GOVERNMENT PROCUREMENT OPPORTUNITIES FOR YOUR SMALL BUSINESS

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INTRODUCTION

The US government is the biggest customer in the world. In 2007, state and local governments purchased $1.74 trillion in goods and services, exceeding the federal government’s expenditure of $500 to $600 billion. Fewer than 2% of registered companies in the US seek out government contracts. We can take two important things from this — government spending represents a real opportunity for small business and governments will continually look for and implement new ways to purchase new goods and services.

Procurement is the term used for the process or act by which the government obtains the supplies and services it needs. Doing business with the government is not as easy as selling products to other businesses, but it is a process that can be learned. A business does not have to be big to sell products and services to the government. Even very small companies can obtain a government contract. The most important thing is the company’s ability to fulfill the obligations of its contract, not the number of employees on its roster.

The goal of this publication is to provide the reader with some ideas, strategies and general information to understand, utilize and grow a small business by accessing government procurement and to provide an understanding of the opportunities available with customers at all levels of government.

Starting almost 20 years ago the federal government’s National Performance Review, along with the “process improvement” movement at the state and local level, changed the role of the procurement function. Among other things, procurement was expected to be more outcome-based and service-oriented, with metrics to measure performance. Many government agencies began to evaluate procurement systems to determine if they helped or hindered the functions of government itself. Specific questions were asked to determine if there were ways to improve the system to perform better and faster. Additional efforts looked to see if it was easier for vendors to supply needed services and commodities without an abundance of paperwork and time-consuming processes that actually increased the costs of competing for government business.

E-procurement has been the evolving answer to many of these questions and strategies for government at all levels. From small changes like increased use of email for document distribution to the use of procurement cards (basically credit cards) for payments to business, many of these changes have simplified the process, reduced cost through efficiencies and reduced acquisition costs through increased competition.

E-procurement, or electronic procurement, is a relatively new term in procurement and it is important for small business to understand it. E-procurement breaks down into components: purchasing, spend data collection and analysis, sourcing (that is, conducting the actual competition for a contract), vendor invoicing, and vendor payment.

Many state and local jurisdictions are using one or more of these components to be more efficient in the procurement process and to achieve best pricing through broader bidder pools. In Florida, for example, e-procurement encompasses 95,000 vendors registered and by the end of 2007, the state was spending $4.4 billion through it. See page 33 for more information about e-procurement.
WRITING AN EFFECTIVE BUSINESS PLAN

A business plan is a comprehensive document that describes your business and represents the first step in your business journey. The Small Business Development Center specializes in assisting you with developing your business plan. This process forces you to take a realistic look at exactly what your business will involve and helps you estimate start-up costs.

- It enables you to organize and prioritize all of the great ideas you have for your business.
- It allows you to set realistic goals.
- It communicates your business ideas to others including lenders.
- It shows why your business venture is feasible and if it is profitable.

Your business plan must be focused, clearly define target markets, and prove to lenders that you will have sufficient cash flow to repay debt and cover all business expenses.

Business Plan Outline:

Statement of Cash Sources and Uses – Start Up/Expansion Expenses

This is also known as the Funding Request. It spells out the amount of money you need, where it will come from, and how you will spend it.

Cash Sources

<table>
<thead>
<tr>
<th>Owner Investment</th>
<th>Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total*</td>
<td></td>
</tr>
</tbody>
</table>

Cash Uses

<table>
<thead>
<tr>
<th>Security Deposit</th>
<th>Licenses/Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decorating Remodeling</td>
<td>Advertising for Opening</td>
</tr>
<tr>
<td>Fixtures, Equipment</td>
<td>Sign(s)</td>
</tr>
<tr>
<td>Installing Fixtures, Equip</td>
<td>Misc. Expenses</td>
</tr>
<tr>
<td>Services, Supplies</td>
<td>Working Capital</td>
</tr>
<tr>
<td>Beginning Inventory Cost</td>
<td>Legal/Professional Fees</td>
</tr>
<tr>
<td>Total*</td>
<td></td>
</tr>
</tbody>
</table>

*These two Totals must be equal. You can’t spend more than you have available.

Executive Summary – The Executive Summary is a condensed outline of your plan designed to spark the reader’s interest so they will want to read the rest of your plan. It should highlight the crucial information you present in the plan.

The information in this section must match elements included in the rest of the plan. It should include company information describing the product, your objectives, your background, and your management
team. It should include a complete project description, describe market opportunities, and summarize the financial data detailed in your financial statements.

**Business Description** – The reader should be able to have a true understanding of what your business is all about. It should be clear and focused. This section should describe the following: why you are starting the business, the legal structure, the location of the business, and the hours of operation. It should describe your staff, how you will handle day to day operations, the manufacturing of the product, and your plans for the future (immediate and long term).

**Personal History** – This section describes key players in the business. The reader should be able to see that you and your staff have the expertise to run this business successfully. This is a great time to take a good look at your skills and determine where you need improvement or assistance. This section includes a description for you, the owner, and each person listed as management. For each person you should include education, employment history, technical training, depth of industry experience, practical business/management experience, and other notable skills. Also include organizations you and your staff are associated with or plan to join.

This section should identify who will be responsible for various functions in the business. Formal resumes should be included in the Exhibit section for the owner and key managers.

**Personal Finances** – A significant number of small businesses fail each year. There are a number of reasons for these failures but a major concern is insufficient personal funds. Before starting a business, you must take a hard look at your personal finances. Are they in order? What is your credit score? You must clear up any issues before you seek financing. Can you survive a change in your family’s current income? Most owners are unable to pull money from their businesses for the first six months or longer. Business expansions or downturns can also seriously affect the owner’s personal finances. You will be expected to complete a personal financial statement detailing your assets and liabilities. Lenders may ask you to pledge personal assets as collateral for a business loan.

**Management Structure/Professional Advisors** – Provide an outline of your management structure that includes titles and job descriptions for key positions, and information on your lawyer, banker, business advisor, accountant, and insurance agent.

**Operational Details** – Describe your day to day operations. Identify staff functions and responsibilities as well as overhead expenses. Describe how your product will be manufactured, packaged, and distributed. If you will be using an outside entity to produce your product (a co-packer), describe how this will occur. Co-packing is discussed in the Operating Your Business section of the guide.

**The Marketing Plan** – This section should demonstrate your complete understanding of the competition, referral sources, and potential customer base. You must set realistic objectives and revenue targets. Your marketing strategy should include a product description and detail how it differs from the competition. Describe your distribution channels and whether you will focus on retail, wholesale, or both. Describe your target markets, how you’ll create and maintain customer loyalty, and your competitive position. The competitive position includes price comparisons with existing products, the number and types of competitors, and what makes your product different. Describe your promotional strategies;
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website, brochures, flyers, advertising, referral network, and other outreach activities.

**Financial Statements/Earnings Projections** – You must show detailed projections (pro forma statements) of earnings and expenses for three years, including Cash Flow Statements, Income Statements, and Balance Sheets. Projections for the first year should be broken down month by month. Projections for years two and three should be shown on an annual basis. You must show your ability to repay any debt. You must include the assumptions you used to create your pro forma statements. It is best to underestimate revenues and overestimate expenses; be conservative.

**Supporting Documents** – The business plan narrative should flow without interruption. Supplemental materials can be added in the Appendix section. The SBDC recommends the following documents be included in the Appendix:

- Business Certificate / Corporation documentation
- Purchase Offer Agreement/Lease Agreement – Include any agreements made regarding the lease or purchase or equipment or property.
- Collateral – A list of assets that will be security for the loan, including estimates of the present market value for each item.
- Resumes for owners and key staff
- Labor Schedule – List job positions - current and to be created, the number of employees in each position, and approximate wages.
- Examples of marketing collateral if available – brochures, flyers, examples of labels and logos, screen shots of your website homepage or Facebook page, and articles about your business.

**Business Plan Tips**

- You must write your own plan! Definitely seek assistance during the writing process, but you must take final ownership. You must have a clear understanding of everything that is in your plan. You will find the research and preparation phase to be a great learning experience.
- Your narrative should be clear and focused. It is very easy to go off on side topics. Supplemental materials should be added to the Appendix section so the narrative flows without interruption.
- Know your audience. Is this for your banker? Will employees be part of the development process or have access to the finished copy? You may only want your employees to see specific sections of the plan.
- Keep your language formal. Speak in a third person voice; don’t use “I” or “we”.
- Make your plan look professional but don’t spend extra to have it bound or add an expensive cover. This will make you look extravagant to the reader.
- Don’t use technical jargon that only those in the industry understand. Explain any acronyms used.
- Don’t show a draft version of your plan to anyone but trusted advisors.
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- Speak confidently but be realistic about your future plans. Don’t be overly optimistic.
- Don’t make unsubstantiated financial assumptions. If you project strong revenue growth, you must explain why it is feasible. If you project expense savings while your revenues are growing, you must explain how you will make it happen.
- Don’t ignore obvious issues in your external environment. Address them and how you will cope with and/or overcome these obstacles.

Your business plan is never finished. You should review, and revise it if necessary, every six months or if you are undergoing major changes or issues.

TYPES OF BUSINESS ORGANIZATION

1) Sole Proprietorship
A sole proprietorship is a business that is owned by one person. As such, you own and control the business. Setting up a sole proprietorship is the simplest, quickest and least expensive way to go into business. Legally, all that is required for set up is to obtain a license as required by the federal, state or local government. If the business has a name other than your own, you must also register your name with your local county clerk. You do this through a Certificate of Doing Business under an Assumed Name for sole proprietor, commonly referred to as a “DBA” (doing business as) form.

The sole proprietor is held personally liable for any business related obligation. What this means is that if your business fails to pay a vendor, defaults on a debt, or loses a lawsuit, you are personally liable for the debt. In the eyes of the law, the sole proprietorship is not legally separate from the person who owns it. The sole proprietor simply reports all business income or losses on his/her individual tax return – IRS form 1040 Schedule C.

Advantages:
- Easiest, quickest and least expensive type to organize
- Easy to discontinue if desired
- Minimum of legal restrictions
- Owner receives all profits
- Owner has complete control

Disadvantages:
- Owner has unlimited liability. Owner is legally responsible for business debts. Personal assets are at risk
- Business dissolves upon death of owner
- More restrictions on deductibility of employee benefits

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2) Partnership

This is a business owned by two or more persons who get together to run the operation. Partners can contribute capital, specialized knowledge, marketing or management skills, and other valuable tools. They also share the risk. Partners share in the right and responsibility of managing the business, and by law each partner is responsible for all debt and obligations of the firm. This means you are personally liable for the full amount of the partnership’s debts, even if they exceed your investment and you did not personally consent to the debt. A formal written agreement should be prepared to properly define each partner’s role in the business. In the absence of a partnership agreement, the New York State Partnership Law (New York State Consolidated Laws, Chapter 39) sets forth rights and duties of partners.

Partners must file a certificate of Conducting Business as Partners with the county clerk of each county in which the business is conducted, referred to as a “DBA” (doing business as) form. A partnership’s profits and losses are included on each partner’s personal tax return. The partnership files an information return with the IRS.

**Advantages:**
- Easy, quick and inexpensive to organize. However, time should be spent on a legal agreement: decisions, time spent, capital invested, profits, disputes, buyout agreement or new partner coming in, and steps to dissolve
- Easy to discontinue if desired
- More than one source of funds
- Share skills
- Profits or loss flow to personal tax return

**Disadvantages:**
- Partners are jointly and individually liable for the actions of the other partners
- Personal financial hardships of one partner can affect the business assets
- Profits must be shared
- Disagreements can occur
- More restrictions on deductibility of employee benefits
- The partnership may have a limited life; it may end upon the withdrawal or death of a partner

3) “S” Corporations and “C” Corporations

A corporation in New York State is an entity mutually exclusive of the individual(s) that own and manage the business. A corporation is authorized to sell, buy and inherit property in its own name and has legal rights, powers and duties. Corporations are operated for profit and may raise capital by selling shares of interest in the corporation. A corporation’s debts and obligations are distinctly its own.
To create a corporation you must meet specific statutory requirements, which include filing a Certificate of Incorporation with NYS Department of State, creating corporate bylaws, and issuing stock certificates.

Income and expenses of the “S” corporation flow through to investors in proportion to their share holdings, and profits or losses are taxed to shareholders at their individual tax rates. Not all corporations qualify for this status. Certain restrictions apply: no more than 75 shareholders, no non-resident alien shareholders, and the corporation may not own stock in other corporations.

“C” Corporations are separate, taxable entities that report income and expenses on a corporate income tax return and are taxed at corporate tax rates. Profits are taxed before dividends are paid. Shareholders pay taxes on dividends by reporting them as income. It may result in a double taxation.

**Advantages:**

- Shareholders have limited liability for corporate debts. Officers can be held personally liable if fraud or negligence exist
- Lenders normally require officers to personally guarantee debt
- Corporations can raise funds through the sale of stock
- A corporation may deduct the cost of benefits it provides officers and employees
- Can elect “S” corporation status if certain requirements are met. Profits and losses pass through to owner’s personal returns. Eliminates double taxation of corporate profits. IRS monitors for “reasonable compensation.”

**Disadvantages:**

- The process of incorporation requires time and money (filing fees and legal fees)
- Corporations are monitored by federal, state and some local agencies, and as a legal entity there is more paperwork to comply with regulations

4) **Limited Liability Company (LLC) and Limited Liability Partnership (LLP)**

An LLC combines attributes from corporations and partnerships (or sole proprietorships), protections from personal liability from business debts, and the simpler tax structure of a partnership. For tax purposes, one owner LLCs are treated the same as sole proprietorships. Profits are reported on Schedule C as part of his or her individual 1040 tax return. Multiple owner LLCs are treated as partnerships. The LLC files IRS Form 1065, Partnership Information Return. Profits are reported to each owner on a Schedule K-1. Each owner then pays taxes on this income on his or her annual 1040 income tax return. An LLP is a form of partnership with financial liability limited to the amount of each partner’s investment. There must be at least one general partner who controls the firm and is responsible for its debt and obligations. The limited partner gives up the right to participate in the day-to-day management of the business. While the partnership does not pay taxes, it must file Form 1065 with the IRS. This form defines each partner’s share of the partnership profits.
Advantages:
• Owners have limited personal liability
• Can elect to file as a corporation (certain requirements must be met)
• Business structure designed to provide the limited liability features of a corporation and the tax efficiencies of a partnership

Disadvantages:
• Relatively new business structure—limited case study
• Certain businesses cannot be LLC (banks, insurance companies, non-profit organizations)
• Requires filing fees and possibly legal fees

SOURCES OF FINANCING

There are basically two types of financing:

Debt Financing – Debt financing is a promise or obligation to pay back the financing over a period of time with an associated interest charge. Most small business bank loans and personal loans are debt financing arrangements.

