

The background of the slide is a photograph of the Utah State Capitol building at dusk. The building's classical architecture, featuring a prominent dome and a portico with columns, is visible. The sky is a deep blue, and the building's interior lights are glowing through the windows. An American flag is visible in the foreground, partially obscured by the text.

Utah Procurement Symposium, Oct 23rd 2014

**Government Contracting for
Small Business: Leveraging your
Small Business Capabilities for
Government Contracting**

Procurement Technical Assistance Center
(Government Procurement Basics - PTAC 101)

Government Market Place: Overview

Top 10 Major Contractors in FY 2014

List of Top 10 Prime Contractors - FY2014

| Contractor Name | Amount | % of Total |
|------------------------------------|---------------------|------------|
| LOCKHEED MARTIN CORPORATION | \$26,760,291,313.05 | 7.35% |
| THE BOEING COMPANY | \$16,494,110,301.85 | 4.53% |
| GENERAL DYNAMICS CORPORATION | \$12,470,685,673.26 | 3.42% |
| RAYTHEON COMPANY | \$10,226,401,511.05 | 2.81% |
| MCKESSON CORPORATION | \$5,329,722,546.17 | 1.46% |
| UNITED TECHNOLOGIES CORPORATION | \$5,164,623,178.96 | 1.42% |
| L-3 COMMUNICATIONS HOLDINGS INC. | \$4,759,072,318.11 | 1.31% |
| Huntington Ingalls Industries Inc. | \$4,321,380,244.68 | 1.19% |
| BECHTEL GROUP INC. | \$3,957,436,619.56 | 1.09% |
| NORTHROP GRUMMAN CORPORATION | \$3,730,742,681.29 | 1.02% |

Source: USAspending.gov

Government Market Place: Overview of Top 9 Agencies by Contract & Expenditure Dollars – FY 2014

| Agency | Contracts | Direct Payments | Grants | Insurance | Loans and Guarantees | Others | Total Dollars |
|--|-----------|-----------------|----------|-----------|----------------------|---------|---------------|
| SOCIAL SECURITY ADMINISTRATION | \$1.5B | \$825.5B | \$37.5M | \$0.00 | \$0.00 | \$0.00 | \$827.1B |
| HEALTH AND HUMAN SERVICES, DEPARTMENT OF | \$21.1B | \$424.6B | \$379.9B | \$0.00 | \$0.00 | \$0.00 | \$825.6B |
| DEPT OF DEFENSE | \$207.3B | \$-8.8K | \$5.0B | \$0.00 | \$0.00 | \$68.5M | \$212.4B |
| VETERANS AFFAIRS, DEPARTMENT OF | \$17.8B | \$94.6B | \$1.3B | \$1.7B | \$-27.5M | \$43.6B | \$159.0B |
| EDUCATION, DEPARTMENT OF | \$2.9B | \$33.3B | \$43.0B | \$0.00 | \$0.00 | \$0.00 | \$79.2B |
| TRANSPORTATION, DEPARTMENT OF | \$6.0B | \$1.8M | \$60.6B | \$0.00 | \$6.4B | \$0.00 | \$73.0B |
| AGRICULTURE, DEPARTMENT OF | \$4.9B | \$20.3B | \$32.9B | \$43.0M | \$464.5M | \$93.1M | \$58.7B |
| ENERGY, DEPARTMENT OF | \$25.3B | \$0.00 | \$2.5B | \$0.00 | \$-259.2M | \$6.1M | \$27.6B |
| HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF | \$1.2B | \$8.4B | \$12.1B | \$0.00 | \$0.00 | \$0.00 | \$21.7B |
| Source: USASpending.gov | | | | | | | |

