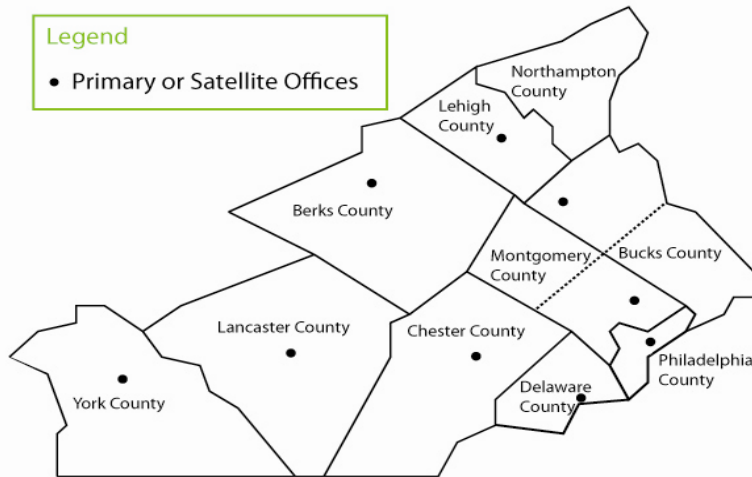


Guide to Government Marketing

Brought to you by:

Southeastern PA Procurement Technical Assistance Program
SERVICE AREA



Contact Information:

www.pasbdc.org/govtmarketing/

For additional information about how we can help your company market to the government, please contact one of our Procurement Technical Assistance Centers:

- **Kutztown University PTAC**
717-232-3473
Harrisburg, PA
610-458-5700 x222
Exton, PA
Serving Berks, Chester, Lancaster, and York Counties
- **Lehigh University PTAC**
610-758-4089
Bethlehem, PA
Serving Lehigh, Northampton, Upper Bucks and Upper Montgomery Counties
- **Temple University PTAC**
215-204-3532
Philadelphia, PA
Serving Philadelphia, Lower Bucks and Lower Montgomery Counties
- **Widener University PTAC**
610-619-8492
Chester, PA
Serving Delaware Counties
- For PTACs Nation-wide go to: www.dla.mil/db/procurem.htm

Government Marketing

Marketing to any level of government, federal, state or local, is often quite different than the commercial marketplace. One of the best ways to increase the likelihood of success is to be prepared for a long-term marketing effort that may not pay off for several years – this is especially true if you are looking to land a large contract. Expecting quick results often ends in failure and can also severely affect your existing business. Seeking assistance from available resources, such as the Procurement Technical Assistance Centers (PTAC), to help guide you through this process often improves your opportunities for success. To help prepare you for this venture we have developed this outline to assist you along the way starting with these threshold issues:

I. THRESHOLD ISSUES

You will often hear references to how large and lucrative the government marketplace is for small businesses. That can be true but it's most likely going to be frustrating if you don't pay attention to the fundamentals. Remember that as a new player in the market you will need to convince buyers or partners that you are capable, reliable and able to deliver what you are promising (i.e., they need to trust you). Past performance is a key concept in government procurement – as the new company trying to break into the market, there is no short-cut. The PTACs have decades of experience advising clients on how to succeed in the government marketplace – here is some of what we have learned.

- A. ***Develop or update your Business Plan.*** The very first step that a company needs to take when considering moving into a large new market is to ensure that the company's business plan supports the initiative. This means you should analyze the corporate structure, financial status, administrative capabilities, production and distribution capabilities, and delivery methods to determine if you can sustain a long-term commitment to a marketing effort that may not produce revenue for several years and then deliver as promised when you have an opportunity.
- B. ***2-3 years of commercial experience.*** Newly formed companies should not target a large specialized market, like the government marketplace, as their initial market. Government buyers are risk adverse and have no incentive to take a chance on a new company. Government contracting officers want to ensure they are dealing with a company that has a successful track record and that demonstrates they can deliver the goods or services they are seeking to market. They are looking for past performance and if you are new to the government market that means you should be able to show them a track record in the commercial marketplace.

