

# Selling to the Government

You've heard it said many times, "Government contracting seems hard--so many rules and regulations. And, if you don't follow them, the government is just waiting to take you down!"

Actually, nothing could be further from the truth. The government not only actively seeks out small business participation when it buys products and services, but it also goes to great lengths and spends lots of money in outreach programs to find good, qualified small businesses to be its suppliers. For example, it will provide information that will help you bid with minimal risk. Just for the asking, you can find out how much the government bought the last 5 to 10 times, who they bought from, and how much they paid. Try asking for that kind of information from your commercial customers and see what they say!

In reality, there are many similarities in selling your products or services to commercial customers and selling them to the federal government—the same basic business principles and strategies generally apply. Both want a quality product or service at a reasonable price, delivered on time. And in both cases, you need to know your customers' needs, how they buy and who buys what. You need to do your market research. And whether it is a commercial customer or a buying agency of the federal government, you need to arrange face-to-face meetings so you can better clarify what they want and so they can better understand what your company can do to help them.

However, although the approach to the commercial and government market is similar, the procedures and rules of doing business in the government arena are different—and if these differences are not understood, it is here that problems can occur.

However, all of these problems can be minimized if you take the time to gain some basic knowledge of these procedures and rules and to learn how the process works. (Note that we said "minimized," not "avoided," because Murphy's law is always out there waiting to challenge your commitment to the task.)

## Government Procedures

Let's get started by looking at some of the differences in procedures. First of all, the federal government conducts its business through authorized agents, called contracting officers:

- The Procurement Contracting Officer (referred to as the "PCO") places contracts and handles contract terminations when the contractor defaults.

- The Administrative Contracting Officer (referred to as the “ACO”) administers the contracts.
- The Termination Contracting Officer (referred to as the “TCO”) handles contract terminations when the government terminates for its convenience.

Depending on the situation, the same person may be all three.

Because the government is a sovereign entity (in other words, it is the ruling power), it has rights that commercial businesses do not have. For example, the government has the right to unilaterally revise the contract, so long as changes are within the parameters of the contract.

This means the government can change the quantity it is contracting for, or how it is packaged or how it is being shipped. The contractor is entitled to equitable cost adjustment, but must comply with the changes. The government also has the right to cancel the contract if the need for the product or service no longer exists. Here again, the contractor would be entitled to reimbursement for costs incurred.

Because taxpayer dollars are being spent, the government can impose extensive audit and surveillance requirements under the terms of a contract. However, extensive and stringent requirements are usually imposed only on higher priced contracts (i.e., contracts of \$100,000 or more in value) and thus are not usually applicable to contracts with small businesses.

One of the big fears that small business owners have is that the government will come in and audit their books, go through their files with a vacuum cleaner, and tell them how to run their business. That fear is totally unfounded and far from the truth.

## **Laws and Regulations**

Now let's take a closer look at the laws and regulations that will affect you when you do business with the government. Maybe the easiest way to begin is with a brief history lesson.

Before the earliest law was passed, private individuals furnished from their own resources whatever supplies and materials the government needed. (How well do you think that would work today?) But that all changed with the Purveyor of Public Affairs Act of 1795, which allowed the government to buy needed supplies and materials.

At the beginning of the Civil War, which created monumental needs for the federal government, the Civil Sundry Appropriations Act of 1861 became law, and this continued the principle of advertised procurements for the next 86 years.

When it became apparent that small companies and their labor force needed protection, the Sherman Antitrust Act of 1890 was enacted.

Finally, the Armed Services Procurement Act, signed into law in 1947, continued the sealed bid as the preferred method of procurement, with specific exceptions. It also attempted to place procurement rules in one location. The result was the Armed Services Procurement Regulation (ASPR).

In addition, there are many other laws and Executive Orders that affect how you must conduct your business if you want to contract with the federal government.

For example, the Eight-Hour Work Law of 1892 set the eight-hour workday. The Davis-Bacon Act of 1931 set the minimum wage on the construction site at the local prevailing wage. In 1933, the Buy American Act required the government to buy only American products. The Walsh-Healey Public Contracts Act of 1936, drastically changed in 1994, required a supplier to certify that it was the manufacturer or a regular dealer. This was an attempt to do away with the broker.

Later on, the Small Business Act of 1953 was passed, which established the Small Business Administration. The Truth in Negotiation Act of 1962 required both prime and subcontractors on contracts over \$500,000 to certify the cost data submitted under the solicitation. Public Law 95-507, which amended the Small Business Act of 1978, formalized the Small Business Subcontracting Plan requirement in contracts over \$500,000 to large businesses. At that time, this law was considered a significant change in government procurement practices.

Now we come to the recent laws. The Federal Acquisition Streamlining Act of 1994 (FASA) was revolutionary in its impact on the federal acquisition process. It repealed or substantially modified more than 225 statutes and pushed the contracting process into the 21<sup>st</sup> century.

