



# Basics of Government Contracting



February 9, 2022



# What is a PTAC?

PTACs help small businesses learn to compete successfully in federal, state and local government markets.



## Procurement

Created by Congress in 1985; currently 91 PTACS including 5 Native American PTACs



## Technical

Funded by cooperative agreements between Defense Logistics Agency & “hosts”



## Assistance

All PTACs provide core services, majority of services are free



## Center

Differences between PTACs and consultants who provide government contracting services

# Rhode Island PTAC

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## What does PTAC do?

We provide a variety of services to Rhode Island based businesses of all sizes to help them navigate the complexities of contracting with federal agencies, state purchasing departments, and local governments.

RI PTAC can help you with:

- government registrations
- bid match profiles
- market research
- contract requirements
- SBIR/STTR applications

We also offer workshops, training events, matchmaking events and more!

# Objectives

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Today we will answer these questions:

01

Is Government Contracting a good fit for my business?

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02

What does the Government buy?

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03

How does the Government buy?

04

What does the Government look for in a vendor?

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05

What registrations do I need to do business with the Government?

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06

What is the difference between Local, State, and Federal Government contracting?

# Diversifying Your Customer Base

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**Is Government  
Contracting a Good  
Fit for Your Business?**

# The Basics

In order to do business with the government you need to have a solid business foundation

## RI Secretary of State

[www.risos.gov](http://www.risos.gov)

Business Services Division

## TIN/EIN

<https://www.irs.gov/businesses>

IRS tax information for businesses

## Insurances/Bonding

Find an agent – liability ins,  
professional ins., Workers Comp,  
Bonding capacity

## Taxes

<https://www.sos.ri.gov/divisions/business-services/ri-business/pay-your-business-taxes>

State of RI Division of Taxation

## Banker

Business Bank Account

Checking, ACH

## Accountant, Attorney

Establish a relationship with a  
professional

# Experience

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## Do you have:

- Skills to perform/produce

Can you provide the product or service – you will be **contractually obligated** to provide?

- Skills to run your business

Do you have the knowledge base for day-to-day operations?  
Administrative, accounting, reporting, cyber.

- Staffing/capacity

Will you have the capacity to staff at acceptable levels.

- Time to commit

Government contract takes a lot of time and effort!

# Commercially Viable

**Business viability is measured by a business' potential for long-term survival and the ability to sustain profits over a period of time.**

Do you have:

- A solid customer base
- A solid supply chain
- A market strategy/direction



# Product/Service

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Is there a market for your product or service?

## What are you offering?

- Is it a product or service that the government will buy?
- Who has purchased in the past?
- Is there a market for your offering?

## What sets you apart?

- How do you stand out from the competition?
- Cost
- Skills
- Specialty

# Diversifying Your Customer Base

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## What Does the Government Buy?

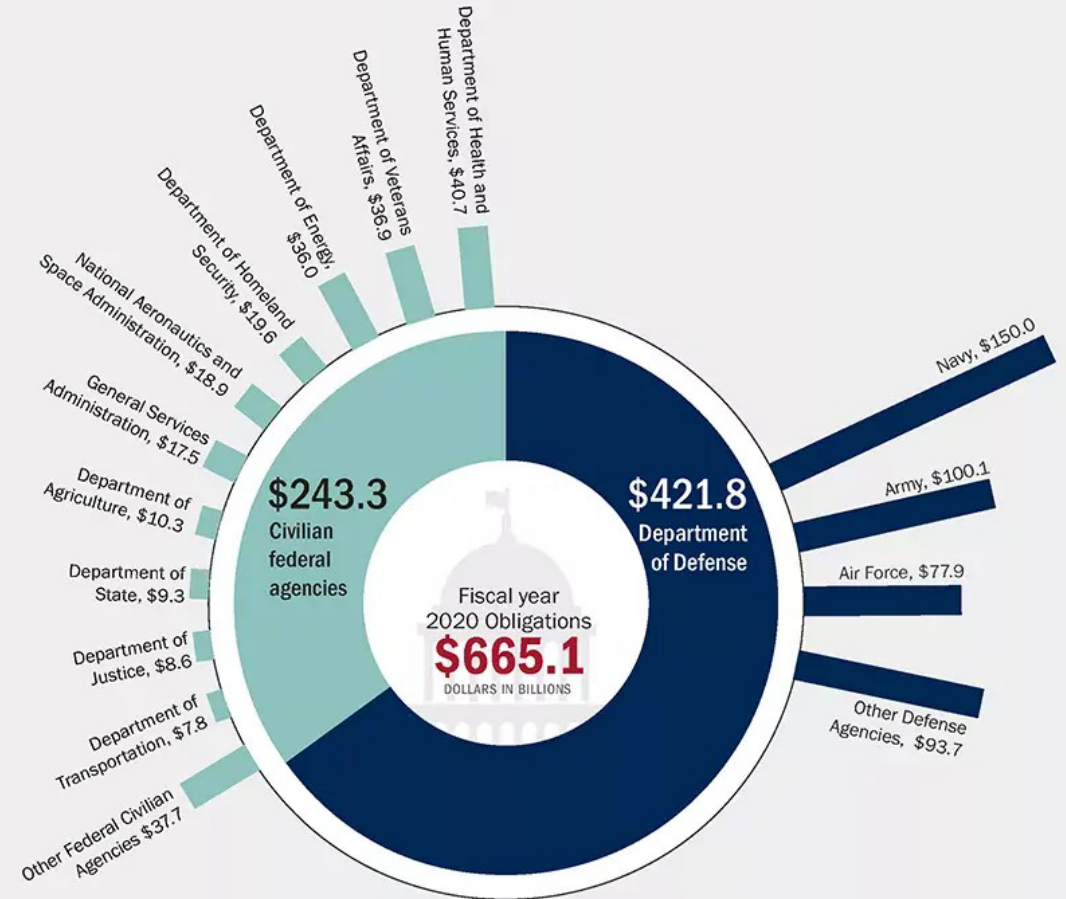
# What does the Government buy?

