

# Making the Federal Bid Procurement Process Work for You

*By Kevin Jans*

With a budget exceeding a trillion dollars, the federal market is enormous – but the barriers to entry often seem equally large. However, with an understanding of the competitive process, nearly any company can compete for, win and prosper through federal contracts.

The federal government spends a great deal on research and development, including applied and basic research. Multiple federal agencies, including the Department of Defense, Department of Homeland Security, Department of Agriculture, Centers for Disease Control and Health and Human Services are likely to invest heavily for access to technology each year, making them particularly well suited for technology innovators and relatively new start-ups.

The interest isn't just one-sided on the part of the technology firm. Many of these federal agencies have requirements that can only be met by high technology solutions, and they recognize that much of the advanced technology innovation comes from small firms. Government program managers and procurement officers want to gain access to the talent of these small firms to meet those requirements.

## *Who should compete and how*

Although some projects are geared more toward innovative smaller businesses, it always helps to have a successful track record working as a government contractor. One way is to partner as a subcontractor with a larger, more experienced company. However, even if the business has no previous government experience, there are programs designed to foster small businesses. Many are in technology and some are exclusively for technology.

The first step is to understand how to identify contracting opportunities. The [Federal Business Opportunities](#) web site, which lists thousands of active government contracting opportunities, is a good start. It allows interested companies to gain information on agency acquisition needs and has easy-to-follow instructions on registration. Registering with [Central Contractor Registration](#), the official online registrant database for U.S. government contractors, is also a key step as it establishes a company as one that is interested in selling to the federal government. Another option is to work with a consultant who can advise on bid monitoring and successful bidding strategies.

## *Top five pieces of advice*

There are some tried and true ways to become more successful in the federal contracting arena. Here are my top five:

- Be patient. Understand that the acquisition process is complex and can be painfully slow. It may take as long as 18 to 36 months to obtain the first contract. There are many factors that impact this timeline, but awareness of the timelines is key. However, once a company has been established as a current and capable small business in the high tech arena selling in the federal market, opportunities will grow.
- Make the sales funnel as wide as possible by diversifying target government markets. Find opportunities in a number of agencies and be sure to extend contacts beyond one individual at each agency.

- Understand the depth and breadth of the federal demand for the company's products or services. Commit to a methodical plan to grow, beginning perhaps as a subcontractor and then a prime contractor; or begin first with a small R&D contract and then build to a competitive effort. The biggest caution is to avoid over-reaching beyond the company's capabilities and then performing poorly. Because evaluation of past performance is required in all actions by federal regulation, a poor performance record could haunt a company's ability to win new work. This is particularly important for start-ups that may overestimate their ability to perform.
- Understand the type of contract being bid, as this will have a significant impact on cash flow and staffing needs. Examples include Indefinite Delivery, Indefinite Quantity (IDIQ) contracts in which an agency contracts for an indefinite quantity of services during a fixed period of time; a Blanket Purchase Agreement (BPA), which allows approved agencies to order supplies several times a year; or a GSA contract, which is a stand-alone contract that may require extensive marketing to ensure agencies can find it and order against it. Each of these has a different approach to bidding, administering and expectation of use.
- The federal budget only allows contracting officers to buy certain items and services with certain "types" of money, which also have different funding availability timelines. For example, Operations & Maintenance (O&M) funds must be obligated on contract in the same fiscal year they are authorized. R&D funds, on the other hand, are available for two years. The caution is that contractors must understand where a particular program is in that two-year cycle to take advantage of when funds are available for a particular R&D program, and when they may expire.

#### *Some final thoughts*

The good news is that there are many opportunities across a broad spectrum in the technology environment, although there is certainly a particularly high demand for technology that supports security, homeland defense and counter terrorism.

A second bit of good news is that there is currently a greater emphasis on competition in the federal market. Congress is looking to ensure that there are more competitors and more negotiation with contractors. This trend toward more competition creates a great opportunity for companies that know how to compete in this market.

The lesson for firms looking to enter and grow their business through the federal market, then, is to do their homework, research opportunities and select those with the greatest likelihood of success, ask for professional guidance if possible and have realistic expectations about the process.

###

*Kevin Jans, CFCM, founder of [Skyway Acquisition Solutions](#), consults with companies to help them compete for and win federal contracts. His experience includes serving as a contracting officer and liaison officer at U. S. Special Operations Command, procurement analyst and contracting officer at U.S. Air Force Space Command and contracts manager at Aeronautical Systems Center. He will be presenting at the Innovation Center's August TECH Talk program (see below for details).*

---