Among other things, it simplified the federal procurement process, reduced paperwork burdens, and transformed the simplified acquisition process to electronic commerce. Before the law could be fully implemented, the Federal Acquisition Reform Act of 1996 (FARA, also known as the Clinger-Cohen Act) was passed to correct some deficiencies in the earlier legislation and to make more changes. These last two laws were significant events because of the vast changes they made in the way that the government conducts its business. The system is continuing to make adjustments to the new, more open environment.

What was so significant about FASA to the interests of small businesses? Here are some of the specific changes that this law made:

- Changed the small purchase level from \$25,000 and under to between \$2,500 and \$100,000, and provided that all these purchases can enjoy

“simplified acquisition procedures,” which in effect reserves all of these purchases for small business. Two of the main purposes of the simplified acquisition procedures are to reduce administrative costs and to improve contract opportunities for small, small disadvantaged, small service-disabled-veteran, and small women-owned businesses.

- The government was mandated to use electronic means to issue and award small purchases (termed by the law as “Simplified Acquisition Purchases” or “SAP”). That means that for contracts under \$100,000, there is now a tremendous effort by the government to go “paperless.” What does paperless mean? Well, it simply means that the government is entering the era of electronic commerce and technology for doing business. So much for the myth of being buried by government paperwork and red tape.
- Encouraged government buying offices to use credit cards on all requirements under \$2,500. Basically, the intent was to get these “nuisance” buys out of the buying office and simply let the government user buy what was needed quickly and efficiently. This means two things for small businesses: minimal paperwork and a real opportunity for any business that accepts credit cards to increase its business. As we mentioned earlier, in 1999 alone, the federal government spent almost \$10.2 billion in credit card purchases in the under-\$2500 range. The government now just goes to a local store and buys what it needs.
- Established commercial items as the preferred products for the government to buy if they meet the government need; to do otherwise requires a justification as to why it is necessary. This last little change is having a major impact on the process. First of all, it has meant a reduction in government personnel that small businesses have to deal with. The more the government buys commercial items, the less it will need buyers, production specialists, pricing specialists, quality assurance specialists and other personnel that were required when the government designed to its own specifications. Second, it has meant that only if the commercial market cannot satisfy the government’s need can the government buyer require that items be built to government specifications. In other words, most government specifications and standards will be used only with contracts greater than \$100,000, so you, the small business contractor, will have fewer government requirements to worry about.

<b>Government Purchasing Thresholds</b>	
Micro-purchases (credit cards)	for contracts up to \$2,500
Simplified Acquisition Procedures (SAP)	for contracts for \$2,501 to \$100,000
Simplified Commercial	for contracts \$100,000 to \$5,000,000
Commercial Off the Shelf (COTS)	no dollar limits, any dollar size contract
Commercial Items	for contracts over \$2,500

Sealed Bids/Negotiations

FAR Parts 14 & 15 apply for contracts  
\$100,000 and up

<b>Laws that Affect Government Contracting</b>	
Public Law	Result
Purveyor of Public Affairs Act of 1795	Allowed the government to buy needed supplies and materials to perform government functions.
Civil Sundry Appropriations Act of 1861	Continued the principle of advertised procurements for the next 86 years.
Sherman Antitrust Act of 1890	Protected small companies and their labor force from large business.
Armed Services Procurement Act of 1947	Continued the sealed bid as the preferred method of procurement, placed procurement rules in one location and gave us the Armed Services Procurement Regulation (ASPR), which was the beginnings of today's rulebook, the FAR.
Eight-Hour Work Law of 1892	Set the eight-hour workday.
The Davis-Bacon Act of 1931	Set the minimum wage on the construction site at the local prevailing wage.
Buy American Act	Required the government to buy only American products.
Walsh-Healey Public Contracts Act of 1936 (note that this law was drastically changed in 1994)	Required a supplier to certify that it was the manufacturer or a regular dealer. This was an attempt to do away with the "broker."
Small Business Act of 1953	Established the Small Business Administration.
Truth in Negotiation Act of 1962	Required both prime and subcontractors on contracts over \$500,000 to certify the cost data submitted under the solicitation.
Public Law 95-507, Amendment to the Small Business Act (1978)	Formalized the Small Business Subcontracting Plan requirement in contracts over \$500,000 to large businesses. Set goals for large primes.
Federal Acquisition Streamlining Act of 1994 (FASA)	Revolutionary in its impact on the federal acquisition process. It repealed or substantially modified more than 225 statutes and pushed the contracting process into the 21 <sup>st</sup> century. Among other things, it simplified the federal procurement process, reduced paperwork burdens, and transformed the simplified acquisition process to electronic commerce.
Federal Acquisition Reform Act of 1996 (FARA) or (Clinger-Cohen Act)	Before FASA could be fully implemented, this Act became law and corrected some deficiencies in the earlier legislation and made more changes.