- C. ***Electronically capable.*** Virtually all government contracts are advertised, negotiated, and awarded electronically. Additionally, most government invoices and payments are made electronically. You are at a severe disadvantage if you are not able to conduct business on-line. There are also many government purchasing mechanisms that are only are conducted on the web. A good user-friendly web site is also often very helpful for conducting business with government. You should make doing business with you as easy as possible since the government marketplace is very competitive. Use an internet provider that is capable of transmitting large files and provides a professional business appearance – personal internet services such as AOL or Hotmail are generally not adequate to handle online business transactions.
- D. ***Financially stable.*** Similar to the issues of a start up business, you should not attempt to enter a large specialized market if you are struggling to make payroll or have an inadequate cash flow. The government procurement process is not an inexpensive proposition and contracting officers are not in the business of helping companies out of debt. They are looking to buy the best possible goods and services for the least expensive price – we as taxpayers expect as much. Ensure that your company is able to sustain the financial obligations required to work through the procurement process before entering the government marketplace.
- E. ***Good customer mix.*** Large specialized markets like the government marketplace can make dramatic shifts in their focus because of events such as a war or a natural disaster. If a company is too dependent on these markets a shift of emphasis to respond to a major event can be devastating. To ensure business stability over the long term, it is recommended that the government marketplace make up no more than 20% - 30% of the total company sales.
- F. ***Credit card capable.*** The federal government averages over \$18 billion in annual government sales. Many federal agencies have in excess of \$15,000 per credit card purchase. Often, simplified acquisition purchases will be done using credit cards. Purchases less than \$2,500 are mandated by Congress to be paid for via a credit card. This is often the perfect market for small businesses.

II. **GETTING STARTED**

Entering into the government marketplace can be a daunting and confusing experience if you are not used to working with large organizations or bureaucracies. As with most bureaucracies, the procurement process for the federal government is organized in a way that allows large amounts of information to be accounted for, traced and retrieved. As a participant in this process, this means that you will need to comply with mandated registrations and utilize required nomenclature that may not at first glance make sense to you. If you carefully read and follow the following outline the process should be less confusing but you should always ask questions of your local PTAC if you feel you are getting lost. A list of the Southeastern Pennsylvania area PTACs and a link to other PTACs is provided at the end of this document for your convenience.

- A. Know your primary and secondary North American Industrial Classification System (NAICS).** NAICS is a classification system that groups together economic units that use like processes to produce goods or services. This "production-oriented" system means that statistical agencies in the United States can produce data that is used for measuring productivity, unit labor costs, and the capital intensity of production; constructing input-output relationships; and estimating employment-output relationships and other such statistics that require inputs and outputs be used together. In the government marketplace, in addition to the economic uses, NAICS is also used to classify businesses to facilitate information sharing, to determine size standards and as search criteria for finding businesses to perform specific tasks or contracts. See www.census.gov/epcd/www/naics.html
- B. Know your Business size.** The Small Business Administration's (SBA) size standards define whether a business is small and thus, eligible for government programs and preferences reserved for "small business" concerns. Size standards have been established for types of economic activities, or industry, generally under the NAICS. To find your company size check: www.sba.gov/services/contractingopportunities/sizestandardstopics/tableofsize/index.html
- C. Register with D&B.** Dun & Bradstreet (D&B) is a business specializing in providing credit and financial reports on registered companies – they assign a DUNS number to each company. In order to do business with the federal government you must obtain a DUNS number. Your DUNS Number is an important "identifier", used for a multitude of purposes by the Government in the contracting arena. The DUNS number can be obtained free of charge by registering online. To get a DUNS number just for government business go to: <http://fedgov.dnb.com/webform/displayHomePage.do>
You should be aware that D&B is a private-for-profit company but they are under contract to the federal government to provide a service to businesses wishing to do business with the government. The link that is provided above should get you directly to the registration link for companies that only want to use the services of D&B to obtain their DUNS number – you should not be marketed for additional services provided by D&B.
- D. Register with CCR & DSBS, and ORCA.**
1. *Central Contractor Registration.* In order to do business with the Federal government you must first register in the Central Contractor Registration (CCR) and the Dynamic Small Business Search (DSBS) if you are a small business – see below for more on DSBS. The CCR registration provides government contracting officers with a profile of your company and necessary banking information required so that you can be paid electronically. In addition, your CCR registration is an important "identifier", used for a multitude of purposes by the Government in the contracting arena. CCR Homepage: www.ccr.gov/

