

# GETTING STARTED AS A GOVERNMENT CONTRACTOR:

## Securing GSA Certification

**Did you know that the United States federal government is considered to be the single largest buyer of goods and services in the world?**

IHS Global Insight forecasters noted that government contracting officers spent \$1.22 trillion in 2015 and are on target to buy approximately \$1.24 trillion worth of goods and services in 2016 — a number that's expected to slowly rise to approximately \$1.29 trillion in 2018. That doesn't even account for the \$1.96 trillion spent by U.S. state and local agencies in 2015, a number that's also expected to climb by 3-4% each year to reach approximately 2.10 trillion in 2017. That's a lot of money available to suppliers seeking either more lucrative business growth opportunities or more stable, long-term customer contracts.

However, there's not a one-size-fits-all approach to securing government contracts, and you can't employ the same sales tactics to reach government buyers as you do with private sector enterprise or consumer leads. Public sector agencies are governed by a different set of procurement regulations and standards due to the strict accountability and transparency mandates. They're also tasked with the thorough qualification of potential goods, services, construction, and systems-level vendors. After all, the spending of taxpayer dollars not only demands great fiscal responsibility at the time of solicitation, but a commitment to protect the interests of the

government and the people it serves throughout the entire contract lifecycle. To ensure the government is working with legitimate companies and securing the best value for each dollar spent, a very thorough vendor vetting process must be completed and vendor (or contract) performance metrics established based on pre-defined quality standards, among other criteria.

As you can imagine, this could be a very tedious and very subjective process for any organization. In the public sector spending environment, which is already highly scrutinized given that taxpayers are the source of the money, it becomes even riskier to utilize unregulated sourcing structures. Thus, the federal government has lifted the burden off of its agencies and reduced the risk of fraud and waste by establishing several standardized vendor registration and certification systems, of which the General Services Administration is the most widely used.

As you evaluate the government bid opportunities available to you and determine your public sector sales strategy, be sure you understand the contracting vehicles used by each agency at every level as well the registration, certification, licensing, and insurance criteria you must meet in order to be considered for each contract.



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TO SECURING GOVERNMENT CONTRACTS.**

## UNDERSTAND THE BASICS OF GOVERNMENT SOURCING

All public sector entities at the federal, state, and local levels have a set of pre-defined procurement procedures and assigned spending limits for each. Though no two state or local agencies necessarily utilize the exact same set of procedures due to regulatory variations, all federal agencies adhere to a standardized procurement system. All transactions completed by federal government contracting officers fall into one of these five purchase types:

1. **Micro Purchases:** Includes any purchase up to \$3,000 and credit card purchases.
2. **Simplified Acquisition Purchases (SAP):** Any purchase between \$3,000 and \$150,000. Generally, these purchases are set aside for small businesses, unless there is a valid reason for a waiver.
3. **Closed Competition:** Purchases made through specific contract vehicles (e.g., GSA, Department of Defense eMall, Seaport) for government-wide acquisition contracts or indefinite delivery, indefinite quantity (IDIQ) contracts.
4. **Sole Sourcing:** Purchases made with funds specifically set aside for companies that qualify under various certification programs for “disadvantaged business entities” (DBEs) — small businesses, woman-owned businesses, economically disadvantaged businesses, service-disabled or veteran-owned businesses and companies located in HUB Zones.
5. **Full and Open Competition:** Any purchase not procured through another contract vehicle detailed above. Also known as “open market” contracting.

Despite the multiple methods used to buy goods and services in a fair and open market, government purchases are not necessarily open to all organizations upon their establishment. Any company interested in doing business with the federal government is required to meet standard pre-screening qualifications that can vary depending on the type of contract vehicle (as outlined above). For example, some of the most widely applicable vendor registrations and certifications include the following:

- **System for Award Management (SAM) Registration:** Required for all government vendors; SAM consolidated the Central Contractor Registration (CCR), Online Representations and Certifications Application (ORCA), Federal Agency Registration (FedReg), and the Excluded Parties List System (EPLS) registrations into one unified system for streamlining the federal procurement process.
- **Small Business/Woman Owned/Minority Owned Certification:** Self-certifications available through SAM (DBE)

- **8a Certification:** A nine-year program with specific qualifications for socially/economically disadvantaged business (DBE)
- **8m/WOSB/EDWOSB Certification:** Federal program for woman-owned businesses that are underrepresented in certain industries (DBE)
- **Service-Disabled/Veteran-Owned Certification:** Managed through [www.vetbiz.gov](http://www.vetbiz.gov) (DBE)
- **Hub Zone Certification:** For businesses located in historically underutilized areas

Know which ones may be applicable to you, and note that some vendor designations are especially advantageous once you’re actively pursuing contract opportunities. For example, under the Sole Sourcing structure, priority is given to DBE vendors and can present opportunities not available to your traditional competitors.