## **Federal Acquisition Regulation**

No discussion of government procedures and rules is complete without talking about the basic rulebook for government contracts: the Federal Acquisition Regulation, commonly known as "the FAR."

The FAR, which had its beginnings in the Armed Services Procurement Regulation established in 1947, is considered the Bible for federal government contracting. The FAR contains all the rules governing the contracting process as well as all the forms and clauses used in contracts.

The FAR has recently gone through a significant rewrite to reflect and implement all of the changes made by all the recent laws. In order to do business with the federal government, you definitely need to have a basic knowledge of what is in the FAR and how to use it.

The FAR is divided into 53 parts, each part dealing with a separate aspect of the acquisition process. The first six parts deal with general government acquisition matters and the next six parts deal with aspects of acquisition planning. The rest of the FAR deals with other topics, such as simplified acquisition threshold (formerly known as small purchases), large dollar value buys, labor laws, contract administration, applicable clauses and forms.

Relevant parts for small businesses include Part 19, Small Business Programs, and Part 52, which contains the standard terms and conditions contained in a government contract.

Although the FAR is the primary acquisition regulation for the federal government, each government agency may issue an agency acquisition supplement to the FAR. We therefore have the Defense Federal Acquisition Regulation Supplement (DFARS), the General Services Acquisition Regulation Supplement (GSARS), and the National Aeronautics Space Administration FAR Supplement (NASFARS), just to name a few. Many of these are on the Internet at the agency's web site.

These supplements are not stand-alone documents, but must be read in conjunction with the FAR. Therefore, when preparing a proposal or quote, remember to look at the relevant supplement, in addition to the FAR, to make sure added requirements don't apply. The FAR has more than 1000 pages and a supplement may be another 1000 pages, but only a relatively small portion is used in any single contract. That is why it's important, when dealing with a government office, to ask which regulation governs their acquisition procedures. Make sure that you read any changes to the rule before you quote. Don't assume, ask!

Just remember that the government is ready to do business, on a competitive basis, with competent, qualified companies that can supply the products or services it requires at a reasonable price. You, the new contractor, must know what their game plan is. Once you have some understanding of the federal buying process, you can enter this market with greater confidence and be successful and profitable.

## Ten Steps

OK, so what do you have to do to actually sign that first deal with the government? We have broken down the actions you need to take into ten steps and we will guide you through the process of completing each one. Although we are presenting the actions you need to take in a step-by-step fashion, it does not mean that they need to be done one at a time. They can be done simultaneously or in a different order, depending on your circumstances.

1. **Think Like the Government:** Start thinking about your business the same way the government does; as the provider of an end product. By thinking in terms of output, and not process, you'll be more likely to make a connection leading to a deal..
2. **Identify Your Customers:** The buying offices of the federal government don't know you're out there, but you can find them if you know where to look..
3. **Get Registered:** Before you can start bidding on contracts, the government needs to know who you are and what you do. A mistake or omission at this point could severely hurt your chances of landing a contract, so we'll tell you what to do step-by-step, including how to decipher all the government codes involved in such a process.
4. **Find Bid Leads:** The government is required by law to inform all potential contractors of what they're looking for, but are you listening? There are a number of outlets for this information, and one is best for you and your company.
5. **Get the Bid Package:** You've got the lead, now you need to get your hands on the specifics. Find out how to get the bid package and how to understand its particular pricing arrangement.
6. **Review the Bid:** The solicitation you've just received has the potential to be a binding contract. Know what to read and how to read it to maximize your chances for success.
7. **Get Technical Data:** To successfully complete your bid, you'll need to do some research. Learn what types of specs may apply and how to get the correct data to comply with the order.
8. **Price It Out:** In a competitive bidding process, price is the determining factor. And if your bid is accepted, it will literally make or break your company, so know what factors to consider.
9. **Write Your Proposal:** This is a formal procedure that must be completed exactly. We take you through it line-by-line, explaining it all.

10. **Submit Your Bid:** Submission of your bid is the final step in a contracting process full of fine print. Know the best ways to keep your bid from being kicked out at the last second.

## Think Like the Government

You are now ready to get started. You might imagine that the first thing you should do is get out there out and look for all those government buyers and bid opportunities, right?

Not so fast. Before you take any action at all, there is one thing you need to do that will greatly increase your rate of success in finding opportunities and winning contracts: Learn to think the same way the government does when it does business.

A commercial company and a government buyer may need the same item, but their approach is very different. For example, when a commercial company looks to buy an item, the buyer is very familiar with the item being bought and knows exactly what type of process--be it welding or stamping or extrusion or metal finishing--is used in making the particular item. Therefore, when it is looking for a supplier of that item, it thinks in terms of the process and looks for a welding company or a stamping house or metal finisher, as the case may be.

