

THE
**DEFINITIVE
GUIDE**
TO

Secure a GSA
Contract Without
Paying \$10,000
in Consultant
Fees

GOVERNMENT CONTRACTS

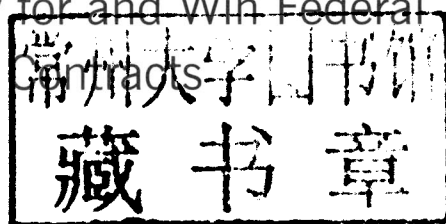
Everything You Need to Apply for and Win Federal
and GSA Schedule Contracts



MALCOLM PARVEY & DEBORAH ALSTON

THE
DEFINITIVE
GUIDE
TO
**GOVERNMENT
CONTRACTS**

Everything You Need to Apply for and Win Federal
and GSA Schedule Contracts



MALCOLM PARVEY & DEBORAH ALSTON



Pompton Plains, N.J.

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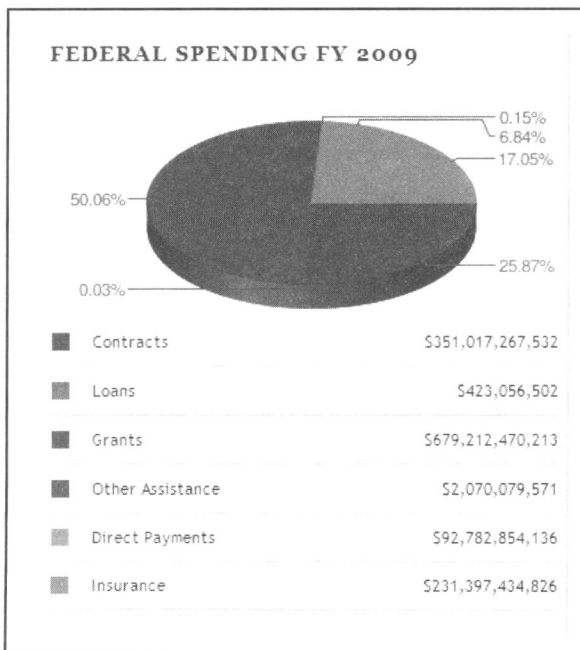
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A Word From the Authors

First, some facts:

In Fiscal Year 2008, small businesses received more than **\$93 billion** in federal prime contracts, according to the Small Business Administration—an increase of \$10 billion over the previous year!

Federal regulations state that if any government agency is going to make a purchase estimated to be \$100,000 or less, it *must* be set aside for small businesses. Furthermore, federal agencies must set up contracting goals—for example, that 23 percent of all government purchases should be from small businesses. Federal agencies have a statutory obligation to reach out to small businesses and to purchase from them whenever possible.



(From the USAspending.gov Website.)

As independent sales and marketing consultants with more than 30 years of experience in this marketplace, we have worked closely with many small businesses, helping them to secure federal government contracts.

Our clients come from many different types of small businesses—manufacturers, distributors, service companies, and more. We work closely with them to find appropriate **sales** opportunities, help them fully understand the **requirements**, find any available **drawings** or specifications, find any available **procurement history**, help them to complete the **bid package**, and then **submit** the offer in their name. We also **track** the results so that the clients can see who submitted offers, who was awarded the contract, and what was the awarded price.

In addition, we also work with the client to secure a General Services Administration Federal Supply Schedule contract—commonly referred to as a **GSA contract**. This can take several months of information-gathering and paperwork before the proposal is ready to be submitted, and we are there every step of the way—including the final negotiation phase with GSA prior to the award.

After the award we can also upload the contract details to the GSA online ordering site and prepare the Federal Supply Schedule Catalog—both requirements of the contract award.

In 2008 we wrote a highly successful book, *Winning Government Contracts*, which showed a step-by-step procedure to finding, understanding, and submitting government competitive bids up to \$100,000.

Now in this new **definitive guide to government contracts**, much of the information has been extensively updated, and several new chapters have been added.

