

How to Do BUSINESS With the U.S. GOVERNMENT

rafael marrero &
company 🐤🐤🐤

"Positioning your Small Business with
the World's Biggest Customer"®

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Become a federal contractor to work with the world's richest and most powerful client: Uncle Sam. The U.S. federal government awards **billions of dollars every year** in contracts to firms of all sizes. If you're a U.S. small business owner, you may be eligible for set-asides and other contract advantages.

Take the next step in your journey to become a business-to-government (B2G) contractor. This step-by-step guide takes you through the **four phases and 14 steps of federal contracting**. It's a unique opportunity for insider information from Rafael Marrero & Company, your Miami-based expert guide to working with the U.S. government.



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Why Do Business with the U.S. Federal Government? \$665 Billion Reasons

The federal government spent over **\$665 billion on contracts** in the 2020 fiscal year. This was an **increase of over \$70 billion** from the 2019 fiscal year. These contracts were awarded for the following purchases:

- \$188.2 billion for civilian agency purchases
- \$55.1 billion for civilian agency products
- \$203.6 billion for defense agency services
- \$218.1 billion for defense agency products

These figures represent the significant increase in spending on contracts in the 2020 fiscal year. In previous years, average federal spending on contracts was \$550 billion.

Set-Asides for Small wBusinesses

Currently, **less than 1% of all U.S. companies are winning federal contracts**. The U.S. government is required by law to set aside 23% of all contracts for small businesses. According to the **Small Business Administration (SBA)**, those set-asides are further broken down to support specific communities of small businesses:

Category	Goal Set-Aside Percentage	2020 Set-Aside Percentage	2020 Spending
Small Business	23%	26.01%	\$145.66 Billion
Small Disadvantaged Business	5%	10.54%	\$59.02 Billion
Service-Disabled Veteran-Owned Small Business (SDVOSB) and Veteran-Owned Small Business (VOSB)	3%	4.28%	\$23.94 Billion
Women-Owned Small Business	5%	4.85%	\$27.14 Billion
Historically Underutilized Business Zone (HUBZone)	3%	2.44%	\$13.64 Billion

Single-Bid Contracts

A significant amount of federal contracts **only receive a single bid**. In 2012, this category represented \$47 billion of the federal contractor budget.

With the **average federal contract worth \$160,000**, this represents a major opportunity for your firm to compete. Whether you operate a women-owned, veteran-owned, or HUBZone business, find out how many of these opportunities could be yours.



The Four Phases of Government Contracting in 14 Steps

Navigate the contracting process with Rafael Marrero & Company. Whether you're a first-time B2G contractor or looking to win more contracts, here are our four phases and 14 steps to do business with the U.S. government as a small business owner.

These 14 steps can be broken down into four phases:

- **Assessment and Planning**
- **Branding and Promotion**
- **Responding to Proposals**
- **Project Delivery and Execution**

Phase One: Assessment and Planning

Phase one contains four steps. These steps are designed to help you answer the question, "Is my firm procurement ready?" Take your business through this much-needed assessment and start your plan to win contracts.

Step One: Assess Your Situation

Start by developing a mitigation plan to address the core areas of your firm. Take this approach to identify the following areas of your business:

- Accounting system and dependable CPA
- Proposal writing and estimating responsibilities
- Business developer or relationship manager to create memorable relationships with relevant federal agencies
- Research tools to gather data and find opportunities

We recommend you focus on PPT: people, process, and tools. Identify any certifications and training programs that may fit your situation:

- **People:** The gold standard for government contracts is Project Management Institute Project Management Professional (**PMI PMP**) **training and certifications**.
- **Process:** International Organization for Standardization (**ISO**) **quality management certifications** are critical for creating and managing an efficient process.



- **Tools:** Sign up for Defense Contract Audit Agency (DCAA) compliant account system and find a client relationship management (CRM) solution that works for your firm.

Step Two: Develop a Strategic Plan and a Business Plan

A strategic plan is all about developing your mission, values, and vision. Find out where you want to go and what it will take to get there. Business plans are detailed documents that come in many different formats.

Traditional business plans are comprehensive documents that usually include most or all of the following nine sections:

- **Executive summary:** This is the overall goals and financial information of your company. It communicates your mission statement and how you plan to be successful.
- **Company description:** Provide more detailed information about your firm. Include the federal agencies you plan to market to, where

your physical location is or will be, and the strengths of your business.