On the other hand, when the government buys, it knows the item it needs (e.g., a gear, a resistor, a coffee cup, a spring, a bolt, a pencil), but it does not know the process or type of company that makes the item. The buyer is merely given a requirement (one or more items of some kind) and the technical data package and puts them out for bidding. Therefore, when the government is looking for a supplier, it thinks in terms of the item and looks for companies that have indicated that they can produce that item.

As you look for contracting opportunities, it is crucial that you think the same way. Think of your business in terms of your output; the products or items that you make and, perhaps more importantly, the items that you are capable of making. Think of how you can use your same equipment and process to make things that the government needs and wants; perhaps things you never even considered before.

If you think in terms of your process, for example, if you think of your company as a screw machine shop, you will be facing a much bigger challenge in trying to find government opportunities. Why? Because the government does not purchase items described as "screw machine products," it buys nuts, bolts and screws.

How you think of your business can affect your success more than you imagine!  
What are your company's capabilities?

## **Identify your Customers**

Now that you are thinking of your business in terms of the end items that you are capable of providing, you are ready to identify prospective customers: the buying offices within the federal government that have a need for your product or service.

A simple rule of thumb is that if the item is a commercial-type or general-purpose item, there is a good chance that the General Services Administration (GSA) buys it for both the military and civilian offices. Think of the GSA as the "Sears and Roebuck" of the government. This doesn't mean that the military or a civilian office won't be using the product; it just means that the GSA may issue the contract, and other government offices, both military and civilian, can buy off of that contract.

If your company produces or provides an item or service that is commercial or general purpose in nature, there is a good chance that you will be marketing your company to the General Services Administration (GSA) instead of individual government buying offices. The GSA negotiates contracts for these sorts of products and services with commercial businesses, and then both the military and civilian government offices buy off those contracts. (Examples of such products and services could be anything from furniture products and services, cleaning supplies, copier equipment, hardware and appliances to marketing, media, and public information services; paints, pest control, financial services, and training and travel services, just to name a few.)

If this is the type of product or service you sell, be sure and read "Get to know the GSA," in which we take you through the entire process of making the GSA--sometimes thought of as the Sears, Roebuck for the federal government--one of your customers.

## **FedBizOpps**

One way to locate potential government customers is through FedBizOpps (Federal Business Opportunities), the official web site listing of all federal government contracting opportunities and awards over \$25,000. Government buyers are able to post information about their business opportunities directly to FedBizOpps via the Internet at [www.fedbizopps.gov](http://www.fedbizopps.gov).

This web site is updated every business day, with approximately 500-1000 new notices being posted on a daily basis. In addition to identifying specific government buying offices (your potential customers), you can also use this web

site to find the person within each buying office who is there to answer questions and provide information to small businesses looking to sell to that office.

Here's how to proceed. For demonstration purposes, let's assume that you want to identify the government buying offices for the Department of Energy:

1. Go to <http://www.FedBizOpps.gov>.
2. Click on the FedBizOpps VENDORS button.
3. Choose whether you want to find an agency by acronym (e.g., DOE) or alphabet listing. Note: To get to information about the Department of Energy (or any other "Department of ..." listing), look under "D" for Department, not "E" for Energy. Also note that you can get a listing for the Department of Defense (DoD) only in the "Alphabetic Order" area.
4. If you choose to find the agency by Acronym, the government buying offices for the agency you chose will be listed on the left-hand side of your screen. If you choose to find the agency by Alphabetic Order, click on the appropriate alphabet group, scroll down to the agency that interests you (e.g., Department of Energy), and click on "Offices" next to the agency to get to the list of buying offices.
5. To find the Small Business Office liaison or coordinator for the buying office you are interested in, click on either the "Posted Dates" or "Class Codes" heading that appears next to the particular office to get a list of current bid opportunities for that office. If you open any one of the synopses, it will list Point of Contact information for that particular opportunity. Just contact the person who is listed and ask for the Small Business Office associated with that government buying office. The Small Business Office can answer any questions and provide more information about that buying office's requirements.

Instead of doing the work yourself, you can subscribe to a "bid matching" service to provide you with leads on bids and prospective customers. The bid service, with your help, will develop a company profile using keywords and government product and service codes to help match your company's capabilities to the needs of the government.

Using that profile to screen for suitable leads, the bid service will then search on the Internet for opportunities and will also get bid opportunity information directly from the government. You will receive the leads by e-mail, and all you have to do is decide whether to bid. However, keep in mind that this service only provides the leads; it will not help you understand a particular bid.

You can locate a bid-matching service by searching on the Internet under "bid matching" or "bid matching service," or by asking for a referral from the small

business specialist in the government buying office or from your local PTAC. Since bid lead services are usually not close by, contact is by phone or e-mail.

## **General Services Administration**

As previously mentioned, if a product or service is a commercial-type or general-purpose item, there is a good chance that the General Services Administration (GSA) buys it for all government offices.

