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DOING BUSINESS WITH GOVERNMENT

- ❖ Federal Government Contracting & Certification Programs ❖
- ❖ DC Government Contracting & Certification Programs ❖

Washington, DC businesses are highly favored when the Federal and DC governments need contracting. Both governments have offices or administrations that do all of their commercial contracting for them and offer special programs for small economically disadvantaged businesses. There is an abundance of opportunities for businesses big and small to do business with government, especially with the Homeland Security and Defense departments. The Federal Government's demand has been an economic engine that helps fuel the region's job and population growth.

FEDERAL GOVERNMENT CONTRACTING

The U.S. Federal Government is the largest buyer in the world. For step-by-step instructions on acquiring a Federal Government contract, visit the "Official Business Link to the U.S. Government's" web page at www.business.gov, which has a wealth of information on the process and requirements of selling to the government.

For a general understanding of government contracting needs, visit the General Services Administration's (GSA) website, www.gsa.gov.



BENEFITS OF THE 8(a) PROGRAM

Participants can receive sole source contracts, up to a ceiling of \$3 million for goods and services and \$5 million for manufacturing. While the SBA helps 8(a) firms build their competitive and institutional know-how, businesses are also encouraged to participate in competitive acquisition.

Federal acquisition policies encourage federal agencies to award a certain percentage of their contracts to Small Disadvantaged Businesses (SDB). To speed up the award process, the SBA has signed Memorandums of Understanding with 25 federal agencies allowing them to contract directly with certified 8(a) businesses.

Recent changes permit 8(a) businesses to form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) businesses to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract.

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The GSA manages much of the Federal Government's business needs, including the products, services and technologies that the Federal Government requires for its operation. The GSA's office of Small Business Utilization helps with preparing an offer and conducts monthly workshops on how to obtain a GSA Schedules Contract. For more information and support, please call **202.501.1021** or email small.business@gsa.gov. You can also take online training courses on topics such as how to become a contractor through their FSS (Federal Supply Service) Center for Acquisition Excellence at www.fss.gsa.gov/services.

FedBizOpps.gov is the single government portal for Federal Government procurement opportunities over \$25,000. FedBizOpps helps Federal government buyers and commercial vendors find one another. Through FedBizOpps, government buyers can post their business opportunities directly to the site and vendors seeking to sell to the Federal markets can search, monitor and retrieve opportunities solicited by the entire Federal contracting community.

BUSINESS DEVELOPMENT PROGRAMS

Federal Government Contracting Programs

The U.S Small Business Administration has two programs that assist small disadvantaged businesses in government contracting—the 8(a) Business Development program and the Certified Business Enterprise Certification program. In addition, it also administers the HUBZone program that gives Federal contracting advantages to small businesses located within the Federally designated HUBZone. For a summary of each program's benefits and eligibility requirements, please see the chart at the end of this section (page 80) or visit the SBA website at www.sba.gov/dc.

HUBZONE PROGRAM

A HUBZone (Historically Underutilized Business Zone) is a federal contracting program that provides contracting preferences to small businesses with HUBZone certification. To qualify as a HUBZone business, a company must meet the following criteria:

- ❖ A small business with principal office located within a HUBZone
- ❖ Owned and controlled by one or more U.S. citizens
- ❖ At least 35% of its employees must reside in a HUBZone

The HUBZone Program is only for federal contracting consideration and locating in a HUBZone has no bearing on a company's contracting opportunities with the District Government (*see Certified Business*

Enterprise Certification on page 77). In addition to the HUBZone program, the Small Business Administration (SBA) also provides two particular business assistance programs for small, socially and economically disadvantaged businesses. These programs are the 8(a) Business Development Program and the Small Disadvantaged Business (SDB) Certification Program.

To find the location of a HUBZone or learn more about the HUBZone Program, please visit www.sba.gov/hubzone or call 202.205.8885.

8(a) BUSINESS DEVELOPMENT PROGRAM

The 8(a) Business Development Program is a business development vehicle. New regulations permit 8(a) companies to form beneficial teaming partnerships and allow federal agencies to streamline the contracting process. New rules make it easier for non-minority firms to participate by proving their social disadvantage.

