



Doing Business with the Federal Government

THE BASICS



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INTRODUCTION

The U.S. government is the world's largest buyer of products and services. In fiscal year 2010, the Federal government spent approximately \$536 billion annually for a wide range of goods and services. Between its agencies, sub-agencies, administrations, and departments, purchases range from complex space vehicles to janitorial services. In short, the Federal government buys just about every category of commodity and service available.

The intent of this guide is to de-mystify the federal procurement process so that more small businesses, particularly minority- and women-owned, and disadvantaged businesses, take advantage of these opportunities and create wealth for their communities. It provides potential vendors with the 1-2-3's on how to become certified as a federal contractor and offers additional follow-up resources on where firms can get marketing advice, assistance on bidding on government contracts, and other services. Also included is information on the President Obama-led initiative to "green" the Federal government, an initiative likely to significantly impact the procurement practices of federal agencies.

U.S. law currently establishes a goal that 23% of prime Federal contract dollars go to small businesses. Contract sub-goals are also established for women-owned businesses, small disadvantaged businesses, service-disabled veteran owned small businesses, and firms located in areas identified as historically underutilized business zones.

The reality, unfortunately, is that these goals are not being achieved despite the multitude of resources available to assist small businesses in selling their products or services to the Federal government. Since 2006, the Federal government has fallen short of the 23% goal and all but one of the sub-goals. It is not only necessary that we better align these goals with results but also economically critical, as small businesses are the very backbone of the U.S. economy. In fact, small firms provide jobs for over half of the nation's private workforce, and create two out of every three new jobs in America.

We hope this guide can help narrow the information gap, better connect small businesses with available resources – such as the US Small Business Administration (SBA) or the Offices of small business utilization within different federal agencies – and increase their participation so that they succeed in the federal marketplace. Not only will this generate wealth in communities but also help put us on the road to a stronger, more inclusive economic recovery.

EXECUTIVE ORDER 13514

On October 5, 2009, President Barack Obama signed Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance. With the intent of demonstrating ambitious federal leadership in creating a green economy, federal agencies must now set greenhouse gas (GHG) reduction targets and meet a series of sustainability goals. One such goal requires federal agencies to advance sustainable acquisition to ensure that 95 percent of new contract actions for products and services (with the exception of acquisition of weapons systems) are energy-efficient, water-efficient, biobased, environmentally preferable, non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives.

This E.O. will no doubt provide a multitude of procurement opportunities for firms providing a green service or product. A complete list of agency plans, each with a section detailing actions that will be taken to ensure the acquisition of sustainable goods and services, [can be viewed here](#).¹ Further information about E.O. 13514 [can be viewed here](#).²

THE BASICS

1. Items You Will Need to Register as a Federal Contractor

- Your **Data Universal Number System (DUNS)**³ Number (obtainable free-of-charge).
- Your **North American Industry Classification System (NAICS)**⁴ Codes
- Your **Federal Tax Identification Number (TIN or EIN)**⁵
- Your **Product Service codes**⁶ (optional but useful)
- Your **Federal Supply Classification**⁷ codes (optional but useful)
- For Department of Defense Contracts, your **Commercial and Government Entity Code** (CAGE Code) [bit.ly/iLDuqJ]

Refer to SBA's website, "[Register for Government Contracting](#),"⁸ which details how to obtain unknown information.

2. Register Your Business

a. Central Contractor Registration

You are required to register your business in the Central Contractor Registration (CCR) database. The CCR is the central system for prospective contractors seeking to do business with the Federal government.

Federal agencies use the database to locate contractors. It is a centralized storage location to which a registrant supplies information rather than to each federal agency separately. If any information changes, businesses only need to document the change in one place for every agency to have the most up-to-date information.

Step 1: Access the CCR online registration through [the CCR home page](#).⁹ Click on “Start New Registration.” You will need your DUNS number to begin the registration process.

Step 2: Complete and submit the online registration.

If prospective contractors have the necessary information on hand, online registration takes about one hour to complete, depending upon the size and complexity of the business or organization.

For information on what is required for registration, [refer to the FAQ’s](#)¹⁰ page on the CCR website.

