

**BUSINESS DEVELOPMENT IN THE FEDERAL GOVERNMENT SECTOR**

**Revised December 2019**

GENERAL: The following guidelines are designed to assist individuals and firms who wish to expand their customer base into the Federal Government Sector. Additional resources are available from the Small Business Administration and at [www.sba.gov.](file:///C:\Users\Karen.Williams\Desktop\www.sba.gov)

1. **PHASE I: Establish your Firm, legally, in the Private Sector**
2. Obtain a Federal Employer Identification Number (EIN), sometimes referred to as a Tax Identification Number (TIN), at no cost from the IRS ([www.irs.gov](http://www.irs.gov)).
3. Open a commercial checking account.
4. Establish your firm’s corporate qualifications (**past performance)** in the private sector to demonstrate to Federal Government customers and/or prime contractors that it would be a **low risk** in selecting your firm for a teaming opportunity or for a prime contract.
5. In start-up firms, the **past performance** of the firm is found in the individual resumes of the President/CEO, partners, employees, associates, consultants, or from work performed by other firms owned or managed by those individuals.
6. Learn to develop and deliver a quality service or product and make a profit on the private sector contracts that you negotiate.
7. **PHASE II: The Federal Procurement Process**
8. Obtain a DUNS Number. The Federal Government uses D-U-N-S numbers to uniquely identify businesses in their databases. DUNS numbers can be obtained at no cost from Dun & Bradstreet ([www.dnb.com](http://www.dnb.com)).
9. Identify a North American Industrial Classification System (NAICS) code for the products or services offered by the firm. Having more than one NAICS could help increase your opportunities ([www.census.gov/eos/www/naics/index.html](http://www.census.gov/eos/www/naics)).
10. Register your Business with the System of Award Management (SAM). SAM ([www.SAM.gov](http://www.SAM.gov)) makes information about the firm available to all Federal users. **Make sure that your company name and address exactly match the name and address used when obtaining your DUNS and EIN numbers. You will be notified annually that your SAM registration must be updated.**
11. For DOD and GSA contracting, identify your Product or Service using the Federal Supply Classification (FSC) code or the Product Supply Classification Code. Codes can be found on (<https://www.acquisition.gov/PSC_Manual>).
12. Obtain a Commercial and Government Entity (CAGE) code for DOD opportunities. The CAGE code provides for a standardized method of identifying a given facility at a specific location. Codes are assigned by the Federal Government; a code can be assigned following the SAM registration process. Information is available at <https://cage.dla.mil/>.
13. MARKET RESEARCH IS KEY! Find Federal contracting historical data to help identify which Federal agencies buy what you sell. Once you have identified a potential contract, request a copy of that contract through the Freedom of Information Act (FOIA) process outlined below. Two websites for Market Research:

a. Federal Procurement Database System - Next Generation (FPDS). FPDS is the repository of all Federal contracting data for awarded contracts greater than $25,000. With this database, you can learn the following:

* What agencies have current contracts and the primes performing on those contracts; which contractors have contracts with the agencies.
* What products and services the agencies have previously procured.

In addition, there are over 50 standard reports you can run, as well as specialized reports that allow you to request information using over 160 customized fields. Search at <http://www.fpds.gov>.

b. Usaspending.gov provides similar information. In addition to contract award data, this database provides information on how much was funded by the government on each contract. It also includes details on the first-tier sub-recipients for awards. See [http://www.usaspending.gov](http://www.usaspending.gov/).

