

Business Certification and Government & Private Contracting Guide

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Business Certification and Government & Private Contracting Guide

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Southwestern Pennsylvania Commission
Procurement Technical Assistance Center (PTAC)

PA Bureau of Minority and Women Business Opportunities
Western Regional Office

National City Bank (now PNC Bank)

Pittsburgh District Office, Small Business Administration

Allegheny County Office of Women, Minority & Disadvantaged Business

The Allegheny Group

How is this report organized?

This report is organized into three major sections. Certification as a disadvantaged, minority, or woman-owned business is presented in the first section. “Getting started with contracting” is presented in the second section, with five steps to follow. The first three recommended steps are presented separately for the US government, for the Commonwealth of Pennsylvania, for Allegheny County, for the city of Pittsburgh, and for other county, city, municipal, and local governments. The last two recommended steps, “contacting technical assistance offices” and “completing a marketing plan,” apply to any type of procurement and are presented separately. The last section provides information about additional resources.

Table of Contents

Certification - FAQs	1
Federal Government	6
Commonwealth of Pennsylvania	7
County Government.....	8
Private Sector Certifiers	9
Other Resources.....	10
Getting Started with Government & Private Contracting – FAQs	13
Federal Government	
Step 1. How US Government Purchases.....	17
Step 2. Market Analysis	19
Step 3. Registrations.....	20
Federal Government Resources	22
Commonwealth of Pennsylvania	
Step 1. How the Commonwealth Purchases	25
Step 2. Market Analysis	27
Step 3. Registrations.....	29
Commonwealth Resources.....	29
Allegheny County	
Step 1. How Allegheny County Purchases.....	31
Step 2. Market Analysis	31
City of Pittsburgh	
Step 1. How City of Pittsburgh Purchases.....	33
Step 2. Market Analysis	33
County, Municipal, Other Local Governments	35
Step 4. Seek Technical Assistance	37
Step 5. Develop a Marketing Plan	39
General Resources	43
Appendix 1: Marketing Analysis Worksheet	45

Business Certification

What does certification mean?

Certification is a process to validate that a small business is owned and controlled by a person who is distinguished by race, gender, social/economic, or veteran status. Familiar terms often used for such firms are minority business enterprise (MBE), woman business enterprise (WBE), disadvantaged business enterprise (DBE), small and disadvantaged business (SDB), or service-disabled veteran business (SDV). Federal and state laws stipulate that a certain percentage of government contracts are awarded to these companies, who ordinarily have difficulty competing for these awards. A federal law, for example, makes service-disabled veteran business owners eligible for a 3% goal in Federal government-wide contracting (based on total value of all prime contracts and subcontracts).

In the private sector, large corporations also strive to purchase products and services from suppliers representing diverse small businesses.

Why should I certify?

Certification offers two advantages. One, the owner has greater opportunity to market products or services to government agencies and large corporations because some contracts are set aside specifically for certified businesses. Certification may also qualify firms for sub-contracts to help prime contractors meet participation goals for government contracts. Many large corporations promote supplier diversity programs so disadvantaged firms can compete.

Two, the company is eligible for special loan programs, typically through local government, when such programs exist. Certification makes good business sense for companies who *anticipate selling to the government as a prime or as a sub-contractor, or who want to take advantage of a government loan program.*

How can I decide whether to certify or not?

Certification can be another tool to help you get business, but you need to do your marketing homework first. You should consider the government agency or private sector company as another customer and find out first whether they buy your product or service. Check websites and databases of previously approved contracts. Evaluate the contract sizes and procurement requirements to determine if you can carry out the contract. Call and discuss opportunities with their purchasing departments. If you cannot compete as a prime contractor, consider whether you can successfully work as a sub-contractor. Do your market research first.

What do I need to do to become certified?

Certification requires a written application. Some entities also require an interview or on-site visit. The purpose of these requirements is to prove that the applicant is the majority owner, controller, and decision-maker for the company. Unfortunately, there is no single certification procedure. Generally, each level of government maintains its own process, so you must apply separately. The applications, however, require similar information about the company, such as its legal ownership, financial statements, tax returns, compensation of owners or shareholders, and a business plan. Most certifications require that the applicant be a US citizen.

Government agencies usually maintain a special office to provide free assistance to businesses; several hold regular workshops about the certification process. You are encouraged to contact these offices to seek assistance and to inquire about obtaining an application. Their contact information is listed on the following pages. Although several agencies provide printable forms on their websites, at this time, no government entity accepts electronic filing of applications.

Most major corporations accept either an approved government certification, or certification through a third-party certifier, which is usually a non-profit organization advocating disadvantaged businesses. Contact information for third party certifiers is shown below under “Private Sector Certifiers.”

How can I decide where to certify?

You should consider whether your products or services are needed or purchased by any of the government offices or companies. If you sell restaurant equipment, for example, you probably might not consider certifying with any of the transportation agencies. You can find out more about previous government purchases from any of the government procurement assistance offices in the area. More information on “Government and Private Contracting” is covered in this report. Companies often list products or services they purchase from outside vendors on their web sites or through their supplier diversity offices.

Are there any fees?

Certification for federal, state, and local government agencies is free. Processing fees and/or membership fees may be charged for certification by third party organizations.

Where do I go to be certified?

Complete contact information for certifying offices are listed on the following pages. The US Small Business Administration (SBA) handles federal certifications. The federal government now permits companies to self-certify when registering as a vendor or sub-contractor. State certifications are managed by the PA Department of General Services (DGS), except for state highway contracts, which are approved by the PA Department of Transportation (PennDOT).

Allegheny County certifies for county projects including those for the Allegheny County Airport Authority. The City of Pittsburgh will accept certification from any government agency. Other counties typically accept state certification.

Transportation agencies have a single certification process. All agencies receiving funds from the US Department of Transportation for aviation, highway, and transit projects must accept a unified certification process. The program, called the Pennsylvania Unified Certification Program (PA UCP), provides that if you certify with ANY of the following agencies, the certification will be accepted by the other participating transportation agencies. For more information, refer to www.paucp.com. A directory of PAUCP certified companies is available at this website.

- PA Department of Transportation
- Port Authority of Allegheny County
- Allegheny County Office for Minority, Women & Disadvantaged Business Enterprise
- City of Philadelphia
- SEPTA

Two non-profit organizations have local branch offices that certify for private or corporate purchasing regionally or nationally. These are the Pittsburgh Regional Minority Purchasing Council (PRMPC) and the National Women's Business Owners Corporation (NWBOC). The Women's Business Enterprise National Council (WBENC) also certifies women-owned businesses nationally.

According to the SBA, veterans and service-disabled veterans are permitted to self-certify for federal government contracts. A veteran or a service-disabled veteran self certifies status when registering on Central Contractor Registration (www.ccr.gov) and when responding to a government solicitation. Proof of disability is demonstrated by a DD Form 214, a Veteran's Administration certified letter and a Certificate of Release or Discharge from Active Duty, or a Statement of Service from the National Archives and Records Administration stating that the veteran has a service-connected disability. The Association for Service Disabled Veterans (ASDV) also assists veterans by providing an online form.

How long does the process take?

In general, you can expect anywhere from 45 to 90 days for the certification process to be complete.

How long does certification last and must I get re-certified?

Certifications generally last two to three years, and businesses may re-certify. Recertification typically requires information about significant changes to the company and resubmission of the last two years' tax returns.

What buying entities recognize certification?

Federal, state, and local government agencies as well as large private and publicly held corporations recognize certification.

Once certified, how do I look for business?

You can obtain assistance with finding government contracts from local agencies and federal and state government offices. More information on this topic is covered later in this report. Becoming certified, however, does not guarantee business. Selling to government agencies requires effort and patience in locating and evaluating projects, preparing bids, communicating your competitive advantages, and fulfilling the contract.