Step 3: If you register as a small business, you will be directed to a supplemental page. The information you provide will populate the [“Dynamic Small Business Search”](#)¹¹ database that is used by procuring agencies and contracting officers to identify certified small businesses.

b. Online Representations and Certifications

After going through the CCR process, you are required to register on the [Online Representations and Certifications Applications \(ORCA\)](#)¹² website. ORCA is an e-government initiative designed to replace the paper-based Representations and Certifications (Reps and Certs) process required with the submission of each sealed bid or request for proposal (RFP).

CCR and ORCA are complementary systems. ORCA reuses data pulled from CCR and pre-populates many of the required Reps and Certs.

3. Know the Rules

Familiarize yourself with the Federal government's contracting rules. The Code of Federal Regulations (CFR) is the public record of all permanent rules and regulations published by the executive departments and federal agencies. Federal Acquisition Regulations (FAR), codified at Title 48 of the CFR, is the standardized set of regulations that specifically govern the federal procurement process. Have a working knowledge of this procurement law before you enter into any federal contracts. The FAR provides for many unilateral actions that do not require contractor agreement. FAR regulations can be found at <https://www.acquisition.gov/far>.

FAR is amended as needed; here, find [the most current version of FAR regulations](https://www.acquisition.gov/far).
[[bit.ly/iN8pbs](https://www.acquisition.gov/far)]

4. Find Prime and Sub-Contracting Federal Procurement Opportunities

a. Federal Business Opportunities

Federal Business Opportunities (FedBizOpps)¹³ is the U.S. Government's one-stop virtual marketplace. This Internet gateway is the designated single point-of-entry for all federal government procurement opportunities exceeding \$25,000. (Government agencies can use oral solicitations for purchases of less than \$25,000 but they are encouraged to use FedBizOpps.)

You don't need to register to use the basic search functionality, but if you want to receive e-mail updates of contracting opportunities or set up a "watch list," you will need to register.

All federal agencies are urged to post all new outreach and training events on FedBizOpps to make it easier and less burdensome for small businesses to do business with the Federal government. The **Small Business Central Event Listing Outreach and Training**¹⁴ website provides a dynamic "calendar" to allow searches for business development, matchmaking, and training opportunities by various criteria, including agency, date, location, and small business category.

For more information on FedBizOpp, **demonstration videos**¹⁵ are available to help vendors familiarize themselves with its functionality. **FAQ's can also be found here.**¹⁶

b. SBA's Sub-Net

Sub-contracting to a prime government contractor is a good way for small businesses to participate in the federal contracting process. Prime contractors use the **SBA's SUB-Net**¹⁷ to post subcontracting opportunities. Large businesses with prime contracts exceeding \$500,000 (except for construction, which is \$1 million) must provide a plan with subcontracting opportunities for all categories of small business.

c. GSA's Subcontracting Directory and Office of Small Business Utilization

The **U.S. General Services Administration (GSA)**¹⁸ awards large government-wide contracts. Multiple Award Schedule (MAS) contracts, also known as Federal Supply Schedule (FSS) contracts, are awarded to multiple companies supplying comparable products and services at pre-negotiated prices, terms and conditions. Once GSA awards the contract, government agencies order goods and services directly from the Schedule contractor. For additional information, visit the GSA's website on "**Getting Started**"¹⁹ or "**For Vendors – Getting on Schedule and Managing Your Contract.**"²⁰

The GSA Subcontracting Directory is published to assist small businesses seeking subcontracting opportunities with the GSA's prime contractors. Prepared by the Office of Small Business Utilization (SBU), the directory lists GSA contractors with subcontracting plans and goals (required for large prime contractors receiving federal contracts valued over \$650,000, or \$1.5 million for construction).

You can contact the GSA's Office of Small Business Utilization for additional information on federal procurement opportunities available to small businesses. SBU has many resources to help small businesses, including a "**Doing Business with the GSA**"²¹ brochure. SBU also conducts hundreds of outreach events across the country. To learn more about these events, **visit here.**²² To find an SBU center in your particular region, visit **GSA's Small Business Support Contact**²³ page.

Anticipated Changes to Federal Procurement Systems - SAM

System changes that intend to streamline how Federal contractors interface with different federal procurement systems are anticipated to come online starting in 2012.