Equity Financing – Equity financing is the selling of ownership shares in a company, whether through the transfer of partnership rights (partnership, limited partnership), shares of stock (corporation), or shares of membership (limited liability company) in return for capital. There is no obligation or promise to pay back funds in an equity arrangement, which makes this type of investment an “at risk” investment.

Some alternate sources of financing include:

Personal Savings - The primary source of capital for most new businesses comes from savings and other forms of personal resources. Many mature entrepreneurs may consider funding their business with IRA or 401 retirement plan funds. Use of these funds to start a business may be subject to a withdrawal penalty. Please consult with an attorney, accountant or financial planning expert before using these funds.

Relatives and Friends - Family and friends may contribute financing for small business ventures.

Banks and Credit Unions - Banks and credit unions will provide a loan if you can show your business proposal is sound.

Angel Investors/Venture Capitalists - Angel investors are private individuals that invest into small businesses. Each angel investor will have different expectations on how he or she wants to structure a deal, so it is advisable to consult with legal and accounting professionals for advice before making a commitment to a deal. Venture Capitalists are more organized investors or investment groups that tend to look for a very large return on investment and usually seek a large equity portion and some form of management oversight.
Lenders often refer to the five “C’s” when evaluating a financing deal:

**Capital** – Is the ownership team investing any of its own funds into the venture?

**Collateral** – What is the business using to secure the financing (equipment, inventory, accounts receivable)?

**Conditions** – Is this the right environment for this business? Industry trends, economic vitality of a community, and amount of competition often figure into this analysis.

**Capacity** – Does the ownership team have other sources of repayment should the business venture not work? For example, if the business were to fail, could the business ownership team gain other employment to continue servicing the debt?

**Character** – Has the business and ownership team shown the ability to manage finances? This is often most evident in their credit history.
HOW TO REGISTER A BUSINESS NAME

If an assumed name is to be used (‘Doing Business As’ or DBA), or if the business is to be a partnership, Section 130 of the New York General Business Law requires the filing of a business certificate with the County Clerk in the county in which the business will be conducted. Filing a DBA protects the business name from use by others in the county in which it’s filed.

Completing a Business Certificate

Purchase a Business Certificate (sole proprietorship) or Business Certificate for Partners (partnerships) at your local office or stationery supply store, or County Clerk’s office. A business owner may also consult with an attorney to have the appropriate forms drawn up, particularly if he or she is filing a partnership.

File the Certificate with the County Clerk where the business will be located. To find the County Clerk’s office in your area, visit: http://www.dos.state.ny.us/lgss/partners.htm

You typically will need three copies of the Certificates:

- File one Certificate with the County Clerk (considered the original).
- The bank requires a certified copy of the Certificate to open a business account.
- You may decide to obtain an extra certified copy for display at your place of business.

The filing fee for a Business Certificate varies from county to county, but is in the range of $25-35. Some counties may charge a fee for the form as well.

If you require more than one certified copy, take duplicate copies of the original to the County Clerk’s office. The Certificate isn’t a license to do business in the county or NYS. To determine whether a special license is required for your business, contact the NYS Department of State, or the City or Town in which you wish to operate your business.

SELF-EMPLOYMENT TAX

What is it?

Self-employment tax (SE tax) is a social security and Medicare tax primarily for individuals who work for themselves. It is similar to the social security and Medicare taxes withheld from the pay of most wage earners.

Who must pay it?

You must pay self-employment tax if your net profits are $400 or more for the year or you performed services for a church as an employee and received more than the current allowed amount. Visit the IRS website to learn the current allowed amount.
Why pay it?
Social security benefits are available to self-employed persons just as they are to wage earners. Your payments of SE tax contribute to your coverage under the social security system. Social security coverage provides you with retirement benefits, disability benefits, survivor benefits and hospital insurance (Medicare).

How to pay it?
Estimated tax is the method used to pay tax (including SE tax) on income not subject to withholding. You generally have to make estimated tax payments if you expect to owe tax, including SE tax, of $1,000 or more when you file your return. Use Form 1040-ES, Estimated Tax for Individuals to figure and pay tax.

If you are self-employed and you are also an employee, you may be able to avoid paying estimated tax by having your employer increase the income tax taken out of your pay. Use Form W-4, Employee’s Withholding Allowance Certificate, to increase your withholding.

For additional information refer to the following IRS publications:

Publication 533: Self-Employment Tax
Publication 505: Tax Withholding and Estimated Tax

Or visit the IRS website at:

EMPLOYER RESPONSIBILITIES CHECKLIST

• Apply for your SS-4 Federal Employer Identification Number (EIN) from the Internal Revenue Service. An EIN can be obtained via telephone, mail or online. If you obtain one by phone, the IRS representative may request that you mail or fax the signed SS-4 Form to them.

• Register with the NYS Department of Labor (DOL) as a new employer. NYS-100 New York State Employer Registration for Unemployment Insurance, Withholding, and Wage Reporting should be completed and sent to the Albany address that appears on the form. This registration is required of all employers for the purpose of determining whether the applicants are subject to state unemployment insurance taxes. The NYS DOL will follow up with you once their determination has been made.

• Obtain both Workers Compensation and NYS Disability Insurance from an insurer. The insurance company will provide the required certificates that should be displayed. Visit the NYS Workers Compensation Board website for more information: http://www.wcb.state.ny.us

• Order Federal Tax Deposit Coupons – Form 8109 – if you didn’t order these when you received your EIN. To order, call the IRS at 1-800-829-1040; you will need to give your EIN. You may want
to order some blanks sent for immediate use until the pre-printed ones are complete. Also ask for the current Federal Withholding Tax Tables (Circular A) – this will explain how to withhold and remit payroll taxes, and file reports.

- Order State Withholding Tax Payment Coupons – call 1-800-462-8100. Also ask for the current NYS Withholding Tax Tables. Visit the NYS Taxation and Finance website for more information: http://www.tax.state.ny.us

- Have new employees complete an I-9 Employment Eligibility Verification form. This form can be photocopied. You should have all employees complete this form prior to beginning work. Do not send it to Immigration and Naturalization Service – just keep it with other records in your files.

- Have employees complete a W-4 Employees Witholding Allowance Certificate. This form also can be photocopied. A copy of this must now be sent to NYS for the New Hire Reporting Program.

Many mature entrepreneurs will have a home-based business. If certain conditions are met many of the business expenses used in the home can be used as a business deduction. For additional information, refer to the IRS Publication 587 - Business Use of Your Home. Understand that having a home-based business may have a significant impact on estate planning, so consider consulting with an attorney, accountant or financial planning professional for advice.

The Occupational Safety and Health Administration (OSHA) can assist in assuring a safe and healthful workplace for your employees. A fact sheet is available with further information. It is important to document and report any employee injuries requiring medical treatment. Go to OSHA’s website to read the New Business Fact Sheet: http://www.osha.gov

Lastly, you can obtain required employee notification posters by contacting the various agencies. Many agencies have websites at which the forms are available to download and print or the agencies can mail them to you at no cost. The NYS DOL lists posting requirements on its website: http://www.labor.state.ny.us.

The US DOL lists workplace poster requirements on its Small Business Rresources Center website: http://www.dol.gov/ousam/programs/osbdu/sbrefa/main.htm

ACCOUNTING AND RECORD KEEPING

Accounting refers to the procedures used to report on the economic activities and financial condition of a business. The primary economic activities of a business are its revenues and expenses. In simpler terms, accounting is the way that a business keeps score.

This scorecard helps answer both basic and key questions necessary to make important decisions. Is my business profitable? Is my cash flow positive? How much do I owe in taxes? How much inventory should I purchase? Accounting is therefore both a scorecard and a decision making tool.
Record Keeping

To effectively keep score, you will need to apply good record keeping skills. Being a good record keeper means being organized and developing a system that works for you. Remember, your record keeping system will determine how professional you look to your customers, vendors, and potential lenders. Your record keeping system:

- Must be accurate, consistent, & reliable
- Must be easy to use / maintain
- Must keep the IRS / NY Tax Department happy

Businesses can expect to maintain the following basic types of records:

- Sales records – Invoices, sales slips, records by customer, log of monies owed to you by customers (Accounts Receivable)
- Cash receipts – Checks received, cash register tapes and paper receipts
- Vendor/supplier records – List of invoices owed to your vendors / suppliers (Accounts Payable)
- Cash disbursements – Check stubs, receipts or title for assets purchased
- Bank records – Bank statements, deposit slips, copies of cancelled checks
- Payroll records – Employee tax forms, tax reports and payments to government agencies
- Inventory records – Rolling log of activity including items received, sold, and ending balances

Accounting Systems

Manually tracking financial activities can be cumbersome. Using the shoebox method may seem effective at the start but it can be time consuming and costly, particularly if you hire an accountant to pull together the financial reports. Another option is to purchase a computerized accounting system. There are many economical options, including software programs starting at less than $100. These systems offer user friendly interfaces for entering and tracking these transactions and provide basic financial reporting.

Many local SBDCs offer free or low-cost workshops on popular software packages.

Basic Financial Reports

The scorecard of a business includes three basic financial reports or statements:

- Balance Sheet – A snapshot of assets, liabilities, and net worth at a particular point of time.
- Income Statement – Summarizes the net income, or profitability of a business over a period of time by presenting revenues less expenses.
- Cash Flow Statement – Summarizes the cash inflows and the cash outflows for a period of time and presents an ending cash balance.
Financial statements provide you with the opportunity to compare your current status to projections and to review trends on a year to year basis. In addition, financial statements enable you to anticipate and plan for months with tight cash flow and to project borrowing needs.

**Basic Accounting Terminology**

As the listing of financial statements indicates, you will need a general understanding of some basic accounting terminology as you move forward with your business. Here is an explanation of some key accounting terms:

- **Assets** – Property owned by the business that is used to generate revenues
- **Liabilities** – Debts owed by the business
- **Owner’s Equity** – The owner’s investment; net worth; Assets less Liabilities
- **Basic Accounting Equation:** Assets = Liabilities + Owner’s Equity; balance sheet format
- **Accounts Receivable** – Money customers owe the business; an asset to the business
- **Accounts Payable** – Money the business owes to vendors; a liability of the business
- **Inventory** – Assets that will be resold as part of regular business operations
- **Revenues** – Money earned by the business from normal business activities; generated using assets
- **Expenses** – Money the business spends to generate revenues
- **Net Income** = Revenues – Expenses; also called Earnings
- **Cash method of accounting** – Recognizes revenues and expenses when cash changes hands; chosen by many businesses initially as it is similar to keeping a checkbook; large expenses will distort net income for a given time period.
- **Accrual method of accounting** – Recognizes income when it is earned and expenses when they are incurred regardless of when cash changes hands; preferable method but requires more detailed analysis of transactions.

**Inventory Considerations**

One of your key assets will be your inventory. When managing inventory, you need to address the following questions:

- How can I best protect inventory?
- How much product has sold?
- How much cash is tied up in inventory?
- How quickly can product be reordered?
- Are suppliers reliable?
• How long are re-order lead times?
• Will there be storage costs?
• Are there minimum order sizes or discounts for buying in bulk?
• Is the inventory perishable or could it quickly become obsolete?
• Are processes in place for re-ordering?

Sales Tax

If you sell product(s) in New York State that are subject to sales tax, you are required to collect the tax from the person to whom you make the sale. Taxable sales are sales of tangible personal property and services generally referred to as specifically enumerated services.

The NYS Department of Taxation and Finance Publication 750, Guide to Sales Tax in New York State, further defines taxable sales and services. You can contact the NYS Department of Taxation and Finance at 1-800-698-2909 for assistance in determining your requirements.

Some food items are taxable. Visit Taxation and Finance at http://www.tax.ny.gov/ and search “Sales Tax Publications and Tax Bulletins” for the publication titled, Taxable and Exempt Foods and Beverages Sold at Retail Food Markets and Similar Establishments, which includes a list of taxable food and beverage items, as well as food stamp information. If you are required to collect sales tax on your direct sales to consumers, including Internet sales to New York residents, you can get your application online.

If you are required to collect sales tax, you must register as a vendor with Taxation and Finance and obtain a Certificate of Authority. You also must be registered to issue or accept New York State sales tax exemption documents. There is no charge to apply but you must apply at least 120 days before you begin operating your business.

DTF-17 Application for Registration as a Sales Tax Vendor is used to apply for your authority. There are three types of certificates issued:
• Regular Certificate of Authority
• Certificate of Authority for Show and Entertainment Vendors
• Temporary Certificate of Authority

You can register by mail by completing and signing a DTF-17 form and mailing it to:
NYS Tax Department
Sales Tax Registration Unit
W A Harriman Campus
Albany, NY 12227

You also can apply online at:
http://www.tax.state.ny.us
As a registered vendor, you are required to file a sales and use tax return summarizing your business activities. Failure to do so may result in a penalty being imposed, in the minimum amount of $50. When you first register, you will be classified as a quarterly filer. Sales tax returns are due no later than 20 days after the quarterly period.

<table>
<thead>
<tr>
<th>Quarterly Period</th>
<th>Return Due Date</th>
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<tbody>
<tr>
<td>March 1 to May 31</td>
<td>June 20</td>
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<tr>
<td>June 1 to August 31</td>
<td>September 20</td>
</tr>
<tr>
<td>September 1 to November 30</td>
<td>December 20</td>
</tr>
<tr>
<td>December 1 to February 28</td>
<td>March 20</td>
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**Deciding to Buy or Lease Equipment**

Leasing equipment instead of buying it can be the best option for your business. However, there are many components that need to be considered and reviewed. What are the true costs of the lease? Are there use restrictions? You should be careful of scams. While favorable leases can be a sound financial choice, unfavorable ones can burden a new venture and even live on after the business has ended.

While doing your own legal homework can help prevent bad deals, you should always have a lawyer review all leases before you sign. You can find additional guidance on leasing versus buying on the U.S. Small Business Administration’s website ([http://www.sba.gov](http://www.sba.gov)) by performing a search using the keyword “Leasing.”

**Accepting Credit Cards**

Another key consideration is whether to allow customers to make payments using credit cards, which will require that you apply for a credit card account or merchant services. Because this service increases your expenses, you should carefully consider the pros and cons before adding this payment option.

**Pros:**
- Credit cards are easy to use and make store purchases hassle-free for customers.
- Credit cards enable customers to make impulse purchases.
- Many customers expect a credit option.