We are excited to include details on the **GSA contract** proposal, which we only briefly mentioned in our first book. We take you step by step through the GSA contract proposal, from initial research into understanding the contract requirements and finding the correct schedule for your business, to a page-by-page approach to completing all the required paperwork. Finally we show you how to upload your contract details to GSA's online site and prepare your Schedule Contract price list.

Don't Panic! Please don't be daunted by the amount of information in this book! As a "definitive guide" it necessarily includes much information that may not be relevant to your circumstances or requirements. Feel free to cherry-pick from all the information here! We hope that this book will become your guide as you pursue federal contracts, and that you will find yourself turning to it over and over again for clarification and advice.

Most importantly, this guide attempts to explain government contracting to the beginner. It is written in simple language, without using government jargon where it was at all possible. Here are some more key points:

- If you are a complete beginner in federal contracting and don't know where to begin—this book is for you!
- If you have made a few tentative steps, but you don't know how to proceed—this book is for you!
- If you have had some initial success in federal procurement, and you would like to think about securing a GSA contract—this book is for you!
- Even if you already have your GSA contract and feel confident about your company's future in federal contracting—this book could *still* be for you!

If you would like more information about our services, visit us at www.sell2gov.com.

Introduction:

The 25 Biggest Misconceptions About Federal Contracting

1. I am too small to do business with the federal government.

The federal government's goal is to set aside 23 percent of its purchases specifically for small businesses. Each agency must do its very best to meet that goal. The bottom line is: If you can supply the product in the volume and time frame required, you are not too small. There are many daily sales opportunities for \$10,000 or less.

2. I don't have time to learn about this.

How much time do you currently spend on your most favored customers? Remember, the federal government is the biggest customer in the entire world! This *one* customer can give you more business than all of your commercial customers combined! This book will take you step by step through the entire process of gaining government contracts—from finding the sales opportunities, through putting in a bid, and following through after you are awarded. Much of the paperwork is exactly the same from bid to bid, so once you have prepared a few offers you will feel much more confident; once you are familiar with the format of a particular agency's site, you will find that you can submit many electronic bids in as little as six minutes!

3. You need contacts in the federal government to win an award.

No! You just need to know where the sales opportunities are. The federal government issues more than 10,000 different sales opportunities every day, and many are issued and awarded automatically by computer.

4. I can't make a profit in this marketplace.

You will never know whether or not you are competitive in this marketplace unless you get involved! Using this book you will be able to find out what the government is paying for an item right now, *before* you put in your bid! Also remember that the purchase may be set aside exclusively for small, woman-owned, minority-owned, veteran-owned, or disadvantaged businesses—this book will show you how to identify whether you qualify for these set-asides. Another factor to remember is that often the contract will be awarded

using what is known as Best Value Purchasing rather than simply on price alone—if you can offer a better delivery time, or a better warranty than your competitors, you *will* be awarded the contract, even if your price is somewhat higher!

5. I tried this before, but it didn't work out.

A lot has changed in the last few years; what used to take 10 days to complete now—thanks to the Internet—takes only 10 minutes! The e-government initiative has made it much simpler to find bids and submit offers, particularly for purchases under \$100,000—known as the Simplified Acquisition Threshold.

6. My small business can't handle multi-million-dollar contracts.

Many smaller bid opportunities are out there for you—you just need to know how to find them, and this book shows you where they are! There are an estimated 10,000 government sales opportunities each day, across all agencies, and 95 percent of them are estimated to be \$100,000 or less.

7. I don't understand the jargon.

This book explains each government term in simple, easy-to-understand language that does not assume any previous knowledge in this area.

8. I don't know where to begin.

The first step will be to register your company at the Central Contractor Registration site. You must be registered at this site in order to receive an award. In Chapter 1 of this book we take you through the registration process. We also explain the other important business codes and numbers you will need in order to begin.

