North Carolina Military Business Center: Introduction to Federal Contracting

11 Sept **2024**

Presented by:

William Simons simonsw@ncmbc.us



CONNECTING MILITARY AND BUSINESS

ncmbc.us DEFTECH.nc.gov MatchForce.org



Agenda

- Welcome
- North Carolina federal market overview
- How the government purchases goods and services
- Federal contracting business development programs
- Leveraging the market NCMBC services, tools
- Getting started in the market
- Finding opportunities and next steps





Welcome

Each year, the government awards hundreds of billions of dollars in federal contracts to businesses like yours to meet the needs of the military and federal agencies. The government's goal is to award at a minimum 26 percent of those contracts to small businesses.







Welcome

To sell your products or services to the federal government, your business must meet specific requirements. Although the contracting process can seem complicated and overwhelming at first, the government provides information and tips to help you learn to compete as a federal contractor in North Carolina.







Agenda

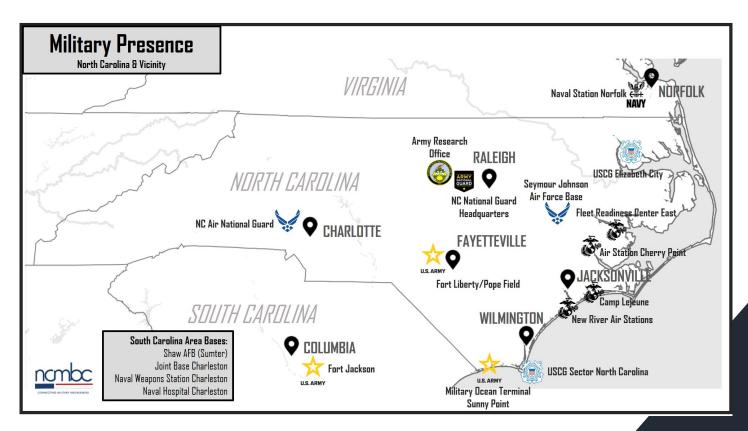
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Situation: Military Presence

- 4th highest active duty military presence in US
- 6 major installations (5 DoD/1 DHS)
- Over 100 National Guard
 & Reserve facilities
- 130,000 active, Guard and Reserve personnel
- 18,000 annual transitions







Situation: Military Impact on NC Economy

Total Annual Impact: \$79.7 billion*	Gross State Product: 12.7%
Military/civilian payroll: \$19.2 billion	(Second largest sector of NC economy)
Over 653,000 jobs impacted	Personal income: \$49 billion
Federal contracts, FY23: \$7.38 billion**	DoD contracts, FY23: \$4.11 billion**
Subcontracts: additional billions	

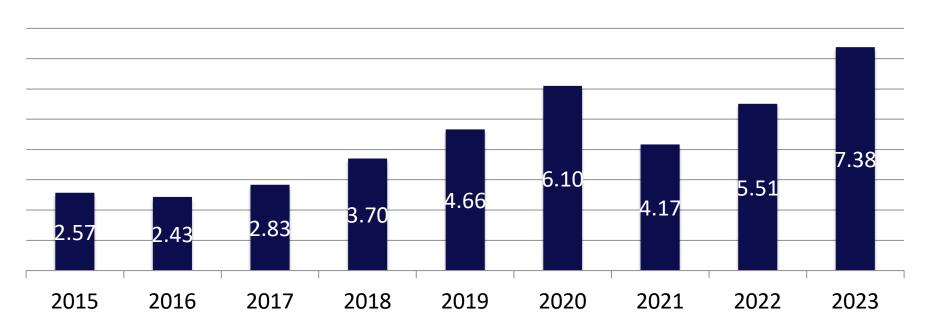
^{* &}quot;The Economic Impact of the Military on North Carolina," NC Department of Commerce, 2022 **Federal Procurement Data System, as of 03 MAR 2023



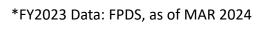


Situation: Federal Procurement, FY2023

Prime contracts, DoD in NC: \$4.11 billion (79 Counties):