- **Market analysis:** Identify competitor B2G organizations and what you'll do to outperform them and win contracts.
- **Organization and management:** Highlight your legal structure (C corporation, S corporation, sole proprietor, or limited liability company) and name key members of your company.
- **Service or product line:** Define and describe the products and/or services you plan to provide to the U.S. government.
- **Marketing and sales:** Describe how you plan to connect with federal procurement officers and win contracts.
- **Funding request:** If applicable, describe how much funding you will need, how you plan to receive it, and a breakdown of how you'll use the proceeds.
- **Financial projections:** Include detailed projections of the next five years of your firm's growth. Include statements from the previous five years if available.



- **Appendix:** Include any and all licenses, certifications, permits, letters of reference, and legal documents to support your business plan.

Step Three: Train and Educate Yourself and Your Core Team

The federal government is awash with acronyms, initialisms, and abbreviations. Review a [government acronym glossary](#) and memorize any relevant ones. Train your core team in any relevant acronyms as well. Here are some that may be helpful as a jumping-off point:

- ACO: Administrative Contracting Officer
- BAFO: Best and Final Offer
- CO or KO: Contracting Officer
- EDWOSB: Economically Disadvantaged Woman-Owned Small Business
- SDVOSB: Service-Disabled, Veteran-Owned Small Business
- SOW: Statement of Work

These represent only a small selection of acronyms commonly used by federal contractors and contracting officers working with them. Learn to talk the talk to position your firm as an experienced B2G contractor.

Step Four: Register and Certify Your Firm

There are key registrations and certifications that help you access set-asides and sole-source government contracts. We work with you to navigate any of these processes that are relevant to your firm:

- **SAM Registration:** [SAM.gov](#) is the U.S. government's supplier portal, known as the System for Award Management. This is a crucial registration process for all B2G contractors.
- **SBA 8(a) Certification:** You must own an economically disadvantaged small business to qualify for this certification. It awards sole-source contracts to participating businesses.



- **HUBZone Certification:** If your small business is headquartered in an eligible location, and 35% of your staff lives in designated HUB-Zones, then you can certify it and compete for these set-asides.
- **Programs for Veterans:** VOSB and SDVOSB programs include set-asides for small businesses owned by veterans and veterans disabled in service.
- **EDWOSB Certification:** Additional set-asides are available for SBA-certified economically disadvantaged woman-owned small businesses.

Rafael Marrero & Company helps you navigate the qualification and registration process of any applicable certifications to give your firm the competitive edge it deserves.

Phase Two: Branding and Promotion

Now that your firm is set up and ready to compete in the B2G marketplace, it's time to make a name for yourself. Position your firm as a leader in the federal contracting sector by following steps five, six, seven, and eight.

Step Five: Build a Powerful Brand and Image

Consult with our branding experts to identify the **federal branding** most appropriate for your firm. Consider one or more of these materials to effectively highlight your products and/or services:

- Custom logo
- Business cards
- Website
- Capability videos
- Print advertising materials

A common mistake new B2G firms make is to approach branding the same way as commercial-sector firms. **Branding for government contracting officers is totally different from commercial-sector branding.** Because contracting officers





are risk-averse, it's essential to reach out with the right image and communication style.

Step Six: Self-Market Your Company

In addition to the above marketing materials, capabilities statement and capabilities briefing are government-specific resources you should create. These dynamic self-marketing solutions highlight your experience in a way that is easily accessible to federal contracting officers.

A capability **statement** arranges your contracting resume in a format that's typical for federal agencies. This specific format is required for many federal agencies, so accurate information and organization are key to winning contracts.

A **capabilities briefing** is a presentation that focuses on how your capabilities meet the target agency. This high-impact briefing is all about communicating values in a way that's easily digestible for contracting officers, small business liaison officers, and program managers.

Step Seven: Build Relationships With Procurement Decision Makers (PDMs)

Know the agencies that need your products and services. Build relationships with PDMs in relevant federal agencies to improve your firm's visibility. Review the [list of federal agencies](#) to **identify five agencies** that best fit your contracting offerings. Once you select your top five, begin building relationships with the following PDMs:

- Contracting officers (COs/KOs)
- Contracting officer technical representatives (COTAR)
- Agency program managers (PgM)
- Small business officers (OSDBU)

These are the key individuals who need to see your capabilities briefing and capabilities statement. Be sure to start small and build your credibility. You shouldn't overstate your capabilities or scale too fast. Federal PDMs are averse to risk, so you need to position your firm as a reliable, stable business.

Step Eight: Build Relationships With Prime Contractors

A **prime contractor** is a large business with an existing contract and work history with the U.S. government. These major businesses are not only familiar with the contracting process and established as reliable contractors to the federal government, but they are required to subcontract. A prime contractor that wins a bid over \$700,000 **must subcontract 35% of the contract**.