GSA, one of the largest agencies of the federal government, helps other federal agencies acquire the products, services, consulting advice, space, real estate, and vehicles they need from federal and commercial sources. It acts as a catalyst for approximately \$66 billion in federal spending annually, which accounts for more than one-fourth of the government's total procurement dollars.

GSA simplifies government buying and reduces government costs by negotiating large multi-user contracts and by leveraging the volume of the federal market to drive down prices. Federal agencies then place orders against these contracts. Orders are placed in a variety of ways-through GSA customer representatives or catalogs, phone or fax, charge cards, electronic requisitioning, in-person auctions, the Internet, or by contacting suppliers directly. All GSA contracts are awarded for a period of five years, and most GSA contracts are for standard services and "commercial off-the-shelf" (COTS) products and equipment in three major areas:

- general-purpose supplies, equipment, and services
- building construction, repair, and maintenance
- information technology and network services

GSA actively seeks large and small businesses able to provide nationwide or local services and products. GSA contracts are advertised, awarded, and managed by GSA headquarters and regional offices. All GSA contracting opportunities over \$25,000 are advertised on the [FedBizOpps web site](#).

So, as you can see, if your business provides commercial-type or off-the-shelf products or services, GSA is a potential customer that you want to get to know and learn how to do business with. And, as you can also see, it is easy to understand why GSA is sometimes referred to as the "Sears, Roebuck" for the government.

### **GSA Service Organizations**

The GSA has three service organizations:

- *Public Buildings Service (PBS)* -- This is the largest public real estate organization in the U.S., maintaining more than 339 million square feet of

workspace for more than one million federal employees in more than 1600 cities, with an inventory of 1800 government-owned buildings and 6500 leased locations.

- *Federal Technology Services (FTS)* -- This provides federal employees with the information technology and telecommunication solutions they need.
- *Federal Supply Service (FSS)* -- This provides federal and other customers with the products, services, and programs they need to meet their supply, service, procurement, vehicle purchasing and leasing, travel and transportation, and personal property management requirements. This is done by bringing hundreds of thousands of federal customers together with almost 9000 contractors through FSS's five primary business lines:
  - Commercial Acquisition
  - Travel & Transportation
  - Vehicle Acquisition & Leasing Services
  - Personal Property Management
  - Supply [Customer Supply Center (CSC)]

## **Getting on Schedule**

Like any business looking to sell its products or services to the government through the GSA, your goal is to get on a "GSA Schedule" and obtain your "GSA number." Here's what that means.

GSA manages what is called the Federal Supply Schedules Program, which has two parts: the Single Award Schedules (SAS) and the Multiple Awards Schedules (MAS).

Single Award Schedules are contracts made for a specific product at a stated price for delivery to a geographical area, as defined in the SAS schedule. The distinguishing principle here is that these contracts are for a specific item only.

The more popular Multiple Award Schedules (MAS) are long-term, government-wide contracts with commercial firms (more than 9000 at the time this was written) that provide commercial services and products that can be ordered directly by government buyers from GSA Schedule contractors or through GSA Advantage!, GSA's online shopping and ordering system. GSA Schedules cover a vast array of brand name items from office supplies and copier paper to systems furniture and from computers to laboratory equipment as well as a wide range of services, such as accounting, engineering, management, graphic design, and landscaping.

To "get on schedule"--become a GSA Schedule contractor--you must first be awarded a contract. In order to obtain a GSA Schedule contract, you must submit an offer in response to the applicable Schedule solicitation. GSA uses practices

similar to those found in the commercial buying arena and awards contracts to responsible companies that offer commercial items falling within the generic descriptions in the Schedules (these descriptions are referred to as Schedule Item Numbers or SINS). Contracting Officers determine that prices are fair and reasonable by comparing the prices or discounts that a company offers the government with the prices or discounts that the company offers to its own commercial customers (known as "most favored customer" pricing). In order to make this comparison, GSA requires companies to furnish commercial pricelists and disclose information regarding their pricing/discounting practices during the application process.

Why would government buyers prefer to order via GSA Multiple Award Schedules instead of procuring on the open market? There are some very good reasons. When government buyers place orders against a GSA MAS contract, they are considered to have met federal regulations regarding competition, pricing, and other socio-economic requirements. In addition, government buyers know that to be "on schedule," GSA Schedule contractors have already been screened for quality, responsibility, reliability, and other criteria during the application process; therefore government buying offices save the time, money, and trouble of having to go through that process themselves.

- We assume that, at this point, you are seeing some benefits in getting your company "on schedule." Although the process can be somewhat long and complicated, it can be worth it to you and your company

## **Marketing a GSA Schedule Contract**

Obtaining a Schedule contract can be a bit overwhelming and time-consuming. However, when you are finally awarded a contract, your hard work is definitely not over. If you want to really capitalize on your new opportunity and generate sales against your hard-earned contract, you will now have to actively market your contract to potential buyers. As many GSA Contracting Officers will tell you, getting "on schedule" and having a GSA contract is only a license to "hunt" for opportunities.