Most major corporations maintain supplier diversity programs to ensure that purchasing is distributed among all businesses. Third party organizations list on their web sites the companies who accept their certification, and thus, support supplier diversity. Major corporations often list the products and services they need to purchase from outside vendors on their web sites. Companies are encouraged to contact their supplier diversity offices. Companies do expect vendors regardless of status to provide products that meet their standards for quality and delivery.

What does “Supplier Diversity” mean in the private sector?

Some companies in the private sector, particularly large corporations, make a commitment to purchase products or services from a diverse supplier base. According to a 2007 article in *Purchasing*, “For years, many top-tier companies have rolled out their supplier diversity programs at every part of their buying process and have been quietly reaping the financial benefits. Many companies point to globalization as a strong reason to get more diverse suppliers on board. A supply base should reflect the consumer base, they argue. It means your suppliers are similar to the customers buying the end product.” (8/16/07) According to a 2008 article in *Feminomics*, “Of the Fortune 500 companies 97% have supplier diversity programs. The US government is no longer the leading proponent of SD. 78% of US companies with revenues over \$5 billion require certification for women's businesses. With the trend towards contract bundling in the USA, over 80% of MNCs are now requiring supplier diversity efforts from their tier one and tier two suppliers.” (11/12/2008)

That said, corporate America still may not reach their diversity goals because the fluctuating economy, while strongly driving outsourcing on one hand, also results in streamlining and cutting the total number of suppliers on the other. This action may crowd out smaller companies. Most experts, therefore, advise small companies to stay competitive in every way. Simply being a small, minority, or women-owned business does not alone ensure getting a contract.

Other issues affecting diversity programs include:

- Supplier-based downsizing and bundling (companies who buy more from fewer suppliers), thus increasing contract sizes making it difficult for small businesses to compete
- Reliance on preferred suppliers
- JIT delivery requirements
- Higher standards of quality

To get started, you should secure certification from one of the standard organizations or obtain government certification. A brief survey of supplier diversity programs through the Internet indicated that most companies now accept government and third-party documentation.

Next, review the company's website and become familiar with their procedures and standards. You can then contact the company's purchasing office or diversity purchasing office to confer about your products or services. Be prepared to respond to requests for proposal (RFP), and fulfill company specifications and volume requirements.

The CWBR study of successful women business owners suggests the following strategies:

- Develop a good working relationship with corporate decision makers, purchasing personnel and end users
- Register with corporate supplier databases for leads
- Leverage referrals from corporate purchasing personnel and other suppliers
- Develop relationships with second-tier suppliers as a subcontractor or form joint ventures or strategic alliances
- Be patient and persevere

What are the specific certification programs and where I can go for assistance?

Information about various certifiers follows and is listed on Table 1.

Federal Government

❑ US Small Business Administration (SBA)

Pittsburgh District Office
Pittsburgh, PA 15219
412-395-6560

www.sba.gov
www.sba.gov/pa/pitt/

Workshop: 8(a) Application Workshops are held on the last Wednesday of each month at the Federal Building. Call for information.

SBA 8(A) Business Development Program

Designed for established companies who want to become independently competitive in the marketplace, the 8(A) program is a complete nine-year business development program, not only a government procurement program. Although successfully obtaining government contracts is a key element, the SBA provides marketing, financial, management or other technical assistance.

Eligibility:

- Business is owned, controlled and operated by one or more persons who are Socially and Economically Disadvantaged and are citizens of the US
- Business is a going concern and in operation two full years
- Socially and economically disadvantaged owner(s) has personal net worth of \$250,000 or less

To apply for certification, the SBA recommends that you complete forms available either at their office or at their website (www.sba.gov). Call the SBA District Office if you have questions or need assistance.

Veteran owned Small Businesses or Service Disabled Veteran owned Small Businesses

There's no certification program for veteran owned or service disabled veteran owned businesses. Initially, a veteran should register in the Government's Central Contractor Registration (CCR), a one-stop procurement shop for Federal contracting. This registration acts as a self-certification. Once the SBC is registered in CCR, and an offer is submitted on a Federal Contract, the SDVO SBC will need to fill out an "On-Line Representations and Certifications Application."

Commonwealth of Pennsylvania

❑ PA Department of General Services, Bureau of Contract Administration and Business Development

The Bureau of Contract Administration and Business Development provides the resources to compete for and participate in the state contracting process. The bureau certifies minority and women businesses based on the criteria of ownership, management control, and operational control, and teaches these business owners how to pursue the opportunities available through state contracting. In addition, the office administers the statewide contract

compliance program, which ensures that suppliers and contractors are not discriminatory in hiring, firing and subcontracting arrangements.

The PA Bureau of Contract Administration and Business Development (BCABD) provides free workshops on state contracting for small businesses and regional networking events. The workshops cover finding business opportunities with the State, basic state contracting procedures, state resources for small businesses, and certification for minority-owned and woman-owned companies. Pre-registration is required, so call the office listed below for details. A calendar of these workshops is also available at the website

http://www.portal.state.pa.us/portal/server.pt/community/events_workshops_calendar/1469.

The PA Bureau of Minority and Women Business Opportunities publishes *Doing Business with the Commonwealth of Pennsylvania*. This publication is a comprehensive resource on getting started with government contracting, obtaining certification, and finding resources for small businesses. It is available at

http://www.dgs.state.pa.us/bcabd/lib/bcabd/handouts/manual_for_small_business.pdf.

❑ **PA Department of General Services**

www.dgs.state.pa.us

PA Department of General Services
700 River Avenue, Suite 234
Pittsburgh, PA 15212-5907
(412)442-5872

Workshop: Free state contracting and state certification workshops are held monthly.

❑ **PA Department Of Transportation (PennDOT)**

www.dot.state.pa.us/

Bureau of Equal Opportunity
Project Management and Business Assistance Division
P.O. Box 3251
Harrisburg, PA 17105-3251
(800)468-4201 or (717)787-5891

County Government

❑ **Allegheny County**

www.county.allegheny.pa.us/mwdbe

Office for Minority, Women & Disadvantaged Business Enterprise
204 County Office Building
542 Forbes Avenue
Pittsburgh, PA 15219
(412) 350-4309

Workshop: Free application workshops are held monthly.

❑ **Port Authority Of Allegheny County**

www.portauthority.org

DBE Contract Compliance
345 Sixth Avenue, 3rd Floor
Pittsburgh, Pennsylvania 15222-2527
(412) 442-2000

❑ **Other Southwestern Pennsylvania Counties**

In southwestern Pennsylvania, only Allegheny County has its own certification process. For other counties in the region, state certification is usually acceptable. Contact the county Economic Development Department or Purchasing Department for their requirements.

Private Sector Certifiers

Private or non-profit organizations developed programs to certify businesses. These certifications promote greater contracting opportunities among private sector corporate purchasing offices. At this point, very few government agencies accept these private certifications, although most corporations will accept either government certification or private, third party certification. Many corporations publish information about their supplier diversity programs on their web sites. These should be reviewed regarding specific certification requirements.

- ❑ **Pittsburgh Regional Minority Purchasing Council** www.prmpc.org
(Member, National Minority Supplier Diversity Council (NMSDC))
425 Sixth Avenue
Suite 2690
Pittsburgh, PA 15219
(412) 391-4423
Note: For minority businesses (MBE) only.
Fees: \$200 Membership fee plus non-refundable processing fee of \$100

- ❑ **Women's Business Enterprise National Council (WBENC)** www.wbenc.org
1120 Connecticut Avenue, NW, Suite 1000
Washington DC 20036
(202) 872-5515
Fee: By region and company's annual gross revenue. Southwestern Pennsylvania is served by Women's Business Enterprise Council PA-DE-sNJ (www.wbecouncil.org).