## Most everything!

Scope of the Market:

- All federal, state or local municipal government agencies that purchase goods or services with appropriated funds (your tax dollars)
- The government performs “inherently governmental functions”
- In FY20 the Federal Government spent over \$665B on contracts

## WHICH AGENCIES WERE RESPONSIBLE FOR THE MOST CONTRACT DOLLARS?



Source: Analysis of FY2020 FPDS-NG data.

# What does the Government Buy?

## WHAT DID THEY BUY?



# Diversifying Your Customer Base

How Does the Government Buy?

# How does the Government buy?

## Let's talk about buying

- How do they buy?
  - Micro purchases? One time contracts? Multiple Award Contracts? Government Wide Acquisition Vehicles?
- When do they buy?
  - Is it a one time need? Is it a reoccurring need? Is the need unclear? Does it require maintenance or upgrades?
  - Who do they buy it from currently? Is there one incumbent that has a strong hold on the market? Is there a lot of competition?
- How do I learn about these things?
  - Agency websites, Small Business Offices, Industry Days
  - Federal Spending websites like FPDS.gov, USAspending.gov, GSA – federal spending requires transparency!

# How does the Government Buy?

## HOW DID THEY BUY IT?

### CONTRACT TYPE & COMPETITION



The overall competition rate in fiscal year 2020 was almost 61%—civilian agencies' competition rate was almost 80% and Defense agencies about 50%.

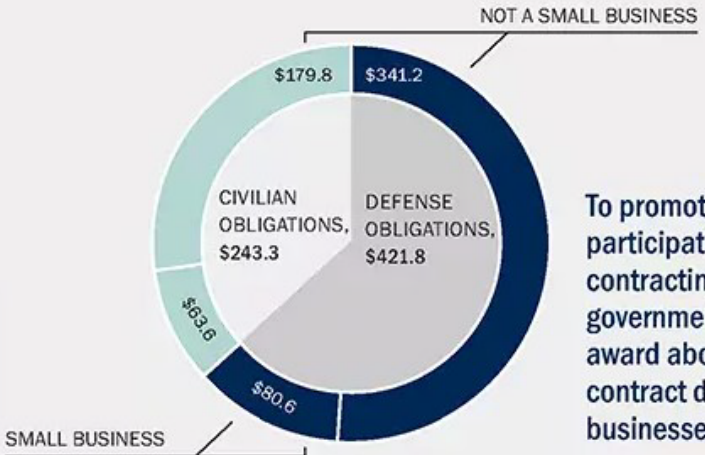
Source: Analysis of FY2020 FPDS-NG data.

## WHO GOT THE CONTRACTS?

### TOP 10 VENDORS OBLIGATIONS

CIVILIAN AGENCIES  
**\$38.1**  
 DOLLARS IN BILLIONS

DEFENSE AGENCIES  
**\$154.8**  
 DOLLARS IN BILLIONS



To promote small business participation in federal contracting, there is a government-wide goal to award about a quarter of contract dollars to small businesses.