Here to help you in your hunt is a five-step approach to marketing your company to all the federal agencies that shop for suppliers through GSA. Note that the first two steps--the Federal Supply Schedule Price List and the GSA Advantage!--are not options; they are required by regulation to be included in every GSA Schedule contract.

**Step 1** -- Design your Federal Supply Schedule Price List and develop a distribution list. When you are awarded a GSA Schedule contract, you are required to prepare, print, and distribute a document called the Federal Supply Schedule Price List. Think of this price list as an important marketing piece for your new GSA Schedule contract. The price list, which is designed by each individual contractor, covers 26 specific points designated or negotiated in the contract itself, such as, F.O.B. Point, Discounts, Foreign Items, Warranty Provisions, Production Points, Delivery Times, SIN numbers, Minimum Order, and Maximum Order.

When designing your own Federal Supply Schedule price list, it is best to keep it simple and short. A one-page flyer covering only the required 26 points specified in your contract usually is best. (You can give details about your product details in your brochure or catalog.) It is very important to make sure that all the information in your price list is correct. Inclusion of incorrect information will require you to go to the time and trouble of correcting, reprinting, resubmitting, and redistributing your price list.

The price list must be distributed to a Customer Mailing List provided to you by the Contracting Officer. The mailing list can be provided in a computer disk format or as gummed labels. You can refer to the original Schedule itself for the approximate numbers of Customer Mailing List labels or contact the Contracting Officer for the count. The total number of customers on each mailing list can vary, depending on the product or service, from less than 500 for some service categories to over 10,000 for office supplies.

When mailing the Federal Supply Scheduled Price List to your prospective customers, be sure to include your company brochure and other literature about your product or service. You may also include your regular company price list, but it is not necessary. Generally, the mailing/distribution should be done within 30 days of the date your contract was awarded. For best timing, do your mailing/distribution after your company's contract is on the GSA Advantage! system.

**Step 2:** Prepare your electronic company catalog and submit it to GSA Advantage! The GSA has a very sophisticated online shopping and ordering system known as GSA Advantage! Using this menu-driven database system, government buyers can search for the products they need, compare prices and product information (in cases where there is more than one supplier), and place their orders.

As a GSA Schedule contractor, you are required to submit your electronic company catalog to GSA Advantage! no later than six months after your contract award. However, it is best to do this within the first 30 days, if possible.

You can submit your electronic company catalog into the GSA Advantage! system by using the Schedule Input Program (SIP) software, available for downloading at the GSA Vendor Support Center (VSC) web site. The VSC staff is there to assist new contractors with the preparation and submission of their electronic catalog data and can be reached toll-free at 877-495-4849. Note: New Schedule contractors must first register at the VSC web site in order to get a login and password to use with the SIP software.

When entering your information, be sure to:

- Use either the Option or the Accessory Tool when listing the sub-categories for each of your products (or services), such as color or style choices.
- Mark any special categories for each product, such as "recycled materials" or "energy efficient."
- At each product listing on GSA Advantage!, use the link option to your company's web site.

As you prepare your electronic catalog, it is critical to your success to keep in mind that GSA Advantage! is the principal marketing tool for a Schedule contractor to the buying agencies that will use it. There are some things you need do to maximize your marketing potential.

First, when entering your product data into the SIP software, don't use only two or three words to describe your product or service -- take advantage of all three lines that you are allowed for this purpose. This allows you to do some marketing by including important or unique details about your product.

Second, make sure that the words and phrases you are using are the most effective possible. (The "most effective" are those that will lead government buyers to your catalog listing and convince them to buy your products over other similar items in the system.) The best way to do this is to do some research and searches of your own in GSA Advantage!. Experiment with various words and phrases to get a sense of what "works" in a listing and what does not. For example, which terms work best as search words? Do sentences or just phrases work best for your type of product? Which listings come up first? Look at how your competitors have their information in the system. How do they list product part numbers? How are names listed--e.g., HP or Hewlett Packard?

Lastly, make sure that all the information that you have entered is correct, including grammar and spelling. Your information will appear in the system exactly how you key it in, errors and all. After it is submitted, you will not be able to go back into the system to correct or improve your information. GSA is reluctant to allow any changes unless there is a change to the contract itself.

We realize that the initial set-up on GSA Advantage! can be very time-consuming, especially if you have many products/services to enter. But because submitting your company's electronic catalog is basically a one-shot deal, your efforts to make it right--and to make it marketable--are worth it.

