

Resource Guide: Government Contracting

Government Contracting Myth versus Reality

Myth: The government isn't a reliable client

Fact: Regardless of how the economy is doing, the government is always in business. During times when the private sector is scaling back, the government still needs to maintain its infrastructure and go about its business. As a result, government contracting can be a steady source of revenue regardless of the highs and lows of the economy

Myth: The government doesn't have any money to spend.

Fact: Although government contracting is under close scrutiny, there is a great deal of money out there.

Myth: It will take too long to get paid.

Fact: The Prompt Payment Act of 1982 stipulates that federal contractors receive payment within 30 days of submitting a properly prepared invoice. Most cities, states, and other local jurisdictions have followed suit with similar regulations regarding government contracting. If payment is late, you are usually entitled to interest for every day it is overdue. In addition, more and more agencies are using purchase cards and electronic funds transfers, which make payments fast and efficient.

Myth: Government paperwork is too long and too confusing to manage.

Fact: In the past several years, the government has decreased and simplified paperwork on every level. Also, many agencies now put their government contracting forms, regulations, and instructions online, making them easily accessible. That said, the government still takes its paperwork seriously. Contractors must pay careful attention to every detail when contracting with any government agency.

Myth: Small companies don't get government contracts.

Fact: Federal, state, and local agencies have programs in place to ensure that small and disadvantaged businesses get a share of government contracting work. For example, the federal government enacted the Very Small Business Program to increase the number of contracts going to businesses with fewer than 15 employees and annual receipts of less than \$1 million.

Myth: Contracts only go to companies that already work with the government.

Fact: These days, many government agencies go out of their way to recruit new contractors, especially among small businesses. There are also systems of checks and balances in place to prevent government contracting officials from playing favorites with a particular company.

Myth: Government agencies don't communicate, so you'll never know why you didn't get a contract.

Fact: Many jurisdictions now mandate that government contracting officials list the reasons why one company was chosen over the competition. You can also request a debriefing with officials to sort out your shortcomings and the winning bidder's strengths.

Source: <http://government.onvia.com/?p=19>

The Process for Getting Started with Federal Government Contracting

The process for becoming a contractor for the federal government is not as difficult as one would think. The first step is to establish your small business by writing a business plan and obtaining a legal business name. Once you have done this, you are ready to register for a DUNS number and a Marketing Partner ID number, which are both required for federal contractors. Some of the information you will need to have ready to submit when you register are your NAICS and SIC numbers, a Tax Identification Number (TIN), and Employer Identification Number (EIN), or Social Security Number (SSN). Also, you should set up Electronic Funds Transfer with your bank, as this is necessary for receiving payment from the federal government in many cases. Once these steps are complete, you are registered as a contractor. Next you should submit your Online Representations and Certifications Application (ORCA). Once you have completed all of these steps, you are ready to search for contracting jobs with the federal government.

The links below will provide you with all the information you need to complete these steps, including allowing you to register online.

- Tax Identification Number (TIN): <http://www.irs.gov/businesses/small/article/0,,id=104331,00.html>
- NAICS Number: <http://www.census.gov/epcd/naics02/naico602.htm>
- SIC Number: <http://www.sba.gov/size/indexableofsize.html>
- DUNS Number: 1-866-705-5711 or http://www.dnb.com/US/duns_update/index.html
- Marketing Partner ID Number: www.ccr.gov
- Online Representations and Certifications Application: <https://orca.bpn.gov/login.aspx>

Where to Find Contracting Opportunities

Federal contracting opportunities can be found in several ways on the Internet. The best website is <http://fedbizopps.gov/> because all federal opportunities for \$100,000 or more are required to be posted on the website. Each government department often posts opportunities for less than \$100,000 on their individual websites. GSA Schedules, which are long-term contracts through the General Services Administration, are another opportunity available to contractors. While these websites are free of charge, there are also companies that assist contractors in finding opportunities by providing their own databases and even emailing pertinent opportunities directly to you for a subscription fee. Links where you will find numerous opportunities can be found below.