1. Build the firm’s competitive position by registering for all small business preference programs for which the firm is qualified. Once you have established past performance and have classified your company based on the established [size standards](https://www.sba.gov/content/determining-size-standards) (www.sba.gov), you are ready to begin registering to do business with the government. For a discussion of all the Federal Government small business preference programs visit the SBA website.
2. After you have past performance, consider obtaining a General Services Administration (GSA) Schedule. GSA Schedules offer a potential competitive advantage because you hold a contract vehicle that government agencies can use to access your products or services. For additional information visit gsa.gov. For a listing of companies that currently have GSA Schedules (including pricing information), visit <http://www.gsaelibrary.gsa.gov/ElibMain/ElibHome>.
3. Contact Federal Agency points of contact for small businesses <https://www.sba.gov/>.
4. Visit <https://www.sba.gov> for a description of the simplified application process for small firms that wish to do business with the federal government.
5. **PHASE III: Some Recommended Marketing Questions**
6. Does the Federal Agency buy what your firm sells? At what price?
7. How does the Agency buy what your firm sells?
8. When does the Agency buy what your firm sells?
9. Who is the Agency’s buyer of the firm’s products or services?
10. Under the Freedom of Information Act, request a copy of the Agency’s current contract/purchase order. (Most Federal agencies have an on-line FOIA website.)
11. **PHASE IV: Create a Business Development Plan**
12. The Business Development Plan is the starting point for revenue generation.
13. The Business Development Plan feeds the Business Plan.
14. Business Development is generally the primary “face” to the customer.
15. The Business Development Plan must identify potential customers, potential contract funding, start date, date of Request for Proposal, competition, etc.
16. The firm’s past performance on private sector contracts should be part of the Plan.
17. The Business Development Plan should include an assessment of Strengths, Weaknesses, Opportunities, and Threats (SWOTs).
18. **PHASE V: Executing the Business Development Plan**
19. Learn how the Federal Government does contracting by understanding the Federal Acquisition Regulations (FAR). The Federal Government is increasing the use of a contract proposal process called **LOWEST PRICE TECHNICALLY ACCEPTABLE (LPTA).** For additional information refer to FAR Subpart 15.101-2 Source Selection Processes and Techniques of the Federal Acquisition Regulation (https://www.acquisition.gov/content/regulations).
20. Think Business Development – not sales. Business Development is creating your own opportunities.
21. Focus initially on no more than three Government Agencies/offices that have posted contract opportunities for your product or services on ([www.fbo.gov](file:///C:\Users\Karen.Williams\Desktop\www.fbo.gov)) or on the Agency’s website. Consider the Agencies that you, your partners, employees, associates, and consultants have previously worked for (or have had contracts with), as prime candidates for your initial focus.
22. After three Government offices have been selected for the initial, focused marketing effort, sign up for email notifications of their contract opportunities. This action will save you time in that there will be no requirement to read through the entire FEDBIZOPPS every day. (For example, if the FAA was one of the selected Government agencies, go to [https://faaco.faa.gov/index.cfm/announcement/search](https://faaco.faa.gov/index.cfm/announcement/search%20) and click on “Register for FAA Announcements” to receive daily email notifications of FAA contracting opportunities).
23. Visit the websites of the three Federal Government Agencies that you have selected for focused marketing efforts to obtain the schedules and locations of planned Small Business Conferences and Forums sponsored by the Agency’s Office of Small Business Utilization (OSDBU). These annual and semi-annual conferences and forums are designed to help small businesses establish contacts with Agency Program Managers and Project Managers having requirements for the services/products provided by the firm. The goal of attending the Conferences/Forums is to secure an appointment to visit the Program Manager/Project Manager at a later date in his/her office where you can brief in detail on how your firm’s services/products can assist in accomplishing their Agency's mission. (Have a PowerPoint presentation and your company’s Capability Statement with you.)
24. Start your business development early. Set up appointments with the Office of Small and Disadvantaged Business Utilization (OSDBU) that support the Government Agencies you have identified for focused marketing efforts.
25. During your visit at each of the OSDBU or with Program Manager/Project Manager request an introduction to the Contracting Officer/Procurement Specialist that provide contracting support to the Program Manager/Project Manager having requirements for the firm’s services/products.
26. Visit the websites of the targeted Government Agency offices and study the mission of the Agency. Ensure that your **tailored** marketing material informs the Program Manager/Project Manager of how your firm’s core competencies can assist in the accomplishment of their mission.
27. During your visit to the contracting/procurement offices, brief them on your firm’s core competencies. **Do not attempt to be all things to all people**. Concentrate on the service or product that your firm does well and has demonstrated **past performance**. Provide a copy to the contracting office/procurement office of your firm’s Capability Statement/marketing brochure or tailored information briefing.
28. **Capability Statement** - A Capability Statement is an essential element of a marketing plan targeting Government Agencies. The Capability Statement should be limited to not more than two pages and contain the following: 1) A brief history of the firm, 2) A listing of the firm’s Past Performance (or in the case of a start-up firm a listing of the Past Experience of the firms’ owner(s), 3) A listing of the services or products offered by the firm, 4) Differentiators - why would a client pay for your services over a competitors? 5) Firm’s CAGE code, DUNS number, NAICS codes, Certifications such as SDVOSB, 8(a), WOSB etc. 6) Complete contact information. (Do a web search on other firms’ Capability Statements to see various formats.)
29. Continue your business development contacts with Program Manager/Project Manager early - before the release of the Request for Proposal (RFP). Focus on planned/potential contract opportunities with the Program Manager/Project Manager having requirements for your firm’s core capabilities. **Existing contracts that will be re-competed are opportunities that should not be overlooked**.
30. **Subcontracting:** Subcontracting to a large or mid-sized firm is a good way to develop past performance capabilities in the Federal sector. A list of the Top 100 contractors can be found using the Washington Business Journal’s Book of Lists or by searching fpds.gov. Most of these large firms have outreach offices focused on finding qualified small, woman-owned, SDB, HUBZone, 8(a) and Service-Disabled Veteran-owned firms. Since many new contract opportunities found on fbo.gov or the agency websites will exceed the capabilities of the small business firm, a successful strategy is for the small firm to take the knowledge of the upcoming contract opportunity to a larger firm with the objective of teaming to win the contract. In preparing for your visit to the Business Development office of the larger firm, identify the specific task or tasks that your firm is qualified to perform as a part of the larger contract opportunity. If the larger firm is interested in having your firm on the team, request a teaming agreement. **If you are** **unsure of the Federal contracting status of the potential teammate, visit sam.gov and insert the name of the potential teaming firm to determine if the firm is registered as a Government contractor.** If the type of contract opportunity is an Indefinite Delivery/Indefinite Quantity (IDIQ), consider requesting a **percentage of the gross** contract income as a part of the teaming agreement since the contract revenue cannot be determined ahead of time. Additional information regarding potential teaming opportunities can be found at the SBA SUBNET https://eweb1.sba.gov/subnet/client/dsp\_Landing.cfmor on the GSA site https://www.gsa.gov/small-business/choose-how-to-sell-to-gsa/partnering/subcontracting.
31. **Accounting System:** If your firm is a start-up or desiring to compete for Federal Government contracts for the first time, engage an accountant who is familiar with Federal Government contracting to ensure that your accounting process will meet Government standards. Acquaint yourself with the requirements for a compliant accounting structure by visiting the Defense Contract Audit Agency website, at [www.dcaa.mil](http://www.dcaa.mil/), where you will find guidance and resources for federal contractors. Click on “Help for Small Business” under the guidance section of the main page.