This gives you a unique avenue to build relationships with your top five agencies. Reach out to prime contractors working with relevant agencies to explain your capabilities and experience.

Phase Three: Responding to Proposals

The third phase of doing business with the U.S. government requires an understanding of **Requests for Proposals (RFPs)**. As a contractor, you need to be familiar with RFPs and understand the best ways to respond to them to win contracts. Discover how to source opportunities, write proposals, and debrief after the bidding process with steps nine, 10, and 11.

Step Nine: Opportunity Sourcing

Identifying opportunities can be a major hurdle for new federal contractors. Now that you're SAM registered, certified for any relevant SBA program, and prepared marketing materials specific to the federal government, it's time to reach out to PDMs and prime contractors to win contracts. Start with micro-purchases and Simplified Acquisition Threshold (SAT) opportunities.

Micro-consulting and **micro-purchases** are government purchases of less than \$10,000. These often require less approval within agencies and can be easier to win as you build credibility and experience in the B2G sector.

SAT opportunities are currently defined as contracts **under \$250,000**. These opportunities are significantly larger than micro-purchases but are



still more manageable and can be less competitive than larger contracts.

Step 10: Write Compliant Proposals

Government contract proposals are complex documents that require a specific structure. For line-by-line assistance with your proposals, reach out to Rafael Marrero & Company.

Compliant proposals are consistent, concise, and targeted. They must address the specific need, highlight project goals, and include a competitive bid for the project.

Step 11: Request a Debrief Whether You Win, Lose, or Draw

You're allowed to request a debriefing after the bid is awarded. There are some situations where a debriefing is not available, such as a sealed bid acquisition or simplified acquisition procurement. A debriefing isn't an opportunity to argue with the agency or demand a change of bid awarding, but it offers critical insights into the **agency's selection decision-making process.**

While agencies aren't allowed to disclose the identity or number of other offers, they can offer you a summary of their rationale for declining your bid. They can evaluate significant elements of your proposal and give you essential information to use for your next bid.

Phase Four: Project Delivery and Execution

You've won a bid. Whether you're a first-time federal contractor or a seasoned professional, there are a few key steps to take to execute the project. Discover how to complete the bid and close the project in the final steps: 12, 13, and 14.

Step 12: Execute the Project on Time, On Budget, and Scope Compliant

Consistency is critical at this point in the project. You've just promised products or services to the world's most powerful client, so you need to do everything you can to follow through. You can't guarantee there won't be any unexpected expenses or delays, but a major factor in your continuing



role as a federal contractor is to deliver projects on time, on budget, and scope compliant.

Step 13: Comply With Contract Legal Obligations

Small businesses are required to follow **governing rules and legal obligations** throughout the project. These obligations range from anti-kickback laws and organizational conflict of interest (OCI) prevention to minimum provision requirements. As a small business owner, you're required to provide personnel for at least 50% of service contracts. Similarly, your firm must perform the work for at least 50% of supply contract material costs.

The government also outlines testing and inspection standards for your products and/or services. Not only do you need to ensure your products are up to quality standards, but you may be required to pass an inspection and test as part of your contract's legal obligations.

Step 14: Project Closeout

Wrapping up the contract is a critical step. This final step helps ensure you're paid, and you continue to **maintain a positive relationship with the specific agency and PDMs**. Here are a few items to include in your closeout checklist:

- Review invoices
- Perform final inspection of the project
- Complete price revision
- Submit all the necessary paperwork
- Submit disposition of classified material if necessary

Failure to perform these steps on time can cause delays in the payment process. Improper closeout procedures can also affect your relationship with the agency you're contracting with.