- All opportunities for \$100,000 or more: <http://fedbizopps.gov/>
- Some government agencies that regularly hire contractors:
 - Department of Homeland Security: http://www.dhs.gov/dhspublic/interapp/editorial/editorial_0416.xml
 - Defense Logistics Agency's Procurement Gateway (ProGate) <http://progate.daps.dla.mil/home/>
 - Department of Energy: <http://e-center.doe.gov/>
 - Navy Electronic Commerce: <http://www.neco.navy.mil/>
 - Many links to different departments: <http://www.sba.gov/GC/indexresources.html#Tools>
- Apply for GSA Schedules at: http://www.gsa.gov/Portal/gsa/ep/contentView.do?programId=10019&channelId=-13464&oid=8202&contentId=8133&pageTypeId=8199&contentType=GSA_BASIC&programPage=%2Fep%2Fprogram%2FgsaBasic.jsp&P=FCOC
- You can advertise yourself at www.ccr.gov
- The following provide services for finding contracts for a fee
 - Onvia: <http://onvia.rsc02.net/servlet/website/ResponseForm?hgOE.40kLLzHtisL9hgmkHJmfntm>

- Bid Net: <http://www.bidnet.com/>
- Fed Vendor: <http://www.fedvendor.com/>
- Links to Contracting and Private Sector job openings: <http://www.state.gov/m/dghr/flo/42158.htm>

Obtaining a Contract

After finding an opportunity using one of the above methods, you now have to obtain the contract. Before you even propose a contract, make certain that you can meet the government's needs for the project. If you cannot, you may still be able to take on the project by forming a partnership with another prime contractor or a subcontractor who can fill in the gaps.

The government buys from contractors in three different ways: sealed bids, contract negotiations, and consolidated purchasing programs. Sealed bids will have a submission deadline and the lowest responsible bidder will be awarded the contract. If the government agency wishes to negotiate, they will issue a request for proposals (RFP), which will outline the government's need and their anticipated terms and conditions of the contract. In the case of negotiations, you will have to write a proposal. If you do not win the contract, the government is required to give you a reason why you were not chosen. Consolidated purchasing programs, mostly in the form of GSA Schedules, are also common. These are long-term agreements that can be extended for up to 20 years, which the General Services Administration forms with contractors.

When determining how much to offer, make sure you keep in mind the costs of material, labor, overhead, packaging, and transportation. Also, be sure to comply with any important provisions, such as tagging, marking and mailing any required samples.

Listed below are some links to assist you when obtaining a contract:

- <http://library.findlaw.com/1999/Jan/1/241470.html>
- Federal Acquisitions Regulations (FAR): <http://www.arnet.gov/far/>
- Tips for Writing Good Proposals: <http://government.onvia.com/?p=83>

Become an Effective Contractor

Effective contractors have certain similarities. In order to become an effective contractor, you should stay updated on changes in requirements through communication and checking newspapers and websites regularly. You should determine the best method of communication early on and use it, whether it is phone, fax, on-site visits, email, or a combination. Always meet the deadlines and document everything. Be flexible with different government payment options. It is also advantageous to form partnerships with other contractors who have different skills.

Related Links:

- Contractor Responsibilities: <http://www.sba.gov/businessop/basics/contractor.html>
- Best Practices from the SBA: <http://www.sba.gov/businessop/rules/practices.html>

Training and Assistance

This guide has provided you with a lot of resources and information about government contracting, but if you still feel that you could benefit from more training, there are many services available. There are online resources and online courses. The Maryland Procurement Technical Assistance Program can provide you with free information, assistance, and networking and training events. They even have some all-day courses you can take for a fee. Government

grants are available, but many focus on Disadvantaged Business Enterprises, such as Women-Owned, Minority-Owned, Veteran-Owned, and Hub-Zone Businesses.

