
Should your firm try to win contracts with the federal government?

Here are 7 things you can do in the next 7 days to help you decide.

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The federal government acquires more than \$200 billion per year in goods and services. Thousands of companies are awarded contracts every year to provide services ranging from architecture through zoology. And large companies aren't the only participants. In fact, the government sets aside many contracts for competition only among small firms.

Are you trying to decide whether your firm should try to enter this market? You probably know the general advantages and disadvantages. For example, in addition to buying services in large quantities, the government poses virtually no credit risk and typically pays invoices in 30 days. On the other hand, the rules of the game are complex, proposals can be costly, and federal government contracts can contain many provisions, such as its standard "changes" clause, which are not found in typical commercial contracts.

Once you move beyond conventional wisdom, however, it can be difficult to decide whether pursuing federal contracts makes sense for *your* firm. You know your firm's unique strengths, core competencies, and risk tolerances. Do they make your firm a good match for the specific parts of the federal market that buy services of the types you provide?

The dilemma is that if you are like most, you probably don't have any first-hand knowledge how this market works. You can obtain some of that knowledge by reading books, going to seminars, and retaining consultants. You might be the type of person who likes to immerse yourself in facts and perform research on your own as a first step. Here are 7 things you can do in the next 7 days to obtain a more detailed and specific understanding of how the federal market works. This list isn't a panacea—but in combination with other methods, it can help give you the type of understanding you will need to make a good strategic decision as to whether to pursue this market.

Action Item 1: Find competitions for 10 federal contracts in your firm's area of expertise. (30 minutes)

Every day you can find hundreds of notices of imminent competitions for federal contracts in an easy-to-use, free web site (www.fedbizopps.gov). Hop onto this site and roam around a bit. Within 10 minutes you'll get the basic idea of how it works and how you can narrow your search—for example, by types of services being acquired, geographic area, and agency. **Your assignment:** Find at least 10 upcoming competitions for contracts that are potentially within your firm's areas of expertise. **Extra credit:** Find at least 5 that are for "multiple awards"—i.e., situations in which the government plans to issue contracts to more than one firm. **Even more extra credit:** If your

firm is small or disadvantaged, find at least 5 "set-aside" competitions for which your firm qualifies. (If you are not sure if you qualify, go to the Small Business Administration web site at www.sba.gov for excellent guidance.)

Action Item 2: Find 10 longer-range opportunities. (1 hour)

All federal agencies are required to publish and regularly update their "acquisition forecasts." The documents, which are usually downloadable from agency web sites, contain an agency's longer-range forecasts of the types of services it needs to acquire, the expected magnitudes of the contracts it will need to award, and the expected nature of the competition (e.g., whether it will be set aside for small businesses only). Savvy firms in the federal market review these documents

frequently to identify longer-range marketing targets. **Your assignment:** Find at least \$50 million worth of longer-run contracting needs in your areas of expertise. **Extra credit:** Find at least \$10 million of announced requirements where the services are to support new agency missions for which there is no favorite “incumbent” contractor already providing these services.

Action Item 3: identify 10 potential competitors. (1 hour)

If you are thinking about entering the federal market, it will be useful to know as much as possible about other firms—your potential competitors for some contracts and teaming partners for others. FedBizOpps announces contract awards (www.FedBizOpps.gov). You can also obtain “active contracts lists” from many agencies, sometimes on their web sites. You can also obtain excellent data from the Federal Procurement Data System, by going to its web site (<https://www.fpds.gov>). **Your assignment:** Identify 10 firms that have recently won contracts to perform services in your firm’s areas of expertise. **Extra credit:** For an individual agency, find and rank the top 5 contractors (by size of contracts) that have contracts in your primary area of expertise and find out when these contracts expire. (Hint: Start with the FPDS database.)

Action Item 4: Get advice from managers in successful firms. (1 hour)

What are the realities of competing for federal contracts in your areas of expertise? An essential step is to talk with those who have already succeeded in the federal market. Many managers of federal contractors are willing to share advice and insights with others. Be candid and open about the reason for your call and you will be surprised by how open many of your potential future competitors (or teaming partners) might be. **Your assignment:** Talk with managers of at least 3 firms that have federal contracts in your areas of expertise. Ask them for their advice about the advantages and disadvantages of pursuing federal contracts in these areas. **Extra credit:**

Obtain specific advice about how to break into at least one specific market niche for the first time (e.g., a specific office within a particular agency).