Federal Contract Awards for Products/Services by Extent Competed Type

| Federal Contract Awards for Products/Services by Extent Competed Type - FY 2014 | | | | | | | | | | |
|---|---|------------------------|------------------------------|--------------------------------|--|--------------|-------------------------------|---------------------------|----------------------------|--------------------|
| PSC Code | PSC Category | Not Competed Under SAP | Follow On to Competed Action | Non-Competitive Delivery Order | Full and Open Competition After Exclusion of Sources | Not Competed | Not Available for Competition | Full and Open competition | Competitive Delivery Order | Competed Under SAP |
| R | SUPPORT (PROFESSIONAL/ADMINISTRATIVE/MANAGEMENT) | \$5.0B | \$12.1B | \$10.0B | \$64.2B | \$112.0B | \$38.5B | \$492.8B | \$49.4B | \$7.7B |
| A | RESEARCH AND DEVELOPMENT | \$638.7M | \$6.9B | \$1.7B | \$106.4B | \$235.5B | \$14.5B | \$314.8B | \$2.7B | \$1.2B |
| 15 | AIRCRAFT AND AIRFRAME STRUCTURAL COMPONENTS | \$183.6M | \$5.5B | \$379.4K | \$14.1B | \$305.7B | \$19.9B | \$32.6B | \$5.6M | \$560.6M |
| D | INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS | \$4.2B | \$1.4B | \$8.5B | \$32.2B | \$28.7B | \$13.7B | \$207.3B | \$58.7B | \$2.5B |
| M | OPERATION OF STRUCTURES/FACILITIES | \$85.6M | \$104.9M | \$343.8M | \$6.7B | \$71.5B | \$16.6B | \$240.3B | \$201.0M | \$145.0M |
| Y | CONSTRUCTION OF STRUCTURES/FACILITIES | \$426.8M | \$188.1M | \$830.6M | \$45.1B | \$6.9B | \$17.6B | \$232.5B | \$1.4B | \$757.2M |
| J | MAINTENANCE, REPAIR, AND REBUILDING OF EQUIPMENT | \$1.0B | \$1.1B | \$295.1M | \$15.8B | \$61.1B | \$9.7B | \$136.4B | \$1.4B | \$1.6B |
| S | UTILITIES AND HOUSEKEEPING | \$1.1B | \$791.4M | \$1.5B | \$25.8B | \$12.5B | \$43.2B | \$84.6B | \$5.7B | \$2.4B |
| Q | MEDICAL | \$1.1B | \$564.0M | \$559.8M | \$9.6B | \$7.5B | \$16.7B | \$136.3B | \$1.2B | \$1.7B |
| Z | MAINTENANCE, REPAIR, ALTERATION OF STRUCTURES/FACILITIES | \$771.2M | \$191.4M | \$316.1M | \$37.7B | \$5.5B | \$29.5B | \$97.0B | \$2.0B | \$1.1B |
| 23 | GROUND EFFECT VEHICLES, MOTOR VEHICLES, TRAILERS, AND CYCLES | \$235.1M | \$2.3B | \$47.5M | \$3.6B | \$88.4B | \$4.8B | \$60.1B | \$6.5B | \$853.9M |
| 65 | MEDICAL, DENTAL, AND VETERINARY EQUIPMENT AND SUPPLIES | \$2.4B | \$165.2M | \$1.9B | \$2.9B | \$11.2B | \$2.3B | \$116.4B | \$9.2B | \$2.9B |
| 58 | COMMUNICATION, DETECTION, AND COHERENT RADIATION EQUIPMENT | \$829.2M | \$1.2B | \$463.4M | \$8.1B | \$74.3B | \$11.9B | \$68.1B | \$1.8B | \$1.2B |
| 91 | FUELS, LUBRICANTS, OILS, AND WAXES | \$126.7M | \$328.8M | \$103.8M | \$8.2B | \$13.7B | \$1.0B | \$142.3B | \$1.4B | \$1.3B |
| 19 | SHIPS, SMALL CRAFT, PONTOONS, AND FLOATING DOCKS | \$78.3M | \$357.0M | \$13.2M | \$20.7B | \$95.9B | \$1.4B | \$21.1B | \$89.5M | \$94.6M |
| 70 | AUTOMATIC DATA PROCESSING EQUIPMENT (INCLUDING FIRMWARE), SOFTWARE, SUPPLIES AND SUPPORT EQUIPMENT | \$1.7B | \$332.7M | \$2.5B | \$12.3B | \$11.9B | \$5.6B | \$71.1B | \$19.3B | \$4.0B |
| Source: USAspending.gov | | | | | | | | | | |
| Note: | All prime awardee data as reported by agencies. The assistance prime awardee data includes agency submissions as of 10/20/2014 and the contracts prime awardee data includes procurement data downloaded from FPDS as of 10/21/2014 | | | | | | | | | |