**Cons:**
- Credit cards come with an increased fraud risk.
- Accepting credit cards incurs additional costs.
- Ongoing processing fees range from 1.5% to 3% of the sales amount.
- A terminal is needed to accept credit cards. You can buy or lease a terminal. Prices can vary widely. Shop around and ask other small business owners who they use for merchant services. When considering leasing, be aware that some leases can’t be terminated before the end of the lease term, which could be as much as three years in length.
• Other fees, including application and set-up fees, vary by the merchant service provider.

• Accepting credit cards requires additional bookkeeping steps, which should be discussed with your accountant prior to opening a merchant account.

There are several types of companies that offer merchant services including banks, third party processors, independent sales organizations, associations, and financial service providers such as American Express. Be sure you understand the costs involved before signing anything.

**Know Your Numbers & Your Accountant**

While record keeping activities and financial reporting may seem overwhelming, following these tips will help you stay on the right track:

• Set up a solid record keeping system from the start and make sure you always track and understand the transactions that impact your business.

• Keep personal and business finances separate. Balance your business bank account at least once per month, even if you are using online banking services.

• Get to know your accountant. To select an accountant, ask for referrals from others in the business community. It is important to maintain a continuous working relationship with your accountant—not just a once a year tax visit. Ask questions and remember that you are ultimately responsible for the quality of your financial information.

• Know your numbers. You know your business better than anyone else and this should include your financial information. By staying close to the numbers, you will reduce the risk of employee theft and fraud.

Accounting and record keeping are tools for managing your business and keeping score. Make sure you are in it to win it!
GETTING STARTED IN GOVERNMENT CONTRACTING

While procurement may seem to be a difficult process to navigate, don’t be dismayed. Governments want to do business with small business. As the world’s largest customer, governments need as many suppliers as possible to achieve the best pricing possible in a competitive process. Keep in mind that, selling to a government agency requires processes much like those required by any other customer. As a seller, you must understand what they need, why they need it, who does the purchasing and how do you deliver it? In other words, you need a marketing plan to define need and opportunity, a sales plan to define how to reach the market, and, an operating plan to define how to deliver your product or service to successfully satisfy the contract.

There are as many approaches to procurement as there are small businesses. There is no universal answer that will fit all small businesses and government customers, so let’s take a look at some examples of typical processes in different agencies, and look for the commonalities applicable to our particular business or opportunity. Once you’ve identified a market, agency, or opportunity there are many resources available to small business owners to help them with the specifics. From your local NYS Small Business Development Center to the Procurement Technical Assistance Centers and SBA’s Office of Government Contracting, help is just a mouse-click or phone call away.

DOING BUSINESS WITH THE FEDERAL GOVERNMENT

Dealing with the Federal Government can seem like a formidable task. However, with a little patience, persistence, and perseverance on your part, your efforts will be rewarded in the long run. To assist you, the General Services Administration (GSA) has developed a series of steps essential for success.

Step by Step Guidance

1. Become familiar with the SBA and Office of Government Contracting (GC) web pages.

The SBA offers a wide array of programs and “hands-on” assistance to small businesses considering the federal marketplace. Go to the SBA website and familiarize yourself with the programs and services the agency offers:
http://www.sba.gov/category/navigation-structure/contracting/contracting-opportunities/

From this site you can identify local SBA contracting experts who can be an invaluable resource to you, whether you are new to government contracting or are currently doing business with the Government and are seeking advice on how to deal with a particular issue. From the “Contracting Opportunities” section on the website, you will find links to additional procurement-related programs and assistance. In addition, this site provides information about other SBA resources including Small Business Development Centers (SBDC), SCORE, and Women’s Business Centers.

The SBA also offers excellent on-line courses and training resources through its Small Business Training Network (SBTN). The SBTN is a virtual campus providing quality and targeted online training
to meet the information needs of prospective and existing small business owners. Go to the following website and click on “Sell to the Government”:

http://www.sba.gov/services/training/index.html

2. Determine if your firm qualifies for one of SBA’s Certification Programs.

   Formal certification is not usually required to bid on federal contracts. Small businesses self-certify that they are small at the time of bid/proposal submission. The SBA currently has two contract-related certification programs. The 8(a) Business Development program assists eligible small disadvantaged businesses to compete through business development assistance. Although primarily a business development program, there are certain contracts restricted to certified 8(a) concerns. Certification in the Historically Underutilized Business Zone (HUBZone) program entitles qualified firms to special bidding benefits in the federal contracting arena.

   The SBA provides an online application process that makes it easier, faster and less expensive for small firms to apply for 8(a) Business Development and HUBZone certification directly from SBA’s website, eliminating the need to download and complete a “paper” application. The online application features real-time validation, printer-ready versions, and integration with the Central Contractor Registration (CCR) database.

   The SBA implemented and administers the Women-Owned Small Business Federal Contract Program, which gives contracting officers the authority to reserve contracts for WOSBs in certain situations. For more information and details on eligibility, visit the SBA’s website for this program:

http://www.sba.gov/wosb

   Although not a formal certification program, there is a procurement program to boost federal contract opportunities for service-disabled veteran-owned small businesses (SDVOSB). Under the rule, contracting officers may restrict contract awards to SDVOSBs when there is a reasonable expectation that two or more SDVOSBs will submit bids at a fair market price. If the anticipated contract price will not exceed $4 million (or $6 million for manufacturing contracts), the new rule allows for a sole-source award, if there is not a reasonable expectation of receiving competitive bids/offers from two or more SDVOSBs. The rule allows SDVOSBs to self-certify. Any challenge to a business’ status as a small business or as a SDVOSB must be referred to the SBA for resolution.

   Veterans may also register their business with the U.S. Department of Veterans Affairs’ VetBiz Registry.

   Registered businesses receive priority contracting opportunities under the VA’s Veterans First Buying Authority, special consideration for federal contracting opportunities from prime contractors and federal government agencies, notices of contracting opportunities, and information and news of interest to VOSBs and SDVOSBs. The VetBiz Registry website is at:

http://www.vip.vetbiz.gov/
3. Obtain a DUNS Number and register in the Central Contractor Registration (CCR) System.

If you do not already have a “DUNS” (Data Universal Numbering System) number, contact Dun & Bradstreet (D&B) to obtain one:


Your DUNS Number is an important “identifier”, used for a multitude of purposes by the Government in the contracting arena.

The Government’s Central Contractor Registration (CCR) database contains information relevant to procurement and financial transactions. CCR provides the opportunity for fast electronic payment of invoices. A business must be registered in CCR to be awarded a Federal contract. To learn more about CCR, log onto the website at:

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

CCR is part of the E-Gov Business Partner Network (BPN) developed to simplify government-wide vendor registration. The BPN is part of the Integrated Acquisition Environment (IAE), one of the e-government initiatives to create integrated business processes for buyers and sellers in the federal marketplace. For more information about IAE, visit:


If, based on the information you enter into CCR, your firm appears to meet the definition of a small business concern; you will automatically be directed to the Dynamic Small Business Search (DSBS) database. Your CCR/DSBS database profile is important to your marketing efforts because Government contracting officers will search the DSBS database to determine small business capability for contract opportunities.

Effective April 2005, CCR made changes to enable automatic population of fields indicating if a firm is certified as an 8(a) Business Development, small disadvantaged business (SDB) or historically underutilized business zone (HUBZone) program participant. You must review and update your CCR data at least once annually. Questions concerning your CCR registration should be directed to the CCR Assistance Center at:

[https://www.bpn.gov/ccr/help.aspx](https://www.bpn.gov/ccr/help.aspx)


The Government implemented the Online Certifications and Representations Application (ORCA) initiative to replace the paper-based representations and certifications (more commonly referred to as “reps and certs”) process required with the submission of each sealed bid (IFB) or request for proposal (RFP). Using ORCA, a prospective contractor can enter his or her reps and certs information into ORCA via the Internet and is able to submit them electronically from the web. This is a mandatory requirement. Firms must review/update their reps and certs data at least once annually or as circumstances change. The ORCA website can be found at:

[https://orca.bpn.gov/login.aspx](https://orca.bpn.gov/login.aspx)
The SBA manages the Business.gov website, which has a search engine that can find forms, such as wage and tax statements by their identifying number or by keywords, in a database of 5,400 documents. Federal forms used by companies are only a click away at:

http://www.business.gov

4. Identify your product or service.

It is helpful to know the Federal Supply Group and Class (FSG/FSC) codes, Product Service Codes (PSC) and North American Industry Classification System (NAICS) code(s) for your product or service. Many government product/service listings and future procurements are identified by FSC and PSC. To identify FSCs applicable to your company, consult the Federal Supply Class Reference Guide at the Defense Logistics Agency website:


To identify PSCs applicable to your company, consult the Federal Procurement Data System Product and Service Codes manual at:


Detailed information regarding NAICS codes can be found at the US Bureau of the Census website:

http://www.census.gov/eos/www/naics/index.html

NOTE: Small Business Size Standards for all Federal Government programs formerly associated with Standard Industrial Classification (SIC) codes were migrated by SBA into size standards for industries as described in the North American Industry Classification System (NAICS) manual. SBA publishes a table of small business size standards based on NAICS codes, which can be found at the SBA website:


5. Identify current Federal procurement opportunities.

Federal Business Opportunities, FedBizOpps (FBO) – the designated government-wide point of entry – is the exclusive official source for public access to notices of Federal contracting actions over $25,000. Agencies also are encouraged to use FedBizOpps to provide notices for actions of $25,000 or less:

http://www.fedbizopps.gov/

Once you identify the Agencies and purchasing offices that might be interested in your products and services, it’s a good idea to contact them directly to learn more about upcoming procurements (i.e., procurement forecasts) posted on websites, electronic bulletin boards or the Federal Office of Small and Disadvantaged Business Utilization:

http://www.osdbu.gov/offices.html

These websites will direct you to Procurement Forecasts for each agency. You can also view procurement forecasts by agency by clicking on “Federal Agency Procurement Forecasts” at the Acquisition Central website:

https://www.acquisition.gov
GOVERNMENT PROCUREMENT: BUSINESS PLANNING GUIDE

For guidance on doing business with the Department of Defense (DoD), go to:

Identify new opportunities, which will arise on a regular basis. Develop a system to check for them regularly. Register on sites like fbo.gov to receive alerts when appropriate opportunities arise for you to bid on. You can also use the Federal Procurement Data System to learn about contracts that are nearing their expiration date, and contact the procurement officer to find out if the contracts will be renewed and open for bid:
https://www.fpds.gov/fpdsng_cms/

For purchases between $3,000 and $150,000, the Federal Government can use simplified procedures for soliciting and evaluating bids. Federal rules require these purchases to be reserved for small businesses unless the contracting official cannot obtain offers from two or more small firms that are competitive on price, quality, and delivery. All planned purchases over $25,000 must be listed in FedBizOpps. For proposed contracts of $10,000 to $25,000, requirements must be displayed in a public place (such as a Federal agency’s “Bid Board”) or by an appropriate electronic means, such as the agency’s website. Agencies use a variety of means for purchasing items costing $3,000 to $10,000. To learn about them, small firms can contact the local agency’s buyers, go to the agency’s Website, or visit the agency to consult the Bid Board.

Government purchases of individual items under $3,000 are generally considered “micro-purchases.” These purchases do not require competitive bids or quotes, and agency employees other than contracting officers can make them. Micro-purchases are paid using a government credit card, so you have to be able to process credit card purchases. Micro-purchases are not reserved especially for small businesses, although small businesses may participate in the process. To learn about micro-purchase opportunities, contact the buyers at the local agencies.

Contact information is often limited in the Federal Procurement Data System, but you may be able to find the name of the agency and appropriate procurement officer at:
http://www.fbo.gov or http://www.usa.gov/

Or the Federal Acquisition Jumpstation sites:
1) http://prod.nais.nasa.gov/pub/fedproc/home.html

There are also businesses that sell agency contact lists and other marketing & sales intelligence. In addition, many state and local agencies maintain their own vendor lists to meet their buying needs. Complete vendor applications for the government agencies you are interested in pursuing work with, and create a statement of qualifications about your firm and be sure to include contact information, firm background, capabilities, certifications, key personnel, previous project descriptions, and up-to-date references.

If you’re on a GSA Schedule, you will want to visit http://www.ebuy.gsa.gov regularly to respond to RFQs and RFPs and search for the Forecast of Contract Opportunities on the GSA website. You can contact the offices that posted the opportunities and tell them how your company can fulfill their needs.
If your product/service/business is on a GSA Schedule, you may also want to participate in the Cooperative Purchasing Program, which allows state and local agencies to purchase from contracts awarded under the GSA Schedule 70. For more information about Cooperative Purchasing and how to participate, visit:

http://www.gsa.gov

The Government encourages agencies to utilize environmentally friendly oriented products and services (Buy Green). The Comprehensive Procurement Guideline (CPG) program is part of EPA’s continuing effort to promote the use of materials recovered from solid waste. Buying recycled-content products ensures that the materials collected in recycling programs will be used again in the manufacture of new products. To learn more about the Government’s Buy Green/Comprehensive Procurement Guideline, log onto:

http://www.epa.gov/cpg

The SBA established a Disaster Contracting Assistance Center (DCAC) to provide a central point of reference for small businesses, particularly minority, women, and veteran-owned businesses, to register for and learn about federal contracting opportunities related to disasters. Business owners can visit the website for a detailed look at how to seek federal government disaster contracts at:

http://www.disastercontractingassistance.gov

The site also provides information on prevailing wages in construction contracts, subcontractor information and federal acquisitions regulations. The DCAC can be contacted by phone at 1-888-4USADOC (1-888-487-2362) Monday through Friday 8 a.m. to 9 p.m. EST. Contact the center by email at: disastercustomerservice@sba.gov.


The Federal Acquisition Regulation (FAR) is a substantial and complex set of rules governing the federal government’s purchasing process. Its purpose is to ensure purchasing procedures are standard and consistent, and conducted in a fair and impartial manner. So whether you are a small business owner or the contracting official, it is important to understand FAR, and the Defense Federal Acquisition Regulation Supplement (DFARS), which governs Department of Defense purchasing:

1) https://www.acquisition.gov/far/

You can get access to other Federal agency FAR Supplements at a FedAccess website:
http://www.fedaccess.com/agency-supplements.htm

SBA offers an online training course called Guide to Winning Federal Contracts that includes information about FAR:
http://www.sba.gov/content/online-courses-government-contracting

The “Where in Federal Contracting” website can be accessed at:
http://www.wifcon.com

WIFCON provides quick access to acquisition information such as contracting laws and pending
legislation, current and proposed regulations, guidance, courts, and boards of contract appeals, bid protest decisions, contracting newsletters, and selected analysis of federal acquisition issues.