Up to 1 Million	-	\$350
1 Million to 5 Million	-	\$500
5 Million to 10 Million	-	\$750
10 Million and above	-	\$1000

- ❑ **National Women's Business Owners Corporation (NWBOC)** www.nwboc.org
1001 W. Jasmine Drive, #G
Lake Park, Florida 33403
(800) 675-5066
Fee: Processing fee is \$350

- ❑ **Association for Service Disabled Veterans** www.asdv.org
ASDV Clearing House
P.O. Box 20312
Stanford, CA 94305
(650) 961-3751
Fee: None

Other Resources

- ❑ **Diversity Business Resource Center** www.dbrconline.org/
Riverside Center for Innovation
700 River Avenue, Suite 510
Pittsburgh, PA 15212
412-322-3272 or 800-978-3272
Office providing information and referrals to resources for MWDBE firms. Maintains a network of MBWBE growth firms seeking relationships with corporate, government, and institutional buyers.

- ❑ **WomenBiz.gov** www.womenbiz.gov
Website for women-owned businesses selling to the federal government.

- ❑ **Small Business Administration**
<http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/faqs/index.html>
Questions and Answers Regarding Women Owned Small Business Certification

- ❑ **DiversityBusiness.com** www.diversitybusiness.com
Portal to resources tailored for small business suppliers and organizational buyers.

- ❑ **Diversity Information Resources** www.diversityinforesources.com
2105 Central Avenue, NE
Minneapolis, MN 55418
(612) 781-6819

Table 1. MINORITY AND WOMEN BUSINESS OWNER CERTIFICATION

Type	Certifier	Application Form	Contact Information	Length of Certification	Cost	Recertification	Accepted By	Information Workshop	Technical Assistance*
<i>Federal</i>	SBA 8(a)	Contact office or Online	412-395-6560 www.sba.gov	9 years	Free	No	All federal agencies	Monthly	Yes
<i>State</i>	PA Dept General Services	Contact office or Online	412-442-5872 www.dgs.state.pa.us/dgs	2 years	Free	Every 2 years	All state agencies, except PennDOT	Monthly	Yes
<i>State</i>	PA Dept of Transportation	Contact office or Online	800-468-4201 717-787-5891 www.dot.state.pa.us/	3 years	Free	Affidavit of “no change” filed annually	PennDOT and transportation agencies only	No	
<i>County</i>	Allegheny County	Contact office or Online (also download Statement of Disadvantage & Net Worth)	412-350-4309 www.alleghenycounty.us/	6 years-annual affidavit of no changes prior to cert anniversary date	Free	Every 6 years	All County agencies, Co. Airport Authority, & transportation agencies	Monthly	Bonding program; contract assistance
<i>County</i>	Port Authority of Allegheny	Contact office or Online	412-566-5257 www.portauthority.org	3 years	Free	Affidavit of “no change” filed annually	Port Authority and transportation agencies only	Correspond to local advocate agencies	n/a
<i>Private</i>	Pgh Regional Minority Purchasing Council	Contact office or Online	412-391-4423 www.prmopc.org	1 year	\$300	Every year	Major corporations	Yes Inform by SBA website and email	Yes
<i>Private</i>	Natl Women’s Business Owners Corp	Contact office or Online	412-440-6969 www.nwboc.org	1 year	\$350 - \$1,000	Every year	Major corporations	No	Yes
<i>Private</i>	Women’s Bus Enterprise Natl Council	Contact office Or Online	202-872-5515 www.wbenc.org	1 year	\$350	Every year	Major Corporations	No	No

City of Pittsburgh and other Counties in the Region **do not** certify; they accept state certification. Allegheny County Airport Authority **does not** certify but accepts Allegheny County certification.

*Technical Assistance may include help with applications, locating contracts, preparing bids, etc.

Getting Started with Government & Private Contracting

What is Government Procurement?

All levels of government, federal, state, and local, purchase goods and services from the private sector. In fact, the US government is the world's largest buyer of goods and services spending hundreds of billions annually according to the Small Business Administration (SBA). Procurement is the term used by most government agencies and corporations for this process, although you'll also see the terms, "purchasing," "contracting," or "acquisition."

So, in this sense, government agencies and corporations offer a rewarding marketing opportunity like any other private-sector customer. They want a quality product for a good price delivered on time.

Agencies, however, differ from business and consumer customers because they must answer to the public and must conform to publicly established procedures for locating vendors. They also impose rules and regulations on vendors to obtain and comply with purchase contracts. If you want to sell to the government, you have to play by the rules. Although contracts can be profitable, selling to the government is not for every business. Before you make this decision, you should assess whether you are ready to compete in this marketplace.

Why should a business consider Government Procurement?

Besides purchasing all manner of goods and services, government agencies are buying more from small business. Small businesses, roughly defined as businesses with 500 or fewer employees, are encouraged to participate in government contracting. For contracts that are simply too large for smaller companies, the business should explore subcontracting prospects.

In fact, 23% of all federal government prime contracts are intended to go to small businesses. Moreover, the federal government by law requires agencies to establish contracting goals. These goals are 5% for women-owned businesses, 5% for minority, small disadvantaged businesses, 3% for firms located in HUBZones and 3% for service disabled veteran-owned businesses.

Agencies define specifications so you should see few, if any, surprises. And, once billed, the government pays promptly. The federal government typically pays in 45 days, the Commonwealth of Pennsylvania in 35-40 days, and most counties within 60 days.

Are you ready to sell to the government?

Readiness entails an evaluation of your company's ability to provide the requested goods or services, the administrative capacity to handle ongoing paperwork, and the financial strength to support the deal. Some things to consider are:

- Three Basic Requirements.**
 - Product or service available at a competitive price
 - Quality standards to meet government requirements
 - Delivery on time
- Track Record.** Agencies prefer some business experience which is about 1 to 2 years minimum.
- Customer mix.** You should have a viable, ongoing enterprise with non-government business comprising the majority of your sales, for example, 80% or more in private sector business.
- Computer capacity.** Agencies, particularly federal, are moving toward "paperless" contracting. You need, at a minimum, Internet access to identify and submit proposals, and to bill and receive funds. Government agencies prefer and may even require electronic funds transfer.
- Financial stability.** You should have manageable debt, access to short-term credit, and possibly bonding.
- Merchant account.** Smaller, micro purchases are handled through credit cards.
- Administrative ability.** You should have a computerized accounting system, established bookkeeping practices, and strong business controls.
- Staffing.** Although not required, having someone in your company devoted to government sales and administration is a plus.
- Time.** Finding and performing well with government contracts takes a considerable amount of your time. Plan accordingly.

Is the government and corporate market different than selling to my other customers?

You should treat the government or a large corporation like any other customer. *Do your marketing homework.* Once you identify and target potential customers, government purchasers are like those in the private sector and need to know you exist. They, too, respond to standard marketing techniques and strategies. Being willing to sell and registering on procurement lists are just not enough to get this business. Contracts will not automatically be offered to you. Remember, these are usually person-to-person sales; it's still a relationship game that takes work and dedication.

How does a small business "Get Started?"

As you can see, buying by either government agencies or corporations offers great opportunities to small businesses. But, the process can seem daunting especially to an inexperienced company with a small staff. Once you know that you are ready to sell, following these steps can make that process more manageable. See Flow Chart 1.

Step 1. *Understand how the government purchases.* To understand where you can compete, you should know the monetary categories for purchases at each level of government and requirements for public notice and offers. That will help you target the kind of contract you can handle.