The System for Award Management (SAM) seeks to combine eight Federal procurement systems into one online system. The new integrated system will streamline and integrate different processes, eliminating data redundancies and improving capability for systems users.

Streamlined processes include:

One Login. With SAM, one user ID and password will provide Federal contractors access to all the current capabilities associated with registering to do business with the government, representing/self-certifying as a small business, and viewing business opportunities.

One Process. SAM will integrate registration with Reqs and Certs to create a simplified, streamlined process.

One Reporting Location. SAM will keep all data in one place, so users will only need to enter it once.

One Data Location. Capabilities will remain the same but the data will be consolidated into one location, eliminating redundancies and potential data conflicts.

Eight Federal Procurement Systems will be Collapsed into SAM

These include three systems that are detailed above (CCR, ORCA, FBP) and five additional systems related to accountability, reporting and data:

1. **CCR** (Central Contractor Registration)
2. **ORCA** (Online Representations and Certifications)
3. **FBO** (FedBizOpps)
4. **WDOL** (Wage Determinations On-Line): Makes accessible Service Contract Act (SCA) and Davis-Bacon (DBA) wage determinations to federal contractors.

5. **PIRS** (Past Performance Information Retrieval System): Provides the federal acquisition community access to timely and pertinent contractor past performance information.
6. **EPLS** (Excluded Parties List System): Identifies parties that are excluded from receiving federal contracts and certain subcontracts.
7. **FPDS-NG** (Federal Procurement Data System-Next Generation): The online repository that provides data on all federal contract actions over \$3,000.
8. **eSRS** (Electronic Subcontracting Reporting System): The reporting system where prime contractors report accomplishments toward subcontracting goals required by their contract.

SAM will also include the **Catalog of Federal Domestic Assistance**. [cdfa.gov]

Deployment

SAM will be deployed in phases, beginning with Entity Management (CCR/FedReg and ORCA) capability and the exclusions portion of the Performance Information (EPLS) capability. This first phase is currently scheduled to be available in 2012. The integration of the other systems will come online during the course of two years.

For updates on the status of SAM's migration process, visit <https://www.acquisition.gov/SAM/sam.html>

OPPORTUNITIES FOR SMALL AND DISADVANTAGED BUSINESSES

1. Small Business Set-Asides

As already noted, to ensure that small businesses get their fair share of the Federal government's contracts, statutory goals have been established for the total value of all prime contract awards for each fiscal year.

There is a government-wide statutory goal to award 23% of **federal prime contracts for small**²⁴ businesses. Within that overall goal the sub-goals are:

- 5 % of prime and subcontracts for **small disadvantaged**²⁵ businesses;
- 5 % of prime and subcontracts for **women-owned**²⁶ small businesses;
- 3 % of prime and subcontracts for **HUBZone**²⁷ small businesses;
- 3 % of prime and subcontracts for **service-disabled veteran-owned**²⁸ small businesses.

There are different federal programs geared towards meeting these statutory goals. Most federal agencies set-aside a share of their procurement activity exclusively for small businesses, and the SBA has specific contract-related programs for small and disadvantaged businesses.

You can search²⁹ for specific set-aside procurement opportunities in FedBizOpp, among additional search criteria.

2. Know the Federal Contract Certification Process for Small Businesses

A small business set-aside designation can be a valuable tool for small businesses to access federal procurement opportunities. Therefore, it's important that firms understand the certification process to be designated a small business.

Set-aside designations are divided into two groups: Firms that "self-certify" during the

CCR registration process as a member of one or more of small business categories, and firms that go through an additional formal certification process with the SBA to qualify for specific contract-related programs. (See the Small Business Self-Certification and Formal Certifications sections directly below.)

The [SBA's website on Small Business Certifications & Audiences](#)³⁰ provides information on the different SBA procurement set-aside programs for small businesses.

3. Small Business Self-Certification

Small businesses can self-certify during the CCR registration process that they fall into one or more small business categories. Self-certification allows them to access procurement set-asides exclusively designated for small disadvantaged businesses.

Small businesses can self-certify in the following categories to gain access to targeted procurement opportunities.