2. *Dynamic Small Business Search.* The DSBS is very important for small businesses since this is where government agencies and large businesses search for small companies they are required to use for federal government work. The database is a free marketing tool for all small businesses that want to do federal government work. Therefore it is important for businesses to update their registration periodically to include all relevant information related to performance or capabilities. The database is searched using a variety of criteria but the most critical are your NAICS codes and keywords associated with your product or service. Contracting officers and large business prime contractors may search this on-line database for potential suppliers. You should search for your own company to see if your profile is convincing for potential buyers or partners. To search the database go to:
http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm
 3. *Online Representations and Certifications Application (ORCA).* A company must be registered with ORCA for most federal government work. This online Representations and Certifications Application and database replaces most of the paper based Representations and Certifications (Reps and Certs) in Section K of solicitations with an Internet application. Prior to ORCA, vendors were required to submit Reps and Certs for each individual large purchase contract award. Now, using ORCA, a contractor can enter their Reps and Certs information once for use on all Federal contracts. For additional assistance please refer to the ORCA website at: <http://orca.bpn.gov/>
- E. *Learn the Rules.*** In the commercial marketplace your business conduct is governed by the Uniform Commercial Code or the UCC. The objective of the UCC is to provide consistency between sales and commercial transactions throughout the country. Whereas, the Federal Acquisition Regulations (FAR) are the rules for the federal government's acquisition process and create uniform rules that all federal agencies must follow. The federal acquisition process consists of three phases: (1) need recognition and acquisition planning, (2) contract formation, and (3) contract administration. The FAR System regulates the activities of government personnel in carrying out that process.
1. *Federal Acquisition Regulations.* Created by government and industry, these rules provide instruction, forms and guidance on government contracting. For additional information and to locate the FAR, please refer to <http://farsite.hill.af.mil/vffara.htm>
 4. *Code of Federal Regulations.* The Code of Federal Regulations (CFR) is the collection of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation. Code of Federal Regulations (CFRs):
<http://cfr.law.cornell.edu/cfr/index.php>

III. SMALL BUSINESS PROGRAMS

Congress has established programs to help small businesses in general and some disadvantaged businesses compete in the Federal Government marketplace. These programs are meant to provide incentives for government agencies and large businesses to include small and disadvantaged businesses in the procurement process. It is important for all small businesses to understand these programs so they can take advantage of the opportunities that are available to them. These programs are administered by the SBA and can be found at www.sba.gov

SBA's responsibility is to ensure that the Government-wide goal for participation of small business concerns is not less than 23 percent of the total value of all prime contract awards for each fiscal year. The Small Disadvantaged Business (SDB) and Woman-owned Small Business (WOSB) goals are not less than 5 percent. The Government-wide goal for participation by small business concerns owned and controlled by service-disabled veterans is not less than 3 percent of the total value of all prime contracts and subcontract awards for each fiscal year. And the Government-wide goal for participation by qualified HUBZone small business concerns is not less than 3 percent.

A. ***Small business set-aside.*** F.A.R. 19.502-2 mandates that except for those acquisitions set aside for very small business concerns (see Subpart 19.9), in general each acquisition of supplies or services that has an anticipated dollar value exceeding \$2,500 but not over \$100,000 is automatically reserved exclusively for small business concerns.

1. ***SBA 8 (a) Program.*** The SBA's 8(a) business development program was created to help small disadvantaged businesses in designated economic and social groups compete in the federal procurement market. Individuals who are not a member of the designated social groups can claim social disadvantage, however, they must establish social disadvantage on the basis of a "preponderance of evidence." For additional information visit: www.sba.gov/8abd/indexfaqs.html
2. ***Small Disadvantages Business (SDB) Program.*** SBA's minority development programs are intended to help small businesses be successful for the future. SBA certifies small businesses that meet specific social, economic, ownership, and control eligibility criteria. Once certified, the firm is added to an on-line registry of SDB-certified firms maintained in DSBS. Certified firms remain on the list for three years. Contracting officers and large business prime contractors may search this on-line registry for potential suppliers. See www.sba.gov/sdb
3. ***HUBZone.*** The Historically Underutilized Business Zone Program is designed to stimulate economic development and creates jobs in underutilized communities by providing Federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a designated HUBZone and by having their principle offices there. To determine if your business is in a HUBZone, please refer to the following link: <http://map.sba.gov/hubzone/>