**Step 3:** Place an ad in GSA's *MarkeTips Magazine*. GSA's *MarkeTips Magazine*, which is mailed to more than 150,000 federal and DoD buyers and end-users worldwide every two months, provides an opportunity for you, as a GSA contractor, to promote your products to the federal marketplace. Best of all, the advertising space in *MarkeTips* is free of charge for GSA contractors. But because space is limited, advertising space is offered on a first-come, first-served basis and vendors are limited to two ads per year per GSA contract. But, again, the ads are free.

To get started, send an email to [gsa.marketips@gsa.gov](mailto:gsa.marketips@gsa.gov) and request the latest *MarkeTips* Advertising Specifications and Guidelines for vendors. (You can also check the *MarkeTips* web site for more information. It includes a Media Kit containing a number of useful documents, including ad specifications and instructions, logos required for *MarkeTips* advertisements, GSA points of contact, and a glossary of terms that you may not be familiar with.) Be sure and read the ad specifications carefully as they change from time to time.

To obtain copies of current and future issues of the magazine, send an email request to [cmls.gsa@gsa.gov](mailto:cmls.gsa@gsa.gov).

Make getting your free ad in GSA's *MarkeTips* a priority in your marketing efforts. It should be done within the first 30 days after award.

**Step 4:** Use GSA logos on all your marketing materials. A great way to market a new GSA contract is by incorporating one of the "GSA Schedule" or "GSA Contract Holder" logos, along with your contract number(s), into your company's marketing materials and brochures. Be sure to also include a GSA logo on your company's home page. Simply go to this site and download the logos you prefer.

**Step 5:** Make your web site "GSA-friendly." Some companies have a separate web site for federal agencies via their link from the GSA Advantage! system. But an even easier approach is to make updates or changes to your company's web site to reflect your new GSA contract. Here are just a few possible changes to consider:

- Use one of the GSA logos with your contract number on your home page.
- Provide a link from your company's web site to your company's product listing on the GSA Advantage! web site. Contact the Vendor Support Center staff (see Step 2) for help, if needed.

- Establish a special company e-mail just for GSA Schedule inquiries. Be consistent by also using this new e-mail address on the Federal Supply Schedule Price List form and on the GSA Advantage! web site.
- Use any of the special symbols (e.g., energy-efficient, recycled, environmental items) for which your company's products qualify on your company's web site. Again, be consistent and use the same symbols on products listed on the GSA Advantage! web site.

In addition, here are some more miscellaneous marketing ideas:

- Market your GSA contract to any local federal agencies in your area that might have a use for your product or service. Consider your local U.S. Post Office, IRS Office, VA Hospital, FAA Authority, National Guard facilities, etc., as possibilities.
- Subscribe to professional journals and industrial or trade magazines that cover your line of business. Run ads in the publications that government employees might read. Be sure to include the GSA logo with your company contract number in the ads.
- Participate in GSA's Small Business Outreach events. For more information, call the Office of Enterprise Development at 202-501-1021.

## **Central Contractor Registration**

Any company, large or small, wishing to do business with the Federal government must register in the Central Contractor Registration (CCR), the central databank for government contractors.

To register, access the CCR database and enter the required information about your company. CCR contains both mandatory and optional fields, and although your application will be considered complete if you fill out just the mandatory fields, we strongly recommend that you fill out *all* fields. Since government buying offices use the CCR database to help them identify companies that might be able to provide the goods and services they need, it is to your advantage to provide a complete picture of your company's capabilities and qualifications. We also recommend that you gather all the required information and have it at hand before you go into the database.

## **Writing a Proposal**

- **Write your proposal like a sales document.** Your proposal must sell your company's ability to meet the requirements, to fulfill all of the stated conditions, and to deliver on time. Be specific and direct, being vague will only demonstrate that you do not understand the requirement and will create questions in the minds of the evaluators. Substantiate your promises and assertions with facts and details. Your goal is to persuade

- evaluators that your offer is superior to those of competing companies and to prove that your company can do the job.
- **Demonstrate a complete understanding of the stated requirement or problem.** This may sometimes be a challenge. While, in some cases, the government buying office will know exactly what it needs, in other cases, it may not know or may use conflicting or vague terminology. In either event, it is *your* responsibility to demonstrate your understanding of the requirement; it is not the responsibility of the buying officer to interpret your understanding. If your proposal does not respond to the stated requirement or responds to only part of the requirement, it will not be considered for a contract award and may not even receive a complete evaluation.
  - **Demonstrate that you are qualified.** This means that not only must you demonstrate your understanding of the problem or requirement, you must also demonstrate your ability to solve or meet it. Include your staff's qualifications, relevant facilities and equipment, as well as any other qualifications that are specific to the project you are bidding on. Your proposal should clearly communicate your ability to successfully perform the contract. Documentation of successful fulfillment of past contracts may also help prove your point.
  - **Respond to the stated evaluation criteria.** Section M of the solicitation identifies the factors that the buying office will look at when evaluating your proposal. Cost is but one factor. If your proposal does not respond to these criteria, it will be judged to be technically unacceptable and will not be considered for contract award.
  - **Follow the required proposal format.** Section L of the solicitation specifies which topics should be covered in your proposal as well as the order in which they should be presented. If you do not follow the required content format and organization, you risk neglecting or omitting important information, which will result in rejection of your proposal.
  - **Provide adequate management and cost information.** Demonstrate your ability to manage the work and account for all of the costs involved in performing the contract. Also provide adequate cost and pricing data.
  - **Proofread and critique your proposal.** Writing an effective proposal requires time, patience, and care. Be prepared to write, evaluate, and rewrite, as necessary. Rewriting gives you the chance to improve the quality and responsiveness of your proposal. Pay attention to detail. Good grammar and spelling count. If necessary, ask another person with those skills to proofread the final draft for you.
  - **Provide clear explanations.** If you use abbreviations, acronyms, or in-house or trade terms, make sure that you spell them out or define them, at least the first time they are used. You might refer to something like "ASC II" and assume that all those who read your proposal will know what you mean. They may not. It could end up costing you some points, since you are not being clear on what you are trying to say.