Under the GSA Schedules Program, GSA establishes long-term government wide contracts with responsible firms to provide customers with access to a wide variety of supplies (products) and services. Contact GSA for information on how to obtain a MAS/FSS contract. Go to this website and look for the section labeled “For Vendors”:

http://www.gsa.gov/portal/content/197989

The Multiple Award Schedule (MAS) Express Program, a specialized program established under the GSA Schedules Program, is designed to simplify, streamline, and ultimately accelerate the process for vendors to obtain MAS contracts (also known as GSA Schedule and Federal Supply Schedule contracts). Go to this site for more information:

https://vsc.gsa.gov/fss/MASExpProgram.cfm

GSA offers online training called Pathway to Success which is designed to assist prospective GSA Schedule contractors in making an informed business decision as to whether obtaining a GSA Schedule contract is a good fit for their organization. The presentation provides background information on the GSA Schedules Program and encompasses a variety of other topics. Vendors may view the web-based presentation posted on the Vendor Support Center (VSC) under the "Vendor Training" tab:

https://vsc.gsa.gov/

Be sure that your marketing information and CCR profile contains information on any MAS/FSS contracts held by your firm.

8. Take advantage of Federal Procurement resources.

There are many helpful resources in Procurement for small business, and you can seek additional assistance as needed in the Federal marketplace. There are a number of important resources that are available to provide you with “hands-on” assistance in the Federal marketplace:

SBA has a nationwide cadre of procurement professionals - Procurement Center Representatives (PCRs) and Commercial Market Representatives (CMRs) - who are charged with assisting small businesses and acting as their advocates at both the prime and subcontracting levels. PCRs assist small firms interested in doing business, as prime contractors, directly with Federal agency buying offices. CMRs work with small firms interested in identifying subcontracting opportunities with large businesses that have been awarded a Federal contract. To identify the PCR located nearest to you go to:

http://www.sba.gov/content/procurement-center-representatives

To identify the CMR located nearest to you, go to:

http://www.sba.gov/content/commercial-market-representatives
Small Business Development Centers (SBDCs) offer training and counseling services to small businesses and would-be entrepreneurs. They offer free and confidential one-on-one consulting and training programs on a variety of issues, including procurement, financing, marketing, regulatory compliance and international trade: 


The New York State SBDC offers a free government contract bid-matching service called BidLinx™

This new web-based service monitors over 2,000 bid source sites daily and automatically sends you notice of upcoming bid opportunities. Extensive search capabilities enable you to locate procurement opportunities from multiple sources including:

- Federal Agencies
- New York State
- County/Local Governments
- All 50 States
- U.S. Territories
- International Government Websites

Contact a local SBDC for more information. To find a center near you within New York State, go to: http://www.nyssbdc.org

When visiting a center, request assistance from an Advisor in the Procurement Assistance Center. Also, you can find extensive links and assistance from the NYS SBDC Procurement website at: http://www.nyssbdc.org/services/procurement/procurement.html
Or call (Toll Free) 877-789-BIDS
GOVERNMENT PROCUREMENT: BUSINESS PLANNING GUIDE

Procurement Technical Assistance Centers (PTACs) are located in most States. PTACs, while funded by the Department of Defense, provide technical contracting and marketing assistance to small businesses wishing to do business with many federal agencies. They provide training and counseling on marketing, financial, and contracting issues at minimal or no cost. To access a list of PTACs, go to the DoD website or the Association of Procurement Technical Assistance Centers (APTAC):

1) http://www.dla.mil/SmallBusiness/Pages/ProcurementTechnicalAssistanceCenters.aspx
2) http://www.aptac-us.org/new/index.php

Small Business Specialists are located at each Federal buying office and can provide assistance on how to market to that Agency. A complete listing of Small Business Specialists can be obtained from each Agency’s website. An appendix to this document contains a listing of Small Business and Disadvantaged Business Utilization websites. For example, there is information about small business specialists that work with the Department of Defense on the DOD website:


This information can be invaluable in researching the Federal marketplace and identifying your target market.

Links to Agency Procurement Forecasts are available at this website:

http://acquisition.gov/comp/procurement_forecasts/index.html

Other program information is available at the individual agency websites.

Directors of Federal Agency Office of Small and Disadvantaged Business Utilization (OSDBU)/Directors of the Office of Small Business Programs (OSBP) for Defense agencies are in place at the headquarters level of each federal agency and department. They are responsible for ensuring that small businesses are afforded an equitable opportunity to compete for their agency’s/department’s prime contracting opportunities. The OSDBU Directors have formed an Interagency Council that meets regularly to, among other functions, identify procurement practices that will enhance small business participation for the Government’s procurement opportunities. A listing of each of the OSDBU directors can be found at:

http://www.osdbu.gov/offices.html

The SBA’s Office of Women’s Business Ownership (http://www.sba.gov/about-offices-content/1/2895) and the Gateway for Women-Owned Businesses Selling to the Federal Government (http://www.womenbiz.gov) are excellent resources for women-owned firms seeking to do business with the Government.

9. Explore subcontracting and teaming opportunities.

Regardless of your product or service it is important that you do not neglect the very large secondary market, subcontracting opportunities with federal prime contractors. Subcontracting with large prime contractors can be an effective way to introduce your firm to the Government marketplace. It can allow you to build a past performance “track record,” which can be useful if you decide to pursue contract opportunities directly with the government.
GOVERNMENT PROCUREMENT: BUSINESS PLANNING GUIDE

Be sure to check out the Sub-Contracting page on SBA’s website:
http://www.sba.gov/category/navigation-structure/contracting/contracting-opportunities/sub-contracting

The SBA’s SUB-Net site provides notices of Subcontracting Opportunities for contractors and subcontractors, and is a valuable source for obtaining information on prime contractors:
http://web.sba.gov/subnet

For a list of the top 100 government contractors, visit:

Many government agencies post a subcontracting directory on their website. The Directory provides a listing of prime contractors along with the address, phone number, Small Business Liaison Officer (SBLO) or procurement contact, and type of product or service for which the prime needs subcontractors. To view the Department of Defense Subcontracting Directory, click on “Prime Contractors and Subcontractors with Subcontracting Plans” at:

Procurement Events, sometimes called “Matchmaker Events”, are also an excellent source to identify subcontractor opportunities. Both government agencies and prime contractors attend these events to establish relationships with small businesses.

Another lesser known strategy to access government markets is looking for incumbent contractors who may no longer qualify as a small business or a MWBE when their current contract comes up for renewal. Once a business grows beyond a certain size, it won’t qualify for certain contracts. For the government's small business size guidelines, see:
http://www.SBA.gov

Often these organizations want to partner with a smaller reputable firm so they can retain the contract through a teaming relationship. This benefits both parties - you gain experience by working with someone who knows the terrain and the incumbent vendor gains by retaining a portion of the contract upon renewal. This arrangement is possible as long as you perform at least 51 percent of the contract, as required by law.

You can identify many existing contractors through individual agency websites and procurement forecasts or by seeking partnership opportunities through networking or via the General Services Administration (GSA) Subcontracting Directory:
http://www.gsa.gov/subdirectory

Small, high-tech businesses can take advantage of SBA’s TECH-Net, an internet-based database of information containing Small Business Innovation Research (SBIR) awards and Small Business Technology Transfer (STTR) awards. It is a free service for those seeking small business partners, small business contractors and subcontractors, leading edge technology research, research partners (small businesses, universities, federal labs and non-profit organizations), manufacturing centers and investment opportunities. TECH-Net provides access and is linked to federal agency SBIR/STTR solicitations.
The system is also linked to technology sources of information, assistance and training:
http://web.sba.gov/tech-net/docrootpages/index2.cfm

10. Investigate other federal programs.

There are several other programs that may be of interest to you, such as individual Agency Mentor-Protégé Programs, the SBA’s Small Business Innovation Research Program, etc. Federal Procurement Data Service – Next Generation is the repository of all federal agency contracting data for contracts in excess of $25,000. With this system, you can learn the agencies that have contracts with businesses, what the agencies bought, and which contractors have contracts. In addition, there are over 50 standard reports you can run, as well as specialized reports that allow you to request information using over 160 customized fields. Go to this website for more information:
http://www.sba.gov/content/federal-procurement-database-systems-next-generation

The SBA’s Mentor-Protégé program enhances the capability of 8(a) participants to compete more successfully for federal government contracts. The program encourages private-sector relationships and expands SBA’s efforts to identify and respond to the developmental needs of 8(a) clients. Go to this website for more information:
http://www.sba.gov/content/mentor-prot%C3%A9g%C3%A9-program

The SBA promotes federal small business high technology programs to improve the competitive capability of small research and development businesses with particular emphasis on emerging and underserved small firms. It encourages state-of-the-market technology training, technology information exchange, and outreach on federal technology programs. It also encourages private and public resource support for the commercialization of federal R & D efforts. It promotes outreach activities to introduce women- and minority-owned small businesses to the advantages of competing for federal R & D projects. SBIR is a highly competitive program that encourages small business to explore their technological potential and provides the incentive to profit from its commercialization. STTR is an important small business program that expands funding opportunities in the federal innovation research and development arena. STTR’s most important role is to foster the innovation necessary to meet the nation’s scientific and technological challenges in the 21st century. This website contains links to additional information:
http://www.sba.gov/about-sba-info/11419

11. Accept credit cards.

More than 250,000 Federal employees are using the GSA Smartpay cards. As a vendor you can maximize your ability to capture government sales by accepting credit cards, e.g., Visa or MasterCard for purchases or travel, and Voyager or Wright Express for specialized fleet card services. If you already accept these cards, you have no additional work to do. If you do not accept these cards, contact a bank to establish a merchant account. For more information, visit GSA’s website:
http://www.gsa-smartpay.com/
12. **Market, Market, Market!**

The three most important words to remember to be successful in the federal procurement arena is market, market, market. Hopefully, this guide has given you some good ideas about how to market your firm. After you have identified your customers, researched their requirements, and familiarized yourself with the government’s procurement regulations and strategies, it is time to market your product or service. Present your capabilities directly to those buying offices that purchase your products or services. Realize that, like you, their time is valuable and if the match is a good one and you can provide them with a cost-effective, quality solution to their requirements, the contract could be yours. Good luck and remember – you’re not alone.

There are many strategies you can use to succeed in government contracting. Key among these is to develop and apply a solid marketing and sales plan targeted to government customers. While getting on a GSA schedule can be very important, you still need to identify customers within the government, communicate with them and provide them with information about your product or service. A potential customer needs to know about your product or service and that they can purchase it via the schedule.

Being on the schedule does not bring customers to your door; it makes your product more conveniently available to customers who know they need it. Also, your competition will likely be on the schedule so it is important for you to differentiate – and communicate the difference – to potential customers so they can choose your product or service over the competition.

Keep track of your competitors’ offerings and market positioning and look for ways to stand out from the crowd. Offering a distinctive product or service and developing a memorable brand identity are two ways to make your mark. Competitive information can also be very informative for small businesses developing a marketing and sales strategy.

Speaking of competitive information, you as a citizen can also see the actual documents for a current contract. Requests for such information must be made via the Principal Contracting Office under the auspices of the Freedom of Information Act (FOIA).

The government is very web oriented. Create content for your website that speaks directly to your targeted customers, procurement officers and end users at government agencies. Use clear and concise language to articulate how they will benefit from working with you. Make sure your web address is included prominently on your contract price list and all leave behind materials.

Be sure to communicate past performance to potential customers and buyers. Knowing that you have successfully completed contracts for other agencies instills confidence in procurement managers thinking about working with your small business. Create a listing of references and satisfied customers who can be your advocates. Having these spokespeople available to share their experiences with your prospective clients can have a significant impact in a marketing promotion, and, be sure to include letters of recommendation from customers in your responses to quote requests or RFPs.

Create concise, engaging marketing materials that are brief, highlight your accomplishments, and differentiate your company from the competition. Short accurate materials that hold the reader’s attention
are essential. Be sure to communicate your desire and ability to solve the needs of the prospective client. Underscore what the agency will gain from working with you, not what you will gain working with them. Be sure your materials include all the necessary technical data to enable customers to easily select your company such as certifications, schedule numbers, NAICS codes, DUNS number and such.

Successful past performance is an important factor for winning ongoing government business. Ask satisfied customers to share their success stories, outlining the work you performed and the benefits of working with you. These real-world examples could be powerful resources to share with prospective clients via your website, perhaps as an online video testimonial or through print materials. Keep in mind that many agencies have restrictions on participating in direct promotional activities. Be sure to check contract regulations or speak with the agency’s communications officer before initiating a request.

If your product/service/business is on a GSA Schedule, you should prominently display the GSA logo on your website and marketing materials (government customers know right away that you’re eligible) and non-government customers will perceive this as a good sign of your capability.

Follow-up is essential to success in selling to the government. Like any customer, the government does not need every product every day so be on top of the market and communicate regularly with a range of existing and potential customers.

Participate in expos and other promotional events which can help you identify opportunities and stay in touch with customers to provide product or service updates:

http://www.gsa.gov/marketingpartnership

You can also gain market help from GSA customer service directors, who can provide information about the government marketplace as well as points of contact. To find a customer service director in your area, visit:

http://www.gsa.gov/csd

PLAN & DESIGN YOUR WEB CONTENT

Many government agencies from the smallest localities to the Department of Defense rely on the Internet for basic purchasing research. How easy is it for government buyers to navigate your website? Look at your site from their perspective in terms of what they would expect to see. What new content is needed to explain your company’s top benefits to this audience? Engage subject matter experts to provide raw data, as well as a writer to fine-tune this information for the web.

After reviewing your site, make a plan to revise or update it. Consider creating specialized pages applicable to government customers and be sure your site is properly registered and configured for search engines to find it. Give government customers all necessary information, specifications, contact information, and product data. Be careful when selecting data to include on your website to avoid giving away too much competitive data, but be sure to let a buyer know the information is available on request.
SOCIAL MEDIA

Social Media and Public Relations can be an important part of your overall marketing effort. Evaluate your target market and customers to determine if – and how – social media will fit into your sales and marketing mix. Create a plan to monitor blogs and social media for competitive information and for help in spotting trends in market areas, technologies, preferences.

If your small business is an expert on a particular topic, consider writing white papers for electronic publications to reinforce a market position of expertise and to drive new business through customer/buyer awareness of new developments, applications or uses for your product or service.

It’s important to set metrics to assess the value and benefit of marketing activities. Be sure your staff has the tools (and requirements) to identify the source of inquiries and new business deals. This will let you focus on what works, why it works, and what is the cost and direct benefit. It’s frequently a good idea to enter customer and inquiry information into a contact database or other marketing software to utilize in distributing newsletters, new product announcements, etc. Periodically review activities on broad and narrow levels to determine which of your marketing investments are paying off and which ones aren’t.