4. *Service Disabled Veteran Owned Business (SDVOB)*. The Veterans Benefit Act of 2003 amended the Small Business Act to establish a procurement program for small business concerns owned and controlled by service disabled veterans. Contracting Officers may restrict contract awards to SDVOSBs where there is a reasonable expectation that two or more SDVOSB concerns will submit bids at a fair market price. If the anticipated contract price will not exceed \$3 million (or \$5 million for manufacturing contracts) the rules allow for a sole-source award, if there is not a reasonable expectation of competitive bids/offers from 2 or more SDVOSB concerns. This is a self representing program, meaning there are no certification processes. For further information please refer to: www.VetBiz.gov
 5. *Veteran Owned Business (VOB)*. The Department of Veterans Affairs (VA) has unique procurement authority among Federal agencies – call the Veteran First Program.
 - a. Set-aside for VOB (SDVOB maintained) under Simplified Acquisition
 - b. Establish and maintain a database of certified VOB & SDVOB for all agencies & primes
 - c. VOB & SDVOB given top priority for VA purchases
 - d. Surviving Spouse may maintain status if ownership is acquired.
 - e. A VOB and a SDVOB must be registered in www.vip.vetbiz.gov to do business with the VA.
 6. *Women Owned Business (WOB)*. The federal government is a very strong advocate for women entrepreneurs and offers many programs and services to help them succeed. Many resources offer unique opportunities and guidance for women entrepreneurs. Currently for the Federal government, a WOB is self-certified. Please refer to: www.womenbiz.gov
- B. ***Subcontracting Opportunities***. Often it is easier for small businesses desiring to enter the federal government procurement market to begin by marketing to large federal prime contractors. Working with these prime contractors will give the small businesses the opportunity to become familiar with the procurement rules and regulations. Prime contractors with large federal contracts are required to have a sub-contracting plan designating their sub contractors by size and socio-economic standards. A convenient way to locate these prime contractors is to register on SBA's subnet. Additional information can be found at: http://web.sba.gov/subnet/dsp_about_subnet_option.cfm

IV. MARKETING

The United States government is the largest procuring activity in the world with more than 2,500 procuring activities. It is impossible to do business with every one of these activities. It is best to do your research and find one or two activities that are buying the largest portion of what you have to sell.

A. **Conduct Market Research.** Here is a good place to start your research:

1. http://acquisition.gov/comp/procurement_forecasts/index.html
 - a. Links to agency home pages
 - b. Links to small business contacts
 - c. Links to procurement opportunities
 - d. Links to agency forecasts
2. <https://www.fbo.gov/index?tab=search&s=opportunity&mode=list> - searches FedBizOpps for procurement opportunities by:
 - a. Solicitation/award number
 - b. Date
 - c. Place of performance
 - d. Set-aside code
 - e. NAICS code
3. www.gsaelibrary.gsa.gov Schedules e-Library provides information on which suppliers have contracts and what items are available, by using various search options:
 - a. Keywords
 - b. Contract Number
 - c. Contractor/Manufacturer Name
 - d. Schedule Number/GWAC Name
 - e. Special Item Number (SIN)/GWAC Category
4. In addition, there are commercial sites available that have searchable databases for more detailed research. These can be accessed through your Procurement Technical Assistance Centers. Contact your local PTAC for assistance by searching www.aptac-us.org

B. **Define your target market.** From your initial research, develop a list of target customers. Start with the ones that are most likely to do business with you. Don't expect overnight results. A good place to start is with the agencies' Small Business Liaison Officers for the agency you are targeting. These contacts can be found under the tab Small Business Contacts at www.acquet.gov/AcqNet/FedBusOpps/

C. **Develop Contact Lists.** Start with the small business personnel at your target agency. They can lead you to the appropriate buyer or contracting officer. Engage these individuals early on in the development of your marketing strategy as they are there to assist you. Your ultimate goal is to provide solutions to the customer but first you need to move through the agency to determine how the procurements are managed. Again, a good place to start is with the agencies' Small Business Liaison Officers for the agency you are targeting. These contacts can be found under the tab Small Business Contacts at: http://acquisition.gov/comp/procurement_forecasts/index.html

- D. ***Accumulate Procurement History.*** Fully research your targeted customer's needs. The federal government maintains a procurement history on every item or service they procure. This historical data can be invaluable in helping you discover your competitors, price structuring, and developing points of contact. A good public site to search is www.fedspending.org. Procurement Technical Assistance Centers subscribe to databases where this data can be retrieved. Contact your local PTAC for assistance by searching www.aptac-us.org