Source: Analysis of FY2020 FPDS-NG data.

# Diversifying Your Customer Base

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What Does the Government Look  
for in a Vendor?



# Are You Eligible to do business with government agencies?

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Reasons why you could be ineligible to do work for the government:

- Good character
- Suspension
- Debarment
- Good standing

# Financially Stable

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Can you afford the cost of doing business?

- Do you have access to capital?
- Do you have a line of credit?
- Lack of access to capital is often cited as one of the primary barriers facing entrepreneurship

# Past Performance

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Can you show that your business has had project deliverables - on time and within budget?

Experience:

- Prior to starting your business
- With your current business
- Consider subcontracting or Teaming

# Capacity to Deliver

Can you guarantee your contracted deliverables?

Is your business:

- Ready, willing and able - to get the job done
- Responsive and responsible – to comply with the contract requirements

# Diversifying Your Customer Base

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What are the differences between  
Local, State, and Federal  
Government and what  
registrations do I need for each?

# Doing business with State of RI

## State of RI Division of Purchases

### ➤ Ocean State Procures

OSP is an electronic procurement process for vendor registration, requisitioning, bidding, purchase orders, contract management and invoicing.

### ➤ RI Vendor Information Program –RIVIP

Personalized digital dashboard to view and watch Rhode Island Division of Purchases State solicitations and external solicitations.

### ➤ [www.ridop.ri.gov](http://www.ridop.ri.gov)

# State of RI Socio-economic Programs

## Office of Diversity Equity and Opportunity – ODEO

Goals: To increase opportunities for minority and women-owned business enterprises, as well as disability business enterprises, to participate in our state’s procurement activities.

**MINORITY OR WOMEN BUSINESS ENTERPRISE (MBE/WBE)** - A small business concern which is at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals.

**The Supplier Diversity Office (SDO)** is a newly created program at the RI Department of Administration’s Office of Diversity, Equity & Opportunity (ODEO) established to give minority and women owned business enterprises, as well as disability business enterprises, in the State of Rhode Island an opportunity to secure contracts with government agencies as qualified Small Business Suppliers.

<http://odeo.ri.gov/>

# Doing Business with Federal Agencies

## Federal Contracting Requires Information and Registrations

You will need to have the following:

- Dun& Bradstreet Number - aka DUNS number is a unique nine-digit identifier for businesses. <https://www.dnb.com>
- TIN/EIN – Taxpayer ID or Employer ID number <https://www.irs.gov>
- System for Award Management - SAM.gov is the central registration point for government contractors and contracts. <https://sam.gov>



# Federal Socio-Economic Programs

## Small Business Administration – SBA

Certification for any of the SBA socio-economic programs will allow you to bid on set-aside and sole-source federal contracts. For more information on certification visit: <https://www.sba.gov/federal-contracting>

- 8a - Socially and economically disadvantaged
- WOSB - Women Owned Small Business
- SDVOB -Service Disabled Veteran Owned Business
- Hub Zone - Historically underutilized business zones

# Doing Business with Federal Agencies

## Ready to Bid

- **PTAC Bidmatch** - uses your business criteria and matches that to current federal, state and municipal bids. You are notified of any matches via email.
- **DIBBS** - DLA Internet Bid Board System allows you to search for, view, and submit secure quotes on RFQs for DLA items of supply. It allows users to search and view RFPs, Invitations for Bid (IFBs), awards, etc.

<https://www.dla.mil/SmallBusiness/VendorOpportunities>

**SAM.Gov** – Review notices from federal contracting offices. Anyone interested in doing business with the government can use this system to search for opportunities. <https://sam.gov/>

# Doing Business With Primes

- Corporate vendor portals - Also known as Supplier Portals, are webpages that allow small business vendors and suppliers to connect with Primes via the internet.
- Capability Statement – Your business resume. Gives an overview of what you do, NAIC’s codes, registrations, past performance and relevant information.
- Insurances/Bonding – What is your business coverage or capacity? Does it meet the requirements of the prime?
- Financial statements – Do you have current up to date financials available.
- Cyber Compliance– Is your business cyber compliant? All companies who are working in the federal supply chain, including prime contractors, subcontractors, must meet cyber requirements.

# Conclusion

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## Takeaways

- Know what you are getting into
- Be prepared
- Be patient and flexible
- Be ready, willing, and able
- Call your PTAC counselor when you get stuck!



# RI PTAC Staff

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