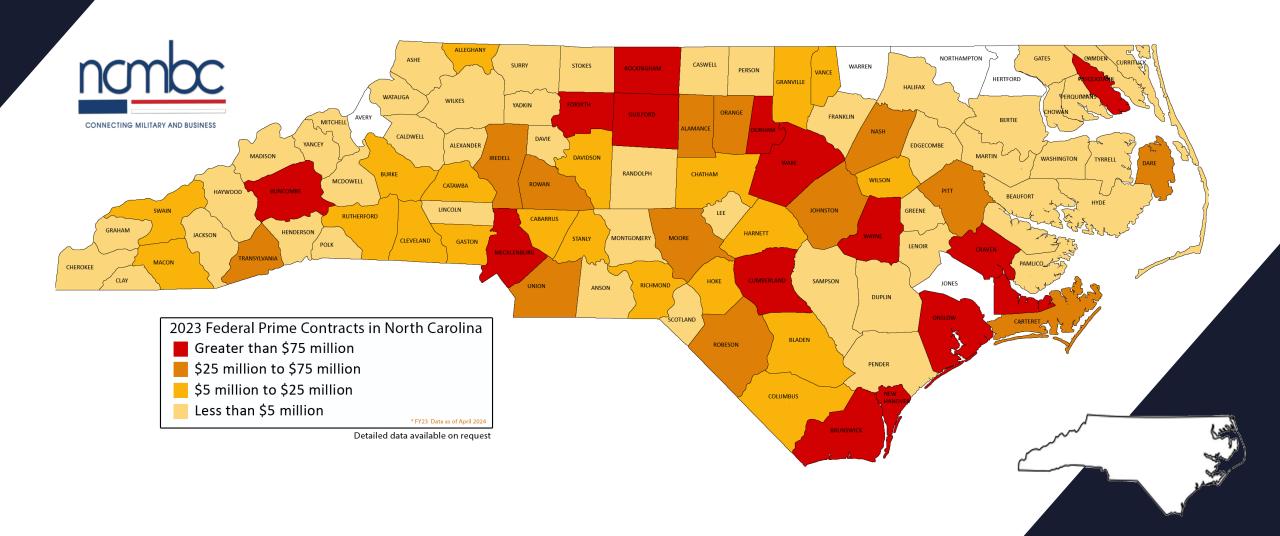
Prime contracts, federal in NC: \$7.38 billion (95 Counties)







Situation: Federal Procurement, FY2023





Positioning Your Business to Engage

- Need computer and internet access the government does everything online
- Best for firms with at least two years of sales, in business for two years
- Record of experience and (good) past performance commercial and subcontracting past performance is acceptable
- Must be competitive, as well as technically and financially capable
- High competition no easy sales, not a lifesaver for struggling businesses, teaming often critical





Positioning Your Business to Engage

Research

In order to bid on and win government contracts, you'll need to know what products and services the government buys — and at what price. Spend time upfront to make sure there's a market for your product(s) or service(s), determine how big the market is and find potential buyers.

Federal Procurement Data System (FPDS)

The Federal Procurement Data System – Next Generation is the repository of all federal contracting data for contracts over \$25,000. You can see which agencies have contracts and with who, what agencies buy, and which contractors have contracts.



Positioning Your Business to Engage

USASPENDING.gov

<u>USASpending.gov</u> tracks government spending through the contracts it awards. This searchable database contains information for each federal contract. You can use this information to help identify government purchasing trends by county and state.

Federal Agency Procurement Forecasts

Each government agency releases a procurement forecast that includes contracting opportunities for small businesses. You can review these Agency Recurring Procurement Forecasts to find out if there are agencies that buy what you sell. Data is loaded on www.ncmbc.us future opps database.





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"Who's Who" and "What's What" in federal acquisition

- Users (with requirements)
- Contracting Offices (acquire goods, services for users)
- Federal acquisition regulations (and supplements)





Prioritized Sources

- Competitive Procurement
- Unsolicited procurement
- Micro-purchases
- Agency inventories
- Other agency excess
- Federal Prison Industries
- Ability One
- Wholesale supply sources (Defense Logistics Agency, <u>DLA</u>)
- General Services administration, mandatory, then optional federal supply schedules (<u>GSA</u>)





Commercial sources including:

- Competitive
- Indefinite Delivery Indefinite Quantity contracts (IDIQ)
- Multiple Award Construction Contract (<u>MACC</u>) (construction)
- Multiple Award Task Order Contract (<u>MATOC</u>) (construction)
- Single Award Task Order Contract (<u>SATOC</u>)
- Sole Source Set Asides (uncommon and not a guarantee)





Rules depend on the "color of money" and value of the procurement

- •Appropriated Funds: monies allocated by legislation passed by Congress and signed by the President. Appropriated Funds are usually specified in Congress's yearly budget or continuing resolution. Appropriated Funds may only be used for the purpose for which they were appropriated.
- •Non-Appropriated Funds: monies derived from sources other than Congressional appropriations and commissary surcharge funds, primarily from the sale of goods and services to DoD military and civilian personnel and their family members that are used to support Morale, Welfare, and Recreation (MWR) programs.