Federal Spending: 2003 – 2015 FY

Total Federal Spending

| Spending Type | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2000-2015 |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| Direct Payment | \$947.9B | \$965.5B | \$1.004T | \$1.093T | \$634.5B | \$1.109T | \$1.280T | \$1.077T | \$895.7B | \$1.500T | \$1.579T | \$1.419T | 0 | \$15.953T |
| Insurance | \$567.2B | \$603.9B | \$653.2B | \$771.3B | \$5.4B | \$6.3B | \$444.0B | \$237.8B | \$1.273T | \$1.138T | \$341.1B | \$6.5B | 0 | \$7.528T |
| Grant | \$493.7B | \$450.1B | \$442.7B | \$490.8B | \$432.6B | \$421.2B | \$665.8B | \$614.7B | \$569.4B | \$542.1B | \$520.6B | \$583.7B | \$62.8B | \$7.322T |
| Contracts | \$318.0B | \$346.1B | \$391.1B | \$430.5B | \$469.3B | \$541.2B | \$540.5B | \$540.1B | \$539.6B | \$518.3B | \$462.1B | \$363.6B | \$4.8B | \$6.158T |
| Other | \$663.1M | \$379.1M | \$301.6M | \$3.8B | \$3.7B | \$7.1B | \$7.9B | \$3.5B | \$8.1B | \$7.1B | \$7.5B | \$47.8B | \$298.2M | \$104.1B |
| Loan | \$13.3M | \$263.3M | \$129.7M | \$9.4M | \$491.4M | \$445.0M | \$704.9M | \$2.8B | \$1.3B | \$-593.4M | \$2.1B | \$6.5B | \$-60.8K | \$14.3B |

Source: USASpending.gov

The Government Acquisition Process

Federal Government procurement is the process by which the federal government acquires goods, services (notably construction), and interests in real property. Contracts for government procurement usually involve appropriated funds spent on supplies, services, and interests in real property by and for the use of the Federal Government through purchase or lease, whether the supplies, services, or interests are already in existence or must be created, developed, demonstrated, and evaluated. See 48 C.F.R. § 2.101

Federal Acquisition Regulation

The procurement process is subject to legislation and regulation separate from the authorization and appropriation process. These regulations are included in the [Code of Federal Regulations](#) ("CFR"), the omnibus listing of Government regulations, as [Title 48](#). Chapter 1 of Title 48 is commonly called the [Federal Acquisition Regulation](#) ("FAR").

The Government's Objective...

The goal is...

A quality product or service

Delivered on time

At a competitive cost/price
(Lowest price technically
acceptable)



What You Need to Start Government Contracting...

- Registration in the System for Award Management SAM - www.sam.gov
- DUNS# - <https://iupdate.dnb.com>
- Tax ID
- Business Registration
- Banking information

Is the Government Market Right for You?

- ① Have you been in business for more than 2 years with a sustained revenue?
- ① Does your company have the financial resources to service and manage a contract?
- ① Does your company have the technical capabilities the government needs?
- ① Do you have a proven track record – Past Performance?

Knowing Your Industry and Understanding Where You Fit In...

- Identify your NAICS Codes and Size Standard:

www.census.gov/eos/www/naics

- Size is determined by the number of employees or average annual receipts/revenue:

- Examples:

- Commercial construction(236220) - \$ 33.5 Million
- Warehousing and Storage(493110) - \$ 25.5 Million
- Office Furniture Manufacturing (337211) – 500 Employees
- Auto Parts Wholesalers(423120) – 100 Employees

Small Business Programs and Certifications...Do You qualify?