Best Practices for B2G U.S. Small Businesses

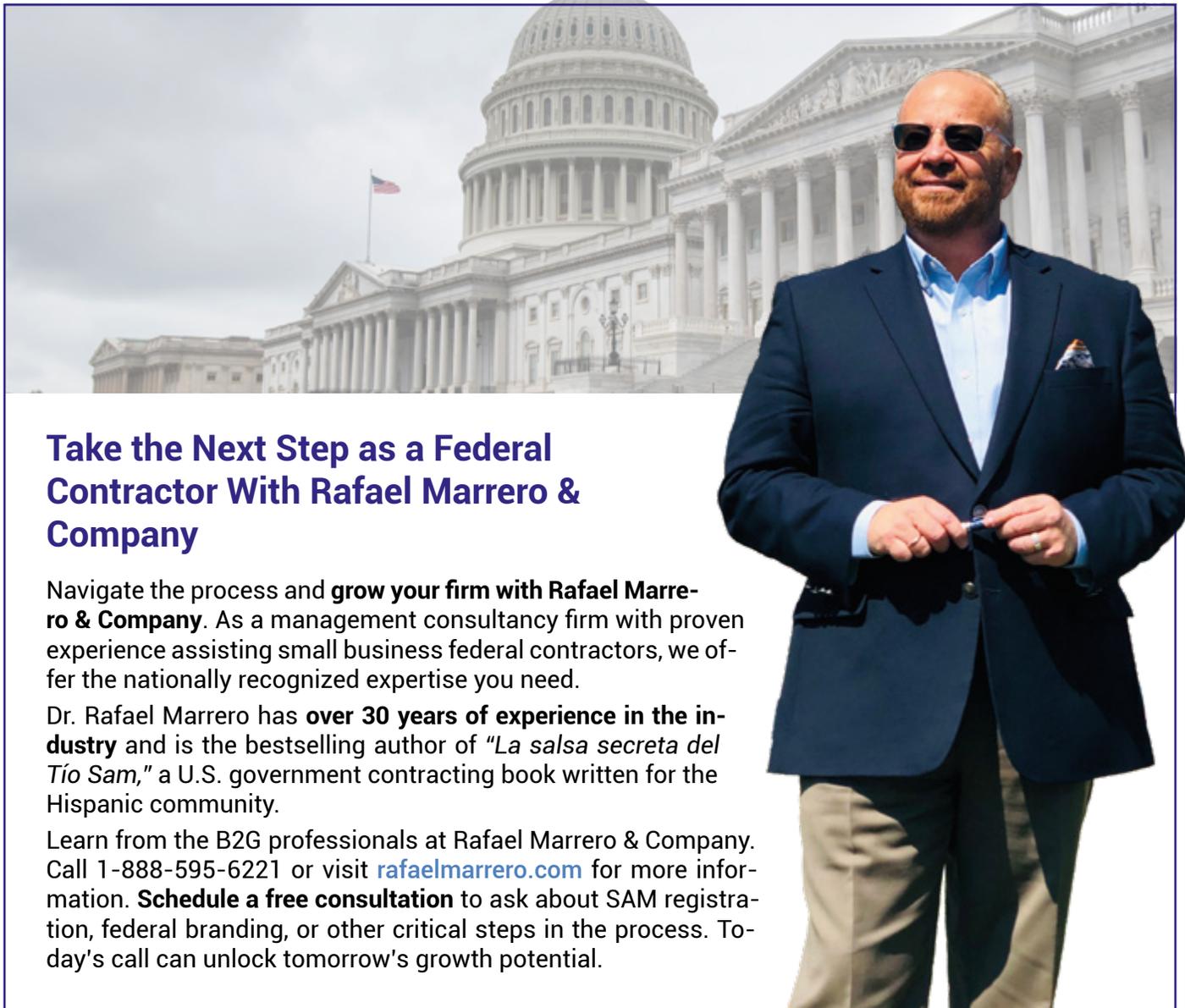
These 14 steps can take you from a first-time contractor to a thriving B2G firm. Review these best practices that are applicable throughout the process:

- Develop an 18-24-month ramp-up mentality
- Focus on PPT: People, Process, and Tools
- Apply for SBA certifications and programs at the earliest opportunity
- Invest in PMI PMP training, ISO quality management, and other industry training opportunities
- Start small and build credibility





- Focus on relationships with prime contractors and PDMs
- Narrow your focus
- Never bid cold. Get ahead of the RFP. Know your agency and PDMs before submitting a proposal
- Leverage CRM solutions and other helpful management tools
- Market like a federal contractor, not a commercial-sector firm
- Look the part and talk the talk: learn the acronyms and use proper formatting for your capability statement and proposals
- Learn from leading B2G professionals at Rafael Marrero & Company



Take the Next Step as a Federal Contractor With Rafael Marrero & Company

Navigate the process and **grow your firm with Rafael Marrero & Company**. As a management consultancy firm with proven experience assisting small business federal contractors, we offer the nationally recognized expertise you need.

Dr. Rafael Marrero has **over 30 years of experience in the industry** and is the bestselling author of *“La salsa secreta del Tío Sam,”* a U.S. government contracting book written for the Hispanic community.

Learn from the B2G professionals at Rafael Marrero & Company. Call 1-888-595-6221 or visit rafaelmarrero.com for more information. **Schedule a free consultation** to ask about SAM registration, federal branding, or other critical steps in the process. Today's call can unlock tomorrow's growth potential.

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