See the links below to find out more about training and assistance opportunities:

- Contracts and Acquisition Training from GSA:
<http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelPage=%2Fep%2Fchannel%2FgsaOverview.jsp&channelId=-13441>
- Maryland Procurement Technical Assistance Program: <http://www.mdptap.umd.edu/>
Maryland SBDC
7100 Baltimore Avenue, Suite 402
College Park, MD 20740-3627
Point of Contact: Ralph Blakely
Phone: 301 403-2740 X26
Fax: 301 403-8303
- Free Online Courses from the SBA:
<http://www.sba.gov/training/courses.html#GOVERNMENT%20CONTRACTING>
- Federal Government Grants Search: www.grants.gov

Subcontracting

Subcontracting is the common practice of working for a prime contractor on a government contract. If you aren't quite ready to become a government contractor on your own but you want to get your foot in the door, subcontracting is a good way to get acquainted with the process. There are databases for finding subcontracting opportunities online, just as there are for prime contractors.

For subcontractors, the contract should include a statement of work, a delivery schedule, and an invoicing schedule. The statement of work indicates what work will be done and any specifications. The delivery schedule indicates the deadlines for each part of the job. The invoicing schedule describes all aspects and details of how and when you will be paid for your work.

You will find several links to assist you with subcontracting below:

- Rules and Tips from the SBA: <http://www.sba.gov/businessop/basics/subcontracting.html>
- Resources on Subcontracting: <http://government.onvia.com/?cat=1>
- Onvia's Subcontracting Resource for finding opportunities:
<http://onvia.rsc02.net/servlet/website/ResponseForm?hgOEv88KLthzNIJhgmkHJmpgn>
- List of Federal Prime Contractors looking for Subcontractors arranged by state:
http://www.acq.osd.mil/osbp/doing_business/subdir-2005-11.pdf
- Services for Subcontractors: <http://www.scicourier.com/index.htm>
- Maryland Subcontracting Opportunities Database: <http://www.sba.gov/GC/cmr/mdsubs.html>
- American Subcontractors Association (ASA): www.ASAonline.com

Become a Contractor for the State of Maryland

The Maryland Department of Business and Economic Development (DBED) keeps a posting of new contracting opportunities on the following website. It changes frequently and should be checked on a very regular basis.

<http://www.choosemaryland.com/AboutDBED/statecontracting/DBEDProcurementOpportunities.html>

State government also regularly buys from contractors. See below for opportunities with a variety of departments:

- Directory for Contracting for the State:
http://www.maryland.gov/portal/server.pt?space=Dir&parentname=CommunityPage&parentid=0&in_hi_u_serid=1333&control=OpenSubFolder&DirMode=1&subfolderID=3183
- Department of Transportation Contact Information: http://www.e-mdot.com/Contract_Opportunities/index.html
- Look for Contracting opportunities with the Maryland Department of Transportation in the following places:
 - Newspapers: The Baltimore Evening Sun, The Washington and Baltimore Afro-American Newspapers, Newspaper in the project area, The Daily Record
 - Magazines/Related publications: The Maryland Contract Weekly, The Dodge Report
 - Trade Associations: Minority Contractors Associations, The Maryland Highway Contractors Association, The Maryland Minority Contractors Association
- Procurement Opportunities for the Department of Housing and Community Development:
<http://www.dhcd.state.md.us/Website/procure/procure.aspx>
- Maryland Contract Weekly:
Advertises all contracts valued at over \$25,000.
1700 Margaret Avenue
Annapolis, MD 21401
(410) 974-2486
<http://www.dsd.state.md.us/contractweekly/> (Must Subscribe to this publication)
- Maryland Environmental Service: <http://www.menv.com/multiple.asp>
- Maryland Stadium Authority: <http://www.mdstad.com/contracting/>
- Maryland procurement solicitation: <https://ebidmarketplace.com/>

Sell to the Frederick County Government

Frederick County also requires registration for their vendors (separate from state and federal contractor registration.) County registration is the first step in selling to the Frederick County Government. To access the application online, see the following website:

<http://www.co.frederick.md.us/VendorSignin/>

Where to Find Bid Information

You may learn of an Invitation for Bid or Request for Proposal from our **NEW** email notification system, this web site, the Maryland Contractor's Weekly, [eMarylandMarketplace](http://www.marylandmarketplace.com), or on the Frederick County Government Television – Cable Channel 19.