V. **FINDING BUSINESS OPPORTUNITES**

- A. ***FedBizOpps.*** Is the single government point-of-entry for Federal government procurement opportunities over \$25,000. Government buyers are required to publicize their business opportunities by posting information directly to FedBizOpps via the Internet. Through this one portal, commercial vendors seeking Federal markets for their products and services can search, monitor and retrieve opportunities solicited by the entire Federal contracting community. For additional information please refer to the following link: www.fedbizopps.gov/
- B. ***The DLA Internet Bid Board System (DIBBS).*** DIBBS is a web-based application that provides the capability to search for, view, and submit secure quotes on Requests For Quotations (RFQs) for Defense Logistics Agency (DLA) items of supply. DIBBS also allows users to search and view Request For Proposals (RFPs), Invitations For Bid (IFBs), Awards and other procurement information related to DLA. See www.dibbs.bsm.dla.mil/
- C. ***Procurement Gateway.*** Is the internet site used by the Defense Logistics Agency's three Supply Centers (DSCC- Columbus, DSCP - Philadelphia & DSCR - Richmond) to electronically post and respond to a solicitation. The Procurement Gateway allows prospective government contractors to perform comprehensive and detailed searches against Request for Quotation (RFQ) and Award documents. See <http://progate.daps.mil/home/>
- D. ***DoD Emall.*** Designed to significantly simplify defense procurement of all items available through DoD. To get to the web site go to: www.emall.dla.mil/.
- E. ***GSA Schedule.*** Under the GSA Schedules (also referred to as Multiple Award Schedules and Federal Supply Schedules) Program, GSA establishes long-term government wide contracts with commercial firms to provide access to over 10 million commercial supplies and services that can be ordered directly from GSA Schedule contractors or through the [GSA Advantage!®](http://www.gsa.gov) online shopping and ordering system. GSA Homepage: www.gsa.gov

VI. STATE GOVERNMENT (PA)

- A. ***Department of General Services (DGS)*** Most Commonwealth purchases are handled by the DGS or by purchasing agents in other departments (see B, below). The DGS establishes policy and procedures for the procurement of materials and services for most Commonwealth agencies. The Department's Bureau of Procurement acts as the purchasing agency for statewide requirement contracts for purchase orders for materials in excess of \$20,000 and for services in excess of \$250,000.
1. DGS provides great information for potential sellers at:
<http://www.dgs.state.pa.us/dgs/site/default.asp>
 2. To register as a vendor for the Commonwealth complete the application at:
<http://www.pasupplierportal.state.pa.us>
 3. To locate Commonwealth bid opportunities go to:
<http://www.dgsweb.state.pa.us/comod/main.asp>
- B. ***Agency Purchasing Agents.*** Those departments with branch sites may have a purchasing office at each site. Most purchasing offices maintain vendor lists so they can notify businesses of contracting opportunities. Some maintain formal lists and require businesses to submit an application before adding them to the list; others have informal ways to keep track of available businesses. A list of the different Central Purchasing Offices and their registration criteria can be found at:
http://www.dgs.state.pa.us/bcabd/lib/bcabd/handouts/purchasing_agent_list.pdf#search='PA,%20dgs,%20commonwealth%20purchasing%20agents'
- C. ***Pennsylvania Department of Transportation (PennDOT).***
1. state agency that procures products and services independently of DGS
 2. have their own procurement rules and regulations
 3. visit web site at <http://www.dotdom2.state.pa.us/>
- D. ***Pennsylvania Turnpike Commission.***
1. responsible for 513 miles of road 55 fare collection facilities, 22 service plazas and 2 traveler information centers, 20 maintenance facilities, 8 State Police barracks and 5 tunnels www.paturndpike.com
 2. Purchasing Department is responsible for procuring all products and services
<http://www.paturndpike.com/purchasing/BiddersApp.asp>
 3. interested companies must complete a Bidder's Application
 4. visit above web site for a copy of the application and the Vendor's Guide
- E. ***State Invitation to Qualify (ITQ).*** The ITQ process provides statewide contracts that are intended to give state agencies fast and easy access to Information Technology (IT) and Personnel Training & Consulting services by doing business with pre-qualified vendors. additional information can be found at www.itq.state.pa.us/site

F. *Statewide Contracts.*

1. contracts are for a specified period of time, are competitively bid, and are awarded by the Bureau of Purchases
2. the invitation for bids solicits firm prices on estimated quantities for delivery to using agencies as ordered throughout the contract period
3. listing of those statewide contracts currently open can be found at:
<http://www.dgsweb.state.pa.us/comod/contract.asp?dgsNav=|5053|>