Step 2. *Conduct a market analysis to determine who will buy from you and how.* This is perhaps the step most often skipped, but is the most crucial before you proceed with any registration or make any decision that you want to be a government contractor. First, you want to know that there is enough demand for your products or services before you spend precious time on chasing contracts. Second, you want to focus your energies on the best customers. Third, you may identify sub-contracting opportunities with large contractors.

Before you do anything else, you should identify any agencies who could buy your product or service and the amount of these purchases. This can be easily done by reviewing agency websites and by searching several web-based databases to see if anyone buys what you have to sell. As you search, note the agency, the specifications of the contract, contract award, and the successful bidder. Evaluate whether you could complete the contract specs and deadlines. (See Preliminary Market Analysis) Numerous electronic databases of information listed in this report make this step easier than ever.

Step 3. *Proceed with any required registrations.* Most government agencies and corporations maintain vendor lists for prime contractors and sometimes for sub-contractors. These lists are maintained either at the offices or, most likely, on the Internet. Although registration is a good practice, it does not guarantee you will be notified of all bids nor contacted by purchasing agents. You must also market yourself and develop a workable strategy to reach these customers. See Step 5.

Step 4. *Contact a local PTAC office or government purchasing assistance office.* These offices can be a tremendous help in matching your company' products or services with government needs, and give individual assistance in preparing proposals. Contact information for these offices is listed later in this report.

Step 5. *Complete a Marketing Plan.* Treat customers in the public and corporate sectors like other customers. Make clear decisions for sales strategies, advertising, and promotions.

When should I consider certifying as a women-owned, minority-owned, or veteran-owned business?

Once you know that you have a good chance of securing contracts with government agencies or corporations, you can investigate and apply for certification status. Certification

may make you eligible for contracts that are set aside specifically for certified businesses, or qualify you as a certified sub-contractor to help prime contractors meet participation goals for government contracts. Most large corporations actively support supplier diversity programs and seek certified disadvantaged firms as vendors. See “Business Certification” for further information on the certification process.

Do I need to be bonded?

Bonding is normally required for sizeable construction work over \$100,000, so most commodity vendors don’t need bonding. Construction contractors could be required to post a bid bond of about 10% of the bid amount, a performance bond at 100% of the contract amount, or a payment bond.

The Miller Act of 1935 requires performance bonds for public work contracts in excess of \$100,000 and payment protection, with payment bonds the preferred method, for contracts in excess of \$25,000. Almost all 50 states, the District of Columbia, Puerto Rico, and most local jurisdictions have enacted similar legislation requiring surety bonds on public works. These are generally referred to as “Little Miller Acts.”

Companies apply for a bond through a Surety Company, who might also request Small Business Administration (SBA) participation as guarantor. Applying for a bond, like a business loan, usually requires a business plan and financial statements and projections. The company’s previous track record also influences bond approval.

The US Department of the Treasury maintains a list of Approved Sureties (Department Circular 570 published annually in the *Federal Register*) at www.fms.treas.gov/c570/c570.html used by federal, state, and some local governments. If you are working as a subcontractor, the prime contractor can possibly carry the bond.

For more information on bonding, refer to Duquesne SBDC’s Webnotes “[Insurance and Bonding](#).”

Step I. How the US Government Purchases

Types of Purchases

Before you make this decision about selling to the federal government, you need to understand their rules for purchasing. The federal government separates purchases into three categories (See Table 2) described below. The purchase process becomes more complicated as the price of the product or services increases. You should, therefore, consider starting with smaller purchases first.

❑ ***“Micro-Purchase:” Purchases <\$3500***

These purchases constitute a wide variety of products and services. "Purchase cards" are widely used and account for approximately 50% of all government transactions. In fact, currently there are over 350 agencies / organizations participating in the GSA SmartPay® 2 program spending \$30 billion annually. To participate in these smaller sales, a vendor must be equipped with a computer and have the ability to accept credit cards.

Micro purchases require no public notice and most purchasers have vendors that they typically use. Although government purchasers might use phone directories or advertisements to find vendors, you should also consider direct mail, phone calls and/or person-to-person visits to sell your products or services.

❑ ***“Simplified Acquisition Procedures:” Purchases between \$3500 and \$100,000***

Agencies are required to locate vendors through a competitive bid, but are not required to provide formal notice for acquisitions <\$25,000. Acquisitions between \$25,000 and \$100,000 must be publicly advertised. Agencies prepare a statement of work and review three informal quotes received by telephone, fax, email, or regular mail. Purchasers are permitted to choose the best value.

To take advantage of this smaller purchase market, get listed on each agency's bidders' lists and vendor directories. Identify the local buyers for the agencies to which you are marketing, and make a sales call to them. Make sure you register on CCR.

Payment is made with a government credit card or purchase order, and the purchase is typically completed in anywhere from a day to a week. Official government buyers generally make these small purchases for end users. Buyers find suppliers from bidders' lists (manual or electronic), centralized vendor directories such as CCR, or issue a Request for Quote to obtain quotes.

❑ ***“Contract Procedures:” Purchases > \$100,000***

Large purchases are competitively bid through negotiated procurements or formal advertising via Request for Proposals (RFP) or Invitation for Bid (IFB).

Negotiations are necessary and selection is based on other factors such as technical capability and past performance in addition to price.

All procurements exceeding \$25,000 are advertised on the FedBizOpps website (www.fedbizopps.gov), which replaces the Commerce Business Daily publication.

Table 2 Federal Purchase Categories			
Type	\$ Limitations	Advertisement	Payment
<i>Micro purchase</i> (small)	<\$3500	None	Credit card
<i>Simplified purchase</i> (medium)	\$3500-\$25,000	None	Credit card or purchase order
	\$25,001-\$100,000	Yes	Credit card or purchase order
<i>Contract purchase</i> (large)	>\$100,000	Yes	Purchase order

The General Services Administration (GSA)

The General Services Administration (GSA) makes all federal purchases for products that are not agency specific. The GSA purchases products and services that are generally used by **most** federal agencies. The GSA does not, for example, purchase airplanes; those are bought by the Department of Defense. Nor do they contract for channel dredging; that's done by the US Army Corps of Engineers. The GSA separates their purchases into two divisions:

- Federal Acquisition Service (FAS): products, services, vehicles, technology, etc.
- Public Building Service (PBS): planning, designing, building, decorating, landscaping, leasing government office buildings; building operations, maintenance, security.

The GSA handles buying through the GSA Schedules Program, either single award schedules or multiple award schedules. Once a seller has an approved Schedule contract they are eligible to sell products or services to GSA customers. Schedules are synonymous with a "GSA number" or with "getting on the GSA list." Over 37% of the dollars spent under this program are acquired by small businesses, well above the goal of 23 percent.

All other federal agencies

Other federal offices have separate procurement offices for the purchase of goods and services relevant to their operations. Procurement opportunities are generally listed at the agency's website either under "Business Opportunities" or under the "Office of Small Business." Procurement processes are similar to those mentioned above.

Step 2. Market Analysis

1. ***Determine your North American Industrial Classification System (NAICS) code.*** All industries have a NAICS code and contracts can be searched by using this code as keyword. You can find your 6 digit code at www.naics.com or <http://www.census.gov/eos/www/naics/>.
2. ***Review contract information at the Office of Small and Disadvantaged Business Utilization (OSDBU).*** Each federal agency with significant purchase activity maintains an Office of Small and Disadvantaged Business Utilization (OSDBU) providing resources on contracting for small business. This information may include current contract opportunities, forecasts, and listings of what the agency buys. See www.osdbu.gov to link to agency OSDBU offices, or refer to the following link for more information federal agency procurement offices <http://prod.nais.nasa.gov/pub/fedproc/home.html>.