The new and improved 8(a) Program has become an essential instrument for helping socially and economically disadvantaged businesses gain access to the economic mainstream of American society. The SBA has helped thousands of aspiring entrepreneurs over the years to gain a foothold in government contracting.

The SBA district offices monitor and measure the progress of participants through annual reviews, business planning and systematic evaluations. 8(a) participants may take advantage of specialized business training, counseling, marketing assistance and high-level executive development provided by the SBA and its resource partners. They may also be eligible for assistance in obtaining access to surplus government property and supplies, SBA-guaranteed loans and bonding assistance. To apply, contact the SBA's DC office at 202.606.4000 or go to www.sba.gov/8abd. SBA representatives will answer general questions over the phone.

SMALL DISADVANTAGED BUSINESS (SDB) CERTIFICATION PROGRAM

While the 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in federal procurement. If you are a 8(a) certified, you will automatically qualify for SDB certification. To apply for both 8(a) and SDB certification, contact the local SBA district office at 202.606.4000 or visit www.sba.gov/sdb.

The SBA certifies SDBs to make them eligible for special bidding benefits. Evaluation credits available to prime contractors boost subcontracting opportunities for SDBs.

BENEFITS OF SDB CERTIFICATION

Qualified SDBs receive a price evaluation adjustment of up to 10% on procurements where mandated by regulation. The price evaluation adjustment does not apply to 8(a) acquisitions and small business set asides.

Qualified contractors can receive a credit when using SDBs as subcontractors.

Once certified, firms remain on the SBA's list of SDB Certified firms for a period of three years.

**TIP**

For more information on the Mentor-Protégé Program and to download an Agreement Template go to www.sba.gov/8abd.

MENTOR-PROTEGE PROGRAM

The SBA also has implemented the new Mentor-Protégé Program to allow starting 8(a) companies to learn the ropes from experienced businesses. Its task is to teach 8(a) and other small companies how to compete in the federal contracting arena and how to take advantage of greater subcontracting opportunities available from large firms as the result of public-private partnerships.

A great place to start researching for government contracts is with the General Services Administration (GSA). The GSA manages much of the Federal Government's business needs, including the products, services and technologies that the Federal government requires for smooth operation. The GSA also helps with preparing an offer and general information to make the process easier. Visit www.gsa.gov for more information and support.

DISTRICT GOVERNMENT CONTRACTING

To do business with the District Government, you need to be familiar with two DC government agencies—the Department of Small Local Business Development (DSLBD) and the Office of Contracting and Procurement (OCP). The Department of Small Local Business Development processes the application for Certified Business Enterprises (CBE) using a point system illustrated on the next page. The Office of Contracting and Procurement is in charge of securing the commercial products and services for District Government agencies. A business can register as a vendor and apply for contracts online at www.ocp.dc.gov. Before a contract can be awarded the Federal Tax ID number and necessary business licenses must be granted.

The OCP advertises its solicitation notices and on its website and in the *Washington Times*. The District of Columbia Supply Schedule (DCSS), which is the program of awarded contracts, is also available at www.ocp.dc.gov. The OCP has special consideration for certified and non-certified DC-based businesses. Vendors can also register and apply at 441 4th Street, NW, Suite 700 South, Washington, DC 20001 or call [202.727.0252](tel:202.727.0252).

One of the first steps in contracting with the DC Government is to obtain the CBE certification, which will greatly enhance your chance of contracting with the District Government. After obtaining the certification you can submit to the District of Columbia Supply Schedule (DCSS) a solicitation/application.

