

VA



**U.S. Department
of Veterans Affairs**

Office of Small and Disadvantaged
Business Utilization

Procurement Readiness

Preparing to do Business

With **VA**

This comprehensive reference guide is a resource tool to help small and Veteran business owners become procurement ready to do business with VA.

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Introduction

The information contained in this document guides the small business to become procurement ready to do business in the federal marketplace.

Small businesses are the engine of United States economic growth by providing jobs and innovation—and increasing competition to the federal marketplace. This comprehensive *Procurement Readiness Reference Guide* is intended to provide small businesses with guidance and resources to become procurement ready to do business with the federal government.

What is procurement readiness? Procurement readiness is demonstrated ability to win and to successfully perform on contracts. It represents understanding how to navigate the various opportunities set aside for small businesses and respond to procurement opportunities. A Procurement ready small business could be a viable government contractor by having the *registrations, capabilities, performance history, and competitive advantage* to meet the needs of the customer. The sections of this guide are intended to help small businesses identify procurement readiness strategies.

- [Part I: Procurement Readiness Basics](#) presents registrations that are *required* for participation in the government marketplace as a prime contractor.
- [Part II: Procurement Readiness Recommendations](#) outline marketing strategies and actions that may increase the *probability* of successfully participating in the government marketplace.
- [Part III: Not Yet Procurement Ready](#) provides actions that may help small business become procurement ready.
- [Part IV: Procurement Readiness Differentiators](#) presents considerations and ideas to *differentiate* small businesses from competitors when looking to participate in the government marketplace.
- [Part V: Procurement Readiness Eligibility](#) identifies resources that may help small businesses improve eligibility status and identifies what can influence the eligibility of a small business when bidding on contracts.
- [Part VI: Procurement Readiness and the Department of Veterans Affairs \(VA\)](#) provides a brief overview of procurement readiness and set asides for all socioeconomic categories, to include VA set-asides for Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs).
- [Part VII: Procurement Ready Contracting Strategies](#) lists Web portals with procurement ready small business contracting opportunities.
- [Part VIII: Procurement Readiness Checklist](#) summarizes procurement ready elements into a checklist.
- [Part IX: Glossary and Acronyms](#) provides a glossary of commonly used terms within the federal marketplace.
- [Part X: Resources and Tools](#) provide contracting and acquisition resources and tools.

Billions of dollars in contracting opportunities are awarded to small businesses each year, so it is important that those wanting to do business within the federal marketplace ensure that they are procurement ready. Procurement readiness aids small businesses and procurement decision makers (PDMs), those who develop contracting requirements and define whether small businesses are eligible to fulfill those requirements. Small businesses wanting to gain access to procurement opportunities should look to the Small Business Administration (SBA) and the Association of Procurement Technical Assistance Centers (PTACs) for federal contracting support – including eligibility to participate in small business programs.

The Office of Small and Disadvantaged Business Utilization (OSDBU) spreads across all federal agencies and provide guidance, information, and resources to help SDVOSB, VOSB, and other small businesses grow by learning how to take advantage of contracting opportunities. Their mission is to enable small businesses gain access to economic

opportunities by leveraging the federal procurement system – expanding participation of procurement ready small businesses.

Part I: Procurement Readiness Basics

These registrations are **required** to participate in the government marketplace as a prime contractor.

Small Business Registration

All businesses must *be registered with the appropriate state corporation commission* as a legal entity such as a Sole Proprietorship, Limited Liability Company (LLC), or Corporation among others.

- Licenses and Permits: Businesses must be in compliance with local, state, and federal laws; this includes licenses and other requirements. Size standards vary depending on the industry and the state where the contracting opportunity is located. Businesses should be in compliance with regulatory bodies, industry standards, and certifications, if applicable to the market where they want to do business. To help small businesses navigate through the process, VA OSDDBU recommends the use of SBA's Business Licenses and Permits. Learn more about permits and licensing at <https://www.sba.gov/licenses-and-permits>.

Each entity (company) **must** have a corresponding tax or employer identification number (TIN or EIN).

- A federal Tax Identification Number (TIN) is synonymous with Employer Identification Number (EIN). A TIN is a nine-digit number assigned by the IRS. It is used to identify small business tax accounts, among others. Learn more about TIN's at <http://www.irs.gov/smallbiz>.

System for Award Management Registration

Established small businesses in the commercial sector wanting to do business in the federal marketplace must register their small business in the federally mandated **System for Award Management (SAM)**, the official U.S. Government system that consolidated the capabilities of Central Contractor Registration (CCR), Federal Contractor Registration (FedReg), the Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS). Small businesses must be registered in SAM to do business within the federal marketplace. Small businesses need a Dun & Bradstreet (D&B) DUNS number to register in SAM; it is obtained through D&B (<https://www.dnb.com/duns-number/get-a-duns.html>). Learn more about SAM at <http://www.SAM.gov>.

When registering in SAM, there are two parts to consider. Part 1 of the registration process involves creating an account. Part 2 involves registering your entity. To do business with agencies within the federal marketplace, SAM registration requires small businesses to provide information that defines and identifies the small business.