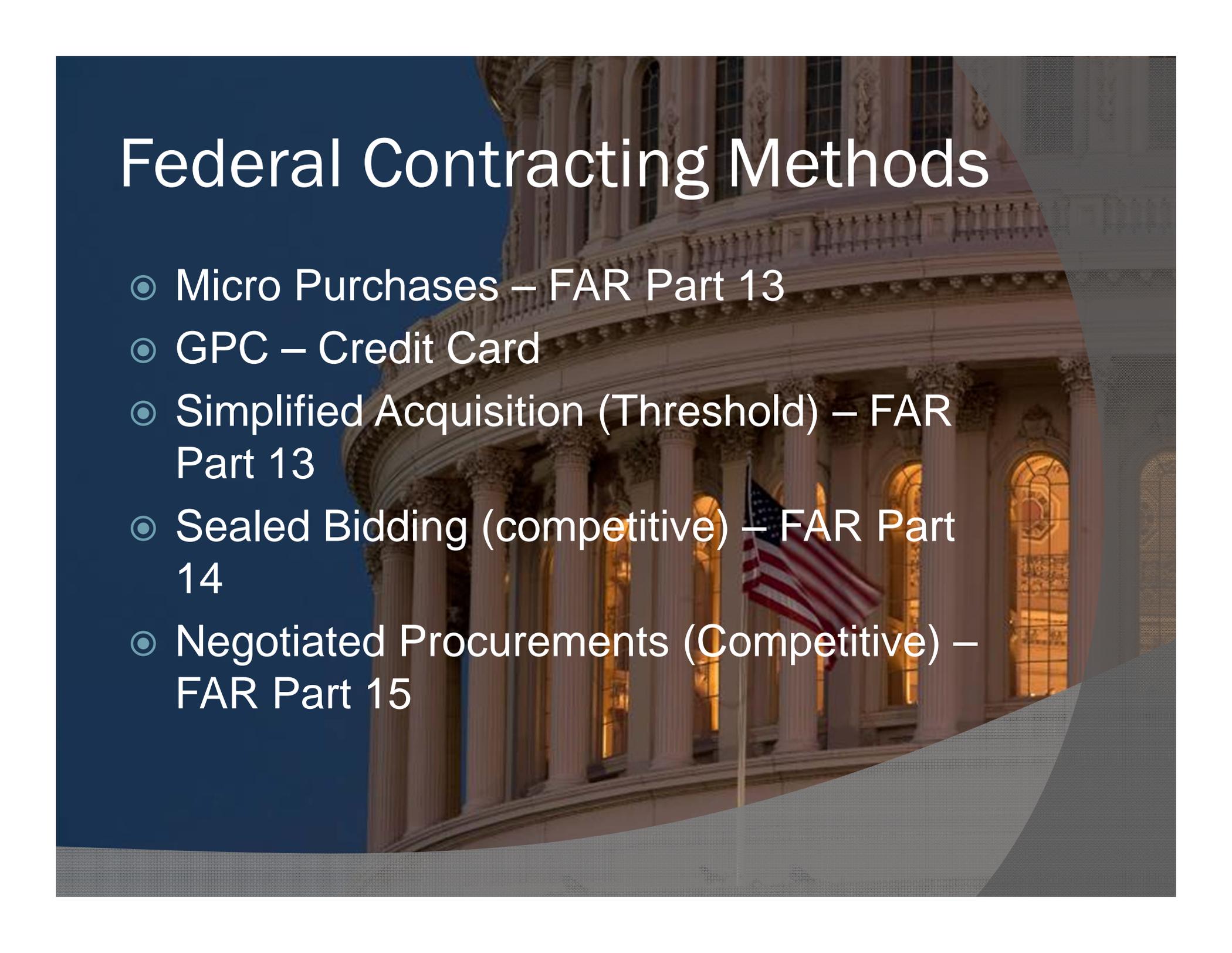
- ⦿ 8(a) Business Development Program
- ⦿ HUBZone Empowerment Contracting Program
- ⦿ Women Owned Small Business Program
- ⦿ Veteran Owned Small Business – www.vetbiz.gov
- ⦿ Service Disabled Veteran Owned Small Business – www.vetbiz.gov
- ⦿ Small Disadvantaged Small Business

www.sba.gov/contracting

Finding Contracting Opportunities

- Federal Business Opportunities “FedBizOpps” – www.fbo.gov
- FBO – Opportunities Over \$25,000
- FedBid – www.fedbid.com, Reversed auction system used by some Fed Agencies for simplified acquisition
- Bidsync – Non-Fed, third party bid site use by Fed, States, Cities, Education etc (Fees may apply)
- Have a plan; early development is a plus
- Be innovative and creative
- Know your new potential customer and show you have done your research
- Work through the small business liaison officer or other designated point of contact
- Track Forecast

Federal Contracting Methods



- Micro Purchases – FAR Part 13
- GPC – Credit Card
- Simplified Acquisition (Threshold) – FAR Part 13
- Sealed Bidding (competitive) – FAR Part 14
- Negotiated Procurements (Competitive) – FAR Part 15

Simplified Acquisitions (FAR Part 13)

