

**BIDDING** Before You Bid | By Deborah R. Huso & Ryan MacArthur



How to get  
**HARD-TO-GET  
GOVERNMENT  
CONTRACTS**

**W**illiam Goad pats the pockets on his faded jeans looking for his cellphone. He checks the time (it's 5 a.m.) and nods. "I like getting on the base early," he says. "That way, I can get to the job before anyone is even on the road." Goad is off to Joint Base Langley-Eustis in Hampton, Virginia, to drop off supplies.

The 70-year-old master electrician at Abbott General Construction Inc. in Hampton, Virginia, slides behind the wheel of his white work van. The back is full of electrical wires, conduits and decades' worth of bits and bobs from countless government contracting jobs.

Over the course of his career, Goad estimates he's been involved with dozens of government construction contracts. "There have been so many I've lost count," he says.

Whether it's estimating materials costs or installing electrical wiring and control equipment, he sums up his decades of experience with government contracts in one sentence: "They're competitive and hard to get, but there's good money in them."

## GOVERNMENT CONSTRUCTION CONTRACTS

Every year, the federal government and state governments award billions in construction contracts. According to the Federal Procurement Data System (FPDS), in 2018, the 20 federal agencies that spent the most on construction awarded \$27 billion in contracts. And the fiscal year (FY) 2019 appropriation bill provides over \$10 billion for military construction projects alone, while also funding the United States Army Corps of Engineers (USACE) Civil Works program with an additional \$7 billion to build new roads and restore existing highways.

It may seem daunting for a small contracting firm to approach the government for work, but plenty of opportunities exist. In fact, the U.S. Small Business Administration (SBA) reports that the federal government met its goal of awarding at least 23% of federal contract dollars to small businesses for the last 5 years.

The federal government also aims to award 5% of contracts to women-owned small businesses; 5% to small, disadvantaged businesses; 5% to HUBZone small businesses; and 5% to service-disabled, veteran-owned small businesses. In total, \$120.8 billion dollars went to small businesses in 2018.

## BEFORE THE BID

According to Nicole Ingram, founder and principal designer of Stacy Nicole Inc. in Cary, North Carolina, the keys to winning a government contract are understanding the bidding process, paying attention to the details, and having a strong strategy. Ingram knows all about government contracts.

Prior to developing a successful construction business in Atlanta, Georgia, and before becoming one of the most sought-after interior designers in North Carolina, she first learned about government contracts by helping a friend. "Before I started my construction

business, I was hired to do bidding for a friend's janitorial company," Ingram said. "It was a long process that took a lot of time. The first step is registering with all the websites."

Any company interested in doing business with the federal government has to first register on the System for Award Management (SAM), the official website of the General Services Administration (GSA). At a minimum, you'll need to provide your firm's legal business name, physical address, and Dun & Bradstreet Universal Numbering System (D-U-N-S) number, along with your Tax Identification Number (TIN), taxpayer name and banking information. Business owners have to update their profile every year, or it becomes inactive.

After registering, contractors can search for bids on the Federal Business Opportunities (FBO) website, [fbo.gov](http://fbo.gov). The site serves as a virtual classified section or community corkboard of sorts on which the government posts "help wanted" ads for any contract valued over \$25,000.

The registration and contract-hunting processes, though time-consuming, are fairly straightforward. But developing a winning strategy to secure an award is a whole different game.

## GETTING STARTED

In 2018, Clark Construction Group LLC won a government contract to build a new Air Force One hangar in Prince George County, Virginia. According to Bloomberg, the contract is potentially worth \$315.5 million. It's difficult for any contractor not to get dollar signs in their eyes when they see numbers like those, but Ingram says a solid strategy starts with first getting a foot in the door.

"Subcontracting is a great way to start if you want to get into government contracts," said Ingram. "When I was primarily in construction, we worked with an architectural firm on a contract to pour concrete for them. That gave us the opportunity to get to know the people in charge of bidding and create those relationships."

Like any business, government contracts are built on trust and a solid return on investment. According to Goad, the contract often goes to a firm with which the awarding agency has already worked.

"Oftentimes, it's about who you know or whether they've worked with you before," said Goad. "It's a lot cheaper to work with a company that already knows how things work."