Each agency also employs a Small Business Specialist in this office. You can contact them and discuss potential opportunities and whether you might qualify. Contact information is always available at the agency website.

3. ***Search for contract and sub-contract opportunities in your geographic market area by either searching web-based directories or contacting local bid matching services.*** This research can also identify competitors or prime contractors. Sources are listed below:
 - Federal Biz Opportunities**, www.fedbizopps.gov – portal for opportunities >\$25,000
“Find Business Opportunities,” searchable by keyword, active and archived contracts, date, place, product, NAICS, and agency.
 - Federal Procurement Data Center** www.fpds.gov – portal for contracts >\$25,000; summary of contracts <\$25,000
“Other Reports and Queries,” searchable by product/service category or NAICS, and by agency.
 - SBA, Federal Agency Procurement Forecast**, www.sba.gov/GC/forecast.html – searchable database of forecasted needs for eight federal agencies. Select federal agency and then “Business Opportunities.”

- Interagency Contract Directory**, www.contractdirectory.gov - a searchable directory of government wide acquisition contracts (GWACs), multi-agency contracts, Federal Supply Schedule contracts, or other instruments used by multiple agencies, including Blanket Purchase Agreements (BPAs) against Federal Supply Schedule contracts. Website is temporarily suspended
 - AcqNet**, www.arnet.gov - a searchable directory of contract opportunities and another source for agency forecasts. Select “Business Opportunities,” then “Federal Agency Business Forecasts” to get to “Procurement Forecasts.”
 - Bid Matching Service** (no fee) - See Step 3. Technical Assistance for a PTAC office in your area.
4. ***Evaluate your readiness and competitiveness for similar contracts.*** Answer these questions: (1) Do you have an appropriate product/service? (2) Can you meet all specifications and prices? (3) Do you have adequate labor, material, and financial resources? (4) Can you complete the contract within deadline? Use the “Preliminary Market Analysis Worksheet,” Appendix 1.

Step 3. Registrations.

- Register with CCR.** The Central Contractor Registration (CCR) is the primary vendor database for the Department Defense (DoD), NASA, the Department of Transportation (DoT), and the Department of Treasury. Registration is required for vendors to these agencies. CCR collects information relevant to a company's type of business, goods and services sold, electronic funds transfer (EFT) information, points of contact, and past performance. You can find more information at <https://www.bpn.gov/ccr/CCRPOL.aspx>.

To register, you need the following:

- Obtain a DUNS (Data Universal Number System) number (www.dnb.com) (free)
- Obtain a TIN or EIN (Tax Identification Number/Employer Identification Number) (www.irs.gov)
- Find your North American Industrial Classification Code (www.naics.com)
- Gather Electronic Funds Transfer (EFT) Information
- Access the CCR online registration through the CCR homepage at www.ccr.gov. Click on “Start New Registration.”

2. Apply for Small Business and Disadvantaged Business Certification

Businesses in special categories like small-disadvantaged, women-owned, minority-owned, and veteran service-disabled-owned, can self-certify that they fit these designations when registering or applying for a contract. A business can also benefit if located in a HUB Zone. These designations can help you succeed because all agencies have to measure their performance against Congressional goals for spending with these small businesses.

Companies who complete special government certification are also eligible for “set asides” and “price evaluation adjustments.” Moreover, large prime contractors are required to subcontract awards to these certified companies.

Federal Government Resources

US Small Business Administration (SBA)

The US Small Business Administration (SBA) assists small businesses in learning about government purchasing. The local District Office staff can assist you with the special programs. The SBA also provides technical assistance at their website and through information and online seminars on contracting. www.sba.gov/GC/

Pittsburgh District Office
411 7th Avenue, Suite 1450
Pittsburgh, PA 15219
(412) 395-6560

www.sba.gov/pa/pitt/

SUB-Net (web.sba.gov/subnet/)

The SUB-Net database is for prime contractors to post subcontracting opportunities that may or may not be reserved for small business. They may include either solicitations or other notices -- for example, notices of sources sought for teaming partners and subcontractors on future contracts. Small businesses can review this web site to identify opportunities in their areas of expertise. While the web site is designed primarily as a place for large businesses to post solicitations and notices, Federal agencies, state and local Governments, non-profit organizations, colleges and universities, and even foreign Governments use it for the same purpose.

HUBZone Contracting Program

Firms located in certain geographic areas have an additional advantage in government contracting. The program focuses on underutilized business areas, generally where median household incomes are less than 80% of the national median. Application for certification can be completed online. A certified company is eligible for special set aside awards, sole source awards, and a price preference of 10%.

To be eligible, a company's principal office must be in a HUBZone, the company must be owned by US citizens, and 35% or more of the employees must be Zone residents. The HUB Zones in this area generally fall in certain parts of the City of Pittsburgh and in the Mon Valley. Check the website for exact locations:
www.sba.gov/hubzone.

Tech-Net (tech-net.sba.gov/)

This source is an electronic gateway of technology information and resources for and about small high-tech businesses. It is a search engine for researchers, scientists, state, federal and local government officials; a marketing tool for small firms; and a potential link to investment opportunities for investors and other sources of capital.

Central Contractor Registration (CCR – www.ccr.gov) is the primary registrant database for the U.S. Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions.

Mentor-Protégé Programs

Most federal agencies have a “mentor-protégé” program to assist new small business contractors. The purpose of the mentor-protégé relationship is to provide stability to and improve the ability of small and disadvantaged companies to successfully compete for federal contracts. Such businesses include minority, women, and disabled veteran-owned businesses.

Mentors are large business concerns or prime contractors who demonstrate the commitment and capability to assist in the development of a small business. As an incentive for participation, a mentor firm may elect to receive credit against his Small-Disadvantaged Business (SDB) subcontracting goals or reimbursement of the cost of the developmental assistance provided.

Through a written agreement, protégé companies are offered technical and business assistance, and a long-term relationship with a large contractor. Mentors can provide organizational and financial management, business management and development, engineering and other technical assistance, rent-free use of facilities and/or equipment, temporary assignment of personnel for training of protégé personnel, or they can make an equity investment in the protégé company.

Features of mentor-protégé programs may slightly differ with each agency, and you should consult agency websites. The program is actively marketed to prime contractors, so small businesses need to proactively express interest in participating by contacting an agency’s Office of Small and Disadvantaged Business Utilization (OSDBU).

Commonwealth of Pennsylvania

Step I. How the Commonwealth Purchases

Types of Purchases

The state separates purchases into three categories (See Table 3) described below. The purchase process becomes more complicated as the price of the product or services increases. You should, therefore, consider starting with smaller purchases first.

❑ ***Small, No Bid: <\$5,000***

These purchases constitute a wide variety of products, services, and construction. Small purchases require no public notice, and the agency seeks vendors by telephone, fax, e-mail, or in person. Purchases can be made by credit card. Agency purchases must consider state certified minority-owned or women-owned businesses.

❑ ***Small, Informal Procurement: \$5,000-\$10,000***

These purchases constitute a wide variety of products, services, and construction. Agencies solicit at least three vendors by phone, fax, or email. One of these vendors must be a state certified minority-owned or women-owned business, if available. These purchases are not advertised and vendors can contact agency purchasing agents.

❑ ***Delegated Formal Bid - <\$10,000 – Purchase by individual agency***

Suppliers: \$10,000-\$20,000

Service Providers: \$10,000-\$250,000

Construction Contractors: \$10,000-\$100,000

Each agency can solicit vendors within these contract ranges depending on whether they need products, services, or construction services. Formal competitive bidding is required. These purchases must be advertised, and are handled through purchasing agents.