E-PROCUREMENT

E-Procurement is more than just a system for making purchases online. A properly implemented system can connect companies and their business processes directly with suppliers while managing all interactions between them. This includes management of correspondence, bids, questions and answers, previous pricing, and multiple emails sent to multiple participants.

A good e-procurement system helps a firm organize its interactions with its most crucial suppliers. It provides those who use it with a set of built-in monitoring tools to help control costs and assure maximum supplier performance. It provides an organized way to keep an open line of communication with potential suppliers during a business process. The system allows managers to confirm pricing, and leverage previous agreements to assure each new price quote is more competitive than the last.

E-Procurement helps with the decision-making process by keeping relevant information neatly organized and time-stamped. Most are template-driven which makes all transactions standardized and trackable. Keeping track of all bids means leveraging your knowledge to obtain better pricing. Companies can focus on their most lucrative trading partners and contracts.

Well-managed e-procurement helps reduce inventory levels. Knowing product numbers, bid prices and contact points can help businesses close a deal while other suppliers are struggling to gather their relevant data.

E-Procurement systems that allow multiple access levels and permissions help managers organize administrative users by roles, groups, or tasks. Procurement managers do not need to be as highly trained or paid because such systems are standardized and easy to learn.
Some firms have discovered that many of their transactions still take place on paper, and they have run into problems ranging from content management to supplier participation in their systems. Most companies who desire to make the switch fall into two camps. The first are the slow step-by-step adopters. They implement one piece of their system at a time and slowly bring trading partners on board. The others follow the total replacement model. They build a totally parallel system, test it, and then switch over to it when it works. There is usually some pain involved and some mistakes are discovered, but by and large these are absorbed and the business continues.

Don’t bite off more than you can chew. The parallel system approach should only be used if you have the time and resources to do this. If not, stick to the incremental approach.

Don’t expect an immediate return on investment. A short-term gain may be noticeable, but it may be eaten up by the cost of staff training and equipment purchases. A year or two down the road, a larger ROI should be evident.

**DOING BUSINESS WITH NEW YORK STATE**

New York State spends tens of billions of dollars annually on goods and services. State agencies are committed to supporting the growth of small and minority-owned businesses, particularly in the government contracting arena.

**Step-by-Step Guidance**

The New York State Office of the Comptroller offers the following steps for doing business with the State:

1. **Form a Business**
   
   Visit the New York State Department of State to get all the information you need to start your business: [http://www.dos.state.ny.us/corps/index.html](http://www.dos.state.ny.us/corps/index.html)

   New York State Empire State Development provides information on starting and growing a small business in New York State, including information on developing your business plan, financing and marketing, licensing, seminars, and training. Visit the ESD website for more information: [http://www.esd.ny.gov/smallbusiness.html](http://www.esd.ny.gov/smallbusiness.html)

2. **Obtain Appropriate Licenses**

   Certain types of businesses are required to obtain licenses or permits to conduct business in New York State. New York State’s Online Permit Assistance and Licensing (OPAL) is a service provided by the Permit Assistance Unit of the New York State Governor’s Office of Regulatory Reform: [http://www.nys-opal.com/](http://www.nys-opal.com/)

   The New York State Department of State’s Division of Licensing Services is responsible for occupational licenses: [http://www.dos.state.ny.us/licensing/](http://www.dos.state.ny.us/licensing/)
3. Find Business Opportunities

State agencies are required to notify the public about procurement opportunities. These notices are published in the New York State Contract Reporter, also known as The Procurement Opportunities Newsletter, a centralized place where businesses can find out about procurement opportunities valued at $15,000 or more with State agencies or public authorities.

4. Get Certified

Are You a Small, Minority- and/or Women-owned Business Owner? New York State has a variety of programs to support the efforts of small businesses and certified minority- and/or women-owned businesses. For example, State agencies can, in some cases, award contracts to these types of businesses without a formal competitive bidding process. New York State’s Division of Minority- and/or Women-Owned Business Development (MWBD) helps the State’s minority and female business communities to access the services offered by Empire State Development (ESD) and provides information on accessing capital, becoming a certified MWBE, and more:

http://esd.ny.gov/MWBE.html

5. Become a Vendor

Bid on a procurement: Once you locate a procurement opportunity that’s right for you and submit the required response to that opportunity, the State agency conducts a selection process. If you are the selected vendor, you will be notified by the State agency and a formal agreement will be developed. If the formal agreement is over a certain dollar threshold (generally $50,000 or more), the contract requires approval by the New York State Attorney General and the Office of the State Comptroller before it becomes an effective contract. Business owners can search active State contracts and download valuable information on particular State agencies, contract types or vendors. The ability to search for both already-awarded and in-progress contract awards is available to registered vendors at the New York State Vendor Responsibility System:

http://www.osc.state.ny.us/vendrep/vendor_index.htm

For most procurements, State agencies require a vendor to complete a vendor responsibility questionnaire. The New York State Vendor Responsibility System allows business entities to enter and maintain their Vendor Responsibility Questionnaire information in a secure, centralized database.

Vendor Responsibility

Your business must be responsive and responsible to become a vendor with New York State. State Finance Law and sound procurement practice dictate that State contracting entities take reasonable steps to ensure that public contracts are awarded to vendors who are capable of fully performing their contractual obligations over the term of a contract and have the integrity to justify the award of public dollars. Responsibility reviews also help ensure that public dollars support honest vendors that compete on product and price, and protect the competitive contractor selection process from unfair competition. Full, fair and open competition produces better value for the State and its citizens.

Responsibility determination is based upon a review of these factors:
1) Financial and organizational capacity
2) Legal authority to do business with the state
3) Integrity of the owners, principals, members, and contract managers
4) Past performance of the bidder on previous government contracts.

It is up to the bidder to maintain responsibility as a vendor. For more information about vendor responsibility, visit the Office of the State Comptroller’s Vendor Responsibility website:
http://www.osc.state.ny.us/vendrep/index.htm

The New York State procurement process has established purchasing priorities for state agencies:
1) Preferred Sources such as NYS Department of Correction Services Division of Industries-Corcraft, Industries for the Blind of NYS, NYS Industries for the Disabled, and NYS Office of Mental Health.

2) Centralized State Contracts – commodity, service, technology - overseen by the Office of General Services

3) Agency or multi-agency established contracts – for ongoing procurement, usually in effect for multiple years

4) Agency-conducted procurement – when agency requirements cannot be met by any of the first three priorities, either through competitive bids or a discretionary purchase, depending on the value of the procurement.

The publication Doing Business with New York State: A Guide to Understanding the State’s Procurement Practices is a great source of information on the procurement process. It was developed to help business owners understand and effectively engage in the procurement process. The guide can be read or downloaded at the following address:
IDENTIFYING OPPORTUNITIES

The Office of General Services (OGS) Procurement Services Group awards thousands of competitively bid contracts for use by State agencies, political subdivisions and other organizations authorized by law to purchase from State contracts. These contracts offer commodities (materials, equipment, supplies and printing), services and technology, including telecommunications. Although most of these contracts are Statewide, a portion of them are large volume contracts for single agencies or groups of agencies. OGS’s Online Bid Calendar is a good source of information:
http://www.ogs.state.ny.us/Purchase/BidCalendarLV.asp

A business owner also can ask to be added to the OGS mailing list to receive bid notices. Go to the OGS website for more information:
http://www.ogs.state.ny.us/ovr

Registering in the system is as simple as 1-2-3:
1) Register some basic information about the business you represent.
2) Select the Product and/or Services Classification areas that fit your business.
3) Sit back and wait for the email notices to be delivered to your inbox.

Bid documents are available at the OGS website whether or not you register for the Bidder Notification Service. However, registering is the only way the business you represent will receive the e-mail announcement of bidding opportunities. Registering will ensure that your business receives updates or amendments to bid documents if they occur.

The Office of General Services recommends that small businesses that want to do business with NYS subscribe to the New York State Contract Reporter, a weekly electronic newsletter that contains notices of State agency, public authority and public benefit corporation bid solicitations. The Contract Reporter also publishes centralized services and technology bid opportunities and notices of upcoming commodity bid openings. New York State businesses may subscribe online at:
http://www.nyscr.com

A number of New York State agencies and public authorities post their bid opportunities on their websites. To find direct sales opportunities for State agencies and many public benefit corporations and public authorities, contact State agencies directly. View the Office for Technology Telephone Directory at:
http://www6.oft.state.ny.us/telecom/phones

(See the appendix for a list of selected agency websites.)

A listing of agency locations and contacts can also be found in Section 2 of the Directory of Frequently Purchased Commodities and Services by New York State Agencies (see below). Section 1 of this Directory has pie charts and tables that show an approximate amount of yearly expenditures by State agencies on commodities and services in the following categories: General Commodities, Supplies, Equipment, Maintenance and Repairs, General Services, and Information Technology. The Directory is available online at:
http://www.osc.state.ny.us/reports/fiscal/directorycommodities.pdf
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The Empire State Development's Procurement Assistance Unit (PAU) can help your business to compete for State contracts, provide information to get you placed on agency bidders' lists, provide current lists of subcontractors and suppliers, and help you with the bid process. The PAU offers workshops around the State designed to familiarize small businesses with the State's procurement processes; State bidders lists; lists of New York State subcontractors and suppliers; and solutions for problems arising within agency bid processes. For additional information, you can contact:

Empire State Development Division for Small Business
30 South Pearl Street - 7th Floor
Albany, NY 12245
Phone: (518) 292-5220
E-mail: esd_smallbus@empire.state.ny.us
Construction Contracting Opportunities

The Office of General Services recommends that small businesses interested in construction contracts access the Design and Construction Group's online publication The Empire State Builder, to learn about building construction/rehabilitation or architectural and engineering contracts at many State agency locations. The Empire State Builder announces future bid openings and provides the results of previous bid openings. The website is:

http://www.ogs.state.ny.us/dnc

Address inquiries to:
Office of General Services
Design and Construction Group, Marketing Unit
Corning Tower-35th Floor
Empire State Plaza
Albany, NY 12242
518-474-0203

The Public Buildings Law requires Design & Construction to establish a list of contractors who are interested in bidding on emergency work by trade interest and geographical area. Bids will be solicited from this list on a rotational basis. The OGS D&C Group awards approximately 500 emergency contracts annually. For information on how to become qualified for Emergency Contracting opportunities, visit the website:

http://www.ogs.state.ny.us/BU/DC/esb/EmergencyDefault.asp

The New York State Department of Transportation is responsible for contracts to construct, improve, repair and maintain roads, bridges and other transportation facilities. Projects vary in size, scope and duration, and can range from preventive maintenance work valued in the tens of thousands of dollars to multiple-year projects valued in excess of a hundred million dollars. The Department uses a sealed bid process, resulting in award of formal contracts to the lowest responsible bidder. You can access the How to Do Business with the NYS DOT publication at:

There is also a wealth of information at the DOT’s Doing Business With NYSDOT website. The Construction Contracting section has information on Highway Letting Opportunities, Electronic Bid System, Planholder Lists, Weekly Letting Results, and other important Information for Bidders: https://www.nysdot.gov/doing-business

For businesses interested in road construction contracts in NYS, the Department of Transportation’s Notice of Highway Lettings and Results of Highway Lettings can be viewed at:
2) https://www.nysdot.gov/doing-business/opportunities/const-results

Opportunities for Minority and Women-Owned Businesses

New York State’s Division of Minority & Women Business Development promotes equality of economic opportunities for MWBEs and works to eliminate barriers to their participation in state contracts. The agency provides information and resources to increase access to information and opportunities for minority and women-owned businesses throughout the State. The agency also helps minority and woman business owners complete the certification process to improve their ability to successfully bid on state contracts: http://www.esd.ny.gov/MWBE.html

To obtain information on becoming certified in New York State as a minority or woman-owned business, review the Department of Economic Development's Division of Minority and Women's Business Development website: http://www.esd.ny.gov/MWBE/Certification.html
There are links for qualifications, an application, frequently asked questions, assistance as well as information on regulations, reports, and news. Certification applications are processed at two locations:

Albany office:
30 South Pearl Street 2nd Floor
Albany, NY 12245
(518) 292-5250;

New York City office:
633 Third Avenue
New York, NY 10017-6706
(212) 803-2411
(212) 803-3223 (fax).

To learn about M/WBE opportunities in NY State visit the Empire State Development home page at:
http://www.empire.state.ny.us/

To access the Empire State Development's Minority & Women's Business Directory on the Internet at:
http://www.esd.ny.gov/MWBE/directorySearch.html

Minority and woman business owners in need of other information or assistance are encouraged to contact:
Office of MWBE and Community Outreach
Corning Tower- 41st Floor
Empire State Plaza
Albany, NY 12242
(518) 486-9284
(518) 486-9285 (fax)

Opportunities with Preferred Sources

Since State agencies are required to buy from Preferred Sources (Department of Corrections, Industries for the Blind, Disabled, and NYS Office of Mental Health), you may want to become a supplier to a preferred source. For a complete list of products and services offered by Preferred Sources, as well as links to their websites and catalogs, go to:
http://www.ogs.state.ny.us/procurecoun/pdfdoc/pplist.pdf

(Check the Appendices for a list of resources for doing business with New York State.)
Outside of New York

To learn how to do business with the centralized procurement programs in other states, we recommend that you contact:

National Association of State Procurement Officials (NASPO)
167 West Main Street
Lexington, Kentucky 40507
and obtain a copy of the NASPO Vendor Guide. Or, go to:
http://www.naspo.org

Also, the NYS SBDC BidLinx government contracting bad-matching service provides leads to NY State as well as out-of-state government contracting opportunities. This service is free-of-charge to NYS SBDC clients.

Doing Business with New York City

In Fiscal 2010, New York City procured almost $17 billion worth of supplies, services, and construction through almost 56,000 transactions. Procurement describes the process the City uses to purchase construction services, goods, human services, professional services, and standardized services.

Generally, the City procurement process takes the following steps:
1. An agency need is identified.
2. A solicitation is written and published.
3. A competition is held.
4. A vendor is selected and a determination is made concerning its responsibility.
5. A contract is negotiated and signed.
6. The contract is registered by the Office of the Comptroller.

