



# Doing Business with the Federal Government

## Trends in Federal Contracting

Contracts are being Bundled or Consolidated into Larger Contracts

- Fewer Prime Contract Opportunities
- More Dollars per Contract
- Create Joint Ventures and/or Teaming Arrangements to Remain Competitive

Competitive Demonstration Program

- More Industries Being Added
- Fewer Small Business Set Aside Contracts
- Increasing use of 8(a), HUBZone and SDVOSB as Small Business Prime Contract Vehicles

Increasing use of Government Credit Cards

- \$12 Billion in FY 2000
- Increasing \$2 Billion/ year

## Maximize Your Opportunities

Take advantage of Federal Contracting Goals

- 5% Women Owned Small Businesses
- 5% Small Disadvantaged Businesses
- 3% Serviced Disabled Veterans (SDVOSB)
- 3% HUBZone Businesses

Take advantage of SBA Programs

- 8(a) Business Development Program
- Small Disadvantaged Business Program
- HUBZone Program
- Financing Programs
  - 7(a), Community Express, Patriot Express, CapLines, EWCP
- Surety Bond Program

Utilize SBA Resources

- Service Corps of Retired Executives (SCORE) [www.score.org](http://www.score.org)
- Small Business Development Center (SBDC) 735-2590

## Things You Should Know

Know the Federal Marketplace

- What the Federal Gov't Buys
  - Federal Procurement Data System - NG
- Who are the Buyers
  - Develop Professional Relationships w/the Buyers and End Users
- Know the Federal Procurement Rule Book (FAR & DFAR)
  - Federal Acquisition Regulations
  - Defense Federal Acquisition Regulations

Prerequisites for Doing Business with the Federal Government

- Must have a D-U-N-S Number
  - Issued by Dun & Bradstreet
  - [www.dnb.com/au](http://www.dnb.com/au)
- Must have Commercial and Government Entity Code (C.A.G.E. Code)
  - Issued by Central Contractor
  - Register in (CCR) - [www.ccr.gov](http://www.ccr.gov)
  - Must have a D-U-N-S number to register at CCR
- On Line Representation and Certifications (ORCA)
- Complete Dynamic Small Business Section

Know How to Respond to a Solicitation

- Know the Various Contract Types
- Negotiate Payment Terms Up Front
- Ask for Debrief Whether Winning Bid or Not

Know the Expectations of the Contracting Officer and the End User

- Expect to Pay a Fair & Reasonable Price
- Expect Performance in a "Workmanlike" Manner
- Expect on Time Delivery
- Expect to Negotiate Solutions to Problems and Contract Modifications



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## Sub-Contracting Information

### Large Contracts Require Sub-Contracting Plans

- \$500,000 for Most Contracts
- \$1,000,000 for Construction Contracts
- Understand Prime Contractor's Sub Contracting Requirements
  - Usually in Solicitation
- Read and Understand Your Sub Contract Before you Sign

## Strategies

### Contract Administration

- Attend Site Visit/Pre-Proposal Conferences
- Read Entire Solicitation, Don't Assume
- Submit Written Questions Well in Advance of Closing Date
- Know Who has Authority to Approve Change Orders and Modifications
  - Contracting Officer not End User
- Invoice Promptly and Properly
- Ask for Performance Evaluation
- Understand Termination for Default and Termination for Convenience
- Understand Cost Accounting Standards
  - Direct and Indirect Cost Allocation

### Bonding – Required on Construction Contracts

- Get bonded if not currently bonded
- Seek maximum bonding levels
- Must be U.S. Treasury Listed
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### Know where to look for solicitations

- Posted on Internet
- <http://www.fedbizopps.gov>

### Form strategic alliances

- With Other Small and Large Businesses
- Develop Mentor/Protégé relationship(s)
- Join Trade, Business and Service Organizations

## Federal Contracting Laws

### Miller Act

- Performance & Payment Bonds on Construction Contracts over \$100,000.
- Allows for Alternative Forms of Security on Contracts Over \$25,000 but less than \$100,000
  - Payment Bond, Irrevocable Letter of Credit, Tripartite Escrow Agreement, Certificates of Deposit, Other Security Deposits such as U.S. Bonds
- Contracting Officer will Select 2 of 5

### Davis-Bacon Act

- Applies to Construction Contracts
- Applies to Laborers & Mechanics
- Limited Applicability to Guam

### Walsh-Healy Act

- Contracts of \$10,000 or More
- Manufacture, Furnishing of Materials, Supplies, Articles or Equipment
- Sets Prevailing Wages & Fringe Benefits
- Limited applicability to "off the shelf" items

### Service Contract Act

- Applies to Service Contracts over \$2,500
- Outlines Wages & Fringe Benefits
- Wages & Benefits Usually Accrue Through Successive Contracts

### Fair Labor Standards Act

- Applies to Commerce or Production of Goods for Commerce
- Outlines Wages, Benefits & Specific Exemptions

### Other Applicable Laws

- GovGuam has Prevailing Wage Rates
- Environmental Laws
- Safety regulations – OSHA & EM 385
- Federal IRS, GovGuam Rev & Tax, Business License - See [www.business.gov](http://www.business.gov)

Note: The laws identified above may be used as a starting point. The list is not to be relied upon as a complete listing of all applicable laws affecting federal government contracting.