❑ ***Department of General Services Contracts (Statewide Contracts)***

Suppliers: >\$20,000

Service Providers: >\$250,000

Construction Contractors: >\$100,000

Formal, competitive bidding is required. Product and service purchases are handled by the Department of General Services (DGS), Bureau of Procurement; construction contracts through the Bureau of Construction. All state departments and agencies can, thus, purchase through the same contract eliminating the need for separate bidding. These contracts are for a specified period of time.

❑ ***Information Technology (IT) Contracts***

The Commonwealth uses an Invitation to Qualify (ITQ) process for Information Technology (IT) services to pre-qualify vendors. A vendor must respond to an Invitation to Qualify issued by the state. Criteria to evaluate qualifications include prior contracting experience, a minimum number of years in business, and client references. More detailed information and forms are at www.itq.state.pa.us.

For work under \$25,000, a purchasing agent can select any pre-qualified vendor. If the work is expected to be \$25,000.01—\$100,000, the Agency solicits bids from five or more pre-qualified vendors, one of which must be an MBE and one of which must be a WBE (informal evaluation process). For amounts between \$100,000.01—\$5,000,000*, an Agency solicits five or more prequalified vendors, one of which must be an MBE and one of which must be a WBE (formal competitive proposals/bids).

If the work is expected to be over \$25,000, a state agency will issue a Request for Quote (RFQ), and only pre-qualified vendors may respond. RFQs are not posted on the ITQ or DGS websites for general use, so you must market your company to agencies to be assured of receiving relevant RFQs.

Vendors must first apply for a vendor number at www.vendorregistration.state.pa.us before they can pre-qualify under ITQ. *Pre-qualification does not guarantee RFQs or contracts; remember to market your business.

*ITQ related projects cannot exceed \$5,000,000.

❑ ***Construction Contracts***

Projects costing less than \$100,000 can be handled by each state agency. The PA Department of General Services (DGS) is the chief construction agency for projects over \$100,000. Most construction projects are awarded using the Invitation for Bid (IFB) process where the lowest responsible and responsive bidder is awarded the contract. Other construction projects, like those for construction management, are awarded under the Request for Proposal (RFP) process. Under this process, the contractor with the most points based on certain criteria wins the contract.

The Commonwealth awards most construction projects using the Invitation for Bid process. Others, such as construction management projects, follow the Request for Proposal process. Complex projects, multiple-prime projects, and projects exceeding \$5 million follow the Best Value process.

Table 3. Pennsylvania Purchase Categories			
Type	\$ Limitations	Advertisement	Payment
<i>Small, no bid</i> purchase order	<\$5,000	None	Credit card,
<i>Small informal</i>	\$5,000 - \$10,000	None, 3 bids 1 minority/woman	Purchase order
<i>Delegated formal</i>			
<i>Materials</i>	\$10,000 - \$20,000	Yes	Purchase order
<i>Services</i>	\$10,000 - \$250,000	Yes	Purchase order
<i>Construction</i>	\$10,000 - \$100,000	Yes	Purchase order
<i>DGS</i>			
<i>Materials</i>	>\$20,000	Yes	Purchase order
<i>Services</i>	>\$250,000	Yes	Purchase order
<i>IT</i>	<\$100,000	No	Purchase order
	>\$100,000	Yes	Purchase order
<i>Construction</i>	>\$100,000	Yes	Purchase order

Step 2. Market Analysis

Contract information at the Department of General Services (DGS).
www.emarketplace.state.pa.us

PA eMarketplace is a one stop shop for suppliers to view upcoming and current solicitations, solicitation tabulations, award information and statewide contracts. Previously this information was available through several different individual links within the DGS website. Now you can view all of this information in one central location.

- Procurement Bid Opportunities** – All bidding opportunities (with an estimated cost in excess of \$10,000) for supplies, services, and construction.

The database can be searched by content, contract number, issuing department, type, or supplier. A document explaining the contract search in eMarketplace can be found at <http://www.dgsweb.state.pa.us/comod/EMarketplace/Tips.doc>. Each record in the database includes a summary or description of contract requirements, contact information, the duration of the contract, and the project location. The bid documents are available online if “Yes” appears in the

"Download Docs?" column. If the bid documents are not available online, you can call the office issuing the contract for bid and request a bid packet.

The Department of General Services establishes policy and procedures for the procurement of materials and services for most Commonwealth agencies. The Department's Bureau of Procurement acts as the purchasing agency for statewide requirements contracts for purchase orders for materials in excess of \$20,000 and for services in excess of \$250,000.

All bidding opportunities (with an estimated cost in excess of \$10,000) for materials and services for Commonwealth Agencies are published at the Department of General Services PA eMarketplace website. However, to view the full electronic bid you may need to login to the PA Supplier Portal.

Other bidding opportunities may be discovered by contacting an Agency's Procurement Office.

View the "Supplier Manual" for more information on Doing Business with the Department of General Services.

- ❑ **Subcontracting Opportunities** - Most bidders select their suppliers and subcontractors *before* bids are due. To find these opportunities, search for contracts on which your company might be a supplier or subcontractor. Then contact the state contract issuing office and request a list of all potential bidders (i.e. those companies that have requested a bid packet). Contact these firms to offer your services as a supplier or subcontractor.

- ❑ **Statewide Contracts** - www.emarketplace.state.pa.us
Contracts for purchases made on behalf of all state agencies are listed in this database.

- ❑ **Pennsylvania Treasury Department, Bureau of Contracts and Public Records**
http://www.pabulletin.com/secure/data/vol35/35-17/35_17_dgs.pdf
Room 201 Finance Building
Harrisburg, PA 17120
717-787-2990
800-252-4700
contractinfo@patreasury.org

The Pennsylvania treasury's business outlet maintains a database of state contracts over \$5,000 listing the product or service purchased, the state agency, the successful bidder and the contract amount. You can use the database to determine market potential for your products and services. The department can print at no charge a list of contracts distributed in your industry. Your request can be made by email, standard mail, or fax.

- ❑ **Commonwealth Points of Contact (Purchasing Agents)** -
<http://www.dgs.state.pa.us/procurement/site/default.asp> - Select link
Other bidding opportunities may be discovered by contacting an agency's procurement office. Vendors can use the search feature on the DGS website to find purchasing agents. One can also access the PA supplier portal, points of contact search, Forms, FAQs, Bid opening procedure.

Step 3. Registrations.

1. **Register with Vendor Registration.** All vendors wanting to do business with Pennsylvania must register. You will also receive a vendor number.
www.vendorregistration.state.pa.us.
2. **Small Business and Disadvantaged Business Certification.**
Certifications require separate applications and approvals. See the certification section of this publication for more information.

State certified vendors are listed in the State's MBE/WBE Database searchable by product code, vendor name, county, and status
<http://www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx>.

Commonwealth of Pennsylvania Resources

PA Department of General Services

www.dgs.state.pa.us

Commonwealth Information Center

402A Finance Building
Harrisburg, PA 17120

Phone: (717) 787-2121 (voice)
Toll Free: (800) 932-0784 (voice)
Toll Free: (800) 324-8040 (TDD/TTY)
E-mail: gs-cic@state.pa.us

Workshop: Free state contracting and state certification workshops are held monthly.

The Bureau of Purchases is responsible for managing the purchase of services and supplies for the Commonwealth. The Bureau also acts as purchasing agency for statewide requirements contracts and for the purchase of supplies in excess of \$20,000 and services in excess of \$500,000.

If you bid on a statewide contract, but do not receive the award, you can verify the lowest bidder and why you were not competitive by going to the website. Contact

the agency purchasing agent and request the Bid Opening Record for non-statewide contracts. As part of the Right-to-Know law, you can also obtain copies of contracts to help you prepare for the next bid, which includes the winning bid or proposal.