9. I am a small service company—there's no market for me.

Are you a small landscaping company? The government contracts for lawn-mowing and grounds maintenance. Are you a staffing agency? The government contracts out much of its administrative work to civilian contractors. Are you a small building company? There are many opportunities for you out there—you just need to know where to find them! Are you a small marketing/public relations firm? A video production firm? An on-line distance-learning company? A computer programming firm? We have had experience helping *all* these types of service companies, and this book can help your company too.

10. The government takes too long to pay.

The federal government is required by regulation to pay small businesses in 30 days; you just need to understand its invoicing system. Many awards are paid via Electronic Funds Transfer, and new systems such as Wide Area Workflow allow you to keep track of

your invoice as it travels through the system until you are paid. This book shows you how to get started using these systems.

11. I don't have a GSA contract, so I can't submit competitive bids.

The *only* requirement for you to be awarded a government contract (and to get paid) is to be registered in the Central Contractors Registration (CCR) site. GSA contracts are just one of the many tools the government uses to make purchases, and we discuss the advantages of getting your GSA contract number in this book. But you do *not* need one in order to begin. If you find out that you are competitive and you can win awards, then a GSA contract will be another tool for you.

12. There is too much competition in this marketplace.

Fewer than 2 percent of registered U.S. companies actively seek out this market, which could mean that fewer than 2 percent of your competitors actively seek out this market. This book will show you how to do some research to find out who your competitors are in this market.

13. I sell products that are made outside of the United States.

The Buy American Act places certain restrictions on foreign products, but there are exceptions to this regulation. For example, if at least 51 percent of the cost of producing the finished item is incurred in the United States, Mexico, or Canada it is *not* considered an imported item. Use this book to find out more.

14. There are too many rules and regulations.

Federal agencies are strongly encouraged to make use of accepted commercial standards whenever possible, so this need not be an obstacle.

15. There isn't anyone to go to for direction.

Take advantage of local organizations that can help you get started; for example, the Small Business Administration (SBA), or the local Procurement Technical Assistance Centers (PTAC). Information on how to locate your nearest office is listed in Chapter 1 of this book.

16. I need Drawings and Specifications for my products.

This book will show you step by step where to go and how to download drawings and specifications immediately from the Internet.

17. I am a dealer; I won't be able to sell to the government.

If you are a dealer, you can still sell your products to the government—this book shows you how.

18. I'll just hand this one over to Bob (or Barbara!).

Don't try to give the responsibility for this to someone who already has too much to do, because it won't get done! Assign someone in the company to research this thoroughly so that you give it a fair shot. It doesn't need to be one of your executive staff, but someone in the company should read this book to find out who your competition is, do some research into the market, put in some bids, and follow up on them. If one agency doesn't buy your products or services, look elsewhere. This is the *only* way to really tell if this market is right for your company. You will never know until you try!

19. I'll just skim over the details; there's too much to read.

As with any other sales opportunity you must understand the terms and conditions of the contract before you put in your offer. Everything is there in black and white, and a few moments of checking out the details could save you a lot of time later on. If you have a question on a bid there is always a point of contact on the very first page to answer all and any questions.

20. I need professional training; it will cost too much, and take too much time.

Look at this book as a training manual. Everything you need to know in order to win contracts is in this book. Additionally, many free training seminars are available at your local Small Business Administration (SBA) office, or the local Procurement Technical Assistance Center (PTAC). Also, a number of free online government training resources can help you to master any of the systems you need to understand. For example, the new Wide Area Work Flow (WAWF) system, which tracks products and services from delivery to invoicing and payment, has a free online training session to help you navigate it, as well as a practice site where you can fill out dummy invoices to understand how the system works. Remember that government officers are always willing to help you with any problems—you just have to ask!

21. The agency will never return my calls.

The agency's contracting officer really is there to help you! Send an e-mail to the point of contact listed in the solicitation and you will get a reply from someone—these people really are professional, highly trained, courteous, and patient.