- Small Business
- Woman-owned Business
- Small Disadvantaged Business
- Veteran-owned Business
- Service Disabled Veteran-owned Business

You must meet the SBA's definition of a small business to self-certify as a small business. (A **small business is defined**³¹ in terms of the number of employees over the past year, or average annual receipts over the past three years. Size standards vary by industry.) If you do, it means you are certifying that you have read and understood the eligibility criteria and are certifying that you qualify. You may also self-certify as a veteran-owned, service disabled veteran-owned, women-owned and/or a disadvantaged small business.

For self-certifying businesses, a formal certification is not required, but bidders and federal contracting officers may protest the award of a small business contract when they have evidence that a self-certifying bidder does not qualify.

Slightly different is the SBA's new Women-Owned Small Business (WOSB) Federal Contract program in that it requires either self-certification with supporting documents or third-party certification by a SBA-approved third-party certifier. Effective February 4, 2011,

the program expands federal contracting opportunities for Women-Owned Small Business WOSBs and Economically Disadvantaged Women-Owned Small Businesses (EDWOSBs). The program authorizes contracting officers to set-aside certain contracts for both WOSBs and EDWOSBs.

Visit the [SBA's Women-Owned Small Business Federal Contract Program website](#)³² for information on how to get started, 5 steps to participate, third party certification process, etc.

4. Formal Certifications

Formal certifications are required to qualify for specific SBA programs based on socio-economic or /or geographic characteristics. The two programs are the 8(a) Business Development Program and the Historically Underutilized Business Zone (HUBZone) Program. Firms applying for the 8(a) or the HUBZone program will be certified directly by the SBA after successfully completing the application process.

The two programs are:

The 8(a) Business Development Program is a business assistance program for small disadvantaged businesses. The program offers a broad scope of assistance to firms owned and controlled at least 51 percent by socially and economically disadvantaged individuals, including African-Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, and Subcontinent Asian Americans.

Visit the [SBA's 8\(a\) Business Development website](#)³³ to learn more about the purpose of the 8(a) program, whether your firm qualifies, the application process, available grants, etc.

The Historically Underutilized Business Zone (HUBZone) program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. Small businesses must be located in geographic areas identified as historically underutilized business zones, and have 35% of its employees living in the HUBZone. The company must also maintain a “principal office” in one of these specially designated areas. There are no minority ownership requirements to gaining HUBZone approval.

Visit the **SBA’s HUBZone website**³⁴ to learn more about this program, including contracting opportunities, eligibility requirements, the certification process, contracting assistance, concerns, etc.

ADDITIONAL ASSISTANCE IN FEDERAL MARKETPLACE

GOVERNMENTAL AGENCIES & OFFICES

Small Business Administration (SBA)

The **SBA's Office of Government Contracting (GC)**³⁵ works to maximize the participation by small, disadvantaged, and women-owned businesses in Federal government contract awards and large prime subcontract awards. GC advocates on behalf of small business in the federal procurement world.

The **SBA's Office of Entrepreneurial Development**³⁶ provides training, counseling and access to resources. This support is delivered through a variety of programs, including **Small Business Development Centers (SBDC)**³⁷ across the country that provide management and technical assistance to small businesses. Free online courses on topics such as government contracting, marketing and advertising are also available.

Refer to the SBA's "**Twelve Step Program For Success, How to Effectively Sell to the Federal Government**"³⁸ for additional SBA tips and resources.

Procurement Technical Assistance Program (PTAP)

Ninety-three Procurement Technical Assistance Centers (PTAC) in over 250 local offices across the country form a nationwide network of procurement experts to help local businesses compete in the government marketplace. Funded by the Department of Defense, the PTAP services firms that market products and services to federal agencies, as well as state and local governments.

PTAC centers are an essential stop to learn about Federal contracting opportunities. The centers provide assistance through classes, seminars, one-on-one counseling sessions, matchmaking opportunities, and networking events on such topics as identifying procurement opportunities, preparing proposals, and researching agency procurements.

To find a PTAC by state, visit the PTAC website.³⁹

To find an event near you, search through the "**Training Events Calendar**"⁴⁰ for classes, seminars, match-making events and conferences by state.