A complete manual, called “How to Do Business with the Department of General Services” is available on the DGS website:

<http://www.dgsweb.state.pa.us/comod/suppliermanual.pdf>

Allegheny County

Allegheny County Division of Purchasing and Supplies

206 Court House

436 Grant Street

Pittsburgh, PA 15219

412-350-4495

<http://www.alleghenycounty.us/purchasing/guide.aspx>

Step 1. How Allegheny County Purchases

Small Purchases where the total cost of the goods is less than \$10,000 are handled through the individual departments. These departments can be contacted directly and are listed as purchasing partners on the website:

<http://www.alleghenycounty.us/purchasing/guide.aspx>. County Departmental Contacts list shows county department, contact name, and phone number.

Purchases greater than \$10,000 and less than \$30,000 require quotations from suppliers who have registered with the Division of Purchasing and Supplies and the electronic bid distribution system. Current bids are posted on the County's website at <http://www.alleghenycounty.us/bids/index.aspx>.

When the estimated total cost of goods is more than \$30,000, sealed competitive bids are solicited from suppliers who have registered with the Division of Purchasing and Supplies electronic bid distribution system. Current bids are posted on the County's website at <http://www.alleghenycounty.us/bids/index.aspx>.

Step 2. Market Analysis

County Contract Databases-

<http://www.alleghenycounty.us/purchasing/links.aspx> – county information on open bids, commodity contracts, and previously awarded contracts

Commodity Assignments

<http://www.alleghenycounty.us/purchasing/alphcom.aspx> – identifies purchasing agents by the commodity they handle

Department of Finance, Purchasing Division

Room 502, City-County Building
414 Grant Street
Pittsburgh, PA 15219
412-255-2485 (phone)
412-255-2367 (fax)

Step 1. How the City of Pittsburgh Purchases

Purchases over \$10,000 are advertised in the classified section of the major newspapers under “Bids and Proposals.”

Step 2. Market Analysis

You can search archived bid proposals by checking the City’s website, http://www.city.pittsburgh.pa.us/gs/html/contract_bids.html#currentproposals. Current proposals are available for review at the **the Department of Finance website**: http://www.city.pittsburgh.pa.us/finance/html/contract_bids.html

County, Municipal, Other Local Governments

Each county, with the exception of Lawrence County, has its own purchasing department, which is responsible for obtaining bids. In Lawrence County, individual departments take on this responsibility. To make your contract search easier, Beaver County website has an online bid list.

Generally, you can find bids for the other counties or municipalities by contacting their purchasing offices listed below or consulting the public notice section in local newspapers. Another service, **Southwest Pennsylvania Purchasing Group (SPPG) and The Online Purchasing System**, centralizes bids for participating counties and municipalities. This system is expected to increase its purchasing partners, and should be updated regularly.

BEAVER COUNTY

- ❑ ***Beaver County Purchasing Department***
810 Third Street, County Courthouse
Beaver, PA 15009-2129
724-728-5700
www.co.beaver.pa.us/bids.htm

BUTLER COUNTY

- ❑ ***Butler County Purchasing Department***
Floor LL, County Government Center
124 West Diamond Street, PO Box 1208
Butler, PA 16003
724-284-5109
<http://www.co.butler.pa.us/>

GREENE COUNTY

***Commissioners Finance Unit –
Purchasing Agent***
Greene County Office Building
93 East High Street, Third Floor
Waynesburg, PA 15370
724-852-5219
<http://www.co.greene.pa.us/>

LAWRENCE COUNTY

- ❑ ***Lawrence County Government Center***
430 Court Street
New Castle, PA 16101
724-656-2178
www.co.lawrence.pa.us

MERCER COUNTY

- ❑ ***Mercer County Purchasing Department***
724-662-7502
<http://www.mcc.co.mercer.pa.us/>

WASHINGTON COUNTY

- ❑ ***Washington County Purchasing Dept***
Courthouse Square, 100 West Beau St.,
Suite 402
Washington, PA 15301
724-228-6740
<http://www.co.washington.pa.us/maindepartment.aspx?menuDept=7>

WESTMORELAND COUNTY

- ❑ ***Westmoreland County Purchasing Department***
2 N. Main Street, Suite 14
Greensburg, PA 15601
724-830-3750
<http://www.co.westmoreland.pa.us/>

SOUTHWEST PENNSYLVANIA PURCHASING GROUP (SPPG) AND THE ONLINE PURCHASING SYSTEM

<http://www.govbids.com/scripts/papg/public/home1.asp>

Allegheny County has lead in the creation of the Pennsylvania Purchasing Group (PAPG) and the Online Purchasing System. Access to Bids, Quotes, RFP's, Requests for Qualifications, Amendments and Awards can all be found at this website. The system is designed to notify businesses of bid and contract opportunities from **counties, municipalities, and other government agencies**. Bids from current participating agencies can be found by using the link above. More agencies are expected to join this system.

PORT AUTHORITY OF ALLEGHENY COUNTY

<http://www.portauthority.org/paac/>

PITTSBURGH PUBLIC SCHOOLS

<http://www.pps.k12.pa.us/143110127101955377/site/default.asp>

Step 4. Seek Technical Assistance

Step 3 is to seek out assistance from either a local **Procurement Technical Assistance Center** (PTAC) to work with a procurement specialist or with an agency's purchasing officer. In the southwestern Pennsylvania region, four PTAC offices serve this area. Purchasing officers can be found by contacting the Office of Small and Disadvantaged Business Utilization (OSDBU) office.

PTACs provide assistance and support in identifying and applying for government contracts. They provide targeted contract leads matching individual products or services with worldwide government sales leads. They also assist with bid preparation, electronic data interchange (EDI) support, seminars, and trade fairs. There is no charge for these services.

❑ **Southwestern Pennsylvania Commission
Procurement Technical Assistance Center (PTAC)**

www.spcregion.org

Regional Enterprise Towers
425 6th Avenue, Suite 2500
Pittsburgh, PA 15222
412-391-5590, ext.366
Counties Served: Allegheny

❑ **Government Agency Coordination Office (GACO)**

<http://www.cup.edu/advancement/gaco/index.jsp>

Mon Valley Renaissance
California University of Pennsylvania
250 University Avenue
California, PA 15419
724-938-5881
412-565-7547 (Pgh satellite ofc)
Counties Served: Allegheny, Beaver, Butler, Greene, Washington

❑ **Government Agency Coordination Office (GACO)**

www.eberly.iup.edu/gcap

Indiana University of Pennsylvania
Government Contracting Assistance Program
Robertshaw Bldg, Room 10
650 South 13th Street
Indiana, PA 15705
724-357-7824
Counties Served: Armstrong, Indiana

❑ **Private Industry Council of Westmoreland/Fayette, Inc. www.privateindustrycouncil.com**

RR#12 Box 213,
Greensburg PA 15601
724-836-2600
Counties Served: Fayette, Westmoreland

Step 5. Develop a Marketing Plan

Marketing Strategies

Marketing to government agencies is no different than marketing to any other business customer. You need to take time to get to know the organization and create relationships. The agencies must be aware you exist and that you have a credible business. ***Your marketing goal is to get your message to the user of your product or service.*** Even if the purchase is handled by the contracting office, purchasing personnel will usually respond to the user's recommendation for sourcing.

In your planning, ***first*** determine the type of purchase you can handle – small, medium, or large. Refer to earlier sections on “How government purchases.” ***Second***, select a geographic area to narrow your search for potential agencies and buyers. Locally, there are 23 Federal agencies; eleven of them have local procurement offices. The Commonwealth has 18 departments with over 100 purchasing agents in the western region. As you can see focusing your efforts will be most productive especially as you commence the contracting process.