- **Attend a proposal-writing workshop.** There are a number of good ones offered through Procurement Technical Assistance Centers.
- **Keep a database of all your project proposals.** This can end up saving you time and money down the road. The next time you have to write a proposal, you can go back and perhaps use all or part of a proposal that you did in the past.

## **Packaging and Shipping**

As we have already mentioned, packaging requirements are a big deal when you do business with the government. They need to be carefully considered and analyzed, not only in pricing out a bid, but also in implementing a QA program. To aid your understanding, we think it would be helpful to define the terms "packaging" and "packing" the way the government defines them.

**Packaging** is defined in the Governments Contract Dictionary as:

- "an all-inclusive term covering cleaning, preserving, packaging, packing, and marking required to protect items during every phase of shipment, handling, and storage."
- "The methods and materials used to protect material from deterioration or damage. This includes cleaning, drying, preserving, packing, marking and unitization." (Unitization is a government term that defines the "unit" of shipment and refers to a grouping of items for shipment.)

**Packing** is: "the assembling of items into a unit, intermediate, or exterior pack with necessary blocking, bracing, cushioning, weatherproofing and reinforcement."

The reason that we defined these terms is that some companies might think that if they produce a quality part, all they need to do when they ship is drop it in a box with some of those "peanuts" and send for UPS. As the definitions imply, there is more to it; a lot more. To further illustrate, let's look at what might be required in the packaging of a part that might be used by the Army.

Assume that your company was contracted by the Army to manufacture a simple, inexpensive item, specifically a "block" consisting of a metal piece approximately 2x4 inches made of a specified material that will withstand high pressure.

So how would you have to package this little block? Under typical government packaging requirements for such a product, the block must first be packed into a plastic package. The plastic package must then be put into another pack that is cushioned and reinforced. A water/vapor seal is then put over the entire package. The sealed package is then packed into a shipping container.

Sounds like a lot for just one item, right? Well, that little block is part of a 155 mm howitzer cannon and is used to fire rounds (those big pointy things that explode

when they land). And although this may seem a somewhat roundabout and melodramatic way to show the importance of packaging, the typical civilian usually does not realize how the part he or she is working on will be used or delivered to its ultimate destination. The little block might be headed for a 10,000-mile flight, dropped out of a plane at 5,000 feet, and must be ready to work the first time, and every time, when it lands.

In addition, as electronic technology becomes more complex, expensive and sensitive to damage, protecting electronic products and the work environment is a key government goal. And one place this is reflected is in packaging standards.

So although packaging requirements on a government contract can sometimes seem complex and difficult, if you're smart and do your homework, you can be successful at meeting the challenge.

### **Packaging Levels and Specs**

The government uses 3 levels of packing and protection:

1. Level A, Maximum Protection, is used for the most severe shipment, handling or storage conditions, or for unknown transportation or storage conditions. Examples: All-wood boxes, sheathed crates, plastic or metal specialty containers.
2. Level B, Intermediate Protection, is used for known and favorable shipment, handling and storage conditions. Examples: Single-, double-, or triple-walled, weather-resistant fiberboard, sealed at all openings.
3. Level C, Minimum Protection, is used for known and most favorable shipment, handling and storage conditions. Example: Domestic fiberboard or paperboard.

To give you an overview of what is involved in "packaging," we are listing three packaging specifications, below. But because this area is so complex, we recommend that you get an expert to help you.

You can contact the government office administering your contract and request help from a government packaging specialist. Or, better yet, you can find a packager that has experience in working with the government and form a partnership with that company. Then you, the packager, and the government will all come out fine.

<b>Sample Packaging Specifications</b>
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MIL-STD-2073-2	Packaging Requirement Codes	\$48.00	C	10/01/1996	85
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MIL-STD-726	Packaging Requirement Codes	\$93.00	H	06/23/1993	208
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