## WHY IS GENERAL SERVICES ADMINISTRATION (GSA) CERTIFICATION, IN PARTICULAR, SO IMPORTANT?

The U.S. General Services Administration (GSA) is a branch of the federal government that assists with procurement work for other government agencies, even those at the state and local levels. Though the GSA's purpose has evolved over the years, it is most widely recognized today for its development of GSA Multiple Award Schedule (MAS) Contracts, also referred to as the GSA Schedules Program or Federal Supply Schedule Contracts. They're typically awarded to vendors with the following structure:

- A five-year contract, renewable up to three times (for a total of 20 years)
- Pre-negotiated rates that can be updated up to two times per year
- Pre-negotiated terms (delivery, payment, etc.) on volume discounts for a Net 30 payment schedule
- Contracts open to any federal agency
- Contracts open to certain state and local government agencies, as well as some universities

GSA Schedules, which are by definition indefinite delivery, indefinite quantity (IDIQ), long-term contracts, were created in an effort to streamline the buying process and enable easier oversight of government spending. Basically, the GSA — which actively maintains the program today — facilitates a lower-risk transactional environment by forming this collection of long-term contracts with qualified suppliers and service at pre-negotiated rates and volume discount pricing. And though GSA's federal supply schedules are

no longer a mandatory contracting source under FAR part 8, much of the federal government's multi-trillion dollar market is still transacted through the GSA Schedules program.

As contracting officers at all government levels can attest, buying from vendors listed on the GSA Schedules is preferred because it shortens procurement action lead times by eliminating the solicitation and evaluation processes that occur with almost every other contract award method. Lead times and costs are already established, as are the terms and conditions. They can "shop" on one of the GSA's three portals knowing that all of the sources listed have fulfilled their legal obligations and comply with federal acquisition regulations, as verified by GSA:

- **GSA Advantage:** An online shopping portal offering contractors' products at pre-negotiated rates; similar to Amazon.com — just point, click and buy
- **GSA eLibrary:** A searchable directory of contract holders, which details terms and conditions, and catalogs offered services
- **GSA eBuy:** A closed request for qualifications (RFQ) or request for proposal (RFP) system Every federal buyer in every federal agency around the world uses the GSA Schedules program, making the federal procurement process more time efficient and cost effective. State and local government buyers, as well as some higher education institutes, also use the GSA Schedules program.

## BUT THE BENEFITS DON'T STOP THERE....

If your company is an approved GSA vendor and you've completed the rigorous — but rewarding — process of securing a GSA pre-negotiated contract, then you can be confident that your goods or services are automatically in the running for selection. In contrast, it is much more challenging to qualify for government opportunities if you aren't in the GSA or don't carry one of the other vendor designations mentioned above that make you eligible for federal contract consideration. Plus, when placing orders off of existing contracts, minimal clause additions are needed, administrative costs are reduced, sourcing actions are expedited, and agencies know exactly what they're getting and when. It's a win-win for them — and you.

Plus, once you have a GSA Schedule contract, you are eligible for many other federal contract vehicles, such as the Department of Defense eMall (tiered pricing contracts based on volume) and Distribution and Pricing Agreement (military medical-related contracts). State programs are also available, such as the Texas Multiple Award Schedule and the California Multiple Award Schedule.

Full Disclosure: There's a lot of heavy lifting required on your part upfront to demonstrate your qualifications, negotiate terms with the GSA, and establish a contract. Even once you're a GSA-approved vendor, there's no guarantee that an order will ever be placed on your contract. However, you can almost guarantee that it will be more challenging to secure opportunities if you are not in the GSA system.



## DO YOU EVEN QUALIFY TO BECOME GSA-CERTIFIED VENDOR?

Before initiating the contract application process with the GSA, you should ask the following questions:

- Do I want to open a new market or expand my current one with the largest buyer in the world?
- Can I provide the government with a standard price for my goods and/or services?
- Can I see my company benefiting from this contract?
- Can I take on additional business?

If you answer these questions in the affirmative, you should next determine if your business qualifies for a GSA Schedule contract.

### To qualify, you must:

1. Have been in business at least two years;
2. Have sold at least \$25,000 worth of products or services per year over the last two years;
3. Offer products that are manufactured in countries that have trade agreements with the U.S. (excluding China, Malaysia, India and Brazil);
4. Have not had a bankruptcy in the last three years;
5. Not have principals of the company that have been convicted of bid rigging or a felony in the last three years; and
6. Not have any federal liens against you without a payment plan in place.

## READY TO START THE GSA APPLICATION PROCESS?

### Here's the rundown on what you need to do next:

**STEP 1:** Identify the appropriate GSA Schedule your business should be categorized in through eLibrary, and then download the corresponding solicitation from eLibrary (may redirect you to FBO.gov). It will be critical to download every necessary document and store them in an accessible folder on your computer for future reference and potential audits.