Appropriated Funds

- Government seeks to give businesses a fair chance to compete
- Government may use "best value" may not be lowest price
- Purchasing Laws are followed in accordance to:
 - Code of Federal Regulation
 - Federal Acquisition Regulation (<u>FAR</u>)
 - Defense Federal Acquisition Regulation (<u>DFAR</u>), or...
 - Other Federal Agency Supplements





Appropriated funds, up to simplified acquisition threshold (\$250,000)

- Micro Purchases Up to \$10,000
 - Not required to solicit competitive quotes
 - Price must be reasonable
 - Usually paid by Government Purchase Card (GPC)
 - Many federal employees have GPC's and make small purchases everyday





Appropriated funds, up to simplified acquisition threshold (\$250,000)

- Acquisitions, over \$10,000 and up to \$25,000
 - Set—aside for small business (SB)
 - Handled by (on base) contracting officers
 - 3 quotes from vendors they know and locate
 - Award based on low best price/delivery requirements





Appropriated funds, up to simplified acquisition threshold (\$250,000)

- Acquisitions, over \$25,000 and up to \$250,000*
 - Usually set aside for small business (SB)
 - May use "Best Value," not always the lowest price
 - Solicitations posted and competed on SAM.gov (and also emailed if you are in MatchForce!)
- * Exceptions: threshold higher for contingency, emergency, disaster, humanitarian and/or peacekeeping operations



Appropriated funds, over simplified acquisition threshold (\$250,000)

Purchases over \$250,000

- Subject to other federal business development programs/ "set asides"
- Past performance will be one factor in the decision process
- May require a technical proposal
- More formal process companies must follow instructions in the Request for Quote (RFQ) or Request for Proposal (RFP)





Non-Appropriated Funds

- Spent by MWR (Army), MCCS (Marines) to support troops
- No need to register anywhere (but you should)
- Rules and processes are simple
 - If <\$10,000, competition is not required
 - \$10,000 to \$150,000 must solicit two sources
 - Purchases >\$150,000 a minimum of three qualified sources.
- Market your business directly to the buyers





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Federal Contacting - Small Business Programs



8(a) Business Development Program – must be verified and certified by the SBA.



<u>Woman-Owned Small Business Federal Contract Program</u> – must be verified and certified by the SBA.



<u>HUBZone Program</u> – Historically Underutilized Business zones – company must be verified and certified by the SBA.



<u>SDVOSB Program</u> – Veteran-owned business – company must be verified and certified by the SBA.



Federal Government has instituted business development programs to meet national policy goals

- Firms that qualify:
 - Help the Government agency meet its mission first and then its set aside goals
 - May only have to compete with similar firms
 - May get a price preference
 - Help prime contractors meet their goals
 - May receive contracts on a sole source basis





Federal Contacting - Small Business Programs

Business development programs and federal government goals:

 Small Business Concerns – at least 26% of all Prime contract awards, with subsets:

Small Business Category	Contracting Dollar Award Goal
Women-Owned Small Business	5%
Small Disadvantaged Business	13%
Service-Disabled Veteran-Owned Small Business	5%
Small Business in a HUBZone	3%

Sources: US SBA, Federal Contracting, Contracting assistance programs https://www.sba.gov/federal-contracting/contracting-assistance-programs, 3/2023 and https://crsreports.congress.gov/product/pdf/IN/IN12018



Small Business Concerns

- Firm must: be for-profit, independently operated, located in US, not "nationally dominant," and meet <u>size standards</u> for "small:"
 - Vary by North American Industry Classification System Code
 - May be based on # of employees, or average annual receipts over the last 3 complete fiscal years (or 5 years – optional to 1/6/2022)
 - Include the parent and/or affiliate companies
- Firm may be SB for one product/service, large for others