Additionally, engage a lawyer who is familiar with the FAR to act as an advisor.

1. **Security Clearances**

a. **Individual Clearances** - You cannot obtain a security clearance on your own. Rather, the individuals identified in a contract opportunity or position that requires a clearance must be sponsored by the Government or a cleared prime contractor in the case of subcontracting. You, your partners, and employees may be granted an interim clearance if the Contracting Officer and the Agency determine it is in the Government’s best interest to make an award to a contractor whose employees do not have appropriate clearances. For additional information visit http://www.dss.mil/psmo-i/indus\_psmo-i\_process\_applicant.html.

b. **Facility Clearances** - You may wish to obtain a facility clearance for your company. A contractor or prospective contractor cannot apply for its own facility clearance. A procuring activity of the Federal Government, or cleared contractor in the case of subcontracting, may request the clearance when a definite classified procurement need has been established. For details on how to obtain a facility clearance, visit http://www.dss.mil/isp/fac\_clear/fac\_clear\_check.html.

1. **ADDITIONAL RESOURCES**
2. SCORE WORKSHOPS: There are SCORE workshops that provide additional information on doing business with the Federal Government. They are:
   1. Preparing your Small Business for the Federal Market
   2. Fed Contracting - Capture and Execution
   3. GSA Schedules 101
   4. Prepare Winning Federal Proposals
   5. Government Contract Accounting
   6. How to Become an 8(a) Company
   7. 8(a) Company Best Practices

Information on dates, times, and locations can be found at <http://washingtondc.score.org>.

1. Federal Government: A representative sample of resources available include:
   * https://www.usa.gov/become-government-contractor (how to become a Federal contractor)
   * [www.sba.gov](http://www.sba.gov) (https://www.sba.gov/federal-contracting)
   * https://washingtondc.score.org/search/site/webinars (Federal contracting webinars)
2. Business Ethics and Conduct: An excellent source of information can be found at the Defense Industry Initiative at <http://www.dii.org>.
3. Other SBA Resource Partners:
   1. Small Business Development Centers (DC, MD, VA)
   2. Women’s Business Centers (MD, DC, Northern VA)
   3. Procurement Technical Assistance Centers (https://www.aptac-us.org/)

NOTE: THIS MEMO WAS PREPARED BY DC SCORE MENTORS