VII. GENERAL INFORMATION – COMMONWEALTH OF PA

A. *Department of Treasury – Bureau of Contracts & Public Records.*

1. central point for gathering information on all state contracts over \$5,000
2. provides descriptions of contracts, names of previous bidders, pricing breakdowns and other information that may help you successfully bid on a contract
3. find out more information at
<http://www.patreasury.org/contractpublicrecord.htm>

B. *Keystone Opportunity Zones (KOZ).* KOZs defined, limited areas with greatly reduced or no tax burden for businesses

1. designated by local communities and approved by the state
2. a partnership between each community and region among state and local taxing bodies, school districts, economic development agencies and community-based organizations
3. for more information visit <http://koz.newpa.com>

C. *PA SourceNet.*

1. Internet based system designed to bring buyers together with Pennsylvania suppliers of products and services
2. offered at no cost to companies through grants from the State and Federal governments
3. register at
<http://www.pasourcenet.com/netScripts/newAccount/inStateRegistration.aspx>

D. *County Information.*

1. each county has their own procurement rules
2. contact the county you are interested in doing business with to find out the proper procedures
3. obtain a list of PA counties who have active web sites at
<http://sites.state.pa.us/govlocal.html?papowerPNavCtr=|30207|#30214>

E. City Information.

1. each city has their own procurement rules
2. contact the city you are interested in doing business with to find out the proper procedures
3. obtain a list of PA cities, townships and boroughs who have active web sites at <http://sites.state.pa.us/govlocal.html?papowerPNavCtr=|30207|#30214>
4. obtain a list of all of the schools in the state at: <http://edna.ed.state.pa.us/>

VIII. PROCUREMENT TECHNICAL ASSISTANCE CENTERS

A. Looking for new customers?

The mission of the Pennsylvania Small Business Development Centers (PA SBDC) is to help you grow your business. For some firms, a route to expanding sales is through government contracting.

Federal purchasing offices are often required to "set aside" contracts or portions of contracts for exclusive bidding by small and/or minority owned businesses. Major prime contractors are required to subcontract part of their work out to small firms. The PA SBDC PTACs can help you identify these opportunities.

B. Who can use PTAC services?

Firms that want to enter the government market should be financially sound with at least 3 years of commercial business experience, electronic and computer capable and willing to commit resources to a long-term/strategic marketing program.

C. How can PTACs help?

PTACs provides one-on-one consulting, conducts training seminars on a variety of topics related to government marketing and provides a free automated bid matching service tailored to individual firm specifications. Specific assistance includes:

1. Assistance with assessing your potential as a government contractor.
2. Assistance with locating government Internet resource web sites.
3. Assistance with government forms, registration and certification applications.
4. Assistance with GSA Federal Supply Schedules.
5. Assistance with research to help find procurement histories for your product or services.
6. Assistance with obtaining federal and military specifications, drawings and standards necessary to complete a bid package.
7. Assistance with marketing your business to potential prime contractors.
8. Assistance with your final bid package.

D. Automatic Bid Matching.

If your firm is looking to expand its sales base by participating in the government marketplace, the Bid Match system will help you identify federal, state and local government opportunities. You will save significant time and money using Bid Match.

Bid Match provides targeted contract leads, matching your individual products or services with government procurement opportunities and delivers these leads to you daily via email or a dedicated web-site.

An SBDC PTAC consultant will work with you to develop a profile of your firm's products and services to enter into the Bid Match system. Bid Match services are provided at no charge at:

<http://www.pasbdc.org/index/services/government.asp#bidmatch>

E. Contact Information.

For additional information about how we can help your company market to the government, please contact one of our Procurement Technical Assistance Centers:

1. Kutztown University PTAC
717-232-3473
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Bethlehem, PA
Serving Lehigh, Northampton, Upper Bucks and Upper Montgomery Counties
www.lehigh.edu/sbdc
3. Temple University PTAC
215-204-3532
Philadelphia, PA
Serving Philadelphia, Lower Bucks and Lower Montgomery Counties
www.temple.edu/sbdc
4. Widener University PTAC
610-619-8492
Chester, PA
Serving Delaware Counties
www.widener-sbdc.org
5. For PTACs Nation-wide go to: www.dla.mil/db/procurem.htm