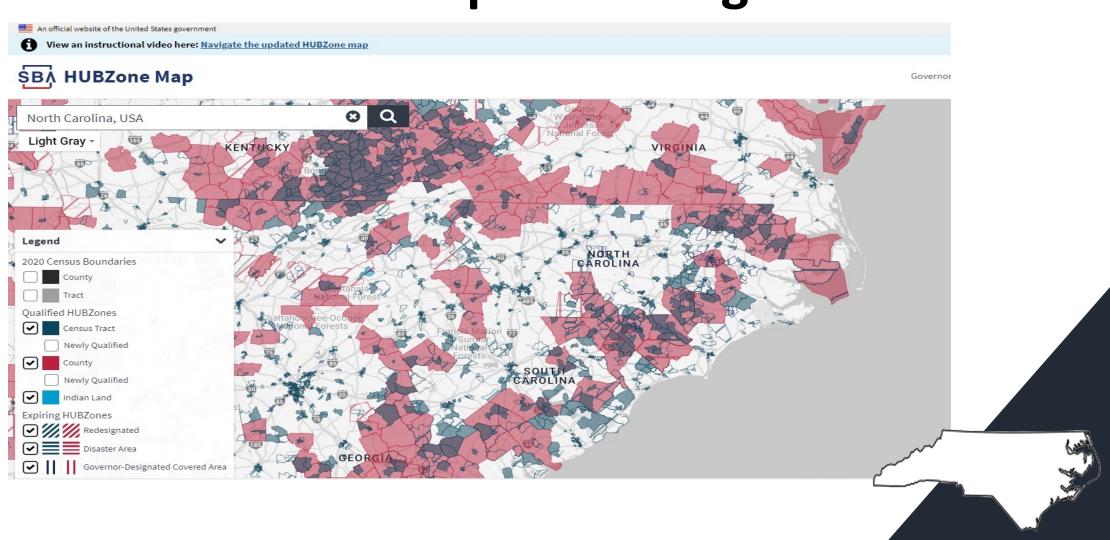


HUBZone Program

- Census tracts designated based on median income or unemployment
 - Must be SBC, 51% US-owned, with principal office and 35% of employees living in a HUBZone; apply to SBA for certification
 - Eligible for sole source, set-asides, price preference (10% in full and open competitions)
 - Example: <u>Reprogram Chiller</u>









Veteran Assistance Programs

- Must be SBC, at least 51% owned, controlled and operated by servicedisabled veteran(s)
- Owner(s) needs disability rating letter from VA
- As of 1 JAN 2023, must be <u>SBA Certified</u> for VA contracts under <u>Veterans</u>
 First Contracting
- Eligible for sole source contracts and set-asides
- Example: Sign Language Interpretation and CART Services





Small Disadvantaged (SDB) and 8(a) Business Development Program

- SBC must be at least 51% owned & controlled by a socially and economically disadvantaged individual (8a-"potential for success")
- "Socially" includes all minority groups; others may justify status
- 8(a) requires SBA certification SDBs self-certify; size/control same
- 8(a) allows sole source/set asides SDB for agency goals only
- Example 8(a) set-aside: Repair and Restore Parking Apron





Women-Owned Small Business (WOSB) Programs

- SBCs at least 51% owned, controlled, operated by woman(en)
- Additional requirements for Economically Disadvantaged (EDWOSBs)
- Certification: as of 15 Oct 2020, you must certify by the SBA at https://wosb.certify.sba.gov/. No more self-certifying.
- Contracts in 444 NAICS codes (sectors WOSBs were disadvantaged)
 qualify for set-aside/sole source in the "WOSB Federal Contracting
 Program," including 80 NAICS for EDWOSBs only
- Example: <u>Procurement of Backshells</u>

* SBA may require supplemental information





All-Small Mentor-Protégé Program

- Approved mentor-proteges can form joint ventures (JV)
- JVs can compete for small business set-asides, including WOSB, VOSB and HUBZone contracts

Natural Resource Sales Assistance Program

- Set-asides allow SBCs to compete for national resources contracts
- Rules depend on type of natural resources





Subcontracting Opportunities

- Federal subcontracts = commercial contracts between two firms
- Subcontracting plan required for awards to other SBC primes when
 - Contract value exceeds \$750,000 (\$1.5 million for construction)
 - SBCs can execute at fair market value, without disrupting performance
- Large primes have goals for SBCs, HUBZone, SDVOSB, SDB, WOSBs
- May be the best market for new contractors, initially
- Access sub opportunities via NCMBC events, <u>www.ncmbc.us</u>, <u>www.MatchForce.org</u>, <u>SBA Subnet</u>





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Who We Are

- The NCMBC is a statewide, business development and technology transition entity of the State of North Carolina, embedded in the state's community colleges and headquartered at Fayetteville Technical Community College
- Totally State-funded, the NCMBC is the only statewide, militaryfocused economic development entity in the US, and the only NC entity solely focused on growing the defense economy through existing industry



Mission, Goals and Outcomes

Mission: To leverage military and federal business opportunities to expand the economy, grow jobs and improve quality of life

Goals and Operations:

- 1 Increase federal revenues for businesses
- 2 Support integration of military into workforce
- 3 Support defense-related business recruitment
- 4 Support technology transition to federal agencies

Outcomes: Contracts (5,911), revenues (\$18.00b), jobs!