Minority Business Development Agency (MBDA),⁴¹ US Department of Commerce

The Minority Business Development Agency “promotes the growth and competitiveness” of minority-owned business enterprises regardless of their size. The agency’s network of business development centers provides a variety of management and technical assistance services, and matches entrepreneurs with federal government and private sector contracting opportunities.

Federal Agencies’ Office of Small Business Programs

Many federal agencies have an Office of Small and Disadvantaged Business Utilization, or something similar, to promote small business prime and subcontracting opportunities. These offices employ Small Business Specialists to help connect interested firms with prime and subcontracting opportunities. They are particularly interested in increasing participation of disadvantaged businesses. **For a list of agency contacts, visit here.**⁴²

WomenBiz.gov

WomenBiz.gov is the Gateway for Women-Owned Businesses Selling to the Federal government. Its sponsor, the National Women’s Business Council (NWBC), is a bi-partisan federal advisory council created to serve as an independent source of advice and policy recommendations to the President, Congress and the SBA on economic issues of importance to women and business owners.

US Department of Veteran Affairs

VetBiz.gov is the Center for Veterans Enterprise Web Portal sponsored by the US Department of Veteran Affairs. VetBiz.gov provides general business assistance, federal contracting assistance and other outreach services to help veteran-owned businesses start, grow and succeed.

ADDITIONAL RESOURCES FOR SMALL BUSINESSES

There are also independent, non-governmental organizations helping small business compete in the federal marketplace.

National Minority Supplier Development Council (NMSDC)

Chartered in 1972, this business membership organization provides increased procurement and busi-

ness opportunities for minority businesses. The **NMSDC**⁴³ network includes a national office in New York and 37 Regional Councils across the country.

Give Me 5

Women Impacting Public Policy (WIPP) and American Express OPEN partner to run Give Me 5: Education and Access for Women in Federal Contracts. Give Me 5 – which derives its name from the goal that 5% of all federal contracts be awarded to women-owned businesses – seeks to promote women-owned businesses' access to federal contracting opportunities.

Using training webinars, **Give Me 5**⁴⁴ guides women-owned businesses through the CCR registration and certification process, procurement opportunities and how to market to the Federal government. **Visit their Events and Trainings**⁴⁵ website or check out their list of resources.

SCORE

SCORE is a nonprofit dedicated to educating entrepreneurs and helping small business start, grow and succeed nationwide. A resource partner with SBA, it has 364 chapters with over 13,000 volunteers throughout the U.S. **SCORE**⁴⁶ offers free and confidential small business advice for entrepreneurs online and in-person. The organization has also teamed up with Give Me 5 to provide specific resources to help small businesses secure government contracts. Relevant articles, tools and events are featured in its resource center for small businesses.

ENDNOTES

- 1 <http://www.whitehouse.gov/administration/eop/ceq/sustainability/plans>
- 2 <http://www.whitehouse.gov/administration/eop/ceq/initiatives/sustainability>
- 3 <http://www.dnb.com/>
- 4 <http://www.census.gov/naics/2007/index.html>
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- 6 <http://www.sba.gov/leaving-sba-dot-gov?url=http%3A%2F%2Fwww.fpds-ng.com%2F>
- 7 <https://www.fbo.gov/index?s=getstart&mode=list&tab=list&tabmode=list&static=faqs#q4>
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- 24 <http://www.sba.gov/content/am-i-small-business>
- 25 <http://www.sba.gov/content/8a-business-development-0>
- 26 <http://www.sba.gov/content/women-owned-small-business-federal-contract-program>
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- 28 <http://www.sba.gov/content/veteran-service-disabled-veteran-owned>
- 29 <https://www.fbo.gov/index?s=opportunity&mode=list&tab=search>
- 30 <http://www.sba.gov/category/navigation-structure/contracting/working-with-government/small-business-certifications-audiences>
- 31 <http://www.sba.gov/content/am-i-small-business-concern>
- 32 <http://www.sba.gov/content/women-owned-small-business-federal-contract-program>
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- 35 <http://www.sba.gov/about-offices-content/1/2986>
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- 40 http://www.aptac-us.org/new/Govt_Contracting/training.php
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Green for All Education and Outreach
greenforall.org/resources