DC Government Contracting Programs

CERTIFIED BUSINESS ENTERPRISE CERTIFICATION

The CBE Certification Program, administered by the Department of Small and Local Business Development, establishes a 50% goal of the expendable budget for District agencies in contracting with small business enterprises and provides a 12-point preference system for local, small and disadvantaged business enterprises in all available areas of District Government contracting. Under this program, applicants are eligible for certification in the following classifications:

Local Business Enterprise (LBE)—4 Points: An LBE is a business whose principal office is located in the District of Columbia, licensed by the District and subject to District of Columbia taxes. Its chief executive officer and its highest level managerial employees of the business enterprise maintain their offices and perform their managerial functions in the District.

An LBE must meet the following criteria:

- ❖ More than 50% of the assets of the business enterprise, excluding bank accounts, are located in the District
- ❖ More than 50% of the employees of the business enterprise are residents in the District
- ❖ The owners of more than 50% of the business enterprise are residents in the District
- ❖ More than 50% of the total sales or other revenue are derived from transactions of the business enterprise in the District

An LBE must also be:

- ❖ Licensed pursuant to Chapter 28 of Title 47 of the District of Columbia Official Code
- ❖ Subject to the tax levied under Chapter 18 of Title 47 of the District of Columbia Official Code; or
- ❖ A business enterprise identified in paragraph 47–1808.01 (1) through (5) of the District of Columbia Official Code and more than 50% of DC resident business-ownership

Disadvantaged Business Enterprise (DBE)—3 Points: A DBE is a business that is operated, owned and controlled by economically disadvantaged individuals. For the purpose of this program, an economically disadvantaged person is a socially disadvantaged person whose ability to compete in the free enterprise system has been impaired due to diminished capital and business redlining (discriminated against by refusal to grant loans, leases and insurance). Socially disadvantaged individuals are those who clearly demonstrate that they have reason to believe they have been subjected to

prejudice or bias because of their identity as members of a group without regard to their qualities. A DBE must be a Local Business Enterprise (LBE). Other requirements apply for the business enterprises affiliated with other business enterprises through common ownership, management or control. To qualify, you must submit:

- ❖ A letter (signed and notarized in Washington, DC) that demonstrates historic, economic and social discrimination
- ❖ Personal income tax return
- ❖ Personal financial statement

Resident Owner Business (ROB)—3 Points: ROB certification is available for a business enterprise having its principal office in the District and the majority owner is a District resident. It must be a Local Business Enterprise owned by an individual who is, or a majority number of individuals who are, subject to personal income tax in the District of Columbia.

Development Enterprise Zone—2 points: A DEZ is a business enterprise which must be located in an economic development zone designated by the Mayor and approved by the Council.

Small Business Enterprise (SBE): An SBE is a business that is independently owned, operated, and controlled. It must be a Local Business Enterprise, certified by the United States Small Business Administration as a small business concern under the Small Business Act; or have average annualized gross receipts for the 3 years preceding certification, between \$5 million and \$300 million based on industry type. Other requirements apply for business enterprises affiliated with other business enterprises through common ownership, management or control. Check with the Department of Small and Local Business Development for more information.

Longtime Resident Business (LRB): LRB is a business which has been continuously eligible for certification as a local business enterprise for 20 consecutive years, or as a small business enterprise for 15 consecutive years.

Qualified Metropolitan Area Business Enterprises: To participate in the CBE Certification Program, the business enterprise *must* be located in the District of Columbia.

SOLICITATION/APPLICATION

HOW A CONTRACTOR GETS STARTED

A contractor must be a Certified Business Enterprise (CBE) by the Department of Small and Local Business Development (DSLBD) prior to submission of a District of Columbia Supply Schedule (DCSS) solicitation/application. To obtain information regarding

CBE certification, visit the DSLBD website at www.dslbd.dc.gov or call 202.727.3900. A brief description of certification requirements is also provided below.

Log on to the Office of Contracting & Procurement (OCP) website, www.ocp.dc.gov, to obtain a list of DCSS opportunities for solicitation/application. To be eligible for an award on the DCSS you must be current with both the Department of Employment Services and Office of Tax & Revenue taxes.

Adopt a federal multiple award schedule contract for services of products consistent with the scope of the DCSS solicitation/application. This can be the contractor's federal award contract or another contractor's federal award contract.