22. I already do business with a federal agency.

Just because you have done business with the United States Postal Service or the Air Force or the Secret Service does not mean you know how to do business with other agencies. Every agency does business differently, but they are all required to use the same basic regulations—in the commercial marketplace you know that every sale is different, even though you are selling the same product or service, and you must tailor your approach accordingly. In a similar way each agency is different because they all have a different mission.

23. I don't need to keep records.

Wrong! The government never throws away records, and neither should you! Keep a record of every sales opportunity you are involved with. If you speak to someone on the phone, send an e-mail to follow up. When you win a contract, keep every record for a minimum of three years after the contract has expired. For example, if you are awarded a GSA contract, the agency has the right to audit your contract up to three years after the contract has expired!

24. My record with one agency won't help me get business with another agency.

You think that being a good vendor only counts with the particular purchasing agent with whom you did business? The government keeps a report card in a central location for each vendor, so that other purchasing agents can see how well they performed on previous contracts. Your good record counts!

25. I'll look at this next week—or next month...

The opportunities for your small business *are* out there! Don't wait for some vague time in the future when you think you will be able to find the time. Find the time **today** and **get started now!**

How to Use This Book

Many different federal government agencies exist, with different responsibilities and mandates, but they *all* need to purchase goods and services. Many agencies use their own Websites to advertise sales opportunities, and in many instances you may submit an offer electronically through the site.

It would be almost impossible to cover every agency's site individually, because there are so many of them, so we have chosen several important sites to look at in detail. Once you are familiar with the way these specific sites advertise their sales opportunities and accept your offers, you will feel confident enough to find your way around most other federal agency sites.

In **Chapter 1** you will find an overview of how the federal government purchases the products and services it needs, an explanation of how the Small Business Administration determines size standards, and a comprehensive list of the business codes and numbers you will need to obtain in order to begin selling to the federal government—plus exactly where to go to get them, and why they are important.

In **Chapter 2** we look in detail at the Federal Business Opportunities Website, or FedBizOpps. This is the central site where most agencies *must* post their sales opportunities if they are estimated to be valued at more than \$25,000. The initial notice of such an opportunity is posted in FedBizOpps, and it will contain information on where to find the details of the bid, often via a link or a Web address to the specific agency's site.

Chapter 3 looks closely at the Department of Defense's Website, known as the Defense Internet Bid Board System (DIBBS). The sales opportunities at this site can be for as little as \$50, and can reach to as high as several million dollars. (Sales opportunities in DIBBS that are valued at over \$25,000 will *also* be posted in FedBizOpps.)

Chapter 4 takes a look at some of the many other government sites you may wish to search, including the Army Single Face to Industry site, Navy Contracting, and others.

In many instances you will be able to submit your bids electronically, which is covered in Chapter 3. Even though other sites may have their specific electronic bid processes, once you have seen exactly how the system works at DIBBS, you will be able to use that knowledge (if you wish) to bid electronically at other agency sites in the future. However, at other times the bid package must be filled in and mailed or faxed in a hard copy, or paper format.

In **Chapter 5** we take you step by step through this process, so that once you have read this chapter you will be more familiar with the way it works.

In **Chapter 6** we look at some additional information that may be required if you are a company that provides a Service.

Chapter 7 looks at what happens once you have been awarded the contract. We discuss packaging, shipping, acceptance, and invoicing procedures.

Chapter 8 discusses the General Service Administration's (GSA) Federal Supply Schedule contract. We explain how the GSA's schedule program works, how to do some initial research to find out who your competitors are in this marketplace, and help you to determine which is the correct schedule for you.

Chapter 9 takes you by the hand through all the information-gathering and administrative paperwork you will need to complete your Schedule proposal, so that you can confidently submit the best possible offer.

Chapter 10 discusses your requirements, once you have been awarded a GSA contract, including uploading to GSA's online site known as *GSA Advantage!*, tracking sales and paying the appropriate fees, and creating your Federal Supply Schedule catalog for submission to GSA.

Finally, in the **Appendix** you will find several useful worksheets and tables of information for you to reference.

