



# GOVERNMENT CONTRACTING: *THE BASICS*

REV May 2006

## BE FAMILIAR WITH REGULATIONS

- Integrated Acquisition Environment (IAE)  
Federal Acquisition Regulations (FAR)  
Link to Agency Supplemental Regulations  
<http://acquisition.gov>
- Defense Acquisition Regulation Supplement (DFARS)  
<http://www.acq.osd.mil/dpap>
- SBA Legal & Regulatory Information  
<http://www.Business.gov>
- SBA E-business Institute (free online courses)  
<http://www.sba.gov/training/courses.html>

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## FEDBIZOPPS <http://www.fedbizopps.gov>

DoD and Federal contracting activities post *most* requirements and awards >\$25,000 to FEDBIZOPPS website

- Active or *archive* search by dates and/or:
  - Type of Notice
  - Solicitation or award number
  - Place of performance zip code
  - Set-aside type
  - NAICS/FSC/PSC
  - Key words
  - Selected agencies
- Register for Vendor Notification Service by:
  - Specific solicitation number
  - Same selections as above
  - **All notices (*caution*)**

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## CONTRACT TYPES (*FAR PART 16*)

- Fixed-price: sealed bidding or negotiated
- Cost-Reimbursement: negotiated only
- Various types range from firm-fixed-price with contractor bearing most responsibility/risks for costs & profit to cost-plus-fixed-fee with contractor bearing minimal responsibility/risks for costs & profit (i.e., fee) is fixed

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## SMALL BUSINESS SUBCONTRACTING

- A Small Business Subcontracting Plan is required:
  - From large businesses, when work is performed in U.S., not personal services
  - Contracts or mods >\$500,000 (\$1M for construction), if subcontracting possibilities
- Must be approved before award
- Includes small business goals and designated Small Business Liaison Officer (SBLO)

## SUBCONTRACTING OPPORTUNITIES

- FEDBIZOPPS "Interested Vendors" list & award announcements
- DefenseLink >\$5M award notices  
<http://www.defenselink.mil/contracts>
- Directory of Small Business Liaison Officers on DoD Contracts

<http://www.acq.osd.mil/osbp/publications/subdir/index.html>

- SBA SUB-Net <http://web.sba.gov/subnet>

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## CONTRACT METHODS

Dollar thresholds change for contingency & commercial contracts.

<\$2,500	Micro-Purchase	<i>Not advertised</i>
>\$2,500 <\$25,000	Simplified Acquisition Procedures (SAP)	<i>Not advertised (sometimes posted locally)</i> <b>Oral or Request for Quotation (RFQ)</b> <i>Normally reserved for small business</i>
>\$25,000 <\$100,000	SAP	<b>Advertised in FEDBIZOPPS</b> <b>Oral or RFQ</b> <i>Normally reserved for small business set-aside</i>
>\$100,000	Formal/Large Contract	<b>Advertised in FEDBIZOPPS</b> <b>Invitation for Bid (IFB) or Request for Proposal (RFP)</b> <i>Set-aside if ≥ 2 capable 8(a)/HUBZone/SD-VOSB/SB will submit offers @ fair market price</i>

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## COMPETITION REQUIREMENTS (*FAR PART 6*)

Full and Open Competition: All responsible sources are permitted to compete.

Full & Open Competition After Exclusion of Sources: Establish or maintain alternative sources, 8 (a) competition, HUBZone / SD-VOSB / small business set-asides

Other than Full & Open Competition: Sole source, Urgency, Industrial mobilization, International agreement, Authorized or required by statute, National security

**BASIC SMALL BUSINESS PROGRAMS**

**Small Business (SB)** – Located in U.S, organized for profit, including affiliates is independently owned & operated, not dominant in field of operations in which it is bidding on Government contracts, AND meets Small Business Administration (SBA) size standards included in solicitation. Size standard is based upon the North American Industrial Classification Standard (NAICS) assigned to the specific procurement dependent upon product/service purchased.

**Woman-Owned Small Business (WOSB)** – Small Business, at least 51% owned by ≥ 1 women, AND management & daily business operations controlled by ≥ 1 women.

**Small Disadvantaged Business (SDB)** – Small Business, unconditionally owned & controlled by ≥ 1 socially & economically disadvantaged individuals who are of good character & citizens of the U.S., AND SBA-certified.