**STEP 2:** Secure the required registrations through Dun & Bradstreet and SAM.

**STEP 3:** Prepare a contract proposal. Items to note:

- Pricing and supporting documentation is one of the most significant parts of the proposal, as pricing is the driving force behind the GSA Schedule. You should include Statements of Work and invoices for pricing documentation and experience.
- The technical narratives and supporting documentation demonstrate your capability as an organization.
- Obtain a "Past Performance Evaluation" from Dun & Bradstreet, which includes a \$190 fee. This evaluation will research 6-15 references and then produce an overall rating from a 10-question survey.
- For any non-medical GSA Schedule: obtain an Access Certificate for Electronic Services (ACES). This digital certificate will facilitate access to the government agencies you contract with for a cost of \$119 every two years.

- Provide financial statements to demonstrate your company's stability and likelihood of continuing business through the MAS contract renewal in five years.
- If applicable, obtain a "Letter of Supply" from all of your manufacturers and third-party vendors and ensure it reads exactly as the template states: 1) that products are FDA compliant and part of the Trade Agreements Act, and 2) that the manufacturers and vendors will continue to supply the stated goods.

**STEP 4:** Submit your complete contract proposal through eOffer.

**STEP 5:** Work with GSA representatives to coordinate contract clarifications and negotiations. It can take up to 12 months for the GSA to review your offer. Approximately 80 percent of all offers require additional information (clarifications), or will be rejected on the first submission.

**STEP 6:** Wait for the final GSA Schedule contract to be awarded.

Note: If you are responding to an RFQ or RFP, each solicitation refreshes every 90 days. New requirements may be added in the refreshes, so it is imperative that you become familiar with the changes. When submitting your proposal, all information should be in the templates provided in the most current refresh. Always double check to verify that your rates are subject to Service Contract Act/Davis Bacon (SCA).

## SELECTED AS A GSA SCHEDULE VENDOR? NOW FOLLOW THESE BEST PRACTICES

Once you have been approved and secured your contract with the GSA, there are some best practices that you should follow to capitalize on your contract.

1. Update your contract profile on GSA Advantage:
  - Upload your terms and conditions through Schedules Input Program (SIP).
  - Upload detailed product descriptions and images through SIP.
2. Employ GSA eBuy's resources:
  - Request a password from Vendor Support, which will allow you to respond to RFQs and RFPs.
  - Regularly monitor RFQs and RFPs. On average, up to 4,000 RFQs and RFPs are issued daily across the GSA Schedule program.
  - Respond to all RFQs even if you do not provide a price quote to establish a relationship with the buyer.
  - Save all contacts for proactive marketing efforts.
3. Create a proactive marketing plan:
  - Conduct a competitive analysis with a tool like Spend Analytics to see what other vendors are doing in the public sector.
  - Consider email campaigns and direct mail pieces to gain name recognition.
  - Tie your marketing efforts to your sales strategy.
4. Create a maintenance plan for future audits:
  - Store all documents from your proposals and awards in one place.
  - Report government sales quarterly.
  - Stay current with pricing and MAS modifications, which can change your contract from time to time.
  - Make preparations for your audit that will occur within the first one to two years of your contract life cycle. This includes documenting your "selling at" rates in all GSA Schedule contracts, as well as establishing evidence that you are not selling below those rates outside of your GSA Schedule contracts.



## FINAL THOUGHT:

A vast number of government agencies at all levels rely on the GSA Schedule program as their premiere acquisition vehicle, making it ripe with opportunities for you to find new revenue streams and grow your business within the public sector.

**Remember:** A GSA contract can help ensure 20 years of steady business with a reliable buyer. You have nothing to lose by investing the time and resources upfront to qualify as a GSA vendor, and everything to gain if you follow the above guidance.

## HOW PERISCOPE'S BIDSYNC LINKS PLUS SERVICE CAN HELP YOU

BidSync Links Plus, powered by Periscope, is a search and daily bid notification service that enables vendors and service providers such as yourself to access active contracts and bid opportunities from more than 90,000 state and local, county, municipal, military and Federal agencies. As the largest bid opportunity database in North America, BidSync Links Plus gives you access to over one million public sector solicitations that are posted yearly across all categories. Plus, Periscope's in-house research team and proprietary bid extraction software does all the heavy lifting of identifying and posting the opportunities not automatically submitted to the database by Periscope's in-network government agency partners. All you have to do is set up alert profiles through the BidSync online portal, review relevant RFP information, and

submit a strong proposal. In other words, the BidSync service saves you time and money and increases your growth potential while reducing the risk of missing opportunities — a common issue with manual RFP searches. For more information, visit [www.bidsync.com](http://www.bidsync.com) or call 1-800-990-9339

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