Check List for Solicitation/Application:

- ❖ Agree to the DCSS Contract Terms and Conditions and District Provisions.
- ❖ Clearly identify services of products being offered.
- ❖ Provide a minimum of three customer references.
- ❖ Provide CBE certification according to procurement category for which the contractor is submitting the solicitation/application.
- ❖ Submit two copies of the current federal base multiple-award contract used to establish a DCSS contract.
- ❖ Complete and submit signed hard copies of the solicitation/application, offer and award forms.
- ❖ Forward complete solicitation/application to the Office of the Contracting and Procurement, 441 4th St., NW, Suite 703, Washington, DC 20001.
- ❖ Adopt a federal multiple award schedule contract for services of products consistent with the scope of the DCSS solicitation/application. This can be the contractor's federal award contract or another contractor's federal award contract.

The OCP has special consideration for local DC businesses and CBE certified businesses. For additional questions regarding solicitation/application contact the Office of the Contracting and Procurement at 202.727.0252 or visit www.ocp.dc.gov.



**TIPS FOR LANDING
A GOVERNMENT
CONTRACT:**

- ❖ *Research your intended buyer—Know their budget.*
- ❖ *Develop a customer/agency specific strategy.*
- ❖ *Start with a small order and work from there.*
- ❖ *Allot sufficient time, resources and knowledgeable personnel when seeking a contract.*

SUMMARY FOR BUSINESS DEVELOPMENT PROGRAMS

SDB CERTIFICATION PROGRAM FEDERAL

SUMMARY Qualified SDBs receive a price evaluation adjustment of up to 10% on procurements where mandated by regulation; Qualified contractors can receive a credit when using SDBs as subcontractors; Once certified, firms remain on the SBA's list of SDB certified firms for a period of three years

ELIGIBILITY Must be at least 51% owned and controlled by a socially and economically disadvantaged individual or group of individuals; All individuals must have a net worth of less than \$750,000, excluding the equity of the business and primary residence; Successful applicants must also meet applicable size standards for small businesses in their industry

CONTACT

U.S. Small Business Administration
202.606.4000
www.sba.gov/sdb

MENTOR-PROTEGE PROGRAM FEDERAL

SUMMARY Technical and management assistance from the mentor; Can enter into joint-venture arrangements with mentor to compete for government contracts; Financial assistance from the mentors who can own equity interest of up to 40% in a protégé firm to help it raise capital; Easier to qualify for other SBA programs

ELIGIBILITY Must be in the government stage of the 8(a) Business Development program, or have never received an 8(a) contract, or have a size of less than half the size standard for a small business based on its primary SIC code; Must be in good standing in the 8(a) Business Development program and be current with all reporting requirements

CONTACT

U.S. Small Business Administration
202.606.4000
www.sba.gov

CBE CERTIFICATION FOR DISTRICT CONTRACTING DISTRICT OF COLUMBIA

SUMMARY Certification of Certified Business Enterprises (CBEs) to receive preferences in contracting with the District government

ELIGIBILITY Company must be approved and certified by Local Business Opportunity Commission as an LBE, SBE, DBE (*see explanation on previous pages*)

CONTACT

Department of Small and Local Business Development
202.727.3900
www.dslbd.dc.gov

HUBZONE PROGRAM FOR FEDERAL CONTRACTING FEDERAL

SUMMARY Preference in bidding for federal agencies' contracts; Higher government guaranties on surety bonds for construction and service contract bids

ELIGIBILITY Must be SBA certified, meeting the following criteria: Principal office located within a HUBZone; Company owned and controlled by one or more U.S. citizens; At least 35% of employees live in HUBZone

CONTACT

U.S. Small Business Administration
HUBZone Office
202.205.8885
www.sba.gov/hubzone

8(a) BUSINESS DEVELOPMENT PROGRAM FEDERAL

SUMMARY Preferential consideration in federal contracting for socially and economically disadvantaged businesses

ELIGIBILITY *See page 75*

CONTACT

U.S. Small Business Administration
202.606.4000
www.sba.gov/dc