In each NYC agency, procurement staff members work with agency program staff to identify needs to support the agency mission. Each agency has an Agency Chief Contracting Office (ACCO) to ensure that the rules set by the Procurement Policy Board (PPB) and other applicable laws and initiatives are followed during the entire procurement process. Once a solicitation has been finalized, it is published in The City Record so vendors can view it and respond. The City Record is accessible online at:
http://a856-internet.nyc.gov/nycvendoronline/home.asp

In addition to the solicitations published in The City Record, NYC maintains a separate list of upcoming construction projects. You can consult the construction project pipeline to review projects City agencies expect to bid out during the next 12 months at:

Vendors are required to submit VENDEX Questionnaires with detailed information on their finances, corporate structure, and principals. VENDEX is a public database that City agencies are required to review before making responsibility determinations. For more information about required vendor forms, visit the Sell to NYC website:
New York City’s certification programs, including the Minority and Women-Owned Business Enterprise (M/WBE) Program, the Emerging Business Enterprise (EBE) Program and the Locally-Based Business Enterprise (LBE) Program certify, promote, and foster the growth of the City’s minority and women-owned businesses and eligible small construction and construction-related businesses. Companies that become certified obtain greater access to and information about contracting opportunities, receive technical assistance to better compete for those opportunities, and benefit from inclusion in the City’s Online Directory of Certified Businesses.

NYC Small Business Services (SBS) maintains the Online Directory of Certified Businesses, which includes a detailed profile of each company. Through inclusion in the directory, vendors can market their goods, services, and experience directly to purchasing agents who may not be familiar with their company. The directory can be found online at:

http://mtprawwwbsweip1-1.nyc.gov

Pursuant to the Procurement Policy Board (PPB) Rules and the New York City Charter, the City may award contracts only to responsible vendors. A responsible vendor is defined as one that has the technical capability and financial capacity to fully perform the requirements of the contract, as well as the business integrity to justify the award of public tax dollars. For each solicitation, the City agency must make a determination of vendor responsibility prior to awarding a contract. The PPB Rules state certain factors that may affect a vendor’s responsibility such as financial resources, technical qualifications and performance. Each Agency Chief Contracting Officer (ACCO) is directed to use several different sources of information to support determinations of responsibility or non-responsibility, which are made on a contract–by-contract basis.

If a vendor is found responsible, the contract award may proceed. If the vendor is found non-responsible, the contract will be awarded to the next lowest responsive, responsible bidder. Determinations of non-responsibility remain in the VENDEX database for 10 years; however, non-responsibility on one contract does not prevent a vendor from bidding and/or proposing on future solicitations. To read more about NYC’s vendor responsibility guidelines, go to:


NYC has an Environmentally Preferable Purchasing (EPP) program, which focuses on the human health and environmental impact of goods and products purchased by selecting products that are more environmentally preferable to others. This environmental purchasing program takes into account several factors, such as waste production, energy and water use, greenhouse gas emissions, indoor air quality, recycled and reused content, and the presence of hazardous substances. Vendors are encouraged to notify the City of their environmentally preferable products when responding to solicitations or on existing contracts. For more information, visit the NYC EPP website:


(Check the Appendices for a list of resources for doing business with New York City.)
STEPS TO PROCUREMENT SUCCESS

From the moment you initiate a conversation with a potential client through the project wrap-up, following up promptly is critical. As with many customers, your previous interactions drive your future business, and this is particularly true when working with the government. In other words, the better an impression you make during the sales and delivery process, the better your chances are of winning follow-up business.

At each stage of the process, keep the lines of communication open to ensure you exceed your customer's expectations. Some standard sales and marketing steps will be very beneficial including:

Do’s

- Do your homework to find out about each agency's mission and challenges before you pick up the phone to call. Fully research the need beforehand so you're well versed in how your business can help support it. Attending community meetings and networking events, reading government publications and newspapers, and perusing agency websites are good ways of gathering pertinent data about target agencies.

- If responding to an IFB or RFP, thoroughly read and understand the contract document. If there is anything you or your partners do not understand, get help.

- After every introductory meeting, send a note to thank your contact for taking the time to speak with you. Do the same for friends or colleagues who have made introductions to government contacts.

- During sales calls, you will be doing a good deal of listening to hear about the prospect's current and emerging needs. This presents opportunities to follow up afterward with bits of information that may be useful to them. Make a call shortly afterward to share this information and, of course, to promptly answer any outstanding questions or provide additional details they requested during the meeting.

- If you have been asked to provide information about your offering to an agency, pay close attention to response deadlines and craft your response in the format and sequence the agency desires. This will make it easier for the agency to review your response and ensure you have provided all the requested information.

- Once you win a contract, make note of all project milestones. Keep in touch with your client as you approach each milestone to ensure you have fulfilled all expectations in a timely manner.

- When the project nears completion, speak with your contacts again. Ask for their feedback on how things went. Specifically inquire about areas where there is room for improvement. Of course, no one wants to hear negative feedback, but this is a great opportunity to help improve your business and demonstrate to your clients that you are always looking for ways to better serve their needs. If the feedback is positive, ask if they would be willing to be a reference.

- Learn the language of procurement. Government contractors want to do business with people who appreciate what they do, know their lingo and do business their way. If, for example, you want to
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win a contract with NASA, show an existing customer that you have staff familiar with NASA and who have worked with every NASA platform there is. And, bring these folks to meet with the agency.

- Carefully vet partners to be sure any alliance you enter enhances your credibility. Look for opportunities to team with larger organizations to expand your capabilities – but be absolutely sure the company has a good reputation and is a good strategic fit.

- Before signing any agreement, make sure your potential partner has never defaulted on a contract or received a notice that they're deficient in a contract or disbarred. Carefully check references and history; ask for the contract numbers they've worked on and speak with the contracting officer's technical representative, who monitors vendor work performance.

- Be accessible to customers. Agencies want to know who you are and what you believe in. A small business owner would be remiss if he or she didn’t personally meet with prospective and current clients. Let them know you care. Give customers your cell phone number and let them know they can call you directly at any time. This and other sales techniques can be the difference to winning a contract or losing out to the competition.

It's easy to hit roadblocks when marketing your business, particularly in the complex world of government contracting. Here are some common mistakes to watch for and avoid when promoting your product and services to the government:

Don’ts

- Don't underprice yourself. Compete on service, quality and differentiation - not just on price - unless you’re in a commodity market. Being the least expensive provider won't necessarily win the business and it may make some purchasing agents question the quality of your products or services. More and more contracts are being awarded based on “best value” rather than price which means that the Contracting Officer will award the contract to the offeror who in the Government’s estimation provides the greatest overall benefit in response to the requirement.

- Don't rely on slides during meetings. Just don’t give a sales presentation or talk "at" your prospects with slideshows. Take the opportunity to sit down and hear what challenges they're facing so you can fine-tune your offer to meet their needs.

- Don't waste money on mailings. You can often reach contracting officers via email, which is the preferred method of contact.

- Don't overstate. Be careful not to overpromise on what your products or services can achieve. Make sure you can back up your claims and deliver on agreements, and you’ll be more likely to gain a positive reputation among government buyers.

- Don't spread yourself too thin. It’s tempting to respond to every opportunity that crosses your path, but that’s an inefficient approach when marketing to the government. Intensely focus your sales efforts on a few select agencies so you can gain a stronghold in that market space and have an in-depth understanding of their people, processes, and needs.
Don't wait to hear about RFPs. Well before an RFP is issued, you should make yourself known to the right contacts at target agencies and have a good understanding of what they're looking for. The most trusted vendors may sometimes be asked to help formulate RFP guidelines, which give a significant advantage.

Don't make assumptions about evaluation criteria. If you're not sure how an agency is making its decision, ask the agency to clarify its evaluation criteria, and create your proposal to meet those specific criteria.
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APPENDIX A

PROCUREMENT TERMINOLOGY & GLOSSARY

Government terminology can be often be confusing for small businesses new to government contracting. The following glossary will give you a general introduction to some terms that are common in procurement and you will want to Google new terms as encountered. There are also many directories of specialized terms and acronyms common to select areas of government purchasing like health, defense, aviation, education and more. A website that you can use to look up acronyms is: http://acronyms.thefreedictionary.com/

Basic Ordering Agreement (BOA) - Written agreement between a buyer and a seller outlining the terms, specifications and prices of the goods or services to be supplied. A basic ordering agreement is not a contract.

Blanket Purchase Agreement (BPA) - Simplified way to fill anticipated repetitive needs for services and products.

Central Contractor Registration (CCR) - Primary vendor database for the federal government. All individuals or companies wanting to be awarded government contracts must be registered in the CCR. Go to this website to register and get more information: http://www.ccr.gov

Certified 8(a) Firm - Business eligible to receive government contracts under the Small Business Administration's 8(a) Business Development Program because it is owned and operated by socially and economically disadvantaged individuals.

Change Order - Written order directing the contractor to amend a contract.

Commercial And Government Entity (CAGE) Code - Five-character ID number that identifies government contractors, provided by the Defense Logistics Information Service. Go to this website to access a database of CAGE codes: http://www.dlis.dla.mil/cage_welcome.asp

Contracting Officer (CO) - Individual who has the authority to enter into, administer and/or terminate contracts and makes related decisions regarding the contract.

D-U-N-S® (Data Universal Numbering System) Number - Nine-digit number issued by Dun & Bradstreet that the federal government uses to identify a contractor and list its address, telephone number, employee size and other information. Go to this website to get a DUNS number: http://www.dnb.com

FedBizOpps - Online entry point for government procurement opportunities over $25,000. Buyers are allowed to publicize their opportunities directly at the website: http://www.fbo.gov

FAR (Federal Acquisition Regulations) - regulations that govern the process through which the federal government purchases ("acquires") goods and services: https://www.acquisition.gov/far/
Federal Acquisition Regulation Council - Governing body that makes FAR interpretations and rulings.

Full and Open Competition - Refers to the rule that all appropriate suppliers may compete for a designated contract.

General Services Administration (GSA) - The independent federal agency that establishes procurement policy and secures the buildings, products, services, technology and other workplace essentials for government agencies: http://www.gsa.gov/portal/category/100000

Invitation For Bid (IFB) - Method used to accept a sealed bid and includes a description of the product or service to be acquired, bidding instructions, packaging, delivery, payment, contract clauses and deadline. Contract awards are usually based on price alone.

Mentor - Individual or business who creates a program to advance strategic relationships with a less experienced business.

MWBE - Certified Minority and/or Woman Owned Business Enterprise. There are many types of certification for small business owners in selected categories, which can result in substantial benefit to business owners eligible for various set-aside programs.

North American Industry Classification System (NAICS) - Set of categories developed by the United States, Canada and Mexico to classify businesses in the three countries. This classification replaces the old SIC code: http://www.census.gov/eos/www/naics/

Prime Contractor - Individual or business contracted to provide a specified product or perform a service.

Procurement Technology Assistance Centers (PTACs) - Located across the United States, these centers help small businesses complete the steps to work with the federal government. Go to this website to access a list of PTACS by state: http://www.dla.mil/db/procurem.htm

Protégé - Individual or developing business who cooperates with another more experienced individual or company to improve its capabilities.

Request for Proposal (RFP) - Government document outlining the criteria and requirements to evaluate offers. Contract awards are based on price and other considerations.

SBDC - Small Business Development Centers in New York State provide free technical assistance to small businesses including government contracting through their Procurement Assistance Centers: http://nyssbdc.org

SCORE - Nonprofit association of volunteer counselors funded by the US SBA that provides entrepreneurs with free, confidential face-to-face and email business counseling. SCORE is a business partner of American Express OPEN: http://www.score.org/
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Small Business Administration (SBA) - Independent agency chartered to protect the interests of small businesses and maintain free competitive enterprise: [http://www.sba.gov](http://www.sba.gov)

Standard Industrial Classification (SIC) Code - A system of codes that cover all types of American businesses. Compiled by the U.S. government, the standard industrial classification code applies a four-digit number to a given industry for statistical research and categorization. Commonly known as SIC codes or SIC, industrial classification listings are mostly utilized by researchers, employers, government agencies and those in human resources. In 2003, the SIC code was replaced with the North American Industry Classification System (NAICS), but the SIC code listings are still used in some instances. (See “North American Industry Classification System”)

Subcontractor - Individual, business or corporation hired by a prime contractor to provide a specified product or service as part of an overall contract.

Taxpayer Identification Number (TIN) - Number assigned to a business by the IRS that is needed to complete CCR registration. Go to this website to obtain a TIN: [http://www.register-ein.com/?gclid=CM_PkZayg6oCFQw75Qod3gkF0g](http://www.register-ein.com/?gclid=CM_PkZayg6oCFQw75Qod3gkF0g)

Women-Owned Small Business (WOSB) - Small business that is at least 51% owned and controlled by a woman, as defined by Federal Acquisition Regulation. Go to this website to get more information about the US SBA’s program for women contractors: [http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses](http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses)
FREQUENTLY ASKED QUESTIONS (FAQS) ABOUT GOVERNMENT PROCUREMENT

What does the government buy?
Federal, state and local government agencies buy everything from toothpicks and cleaning services to spaceships and cancer research. The key is to determine which government agencies buy the products and/or services you sell and to develop a focused marketing strategy targeting those agencies.

Does the government always award the contract to the low bidder?
No. In many instances the government awards the contract to the company that provides the best value, and this does not necessarily mean the company offering the lowest price. Other factors such as technical capability, past performance and quality may also be considered.

Does the government pay on time?
Provided your shipping and invoicing documentation is correct and complete, you can expect a timely payment. In fact, federal agencies offer a prompt payment in return for a discounted price, and prefer to pay by Electronic Funds Transfer (EFT) to speed up the payment process. Federal agencies also pay interest on the amount they owe you if they delay payment past the stated terms of the contract.

Do I need to be on a GSA schedule in order to do business with the government?
No, but it may be beneficial to you in the long run. Think of the General Services Administration (GSA) as a buying agency for other federal government agencies. GSA awards “schedules” or long-term contracts to vendors that provide certain goods and services required by those agencies. Then, when the agencies have a need for a particular product or service, they can buy it from one of the vendors on the schedule for the pre-determined price. A vendor may get a lot of business by being on a GSA schedule, but there are no guarantees.

Do I need to be certified in order to bid on government contracts?
No. Except for certain “set aside” contracts, the government does not require any type of certification for a company to be eligible to bid on contracts. However, being certified as a woman-owned, minority or otherwise disadvantaged business can level the playing field and provide more opportunities for you to bid. Since federal, state and local government agencies have different certification programs with different eligibility factors and application processes, you should first determine which agencies you want to do business with, and then look into the applicable certification programs.