- ◉ Solicitations: Request for Quotation(RFQ)
- ◉ Purchases over micro purchase \$3000 - \$150,000
- ◉ Informal advertisement for purchases over \$10,000 and up to \$25,000
- ◉ Formal advertisement in FBO for purchases over \$25,000
- ◉ Automatically set aside for small business, or may be set aside for 8(a), SDVOSB, WOSB etc.
- ◉ Award is usually based on lowest price

Sealed Bids

- One of two methods used for procurements over \$150,000
- Solicitation in the form of Invitation to Bid(IFB)
- Formal advertisement in FBO required
- May be set-aside requirement
- Award is made to lowest cost responsive and responsible bidder

Negotiated Procurements

The background of the slide features a photograph of a grand, classical building with a portico supported by tall columns. An American flag is visible in the foreground. The image is partially obscured by a dark blue circular graphic on the left side, which serves as a backdrop for the text.

- One of two methods used for procurements over \$150,000
- Formal advertisement in FBO required
- Solicitation in the form of Request for Proposal(RFP) or
- Set-aside for small business,8(a), HubZone, SDVOSB or WOSB
- Proposals are evaluated, and the evaluation committee holds discussions with “short list” bidders
- Award is made to best value responsive and responsible bidder

Federal Small Business Contracting Goals

Federal Government wide statutory Goals

- ❑ 23% of prime contracts to small business
- ❑ 5% of prime and subcontracts to SDB
- ❑ 5% of prime and subcontracts to WOSB
- ❑ 3% of prime and subcontracts to SDVOSB
- ❑ 3% of prime and subcontracts to HubZone
- Agency goals may be negotiated and monitored by the SBA
- Goals Scorecards are published annually – www.sba.gov/content/about-goaling-and-program-information

Federal Marketing Resources For Small Business

- Small Business Liaison Officers: Prime contractor Employee who monitors subcontracting goals
- Small and Disadvantaged Business Utilization Specialist (SADBU)/ Office of Small and Disadvantaged Business Utilization (OSDBU) – www.acq.osd.mil/osbp/; www.osdbu.gov
- Procurement contract Representative(PCR) – SBA
- USA Spending – www.usaspending.gov
- General Service Administration (GSA) – www.gsa.gov

Capability Statement – Your Company at a Glance

- ❖ Crisp and client, no clutter, clean images, at least page (“less is more”)
- ❖ Company name, Address, Website
- ❖ Key differentiators, Core business description, experience, Certifications (Example ISO 9001), technology
- ❖ Value Statement, Number of employees, revenue, bonding
- ❖ Key points of contact names and contact information (1 or 2 names)
- ❖ DUNS#, CAGE code, Primary NAICS codes, business size
- ❖ Past Performance (Past 2 or more years) – very satisfied customers for significant projects

General Services Administration Multiple Award Schedules(MAS)

Preapproved

- Your Company goes through a “vetting” process
- Pre-negotiated pricing

Limited Competition

- Government can select 2 companies
- Potential marketing opportunities through E-buy

Wide Range of Products/Services

- Professional Services, Information Technology, Automobile, Products etc.
- Construction and Facilities Management

Other Potential Sources of Contracting

- State Agencies – e.g. Division of **Facilities Construction** and Management (**DFCM**)
- Universities/ Colleges – e.g. University of Utah
- School Districts – e.g. Jordan School District
- Counties – e.g. Salt Lake County
- Cities – e.g. Sandy City
- Large Institutions – e.g. Boeing

Procurement Technical Assistance Center (PTAC)

- The Utah – PTAC is a key point of contact for government contracting for small to medium Size business
- PTAC is an important part of the Governor's Office of Economic Development (GOED)
- Partners with several economic development organizations as well as State and federal agencies in Utah to support small business

PTAC Support and Assistance to Small Business

- Bid-Match software for delivering contract opportunities
- One-on-One counseling
- Outreach, Conferences and Training events
- SAM.gov registration
- Marketing support for contracting
- Contracting Partnerships – prime/sub, Mentor/protégé, Teaming,
- Registrations and certification assistance
- Bid Proposal (RFP) Assistance
- Products specs/ Mil Specs and standards
- Procurement Histories/ Pricing Data
- GSA Assistance