Operations: Business Development

Operations at Colleges	Future Opportunities	Current Opportunities	
Recruit to market	Identify, analyze	ID, analyze most lucrative	
Engage in market	Connect to businesses	Connect to businesses	
Training, webinars	Market intelligence	Solicitation support	
Counseling, 1-on-1	Pre-positioning	Proposal support	
Events, statewide	Teaming, subcontracting	Contract execution	

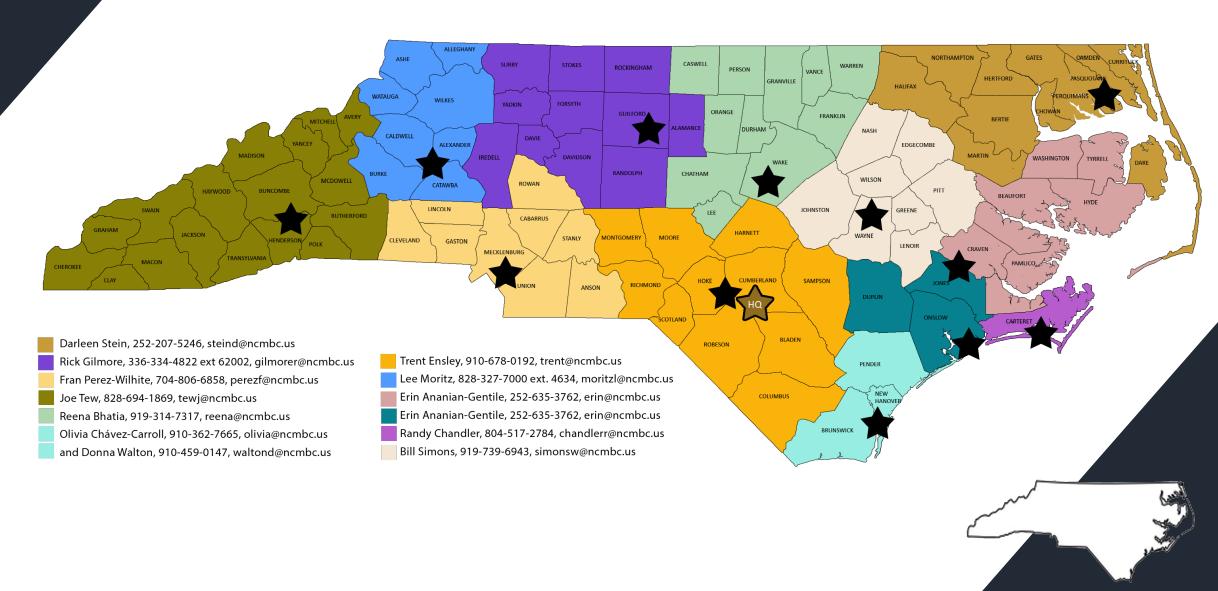
CY2005-CY2023 Opps Distributed: >60,000 Connections: >40 million

BD Team-Involved Wins: over 3,300 Total Min Value: over \$13.01 billion





Operations: Business Development Team





Operations: Business Development



The North Carolina Military Business Center (NCMBC) is pleased to inform you that one or more of the following newly released federal business opportunities matched your business capabilities. This list includes opportunities from TARGETED agencies and industries that the NCMBC Business Development Team monitors daily. You should also register your business for FREE in www.MatchForce.org, to receive one email daily for automatic matches to federal opportunities across ALL federal agencies and industries.

Click on the "Opportunity Title" of each listing to view details. The "Type" column indicates whether the government has designated the acquisition for small business or full and open competition (IV/A). The NCMBC staff member designated in the "POC" column can crowide additional assistance.