Action Item 5: Talk with 5 contracting officers. (2 hours)

Contracting Officers (COs) are government staff members who are typically assigned to an agency’s contracting office or division. Among other things, COs manage competitions for new contracts. In carrying out their duties for a particular competition, the CO will obtain advice and recommendations from the agency’s relevant technical staff who have the need for the contractual services, as well as legal, and accounting specialists, who will assist the CO in evaluating proposals and negotiating contracts. Ultimately, though, it is the CO who speaks for the government and has the authority to contractually bind the government.

As part of your research on the federal market, you should have some conversations with a handful of COs in one or more agencies where you might want to do business. **Assignment:** Talk with at least 5 COs, either by telephone or in person, in agencies that procure the types of services you provide. Among other things, ask them for advice in the following areas: (1) How does this agency tend to procure services of the type you provide—by Sealed Bidding (in which the award essentially goes to the low bidder) or by Negotiated Acquisition (in which the agency makes the award to the firm that provides the “best value,” taking into consideration both price and technical factors, such as a firm’s qualifications, personnel proposed for the contract, and record of past performance)? (2) For the latter type of competition, which is more common for services, what are the key non-price factors that this particular agency tends to weigh most heavily? **Extra credit:** Discuss one of the longer-range acquisitions you identified in the agency’s acquisition forecast (see item 2, above) with the appropriate CO. See if the CO will give you a general

sense of whether your firm might be a viable competitor for this contract.

Action Item 6: Identify 5 opportunities to be a subcontractor on existing federal contracts. (2 hours)

To do business with the federal government you don't have to be a prime contractor. In fact, many firms do most of their federal work as subcontractors. Among the advantages are lower marketing costs (the prime almost always bears the major brunt of proposal-preparation expenses, for example) and, in many cases, fewer administrative burdens.

You can find subcontract opportunities by reviewing FedBizOpps (which sometimes includes notices posted by prime contractors that are looking for help) and the government's Dynamic Small Business Search site http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm. You can network with managers in other firms. If your firm is small or disadvantaged, you might be able to make a particularly compelling case to obtain work as a sub. Many federal contractors are required to try to achieve certain goals for subcontracting to small and disadvantaged firms. To find leads, one good place to start is the "subcontracting opportunities directory" that many agencies regularly publish and update. **Your assignment:** Find 5 examples of existing federal contracts where your firm might have a good chance of obtaining work as a subcontractor. **Extra credit:** If your firm is small, talk with the Office of Small and Disadvantaged Business Utilization (OSDBU) in at least one federal agency and ask a staff member to introduce you to at least one prime contractor that might need help meeting its socioeconomic subcontracting goals.

Action Item 7: Investigate GSA Schedule Contracts. (1 hour)

As you learn more about the federal market, you should become familiar with government-wide contracts. These are task

order contracts, issued by one agency in a particular discipline, such as information management. After the contract is awarded to a firm, any agency in the government can obtain services from that firm, by issuing it a task order. Obviously, these contracts can be valuable.

For professional services, the best-known contracts of this type are issued by the U.S. General Services Administration (GSA) under its "Schedules" program. For example, one of these contracts is for "mission oriented business integration services" (MOBIS). GSA has awarded MOBIS contracts to several hundred firms. In aggregate, these firms receive more than \$2.3 billion dollars per year in revenues under these contracts.

Submitting a proposal to be added to a Schedule is relatively easy. Once a contractor is on the Schedule, it is up to it to try to sell task orders to federal agencies—and there are mini-competitions for most task orders.

Your assignment: Go to GSA's web site for the Schedule Contracts (www.gsa.gov), which has ample information for contractors who are interested in the program. See if one or more of the Schedules might be suitable for your firm. **Extra Credit:** If you find a Schedule that might be suitable for your firm, download the Schedule's solicitation instructions. Skim them and decide whether you think your firm could submit an acceptable proposal.

—Dave Alexander, the Principal of **Lincoln Strategies, LLC** (www.LincStrat.com), is the author of *Guide to Winning Federal Government Contracts for Architectural, Engineering, Construction and Environmental Consulting Firms*, and *Successful Strategies for Winning GSA Schedule Contracts*, both published by ZweigWhite of Natick, MA. Lincoln Strategies helps firms enter and expand in government markets.