**Small Disadvantaged Business 8(a) Certified [8(a)]** – Small Business, SBA-certified as a SDB, AND SBA-certified into the 8(a) Business Development Program for a period of 9 years.

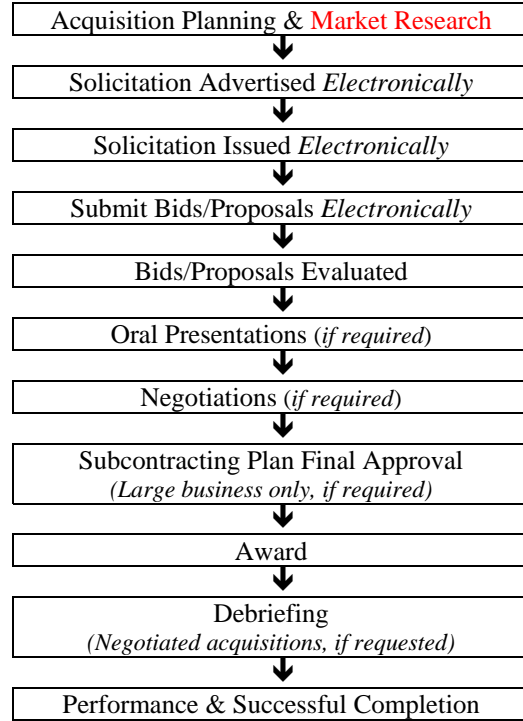
**Historically Underutilized Business Zone (HUBZone)** – Small Business, owned & controlled ≥ 51% by U.S. citizens, SBA-certified as a HUBZone concern (principal office located in a designated HUBZone & ≥ 35% of employees live in a HUBZone).

**Veteran-Owned Small Business (VOSB)** – Small Business, veteran-owned as defined in 38 USC 101(2), ≥ 51% owned by ≥ 1 veterans, & management/daily operations controlled by ≥ 1 veterans.

**Service-Disabled Veteran Owned Small Business (SD-VOSB)** – Small Business, veteran-owned, ≥ 51% owned by ≥ 1 service-disabled veterans, AND management & daily business operations controlled by ≥ 1 service disabled veterans OR in the case of veteran with permanent & severe disability, the spouse or permanent caregiver of such veteran, AND with 0% - 100% service-connected disability as defined in 38 USC 101(16) & documented on DD 214 or equivalent.

**Historically Black Colleges & Universities/Minority Institutions HBCU/MI** – HBCU is an accredited institution established before 1964 whose principal mission is education of black Americans. MIs are institutions meeting requirements of Higher Education Act of 1965 and Hispanic-serving institutions defined at 20 USC 1059. The Secretary of Education must designate HBCUs/MIs. A list can be located at <http://www.ed.gov/about/offices/list/ocr/edlite-minorityinst.html>

**PROCESS > \$100,000 ACTIONS**



**SMALL BUSINESS CERTIFICATIONS**

Small Business	<a href="#">Self-certify</a> Set-aside authority
Woman-Owned Small Business	<a href="#">Self-certify</a> (may change)
Small Disadvantaged Business [includes 8(a)]	<a href="#">SBA</a> certify 8(a) set-aside & limited sole source authority
HUBZone	<a href="#">SBA</a> certify Set-aside & limited sole source authority; 10% price evaluation preference may apply
Service-disabled Veteran Owned SB	<a href="#">Self-certify</a> Set-aside & limited sole source authority
Veteran Owned SB	<a href="#">Self-certify</a>

**ARE YOU READY?**

Do you know your North American Industry Classifications & the small business size standards for each? Do you know your FSC/PSC Codes? Are you registered in the Central Contractor Registration? Do you have a DUNS Number? Do you have a Business Plan and Marketing Plan?

**MAKE USE OF FREE RESOURCES!**  
See "Marketing to DoD: The Basics"

**SMALL BUSINESS FEDERAL POLICY (FAR 19.201):** It is the policy of the Government to provide [maximum practicable opportunities](#) in its acquisitions to small business....concerns. Such concerns must also have the [maximum opportunity](#) to participate as [subcontractors...](#)" [Emphasis added]