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Agency	Opportunity Title	Туре	POC	Response Date	
Aerospace					
AMC	UH-60 COMPUTER FLIGHT CONTROL FOR MAINTENANCE AND OVERHAUL	TBD	Joe Tew	Thursday December 14 18:00:00 EST	
DEPT OF THE AIR FORCE	Wing Pylon Rib Repair	TBD	Rick Gilmore	Tuesday December 12 09:00:00 EST	
AMC	Sources sought Overhaul of the UH-60 Computer, Air Data	TBD	Joe Tew	Monday December 04 18:00:00 EST	
АМС	UH-60 CONTROLLER AIRCRAFT MAINTENANCE AND OVERHAUL	TBD	Joe Tew	Thursday December 14 18:00:00 EST	
DEPT OF DEFENSE	15-MID-PANEL STIFFENER	Total Small Business Set-Aside	Erin Ananian-Gentile	Saturday January 06 15:00:00 EST	
DEFENSE LOGISTICS AGENCY	SPE4A524Q0127,6695003214003,INDICATOR,SYMBOL IN,474564	N/A	Joe Tew	Wednesday December 13 15:00:00 EST	
DEFENSE LOGISTICS AGENCY	47TUBE ASSEMBLY,METAL	N/A	Joe Tew	Thursday December 07 17:00:00 EST	
DEFENSE LOGISTICS AGENCY	SPE4A524Q0126,BRACKET AND LEVER,F,2915007280039,710181-2	N/A	Joe Tew	Thursday December 07 15:00:00 EST	
		1	<u> </u>		

- Daily email from NCMBC HQ
- Contains screened/matched
 federal opportunities from
 NCMBC BD staff. Your match will
 be highlighted based on your
 registration in MatchForce for
 ease of review.



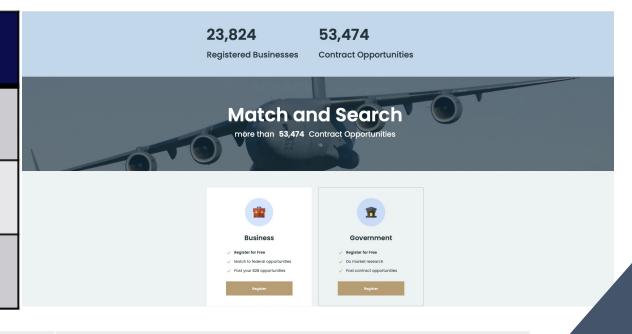
Operations: MatchForce.org

MatchForce Next Generation Matches:

NC businesses to federal opportunities

Contracting staff to NC businesses

Prime contractors to NC subcontractors



CY2005-CY2023

Opportunities distributed: over 2.0 million

Business-Opportunity Connections: >400 million

MatchForce-Involved Wins: over 2,022

Min Value, MatchForce Wins: over \$7.6 billion



Operations: BD, MatchForce Actions

Metric	CY2005 - CY2023		
BD Team, Contract Opportunities Sourced	52,683		
BD Team, Connections to Businesses	Over 40 million		
MatchForce, Contract opps sourced	2,017,987		
MatchForce, Connections	Over 427 million		
Contract Wins (minimum)	5,488		
Contract Value (minimum)	\$17,830,000,000		





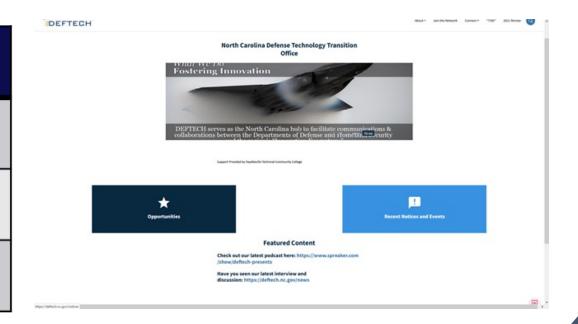
Operations: Tech Transition (DEFTECH)

Leads State, growing defense innovation

Sources DoD tech needs to ecosystem

Scours state, tech w/defense application

Helps navigate agencies and processes



CY2016-CY2023

Opportunities distributed: over 1,400

Innovation events: 100+

Innovation Awards: over \$20 million, min value





Operations: Tech Transition (DEFTECH)



Bob Burton
Director
burtonr@ncmbc.us



TJ Gilroy
Program Manager
gilroyt@ncmbc.us



Jaycie Beam
Program Support
beamj@ncmbc.us





Operations: 2024 Major Events

- SE Region Federal Construction, Infrastructure Summit (APR 16-18, WIL)
- Federal and Defense Textile & Tactical Equipment Summit (MAY 14-15, RAL)
- Medical, Biomedical, Biodefense Symposium (JUN 11-12, Chapel Hill)
- Defense Technologies Summit (AUG 6, FAY)
- Defense Industrial Supply Chain Summit (OCT 29-30, Charlotte)
- Federal Food Symposium (NOV 19-20, Fayetteville)