What are the SBA’s small business programs and where can I find additional information concerning these programs?
These are the current social-economic programs managed by the SBA:
8(a) – The SBA’s 8(a) Business Development Program - named for a section of the Small Business Act, is a business development program created to help small disadvantaged businesses compete in the American economy and access the federal procurement market. Visit SBA’s 8(a) Business Development Program website: http://www.sba.gov/content/8a-business-development
Small Disadvantaged Business (SDB) – Effective October 1, 2008, the SBA announced it will no longer certify for SDB status and small businesses will be allowed to self-certify as an SDB in the CCR if they meet the criteria established by the SBA. 8(a) firms automatically qualify for SDB certification. For more information, go to this website: http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P09_4410

HUBZone - The HUBZone Empowerment Contracting Program was adopted to stimulate economic development and create jobs in urban and rural communities by providing federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone (Historically Underutilized Business Zone) certification in part by employing staff that live in a HUBZone and maintaining a "principal office" in one of these specially designated areas. A principal office can be different from a company headquarters. The program resulted from provisions contained in the Small Business Reauthorization Act of 1997. Visit the HubZone website: http://www.sba.gov/hubzone/

Women Owned Business - America's 9.1 million women-owned businesses employ 27.5 million people and contribute $3.6 trillion to the economy, yet women continue to face unique obstacles in the world of business. The SBA is doing more than ever to expand opportunities for women entrepreneurs. In April 2011 the Women-Owned Small Business Federal Contract Program became effective in the FAR. Implemented and administered by the SBA, the program authorizes contracting officers to set aside certain federal contracts just for WOSBs and EDWOSBs (Economically Disadvantaged WOSBs). Visit the SBA's WOSB Program website: http://www.sba.gov/wosb

Veteran and Service Disabled Veteran – Veterans and service-disabled veterans may qualify for certain preferences by providing proof of service and/or service disability classification. Visit the Service-Disabled Veteran-Owned Small Business Program website: http://www.sba.gov/content/veteran-service-disabled-veteran-owned

What is CCR?
CCR stands for Central Contractor Registration, which is the primary registrant database for the US Federal Government. Government buyers can use the registry to look for firms that can provide the products or services that they need to buy. Since October 1, 2003, it is federally mandated that any organization wishing to do business with the federal government under a FAR-based contract must be registered in CCR before being awarded a contract. (FAR 4.11) The information collected in the CCR database is used in the procurement process and to facilitate electronic payment to vendors.

How do I register in CCR?
The recommended method is online at: http://www.ccr.gov.

You should have certain company information on hand, such as your DUNS number, Federal tax identification number and applicable NAICS code(s) before you begin the registration process. If you don’t have the required DUNS number, go to the Dun & Bradstreet website: http://www.dnb.com
If you do not know your NAICS code(s), go to: http://www.census.gov/eos/www/naics/
Upon successful registration in the CCR, you will be provided with a CAGE code.

**Does registering in the CCR market my company to the government?**

Not directly. Registering in the CCR simply stores your company's information for potential access by federal buyers. CCR registration is a requirement for many government contracts but does not guarantee that you will win a government contract.

**Are there web sites where I can see what the government is buying?**

Yes, the federal government posts many of its contracting opportunities online. The primary site where all federal agencies are required to post contracting opportunities that are estimated to be valued over $25,000 is [http://www.fedbizopps.gov](http://www.fedbizopps.gov)

Most agencies also post acquisition forecasts, which are lists of the purchases the agencies expect to make in the coming months, on their home pages. The Federal Acquisition Jumpstation provides links to most federal agency home pages: [http://www.thecre.com/fedlaw/legal25/fedproc.htm](http://www.thecre.com/fedlaw/legal25/fedproc.htm)

The General Services Administration (GSA) was established to help government agencies negotiate prices. It does this via the GSA Schedules Program, which lists the amount the government has agreed to pay — at a fair and reasonable price — for a vendor's products or services. Small businesses have the potential to dramatically expand their revenues by getting listed on the GSA Schedule of approved vendors for the products and services the government procures, and then going after and winning contracts. Government agencies can order directly from a GSA Schedule contractor through an online shopping and ordering system known as GSA Advantage!: [http://www.gsaadvantage.gov](http://www.gsaadvantage.gov)

In addition to receiving preferred vendor status, being listed on GSA Advantage!® can also afford your company market exposure at GSA events. Many agencies prefer to work with vendors on the Schedule because it eliminates much of the hassle and paperwork that is typical of government procurement processes.

Although a GSA Schedule contract is an official government contract, it does not have products or services to deliver immediately and is not funded until an agency signs an order. Getting on the GSA Schedule can help level the playing field for small businesses competing against larger companies. Although businesses will still face competition, being on the GSA Schedule offers a competitive edge because it provides visibility to multiple agencies simultaneously. Companies not listed in the Schedule have to pursue government contracting opportunities using the traditional bidding method which can take several months before a contract is awarded.

**How Can I Get My Business Listed on the GSA Schedule?**

To become an approved supplier under a GSA Schedule, a business must go through the application process, which can take up to several months to complete and be approved by GSA. Once a contract is successfully negotiated, the business is assigned a GSA contract number and placed on a list of approved suppliers for that Schedule contract which helps avoid the usual process of bidding on individual government contracts.

The GSA Schedules Program is broken down by categories; for example Fuels, Scientific Equipment or Software Services. Businesses then use the prices listed in their GSA contracts to price orders received from agencies. This is known as the GSA Price List or GSA Advantage! Catalog/Price List.

To begin, you need to identify the GSA Schedule that covers your supplies or services. Go to the GSA Schedules eLibrary and see which companies sell similar products or services: [http://www.gsaelibrary.gsa.gov/ElibMain/home.do](http://www.gsaelibrary.gsa.gov/ElibMain/home.do)
Then, you should start filling out your paperwork. For a more detailed look at the process visit the GSA website: http://www.GSA.gov

The GSA Office of Small Business Utilization publication Doing Business with GSA is an online resource guidebook: http://www.gsa.gov/graphics/staffoffices/Doing_Business_Final_5-21-09_R2R01-j_0Z5RDZ-i34K-pR.pdf

Schedule contract periods last as long as five years, with up to three five-year options to renew. This can result in a 20-year contract with the government for your products and services. During the renewal process, business information is verified, and prices and terms can be renegotiated. GSA pre-negotiates terms and conditions with vendors, making it easier for agencies to make purchases. GSA does the legwork to get the best value for agencies, and ultimately, for taxpayers. This greatly reduces the time needed to issue contracts.

Who Buys Using the GSA Schedule?

GSA manages more than 25% of the government’s total procurement dollars and negotiates contracts that account for $40 billion of goods and services bought annually from the private sector. It also influences the management of $500 billion in government assets, including 9,300 government-owned or leased buildings and 213,000 vehicles.

Some of the organizations that currently purchase from the GSA Schedule include: all federal and executive agencies, most Department of Defense agencies, government contractors authorized to spend federal dollars, many institutions receiving federal support or grants such as universities, research institutions and many international organizations. For a more complete list of eligible GSA Schedule users, download the February 16, 2011 document at: http://www.gsa.gov/graphics/fas/GSAOrderADM4800_2F.pdf

What Is Sold Using the GSA Schedule Listing?

The GSA’s Schedule Listing, which is located on GSA’s eLibrary site, includes 44 categories of products and services. The GSA will periodically update or change the listing and provide notice on the eLibrary. The eLibrary also includes an alphabetical listing of available contractors on the GSA Schedule. Samplings of the products included in the GSA Schedule Listing are: automotive equipment, building materials, computer technology, furniture, medical and pharmaceutical supplies, office supplies and sporting goods! Among the services included in the GSA Schedule Listing are: advertising and marketing, environmental, management consulting, professional engineering, staffing, training and education, transportation and delivery services: http://www.gsaelibrary.gsa.gov

What size is the GSA Schedule?

According to the GSA web site, the GSA Schedule features more than 11 million commercial items available for purchasing by government agencies. More than 19,000 contract holders are on the Schedule. 80% of GSA Schedule holders are small businesses. A GSA contract can be issued in just 14 days compared with an average 268 days to issue a conventional government contract. 40% of the small businesses active on the GSA Schedule are women-owned.

How Do Agencies Buy Goods and Services Using GSA?

GSA includes two departments with separate buying needs. The Federal Acquisition Service (FAS) establishes contracts for commercial products and services, and the Public Buildings Service (PBS) establishes contracts for construction, architecture and interior design products and services.
There are four main ways that agencies can purchase items, according to the GSA's website:

1. Blanket Purchase Agreements (BPAs) are used to fulfill repetitive needs for supplies and/or services.
2. Contractor Team Arrangements (CTAs) are agreements in which two or more contractors join together to provide a total solution to an agency's needs.
3. GSA Advantage! is the online shopping service for all government customers. Once a business is put on the GSA Schedule, adding company and pricing information to GSA Advantage! is a requirement. This gives your business the potential to be seen by hundreds of agencies.
4. eBuy (https://www.ebuy.gsa.gov) is an online system within GSA Advantage! that allows government agencies to prepare and post requests for quotes and receive responses from vendors. By receiving open requests, businesses can save time and money in finding new government contracts.
APPENDIX C

ADDITIONAL MARKETING RESOURCES FOR SMALL BUSINESS

Acquisition Central - A clearinghouse of information related to federal procurement: http://www.acquisition.gov

Armed Forces Journal – Provides review and analysis of key defense issues of interest to the U.S. Military community: http://wwwarmedforcesjournal.com

Catalog of Federal Domestic Assistance – a full listing of all Federal programs available to State and local governments (including the District of Columbia); federally-recognized Indian tribal governments; Territories (and possessions) of the United States; domestic public, quasi-public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals: http://www.cfda.gov

The Coalition for Government Procurement - Nonprofit association of companies that sell commercial services and products to the federal government: http://www.thecgp.org

Federal Business Council - Produces conferences and trade show events at and for federal government locations throughout the United States: http://www.fbcinc.com

Federal Computer Week - Provider of integrated information and media for the government information technology market: http://www.fcw.com

Federal Times - Online source for news and information for government managers on managing staffs, the latest technology and financial and career decisions: http://www.federaltimes.com


Government Executive - Online news daily covering the business of the federal government and its departments and agencies: http://www.govexec.com

Grants.gov – A good source to find and apply for federal grants. You can search in a variety of ways – by agency, keyword, category, eligibility, etc: http://www.grants.gov

GSA Vendor Support Center - Provides GSA Schedule and GWAC contractors with online contract administration information: http://www.gsa.gov/vendorsupportcenter

National Association of State Procurement Officials - Nonprofit association dedicated to strengthening the procurement community through education, research and communication: http://www.naspo.org

National Conference Services, Inc. - Event planning, production and support Service Company under contract to multiple federal agencies, primarily within the Department of Defense and intelligence community: http://www.ncsi.com
National Contract Management Association - Gives vendors an opportunity to improve buyer/seller relationships and increase individual and organizational competency: [http://www.ncmahq.org](http://www.ncmahq.org)

Office of the Undersecretary of Defense for Acquisition, Technology and Logistics - Provides information about acquisition law, policy, regulations and procedures pertaining to the Department of Defense, which is the largest purchaser in the U.S. government: [http://www.acq.osd.mil](http://www.acq.osd.mil)

Professional Services Council - Nonprofit trade association representing for-profit technology and professional services firms that do business with the federal government: [http://www.pscouncil.org](http://www.pscouncil.org)

Teaming USA - Teaming USA helps small business owners find partners and learn the advantages of working together to win government contracts. Teaming USA is a joint partnership between OPEN and Business Matchmaking: [http://www.teamingusa.com](http://www.teamingusa.com)


Wifcon.com - Serves the federal acquisition community by providing quick access to information, such as contracting laws and pending legislation, current and proposed regulations, courts and boards of contract appeals and bid protest decisions: [http://www.wifcon.com](http://www.wifcon.com)
The Director of the OSDBU is the primary advocate within each Federal Agency responsible for promoting the maximum practicable use of all designated small business categories within the Federal Acquisition process. The OSDBU is tasked with ensuring that each Federal agency and their large prime vendors comply with federal laws, regulations, and policies to include small business concerns as sources for goods and services as prime contractors and subcontractors. Some Federal Departments and entities may have offices in their organizations that are not designated as OSDBU but have similar responsibilities. The goal of the OSBDU and each of these offices is to advocate for and manage the small business utilization programs for their organization.

* Please Note: The list below was excerpted from http://www.osdbu.gov/offices.html. For more information and/or the latest updates go directly to the site.

**Defense Contract Management Agency (DCMA)**

**Defense Information Systems Agency (DISA)**
http://www.disa.mil/

**Defense Logistics Agency (DLA)**
http://www.dla.mil/db/

**Department of the Air Force**
http://www.airforcesmallbiz.org/

**Department of the Army**
http://www.sellingtoarmy.info/

**Department of Defense**
http://www.acq.osd.mil/osbp/

**Department of Defense Education Activity (DoDEA)**
http://www.dodea.edu/offices/procurement/index.cfm

**Department of the Navy**
http://www.donhq.navy.mil/OSBP

**Executive Office of the President**
http://www.whitehouse.gov/omb/
Federal Deposit Insurance Corporation

General Services Administration
http://www.gsa.gov/smallbusiness

National Aeronautics and Space Administration
http://www.osbp.nasa.gov/

National Science Foundation
http://www.nsf.gov/

Nuclear Regulatory Commission
http://www.nrc.gov/about-nrc/overview.html

Smithsonian Institution
http://www.si.edu/oeema/sdbu.htm

Social Security Administration
http://www.socialsecurity.gov/oag/osdbu/osdbu.htm

Transportation Security Administration
http://www.tsa.gov/join/smallbiz/index.shtm

U.S. Agency for International Development
http://www.usaid.gov/business/small_business/

U.S. Department of Agriculture
http://www.da.usda.gov/osdbu/

U.S. Department of Commerce
http://www.osec.doc.gov/osdbu/

U.S. Department of Education
http://www.ed.gov/about/offices/list/ods/osdbu.html

U.S. Department of Energy
http://smallbusiness.doe.gov/

U.S. Department of Health and Human Services
http://www.hhs.gov/osdbu/

U.S. Department of Homeland Security
http://www.dhs.gov/openforbusiness
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U.S. Department of Housing and Urban Development
http://www.hud.gov/offices/osdbu/index.cfm

U.S. Department of the Interior
http://www.doi.gov/osdbu

U.S. Department of Justice
http://www.usdoj.gov/jmd/osdbu

U.S. Department of Labor
http://www.dol.gov/oasam/programs/osdbu/regs/procurement.htm

U.S. Department of State
http://www.state.gov/m/a/sdbu

U.S. Department of Transportation
http://www.osdbu.dot.gov

U.S. Department of the Treasury
http://www.treasury.gov/offices/management/dcf/osdbu