A Note on Link Information in This Book

Throughout this book, you will come across many links to Websites. Some links are to government sites, and others are organization sites or commercial sites. These links allow you to follow up on information, or to find more detailed information on a particular topic that may be of interest to you.

Every effort has been made to keep the link information in this book current, but we are aware that any links we provide can quickly become obsolete.

As an extra service to our readers, and to ensure that this book remains as up-to-date as possible, we will be providing updated link information on our company Website, *www.sell2gov.com*.

All links in the book are followed by a number in parenthesis. If you find, upon sitting down at your computer, that one of the listed links has changed, simply go to our Website, where you will find an **Updates** page where you can search for recently updated links.

We also welcome your input! If you find that a link has changed, please let us know via the Contact Us section of the Website—we will do everything we can to ensure that these links remain a valuable source of information.

A Word on Some Necessary Evils

This book is intended as a working manual, something you can refer to regularly as you begin to search the various agency sites for sales opportunities. For that reason there are occasions in the book where information is repeated from one chapter to another, rather than simply referring you to a particular section of the book—that way all the information is right where you need it.

Chapter 1

Introduction to Federal Government Sales

Overview

Are You a Small Business?

In this introductory chapter we begin by examining exactly how the government determines whether you are considered a small business, and how you can find out whether you are eligible to be considered as a small business.

Resources

This is followed by information on the many organizations that can give you advice and assistance on doing business with the federal government, such as the Small Business Administration and the government's Procurement Technical Assistance Centers.

How the Federal Government Buys What It Needs

The next section of this chapter gives you a brief overview of exactly how the federal government buys the things it needs, and explains such terms as *Invitation for Bid*, *Request for Proposal*, *Request for Quote*, and *Best Value Purchasing*. We briefly examine the many government Consolidated Purchase programs that are available, such as Multi-Agency Contracts (MACs), Government-Wide Acquisition Contracts (GWACs) and General Services Administration (GSA) Schedule contracts. In addition, we look at the increasing use of the “reverse auction” mechanism for bids, as well as the use of government Purchase Cards (credit cards).

Important Codes and Numbers

Then we turn to the important business codes and numbers you will need to obtain in order to begin selling to the federal government. Each code is explained in plain language—including why it is important to know these numbers, where you can find them, and so on. We take you step by step through each number and explain clearly where to go to obtain each one. In addition, we take you step by step through the Central Contractors Registration (CCR) site, and the new Online Representations and Certifications Applications (ORCA) site, where you must register your company in order to do business with the federal government.

Are You a Small Business? Determining Size Standards

If you wish to take advantage of the various programs that are set aside for small businesses, you must first determine if you are eligible.

A small business is one that:

- Is organized for profit.
- Has a place of business in the United States.
- Pays taxes, and uses American products, labor, and materials.
- Does not exceed the size standard for its industry.

The Small Business Administration uses the North American Industrial Classification System (NAICS) to determine types of industries and their size standards. We discuss NAICS codes later in this chapter. Size standards are usually stated in terms of either the number of employees in a company or the company's average annual receipts. For a **Products** company the size standard is determined by the number of employees (including both full- and part-time). For a **Service** company the size standard is determined by the annual average receipts.

In the chart that follows, a business in one of the following industry groups is considered to be a small business if its size is not greater than the following:

Construction	<ul style="list-style-type: none"> • General building and heavy construction contractors: \$33.5 million. • Special trade construction contractors: \$14 million. • Land subdivision: \$7 million. • Dredging: \$20 million.
Manufacturing	<ul style="list-style-type: none"> • About 75 percent of the manufacturing industries: 500 employees. • A small number of industries: 1,500 employees. • The balance: either 750 or 1,000 employees.
Retail Trade	<ul style="list-style-type: none"> • Most retail trade industries: \$7 million. • A few (such as grocery stores, department stores, motor vehicle dealers, and electrical appliance dealers), have higher size standards, but none above \$35.5 million.