Next, complete your market research by investigating previous contracting opportunities and identify a short list of agencies most likely interested in what you have to sell. This work will take some time. To begin your marketing, target a single agency, and begin contacting users and purchasing agents.

Sources of contact information will vary depending on the agency. Most procurement specialists will have contacts and can guide you in who to call. Otherwise, call the agency and ask for the person in charge of contracting or the small business specialist. Here are a few other suggestions:

- Telephone directory for a listing of most federal, state, and local agencies, some examples:
 - Local blue pages
 - US Blue Pages <http://www.officialusa.com/state/state.information/bluepages/index.html>
 - USA.gov <http://www.usa.gov/Contact.shtml>
- Internet websites providing contact information or staff lists
- Procurement specialists listed earlier at Federal, State, and Local offices
- PA Bureau of Contract Administration and Business Development in Pittsburgh publishes a list of state purchasing agents (412-442-5872 or 412-442-5829)
- Networking events

Marketing for small, micro purchases

Buyers are permitted to purchase from any source without public notice. Often they have already identified vendors, so they need a direct marketing approach to establish a new relationship. Otherwise, they will look for a supplier in much the same way as a private-sector buyer. You should employ marketing practices that you have already found successful in business-to-business sales, such as:

- Vendor lists, especially small and disadvantaged business listings

- Direct mail
- Cold calls by phone
- Cold calls in person – offices may have restrictions on access, but usually permitted with a photo ID
- Networking through events, procurement fairs, trade shows
- Print ads in mainstream newspapers or professional publications
- Telephone directory listings
- Promotional activities
- Publicity
- Website – Agencies use the Internet extensively to source suppliers

Marketing for medium and large purchases

Buyers solicit vendors through public proposals announcing product or services specifications. Buyers usually follow rules for requesting bids and making awards. Vendors need to be aware of bidding rules and submission deadlines.

Bidder lists

Many agencies will maintain bidders' lists and vendor directories. Examples include: CCR, SUB-Net, Tech-Net at the Federal level, and Vendor Registration for Pennsylvania. You should identify whether the agency maintains such lists as you complete your market research. Although inclusion on these lists does not guarantee that you will be offered a contract, they are one tool to make agencies aware of your business.

Notification or Bid Matching Services

You can subscribe to Notification Services where you receive timely notice of requests for proposals. These services are generally for convenience and do not guarantee notification. Some of these services are:

- FedBizOpps, Vendors Notification Service - register and receive emails for all notices for a particular solicitation number, from selected organizations, and for product/service classifications. www.FedBizOpps.gov, select "Vendor Notification Service"
- Procurement Technical Assistance Center (PTAC) Bid Matching Services - one services offered by PTACs is a bid matching service. See list of local PTAC offices under "Technical Assistance."
- SBA, Matchmaking, www.businessmatchmaking.com – cooperative effort between SBA, Hewlett-Packard, and the US Chamber of Commerce. Annual events throughout the US providing educational sessions and one-to-one appointments with purchasing managers.

Direct Sales

Although you can receive notification of requests for proposals through special programs, knowing the end user or contracting officer is still the best marketing strategy for getting a contract. Use the sources listed above for finding these individuals. Remember various people participants in the decision-making process who may include influencers, technical staff, executive management and final decision-makers. The mix of these individuals varies substantially from agency to agency. No one strategy can reach all of these individuals, so you need an integration of marketing tactics including ads, direct mail, telemarketing and e-mail.

Networking Events

Organizations listed in this publication sponsor networking events either specifically to bring vendors and buyers together, or events that your customer may attend. Be aware of these events, and determine if your customers are likely to attend. Come equipped with business cards and exchange as many as you distribute. Polish your elevator pitch.

Subcontracting

If you are interested in subcontracting or becoming a supplier on a project, contact the potential bidders as early as possible—by the time a contract is awarded, most contractors have already selected their subcontractors and suppliers.

- ❑ **Notice to Bidders** - PA Bureau of Professional Selections and Administrative Services published a several weeks (or even months) before the project is advertised, lists project name, location, design professional, description, bid opening date, proposed date of completion, cost of the plans and specifications, and the Minority/Women Business Enterprise (M/WBE) participation levels. You can receive these notices by calling 717-783-7610, request *Contractors' Questionnaire*, and submit \$75 annual fee.
- ❑ **SUB-Net** <http://web.sba.gov/subnet/>

Disadvantaged / Minority & Women Owned Business Enterprises

<http://www.mwdbe.org/directory.asp>

The Online Directory of Certified Minority/Woman Owned Business Enterprises provides a convenient way to find an up to date listing of all the currently certified enterprises. The database can be searched by clicking on the first letter of the company's name or by searching a particular service for all enterprises certified for that service.

Pittsburgh Regional Minority Purchasing Council (PRMPC)

<http://www.prmpc.org/>

This membership organization helps minority business enterprises (MBEs) in western Pennsylvania and West Virginia succeed as vendors to large corporations and government agencies. The PRMPC offers mentoring, networking events, opportunity fairs and events, working capital loans, educational scholarships to members.

The BID SHEET

2504 Middletown Rd
Pittsburgh, PA 15205
Phone: 412-922-6835
Fax: 412-922-5550
www.bidsheet.org

The BID SHEET is a local publication of bids and contract notifications **designed and specifically targeted for small businesses**. It covers opportunities from all local, state and federal government agencies, prime construction contractors, trades and service industries, and majority and privately-owned companies who actively seek participation for smaller bid packages or to fulfill mandatory participation goals.

myPublicNotices.com

www.mypublicnotices.com

In collaboration with newspapers, myPublicNotices.com provides online access to public notice advertisements from across the United States. You can also receive email alerts from this source. You can search by category (e.g. procurement), keyword, state, and date.

APPENDIX I.

Market Analysis Worksheets

SAMPLE MARKET ANALYSIS WORKSHEET

Federal / State Government Market Analysis

1. Enter the 6-digit North American Industrial Classification System (NAICS) code and classification name for your business: _____

2. Research contract databases:

Federal Contract Databases

- www.fedbizopps.com
- www.fpds.gov
- www.sba.gov/GC/forecast.htm
- www.contractdirectory.gov
- www.arnet.gov

State Contract Databases

- <http://contracts.pat treasury.org/search.aspx>
- www.dgs.state.pa.us/procurement/site/default.asp

3. Find and review descriptions for agencies who are soliciting your product or service. List below information for five relevant solicitations. Include the price range of the solicitation, time for completion, special requirements, and set asides.

- a) Agency
- b) Title of Solicitation
- c) Price Range
- d) Completion Time
- e) Special Requirements
- f) Set Asides

4. Evaluate each solicitation for the following:

I have an appropriate product/service	yes <input type="checkbox"/>	no <input type="checkbox"/>	unsure <input type="checkbox"/>
I can meet all specifications	yes <input type="checkbox"/>	no <input type="checkbox"/>	unsure <input type="checkbox"/>
I can meet the price range	yes <input type="checkbox"/>	no <input type="checkbox"/>	unsure <input type="checkbox"/>
I have labor, material, and financial resources	yes <input type="checkbox"/>	no <input type="checkbox"/>	unsure <input type="checkbox"/>
I can complete within deadline	yes <input type="checkbox"/>	no <input type="checkbox"/>	unsure <input type="checkbox"/>

If you respond “yes” to these questions, government contracts can be a good market opportunity for you. If you checked any “no” blocks, seriously rethink this as an opportunity. If you checked any “unsure” blocks, continue your research and learn more about these requirements by contacting agency purchasing officers or the agency’s Office of Small and Disadvantaged Business Utilization.