U.S. Department of Veterans Affairs
http://www.va.gov/OSDBU

U.S. Environmental Protection Agency
http://www.epa.gov/osdbu

U.S. Office of Personnel Management (OPM)

U.S. Postal Service
http://www.usps.com/communications/organization/doingbusinesswithus.htm
APPENDIX E

ONLINE RESOURCES FOR DOING BUSINESS WITH NEW YORK STATE

New York State Small Business Development Center, Procurement Assistance Centers – Provide technical assistance with government contracting at no charge to New York State residents:  
http://www.nyssbdc.org/services/procurement/procurement.html

Empire State Builder Newsletter – Provides information about future bid openings and the results of previous bid openings:  
http://www.ogs.state.ny.us/dnc

New York State Contract Reporter – A weekly electronic newsletter that contains information about bid opportunities and awards:  
http://www.nyscr.com

Office for Technology – An online directory of state agencies and other entities that can be used to contact specific agencies directly about sales opportunities:  
http://www6.oft.state.ny.us/telecom/phones

Office of General Services Centralized Procurement – Information for businesses:  
http://www.ogs.state.ny.us/BU/PC/

The NYS Office of General Services (OGS) Online Vendor Bid Notification System – Sign up to receive emails of bid opportunities for commodities, services and technology contracts for the OGS Procurement Services Group:  
http://www.ogs.state.ny.us/ovr/

Seller Information and Bid Opportunities:  
http://www.ogs.state.ny.us/BU/PC/BizInfo.asp

OGS’ Design and Construction Group’s publication, "The Empire State Builder":  
http://www.ogs.state.ny.us/bu/dc/

OGS Index of Contracts – A complete alphabetized listing of contracts, group numbers and classification codes:  
http://www.ogs.state.ny.us/purchase/pdfdocument/rptMailingListindex.pdf

OGS Contract Directories – Listings of Commodity, Service, Technology, and Telecommunication Contracts:  
http://www.ogs.state.ny.us/BU/PC/Directories.asp

Discretionary Thresholds and Requirements:  
http://www.ogs.state.ny.us/purchase/spg/pdfdocs/PnpDiscretionaryThresholds.pdf

NYS Agency Procurement Websites:  
Dormitory Authority of the State of New York:  
http://www.dasny.org/construc/procurement/index.php

New York State Assembly - Grants Action News:  
http://assembly.state.ny.us/gan/

New York State Attorney General:  
http://www.ag.ny.gov/
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New York State Department of Agriculture and Markets: http://www.agmkt.state.ny.us/

New York State Department of Correctional Services – Corcraft: http://www.corcraft.org/

New York State Department of Health: http://www.health.state.ny.us/

New York State Department of Taxation and Finance: http://www.tax.ny.gov/about/procure/default.htm

New York State Department of Transportation Business Center: https://www.nysdot.gov/business

New York State Department of Transportation contract opportunities – Notice of Highway Lettings and Results of Highway Lettings: http://www.nysdot.gov

New York State Division of Criminal Justice Services: http://www.criminaljustice.state.ny.us/pio/vendor/business.html

New York State Division of the Budget: http://www.budget.ny.gov/contract

New York State Education Department – ACCES-VR (Adult Education and Continuing Education Services-Vocational Rehabilitation): http://www.acces.nysed.gov/vr/grant_procurement_opportunities/about.htm


New York State Office of Temporary and Disability Assistance: http://otda.ny.gov/contracts/

New York State University Construction Fund: http://www.sucf.suny.edu/
ONLINE RESOURCES FOR DOING BUSINESS WITH NYC

Sell to NYC - Provides vendors the information needed to start selling to NYC, including a list of agency contacts: http://www.nyc.gov/html/selltonyc/html/home/home.shtml

City Record Online (CROL) - An electronic version of current procurement awards and pending contracting opportunities. The City Record is published each business day and is a source for public hearings, agency rule changes, court notices, procurement actions, contract awards, and other information: http://a856-internet.nyc.gov/nycvendoronline/home.asp

Vendor Forms/VENDEX Questionnaires - By law, vendors under consideration for award of contracts with NYC must have complete VENDEX questionnaires for their organizations and principals. The completed questionnaires assist City agencies in making responsibility determinations. This website provides downloadable and printable copies of the forms: http://www.nyc.gov/html/selltonyc/html/vendor/forms.shtml

Construction Project Procurement Pipeline – Lists construction projects that City agencies expect to bid out during the next 12 months by agency within the calendar quarter the agency expects to release its bid. This construction project pipeline report is intended to be a resource to assist contractors in planning for future work and is updated every February, May, and October: http://www.nyc.gov/html/mocs/html/research/pipeline.shtml

Doing Business Portal - Provides access to information on many vendors not previously available online. It does not, however, include every entity that may have business with the City of New York: http://www.nyc.gov/html/doingbiz/home.html

Mayor’s Office of Contract Services – Vendor Enrollment Application - Through the Vendor Enrollment Center (VEC), any business wishing to sell goods or services to the City may enroll on the citywide bidders lists used by all Mayoral agencies to notify vendors about City procurement opportunities. As of the end of Fiscal 2009, 56,745 individual vendors had enrolled to do business with the City, up 7% from Fiscal 2008 (when the City had 52,961 enrolled vendors). Vendors enroll for the bidders lists that correspond to their respective areas of business: http://www.nyc.gov/html/mocs/html/business/bidderform.shtml

The following New York City agencies do not use the NYC Vendor Enrollment Application and have their own vendor applications. You will need to market individually to these entities:

- City University of New York
- Health and Hospitals Corporation
- Metropolitan Transportation Authority
- NYC Department of Education
- NYC Economic Development Corporation
- NYC Housing Authority & NYC Housing Development Corporation
- Port Authority of New York and New Jersey.
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**Mayor's Office of Contract Services** – Public Access Center - The Mayor's Office of Contract Services operates a Public Access Center that provides access to the VENDEX system, which contains extensive information about City contracts and contractors. There is no charge for accessing the system. Photocopies of contract-related standard reports and documents are also available, as is an overview of the procurement process in NYC:


**New York City Economic Development Corporation** - NYCEDC continuously seeks to identify reputable and qualified construction and consulting firms to assist with a variety of economic development projects and initiatives throughout New York City. NYCEDC uses its Vendors List to notify companies of potential contracting opportunities in various fields and trades. By having your company added to the Vendors List, you will receive notification of upcoming contracting opportunities in your field(s) of expertise as they become available:

http://www.nycedc.com/ProjectsOpportunities/VendorList/Pages/VendorList.aspx

**NYC Business Solutions** - Information on Certification as a Minority and/or Woman-owned Business Enterprise (MWBE), Emerging Business Enterprise (EBE), and Locally Based Enterprise (LBE):


**Online Directory of NYC Certified Businesses (MWBE)** - A comprehensive, searchable tool that will help both city buyers and private entities locate certified Minority and Women-owned Business Enterprises (M/WBEs), Emerging Business Enterprises (EBEs), and or Locally-based Enterprises (LBEs) throughout the New York City tri-state area. Find detailed information on certified companies, including a brief description of their work history, contact information, and detailed information about what the companies sell: http://mtprawwbswtp1-1.nyc.gov/
APPENDIX G

NEW YORK STATE CONSTRUCTION CONTRACT OPPORTUNITIES

Information concerning construction opportunities with public authorities and State agencies other than the Office of General Services is available from the following:

Albany Port District Commission
Administration Building, 106 Smith Blvd., Port of Albany, Albany, NY 12202; (518) 463-8763

Battery Park City Authority
One World Financial Center, 24th Floor, New York, NY 10281; (212) 417-2000

Division of Military and Naval Affairs
330 Old Niskayuna Road, Latham, NY 12110; (518) 786-4580

Dormitory Authority of the State of New York
One Penn Plaza, 52nd Floor, New York, NY 10119-0098; (212) 273-5000

Environmental Conservation, Department of Division of Operations
625 Broadway, 3rd Floor, Albany, NY 12233; (518) 402-9055

State Division of Housing & Community Renewal
25 Beaver Street, 7th Floor, Room 793, New York, NY 10004; (212) 480-6732

Metropolitan Transportation Authority - includes:
Long Island Railroad-Jamaica
Metro-North Commuter Railroad
Metropolitan Suburban Bus Authority
New York City Transit Authority
347 Madison Avenue, 10th Floor, New York, NY 10017; (212) 878-7000

Niagara Frontier Transportation Authority
181 Ellicott Street, Buffalo, NY 14203; (716) 855-7489

NYS Bridge Authority
P.O.Box 1010, Highland, NY 12528; (845) 691-7245

Office of Parks, Recreation & Historic Preservation
Agency Building 1, 20th Floor, Empire State Plaza, Albany, NY 12238; (518) 474-0456

State University Construction Fund
353 Broadway, State University Plaza, Albany, NY 12246; (518) 689-2500

Thruway Authority
200 Southern Blvd., Albany, NY 12201; (518) 436-2700

Department of Transportation
50 Wolf Road, Albany, NY 12232; (518) 457-5100
Appendix H

Federal Preference Programs and Resources

8(a) Business Development Program
Administrative Authority: Small Business Administration (SBA)

Description: 8(a) Program assists socially and economically disadvantaged entrepreneurs to gain access to the economic mainstream. Participants can receive sole-source contracts, up to a ceiling of $4 million for goods and services and $6.5 million for manufacturing. The business development portion of 8(a) helps firms build their competitive and institutional knowledge through technical assistance providers.

Eligibility: Applicant must meet both criteria of social and economic disadvantage, and have been in business for a minimum of two years. To be considered as socially disadvantaged, applicant would certify that they are a member of one of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American, or Subcontinent-Asian American. Personal net worth cannot exceed $250,000 for initial eligibility, $350,000 for continued eligibility, excluding the equity in personal primary residence and business. Total assets cannot exceed $4 million for initial eligibility and $6 million for continued eligibility.

Goal: Certified 8(a) firms are Small Disadvantaged Businesses (SDB). The government-wide SDB goal is 5% of prime and subcontracts.

Website(s): http://www.sba.gov/8abd
http://www.sba.gov/library/forms.html

Small Disadvantaged Business (SDB)
Administrative Authority: Small Business Administration (SBA)

Description: Federal acquisition policies encourage Federal agencies to award a certain percentage of their total contract awards to SDBs. The government-wide goal is 5%. 8(a) firms automatically qualify for SDB certification.

Eligibility: Applicant must meet criteria of social and economic disadvantage as indicated in the 8(a) program above.

Goal: 5% of prime and subcontracts

Website(s): http://sba8a.symplicity.com/applicants/guide
http://app1.sba.gov/glossary/

Historically Underutilized Business Zone (HUBZone)
Administrative Authority: Small Business Administration (SBA)

Description: The HUBZone Empowerment Contracting program encourages economic development in historically underutilized business areas by providing federal contracting opportunities for qualified small businesses located in the specific designated areas. Fostering the growth of these federal contractors as viable businesses, helps to empower communities, create jobs, and attract private investment.
Eligibility: The business must be small, based on SBA Size Standards. The principle office must be located in the designated HUBZone area, and 35% of the employees must reside in this area.

Goal: 3% of prime and subcontracts

Website(s): http://eweb1.sba.gov/hubzone/internet/general/contracts.cfm

Service Disabled Veteran Owned Small Business (SDVOSB)

Administrative Authority: Small Business Administration (SBA)

Description: The Veterans Benefit Act of 2003 (15 U.S.C. 657f) created the procurement program for small business concerns owned and controlled by service-disabled veterans (commonly referred to as the "Service-Disabled Veteran-Owned Small Business (SDVOSB) Procurement Program"). This federally mandated program provides Federal contracting assistance to eligible SDVOSB firms. The Act also requires that Federal contracting agencies establish an overall strategy and achieve a participation goal of 3% of the total value of all prime contract and subcontract awards for each fiscal year for small businesses owned and controlled by veterans with service-connected disabilities.

Eligibility: The veteran submits an adjudication letter from the Veterans Administration, Department of Defense Form 214, Certificate of Release or Discharge from Active Duty, or a Statement of Service from the National Archives and Records Administration, stating that the veteran has a service-connected disability.

Goal: 3% of prime and subcontracts

Website(s): http://www.sba.gov/GC/indexprogram-vets.html

Women-Owned Small Business (WOSB)

Administrative Authority: Small Business Administration (SBA)

Description: Program was implemented to ensure a level playing field on which WOSBs can compete, open up more opportunities for WOSBs, and enable contracting officers to meet the WOSB goals by specifically limiting, or setting aside, certain requirements for competition solely amongst WOSBs or EDWOSBs. Currently, the overall small business goal is 23% of prime contracts. Prime contractors are required to make a "best efforts" attempt to make use of small, disadvantaged, and women-owned small businesses as subcontractors if the opportunity exists under the contract.

Eligibility: WOSB must be a small business per SBA size standard; must be a woman-owned business where one or more women own 51% or more of the business; are US citizens; and control the day-to-day operations of the business. WOSB must have a Third-Party Certification from an approved SBA Third-Party Certifier or self-certify. In both cases, documentation is required to be uploaded to the SBA WOSB Program Repository.

Goal: 5% of prime and subcontracts

Website(s): http://www.sba.gov/GC/indexprograms-cawbo.html#quanda
http://www.wbenc.org
http://www.nwbc.org
http://www.ccr.gov
Disadvantaged Business Enterprise (DBE)
Administrative Authority: State/Local Transportation Agencies

Description: To create a level playing field for socially and economically disadvantaged businesses to participate in DOT funded contracting and subcontracting opportunities.

Eligibility: The DOT DBE Program is administered by various state and local certifiers, and not all of them have the same requirements. Reference the website below for the NYS DOT DBE eligibility.

Goal: Varies by state

Website(s): New York State DOT DBE Certification: https://www.nysdot.gov/main/business-center/audit/dbe-certification
United States DOT DBE Program: http://osdbu.dot.gov/DBEProgram/index.cfm

Definitions
Socially Disadvantaged – General: Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within the American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantages must stem from circumstances beyond their control

Economically Disadvantaged – SBA will examine factors relating to the personal financial condition of an individual claiming disadvantaged status, including personal income for the past three years, personal net worth, and the fair market value of all assets, whether encumbered or not.

Small Business Administration Size Standard – Size guidelines define the maximum size that a firm (including its affiliates) may be to qualify as a small business for most SBA programs. Size standards are usually reflected as number of employees or average annual receipts. For more information on SBA size standards, visit the website: http://www.sba.gov/size/

For the SBA’s Table of Small Business Size Standards by NAICS code: http://www.sba.gov/content/table-small-business-size-standards
GOVERNMENT PROCUREMENT: BUSINESS PLANNING GUIDE

- NOTES -