A listing of our Invitations for Bid and Requests for Proposal are updated regularly. Amendments to our Invitations for Bids and Requests for Proposal are added as they occur. Notification of posted award recommendations are updated regularly. Bid and award information can be found at this web site (<http://www.co.frederick.md.us/Purchasing>).

If you become aware of a Bid or Request for Proposal in any manner, you may obtain the necessary documents by writing, emailing or visiting the Frederick County Purchasing Department. When you request your Bid/RFP package, ask for it by Number, Title and Opening Date. This information appears in all advertisements, solicitations and notices. If there is a charge for the Bid/RFP, enclose your check or money order for the advertised service charge payable to Board of County Commissioners, Frederick County along with your request and mail it to:

**Frederick County Purchasing Department
First Floor, Winchester Hall**

**12 East Church Street
Frederick, MD 21701-5448**

You must include firm name, address, phone number, fax number, and individual's name.

Procurement methods

Requests for Quotations (RFQ's) are normally used for purchases valued below \$30,000, unless the complexity of the terms and conditions requires the added controls of the formal bid process. The Quotation is awarded to the lowest responsive and responsible vendor.

Formal Competitive Sealed Bids are used for purchases valued at \$30,000 or higher. The Invitation for Bid (IFB) is a formal procurement method utilizing detailed specifications, advertising and a Public Bid Opening at a prescribed time and date. Bid openings are held in the Purchasing Department, unless otherwise stated. Contracts resulting from the bid process may be for a one-time purchase or a term contract. All vendors registered within the commodity will be emailed a notice of an Invitation for Bid.

A **Sole Source Purchase** is exempt from quotation and bid requirements. For any commodity to be considered a sole source item, it must be the only product which will produce the desired result, and it must be available from only one source of supply.

Requests for Proposal (RFP's) are normally used when it is not possible to identify exact specifications and/or if the issue of "how to achieve the desired result" is best left up to the vendor to propose. The RFP may also be used when factors other than price must be considered in selecting a vendor. Awards are based on the evaluation of a selection committee which rates each proposal against the published selection criteria.

Taken from: <http://www.co.frederick.md.us/purchasing/vendorsguide.htm>

Contracts with the City of Frederick

The Purchasing Department is responsible for administrating purchasing policies, programs, and procedures for the acquisition of materials, equipment, supplies, services and construction projects for all City of Frederick Departments. The Department also maintains and operates a Central Supply warehouse which stocks approximately 3,000 items for all city departments.

The City of Frederick shall purchase goods and services from bona fide minority vendors whenever possible, providing cost, quality and service are equal. The City of Frederick maintains a Disadvantaged Business Enterprise program.

Purchasing Agent: 301-694-1194 Fax 301-360-3871

<http://www.cityoffrederick.com/departments/Finance/purchasing.htm>

Search opportunities: <http://www.cityoffrederick.com/departments/Finance/purchasing/vendorForm.htm>

Working with the Municipalities of Frederick County

Trying to keep your work as local as possible? The various municipalities located in Frederick County also utilize the services of contractors. The municipalities' individual web pages will supply you with contact information for their offices.

Visit the web pages of the Frederick County Municipalities via this link:

<http://www.discoverfrederickmd.com/business/aboutoed/municipalities.cfm>

Other General Resources

To read more helpful information about contracting see the following websites:

- Contracting 101: <http://government.onvia.com/>
- General Services Administration: www.gsa.gov
- Small Business Administration Contracting Website: <http://www.sba.gov/GC/>