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Getting Ready to Sell to the Federal Government

Created by the North Carolina Military Business Center

CHECKLIST

- ⇒ SAM.gov. Register to be a federal contractor.
 - Register your firm with the System for Award Management (SAM). It is a requirement that all contractors doing business with the Department of Defense be registered with SAM. Website: https://sam.gov/content/home
 - All entities wishing to do business with the federal government must have an Unique Entity Identifier (UEI).
 - The Commercial and Government Entity (CAGE) Code is a five-character ID number used extensively within the federal government. The CAGE code provides a standardized method of identifying a given facility at a specific location.
 - Identify your North American Industry Classification Code (NAICS) by running keyword searches on the US Census Bureau's NAICS System website: https://www.census.gov/naics/. You need the full 6-digit numbers.
 - Remember, you can have more than one code when you register in SAM.gov but will need to identify your primary NAICS code.
 - o Prepare for Entity Registration in SAM.gov
- ⇒ Register your business at MatchForce.org. This is the State of North Carolina's free webbased database of firms who are seeking federal government prime contracts and subcontracts. Your firm will automatically match to contracting opportunities daily based on your NAICS codes. Website: www.MatchForce.org.
- ⇒ Determine if you qualify as a small business. There is a separate size standard for each NAICS. Once you know your NAICS, visit the Small Business Administration's website: https://www.sba.gov/federal-contracting/contracting-guide/size-standards to look up the size standards for each NAICS code.





Identify your business and capabilities

- Obtain an Employer ID Number (EIN/TIN) from the <u>IRS</u>
- UEI when you register in SAM
- Identify all NAICS codes that may apply to your products/services
 - Wholesaler, dealer, distributor, manufacturer
 - NAICS Lookup on <u>US Census Bureau NAICS</u>





Identify your products and services

- Identify your <u>Federal Supply Class Codes</u> (2 Digit)
- Identify your Product Service Codes (4 Characters)
- Acquisition.gov Product and Service Code Manual
 - Products: digit in first position
 - Services, R&D: letter in first position





Determine if your business is a small business concern (sbc)

- Size standards vary by NAICS code
- Businesses may be a sbc for one and not small for other NAICS
- Include parent and/or affiliate companies
- Most businesses will qualify as sbcs:
 - manufacturing businesses with <500 employees
 - non-manufacturing businesses with average annual receipts for last three full FYs under \$7.5 million
- SBA Table of Small Business Size Standards





Department of Defense Small Business Professional Perspective

This is <u>one</u> DoD small business professional's perspective on <u>fundamentals</u> businesses <u>must</u> focus on to be successful in DoD contracting.

Be Eligible

- Registered/Current in the System for Award Management www.sam.gov
- Be certified by the Small Business Administration (www.sba.gov), certification and what you do reflected in the Dynamic Small Business Search (DSBS) https://dsbs.sba.gov/search/dsp dsbs.cfm
- SAM/DSBS records match!!
- Registered in Wide Area Workflow (WAWF) https://piee.eb.mil/xhtml/unauth/home/login.xhtml
- This is how you invoice and get paid!

Be Competitive

Know what the DoD buys:

- www.business.defense.gov gives you information on small business professionals and long-range estimates
- www.fpds.gov gives you detailed history on what is being bought and contract award amounts.
- Look for/respond to sources sought and requests for information.
- Key proposal tips:
 - Provide quantitative responses in your proposals (services).
 - Provide a response to every task/qualification/specification.
 - Provide realistic pricing: FPDS, award notices, and long-range estimates are a few of the resources to assist you.