PTAC STATE-WIDE OFFICES



- ▶ Salt Lake (Central SLC)
- ▶ Sandy (So. Salt Lake)
- ▶ Orem (Utah County)
- ▶ Kaysville (Weber, Davis & Morgan Counties)
- ▶ Cedar City (Iron & other Central Utah Counties)
- ▶ St. George (Washington, Kane & Garfield Counties)
- ▶ Logan (Cache, Box Elder & Rich Counties)



Contact:

Procurement Technical Assistance Center

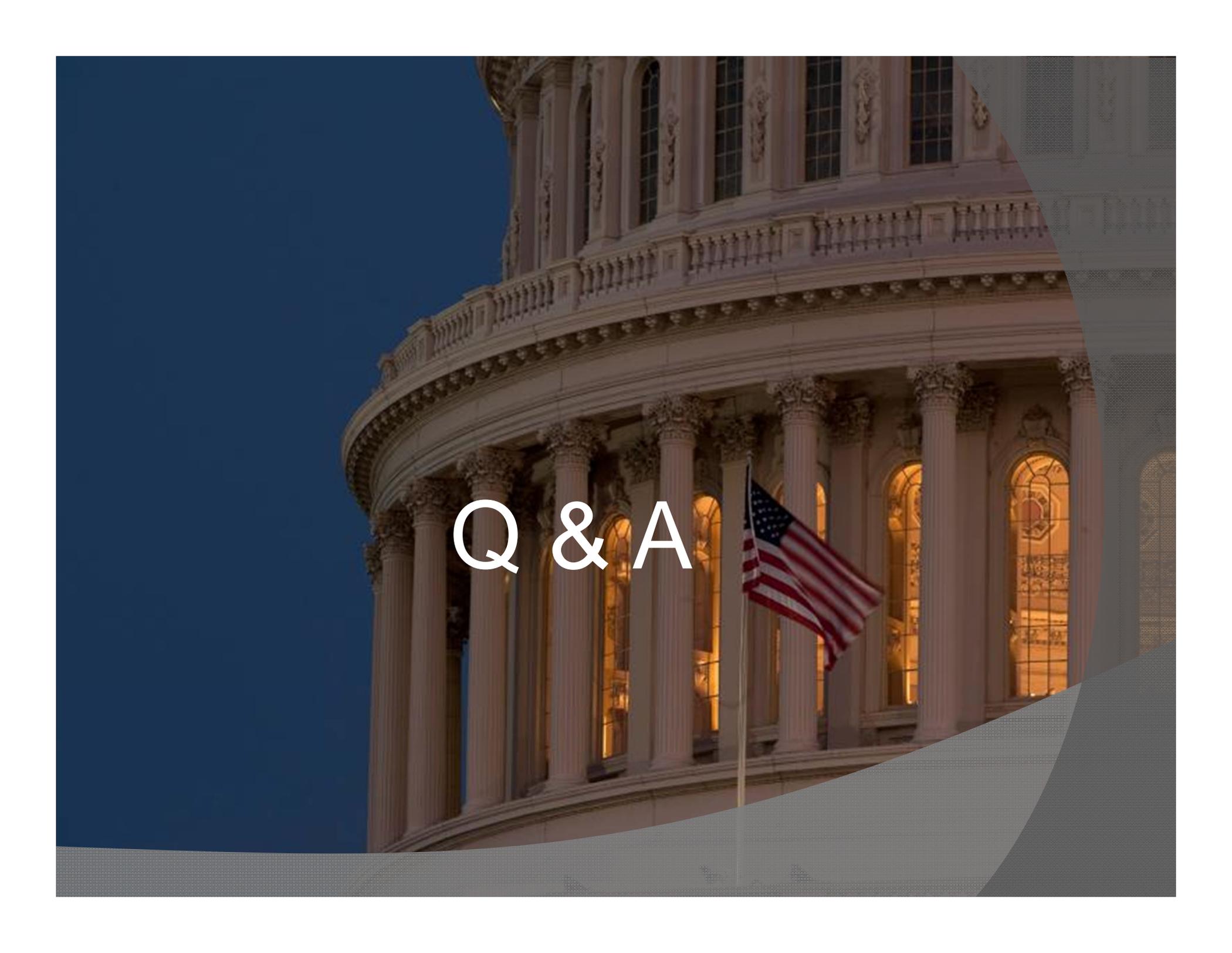
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www.business.utah.gov/PTAC



Q & A