- Trends in Federal Contracting & Historical Data
- Prerequisites for doing business with the Federal Government
- Federal Contract Strategies
- Things you should know
- Contract Considerations
- Programs & Resources Available to You



# Trends in Federal Contracting & Historical Data

FY	Total	SB	Percent	Assistance
	Dollars	Dollars	of Total	
2000	\$ 2,364,540	\$ 1,090,639	46.12%	\$ 80,709,265
2001	\$ 8,928,657	\$ 7,937,129	88.89%	\$ 80,709,265
2002	\$ 8,629,799	\$ 6,718,329	77.85%	\$ 84,706,658
2003	\$ 10,230,759	\$ 8,927,682	87.26%	\$ 110,238,363
2004	\$ 8,393,625	\$ 7,606,570	90.62%	\$ 221,051,996
2005	\$ 3,617,375	\$ 2,049,930	56.67%	\$ 127,683,862
2006	\$ 1,496,175	\$ 1,483,107	99.13%	\$ 127,897,842
2007	\$ 213,059	\$ 156,488	73.45%	\$ 25,562,023
2008	\$ 1,390,790	\$ 849,889	61.10%	\$ 43,649,868
2009	\$ 5,042,923	\$ 5,027,855	99.70%	\$ 11,600,602

Source Federal Procurement Data System - NG & USASpending.gov



## Trends in Federal Contracting & Historical Data

- Trends in Federal Contracting
  - Dollar value of contracts is increasing due to contract bundling and contract consolidation
  - Number of prime contracts Decreasing
  - Number of sub contract opportunities Increasing
- Increased Usage of Gov't Credit Cards
  - \$12 Billion FY 00, Increasing \$2 Billion/Yr
  - No more Petty Cash Accounts



## Prerequisites for doing business with the Federal Government

- Must have a DUNS number
  - Data Universal Numbering System
  - Dun & Bradstreet – [www.dnb.com/au](http://www.dnb.com/au)
- Must be registered in Central Contractor Registration – [www.ccr.gov](http://www.ccr.gov)
  - DNB Information & CCR Information *must be* exactly the same!



## Prerequisites for doing business with the Federal Government

- On Line Representations and Certifications – ORCA
  - Replaces Paper “Reps & Certs”
  - FAR Part 52.219-1
  - Uses Marketing Partner Identification Number – MPIN
    - Last line item on last page of CCR Registration
- Should complete Dynamic Small Business Search Engine



# Federal Contract Strategies

- Know the Federal Rule Book
  - Federal Acquisition Regulations (FAR)
    - [www.arnet.gov/far](http://www.arnet.gov/far)
  - DOD Regulations (DFAR)
    - [farsite.hill.af.mil](http://farsite.hill.af.mil)
  - Code of Federal Regulations (CFR)
    - [www.access.gpo.gov](http://www.access.gpo.gov)
- Take Advantage of Federal Contracting Goals
  - 5% with Women Owned SBs
  - 5% with 8(a)/SDBs
  - 3% with Serviced Disabled Veterans
  - 3% with HUBZone Businesses



## Federal Contract Strategies

- Know the Federal Marketplace
  - Find Out what the Federal Gov't Buys
  - Federal Procurement Data System
  - Direct Inquiries, Internet, Current Providers
- Search Out Federal Contracts Other than DOD - GSA, Rural Development, NRCS
- All Federal Contract Opportunities over \$25,000 Posted on the Internet
  - [www.fedbizopps.gov](http://www.fedbizopps.gov)



## Federal Contract Strategies

- Form Strategic Alliances
  - With other Small & Large Businesses
  - Develop Mentor/Protégé Relationships
  - Joint Venture to take on Larger Contracts
- Sub-Contracting Plans Required When
  - Contract Exceeds \$500,000
  - \$1,000,000 for Construction
  - Get Bonded if Typical for your Industry
  - Increase bonding if already bonded
    - Must be U.S. Treasury Listed Surety



## Federal Contract Strategies

- Computer Applications Dominant
  - Scopes of Work and other data typically downloaded via Internet
  - Bid proposals typically submitted in hard copy with disk back up
  - Daily electronic reporting requirements
  - Internal accounting programs for audit purposes
    - Defense Contract Audit Agency's "Handbook for Contractors" & "Contract Audit Manual"
    - [www.dcaa.mil](http://www.dcaa.mil)