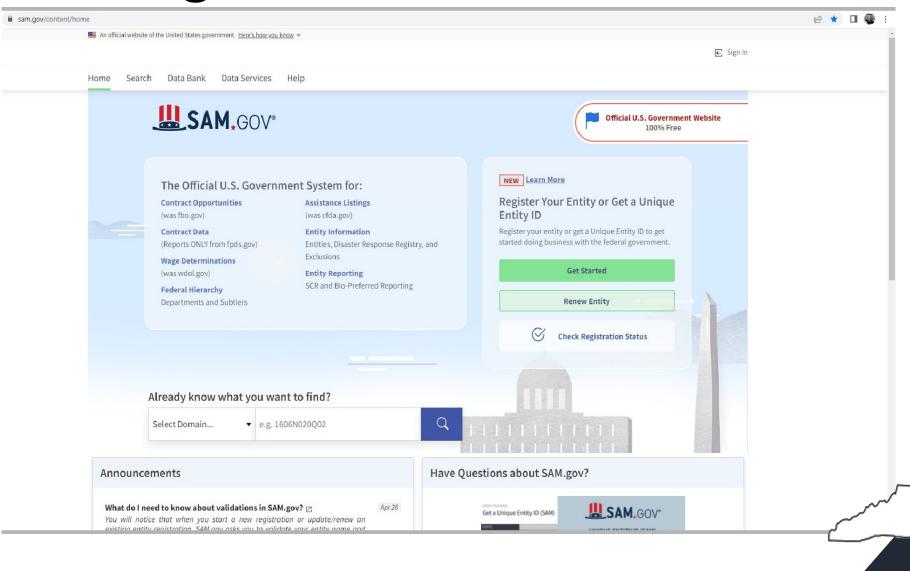


Register in System for Award Management (SAM.gov)

- SAM.gov is an official, free website of the U.S. government
 - Register to do federal contracting
 - Check status, update or renew (annually) entity registration
 - Search for entity registration and exclusion records
- Registration in SAM.gov is mandatory before award of a contract vehicle
- Complete the "SBA Supplemental Pages" to transfer entity data into the SBA Dynamic Small Business Search (DSBS) database
- Results in assignment of CAGE Code, allows electronic payment which is mandatory









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Finding Opportunities and Next Steps

MatchForce

www.matchforce.org

NCMBC Business Development Team

http://www.ncmbc.us/contact-us-ncmbc_staff/

SAM.gov

https://sam.gov/content/home





Sources Sought

- A request for information (RFI), or a solicitation of interest, from an agency. The RFI may help an agency understand the interests and capabilities of businesses that would submit proposals for a future contract. A sources sought notice may or may not be followed by a solicitation.
- Example FY 25 AIWW Maintenance Dredging





Pre-Solicitation Notice

- A notice about contract opportunity proposals will open in the future. The notice may ask interested businesses to submit information, which may help the agency determine whether the contract should be reserved for businesses that qualify for certain types of set-asides.
- Example <u>Expand Emergency Department Minor Design Asheville</u>





Solicitation

- Any request to submit offers or quotations to the Government.
- Solicitations under sealed bid procedures are called "invitations for bids." Solicitations under negotiated procedures are called "requests for proposals."
- Solicitations under simplified acquisition procedures may require submission of either a quotation or an offer.
- Example <u>Vertical Multiple-Region Architect Engineer IDIQ</u>





Combined Synopsis/Solicitation

- A combination of a synopsis of an opportunity and the solicitation for that opportunity, used for commercial items to streamline the acquisition process
- Example FCC Butner Replace Sprinkler Piping





Award

- When a federal agency awards a contract in response to a solicitation, it may choose to upload a notice of the award to allow the public to view which vendor received the awarded contract and the contract amount awarded. Requirements for posting award notices vary based upon the agency and the solicitation.
- Example <u>Design-Bid-Build</u>, <u>Regional Communication Station</u>, <u>MCB</u>
 Camp Lejeune





Justification

- A contracting office may need to document the contract file regarding the accuracy of a decision and obtain required approvals. Details for the content of a justification are specific to the action being accomplished
- Example <u>Retirement Training</u>





Finding Opportunities and Next Steps

What you need to do:

- Become web-enabled to find contracts
- Learn the basic rules of contracting
- Learn to describe your business and your products/services (UEI, NAICS, CAGE, FSC and PSC codes)
- Develop marketing materials and capabilities statements: in "government speak"
- Follow the checklist on <u>www.ncmbc.us</u>!
- Register: <u>www.MatchForce.org</u>, <u>SAM.gov</u>





Finding Opportunities and Next Steps

What you need to do:

- Certify with the Small Business Administration (SBA) for Contracting Programs
- Monitor Opportunities: SAM.gov, MatchForce.org, etc.
- Respond to opportunities, including Sources Sought and Requests for Information
- Network with prime contractors for subcontract opportunities
- Leverage resources Join networks/connecting organizations, use NCMBC/SBTDC/GCAP/SBA/SBC and attend EVENTS!





Contact Information - NCMBC

- Scott Dorney, Executive Director, 910.678.0190, scott@ncmbc.us
- William Simons, Regional Program Manager, 919.739.6943, <u>simonsw@ncmbc.us</u>