For business owners who do not have a professional network that allows them to directly contact a bidding officer or primary contractor, the government offers resources to connect small businesses with subcontracting opportunities. According to the SBA, some government contracts stipulate the prime contractor must subcontract with a small business. Websites like The SBA Subcontracting Network (SubNet) and Department of Defense's subcontracting opportunity directory both display available contracts and the primary's goals for the project.

## SAM Preparation Steps

Contractors new to SAM may find the processes confusing or difficult to complete. Failure to register correctly may result in your company not showing up in the system or becoming disqualified for contracts if information is missing. Take these key steps when registering:

- Get a business Tax Identification Number (TIN) from the Internal Revenue Service (IRS) even if you're a sole proprietorship.
- Research and identify the product service codes (PSC) (also known as federal supply codes) and North American Industry Classification System (NAICS) codes that apply to your business.
- Obtain a D-U-N-S number (a unique nine-digit identifier) for your business at <https://fedgov.dnb.com/webform>.
- Find out if your business meets the SBA size standard, as most federal contracts worth less than \$150,000 typically go to small businesses, especially woman- and minority-owned businesses.
- Write a brief, grammatically correct, error-free statement about the type of work your company performs.
- Identify keywords associated with the nature of your business, like "electrician," "general contractor" or "carpenter."
- Gather a list of business references, including the business name, contact person, contract value and date range of work.

### BID STRATEGIES

When it comes to bidding on a government contract as the primary, Ingram says it's all about research, patience and attention to detail. "If you make one mistake, you could get eliminated," she said.

Ingram advises researching the project thoroughly once you have found an attractive contracting opportunity. "Find out who the contracting officer is," she said, "and see if he or she is someone you've worked with as a subcontractor."

It's also critical to ensure your business aligns its skill set with the contract. "Having a niche is very helpful," Ingram said.

The next step is to review the requirements for the bid proposal: what it needs to include, how to assemble it, and the method for submission (electronic or mail). The contract's processor will weed out non-compliant proposals at the start of the evaluation process.

While having an airtight, perfect bid proposal is a plus, Ingram and Goad both agree establishing and strengthening the relationship between your business and the government is vital. Each contract that a business completes contributes to its past performance rating. The government appraises the work and rates the contractor—similar to assigning a report card. Higher ratings equal better opportunities. Smaller contractors who take on big jobs risk underperforming and receiving a poor rating.

### MAKING BIDDING EASIER

To help find the right bids and get a leg up on the competition, contractors have a variety of tools at their disposal, such as BidSync and eBacon. BidSync is a software application that helps businesses

quickly find relevant and winnable bids. Using an AI-powered relevance engine, BidSync grants users real-time access to an extensive number of agencies and available bids. The software also weeds out irrelevant bids and can cut down the amount of time contractors spend looking for the right contract.

"Government suppliers consistently voice frustration with the amount of work they have to put into finding new, relevant government opportunities," said Brian Utley, chief executive officer (CEO) at Periscope Holdings, BidSync's parent company. "Suppliers are tired of wasting time sifting through pages of search results that will never generate a single sale."

BidSync's true value comes from mitigating guesswork and manual labor, and leveraging machine-learning technology. The more contractors use the application, the more the system learns about and improves the relevance of the bids it finds.

Beyond the effort involved in identifying them, government contracts require absolute commitment to compliance, as well as substantial administrative work, both of which cost time and money. Software products like eBacon help contractors make their bids more competitive by reducing fringe costs and taxes, as well as administrative burdens.

"Our platform was built specifically for contractors," said Jack Biltis, president and co-founder of eBacon. "We reduce the administrative burden on prevailing-wage and union projects, and make sure every minute worked is paid at the correct rate and fringe amount." The platform combines time and attendance, payroll and fringe-benefits management to automate payroll calculation and certify report/upload generation.

eBacon also automates complex processes like restitution calculation, daily job reporting, union reporting, job budgeting, new-hire paperwork and apprentice tracking. "A typical 20-man company will usually save \$67,000 a year in fringe savings and 35 hours a week in administrative time," said Biltis.

Federal contracts offer a wealth of opportunity for small businesses. Whether it's taking advantage of professional connections, getting your foot in the door via subcontracting or bidding on contracts the old-fashioned way, a contractor must know their company's unique advantage and how to communicate it to start winning government contracts. **CBO**

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