## Federal Contract Strategies

- Computer Applications
  - Need for high speed Internet increasing
  - Large file download capability
  - May need compression programs such as WinZip
- Computer Security a Must
  - Be careful of using “free email” accounts
  - Some “free services” have back doors
  - Decide what level of protection you need
    - Anti Spy Ware, Firewalls and such



## Things You Should Know

- Federal Prime Contract Laws
  - Service Contract Act
    - Applies to Service Contracts over \$2,500
    - Outlines Wages & Fringe Benefits
    - Wages and Benefits Accrue Thru Successive Contracts
  - Fair Labor Standards Act
    - Applies to Commerce or Production of Goods for Commerce
    - Outlines Wages & Fringe Benefits
    - Specific Exemptions



## Things You Should Know

- Federal Prime Contract Laws (Cont'd)
  - Walsh-Healy Act
    - Contracts of \$10,000 or More
    - Involving Manufacture, Furnishing of Materials, Supplies, Articles or Equipment
    - Sets Prevailing Minimum Wages and Fringe Benefits
    - Limited applicability to “Off the Shelf” items
  - Davis-Bacon Act
    - Limited Applicability in CNMI
    - 2009 Defense Appropriations Act



## Things You Should Know

### ➤ Miller Act

- Requires Performance & Payment Bonds on Construction Contracts over \$100,000
- Allows for Individual Sureties as well as Corporate & Commercial Sureties
- Allows for Alternative Forms of Security on Construction Contracts Valued Between \$25,000 and \$100,000 \*
  - Payment Bond, Irrevocable Letter of Credit, Tripartite Escrow Agreement, Certificates of Deposit, Other Security Deposits such as U.S. Bonds or Notes

\* Contracting Officer Selects 2 of the 5



## Things You Should Know

- Environmental Laws & Regulations
- Safety Regulations – **VERY IMPORTANT**
  - Occupational Safety & Health Administration (OSHA)
  - Army Corps of Engineers EM 385 Manual
- Federal IRS (Social Security Taxes) Rev & Tax, Business Licenses, Contractors Licenses

Note: The laws identified above may be used as a starting point, not a definitive listing.



## Contract Considerations

- Expectations of Contracting Officer & End User
  - Expect to Pay a Fair and Reasonable Price for Goods and Services
  - Expect Performance of Contractor to be in a “Workmanlike Manner”
  - Expect On Time Delivery
    - Probably the Most Important
  - Expect to Negotiate Solutions to Problems and Change Orders



## Contract Considerations

- Responding to Solicitations
  - Know the Various Contract Types
  - Address *All* of the Elements of RFP
  - Negotiate Payment Terms Up Front
  - Be Prepared to Defend Pricing
  - Ask for Debrief
    - Winning Bid or Not
  - Know Safety Requirements and have a Safety Plan and **USE** that plan



## Contract Considerations

- Contract Administration
  - Attend Site Visit/Pre-proposal Conferences
  - Read Entire Solicitation, Don't Assume
  - Know who has Authority to Approve Change Orders & Modifications
    - Contracting officer not end user
  - Contracting Officer is Middle Person
    - Responsible to contractor & end user
  - Invoice Promptly & Properly
  - Ask for Performance Evaluation



## Programs & Resources Available to You

- SBA's Programs and Resources
  - Office of Women in Business
    - [www.sba.gov/womeninbusiness](http://www.sba.gov/womeninbusiness)
  - Office of Veterans Business Development
    - [www.sba.gov/veterans](http://www.sba.gov/veterans)
  - SCORE On-Line
    - [www.score.org](http://www.score.org)
  - Classroom On-Line
    - [www.sba.gov/classroom](http://www.sba.gov/classroom)
  - Business Link to the U.S. Government
    - [www.business.gov](http://www.business.gov)



## Take Advantage of SBA Programs

- Financing Programs
  - 7(a) Loan Guaranty
  - SBA *Express*
  - Community *Express*
  - CapLine
  - 504 Certified Development Company
- Surety Bond Program
  - Operates like Loan Guaranty Program but with Sureties



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