The following SAM registration identifiers are required:

- Business Start Date (Company Registration Date)
- Business Contact Information (Legal Name, Address, and Phone Number)
- Federal Tax Identification Number (TIN or EIN)
- Data Universal Numbering System (DUNS) Number
- North American Industrial Classification System (NAICS) Codes (Replaces Standard Industrial Classification Codes)

- Business Bank Account (Account Number and Routing Number for Electronic Funds Transfer)
- Automated Clearing House (ACH) Account (If you take credit cards – GSA Smart Pay)
- Small Business Certifications (As categorized by the Small Business Administration)

The following identifiers are optional:

- Your Product Service Codes (PSCs) or Federal Supply Codes (FSCs); refer to the same codes – used interchangeably. Learn more about PSCs/FSCs at <http://www.fpds.gov> or https://www.acquisition.gov/?q=Acquisition_Systems.
- SBA’s Dynamic Small Business Search (DSBS) is used by the government to search for procurement information. Businesses can be searched for by location, ownership data, federal certifications, NAICS, and business type, among others. Learn more about DSBS at http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm or <https://www.sba.gov/content/federal-contracting-resources-small-businesses>.

The following identifier will be provided once registered in SAM:

- Your Commercial and Government Entity (CAGE) Code
http://www.dlis.dla.mil/cage_welcome.asp

A **CAGE Code** is a five-character ID number used to identify your small business. The code may be used for a facility clearance, or a pre-award survey. It is important to note that small businesses do not need to have a CAGE code prior to registration. Once small businesses complete the registration application and submit it for processing, information is automatically sent to the Defense Logistics Agency (DLA) for CAGE Code assignment. Once the CAGE Code has been assigned, your code will be automatically entered into your SAM account.

In addition to the company’s legal name as registered with the state corporation commission and the corresponding TIN/EIN registered with the IRS, the following list identifies items of additional information required to register in SAM:

- A DUNS Number is needed to identify your small business. A DUNS Number to a business is no different than a Social-Security number to an individual. It is a 9-digit number issued and maintained by Dunn & Bradstreet (D&B). It is used to verify the existence of a business entity globally. D&B assigns DUNS numbers for each physical location of a business. Learn more about DUNS Numbers at <http://fedgov.dnb.com/webform>.
- A NAICS Code is used by the federal government to classify businesses for the purpose of determining their eligibility to bid on certain contracts. Learn more about NAICS Codes at <http://www.census.gov/eos/www/naics>.

Important elements small businesses should be aware of are:

- Ensure that your performance history is up to date
- Keep your SAM account information updated, including contact information
- Register in DSBS through SAM but only if the small business certification portion has been completed
- SAM should be fully completed and approved for public viewing

You can update your SAM registration at any moment to include new information, such as an SBA small business certification. Once certification selection is submitted, you will receive a link to register.

Part II. Procurement Readiness Recommendations

These are marketing strategies and actions that may increase the **probability** of successfully participating in the government marketplace.

Registering in federal Web sites may help increase visibility to small businesses wanting to do business with the federal government. An important step is to ensure that your capability statement and your small business Web site are current and inviting to the reader, specifically the PDM.

Capabilities Statement

Capabilities Statement is a business resume that can be presented to a PDM to identify the business' capabilities. The following key points should be considered when preparing your capability statement:

- It is your business resume – it is your first impression
- If prepared well, it will help you make your small business stand out
- It is usually no more than two pages – it should reflect your 30-second elevator speech

Your local PTAC offers courses on how to create capability statements. Learn more about creating a capability statement at <http://www.aptac-us.org/capabilities-statements-for-government-contracting>.

A Capabilities Statement should include the following:

- Company Overview
- CAGE Code (identifies SAM registration)
- VA Center for Verification and Evaluation (CVE) verification logo (if applicable)
- Contact Information
- Core Capabilities
- NAICS Codes and Products/Services Offered
- Project Descriptions
- Certifications/Credentials
- Current and previous business partners/clients
- Company Website
- Socioeconomic Information
- Testimonials(optional)
- National Institute of Governmental Purchasing (NIGP) Codes (used for State and Local Gov't Contracting opportunities)
- Awards & Recognition (optional)Performance History Evaluations (optional)
- Contract Vehicles (Federal Supply Schedule, Blanket Purchase Agreement, Indefinite Delivery/Indefinite Quantity, etc.)

Company Website

A small businesses **company web site** is another key component that will help increase visibility. It allows PDMs to learn more about the small business, its capabilities, and its performance history - before face-to-face contact is made.

Important factors to consider when building your corporate Web site are:

- **Customize Web site home page to meet requirements:** It is recommended that small businesses consistently update the home page of their website, so it reflects accurate capabilities and past performance relating to procurement opportunities you are looking for. Make it easy for PDMs to find, navigate, and understand your business information.

- **Electronic communication should be professional:** Sending and receiving business related Emails should be done using your company Email address: it should be an Email address that includes your name and Web site domain such as *your.name@business_name.com* (e.g., .net, .us, etc.). Do not use web-based Email accounts like Gmail or Hotmail. Using a business Email address is an opportunity to continue building your business' image.

Key Elements of a Web Site

When building a Web site, there are many online tutorials and tips to read through that can help you plan. To help small businesses understand the basics of a web site, VA OSDBU would like to point out key elements to consider:

1. Plan your web site goal.

- **Web site Purpose:** The goal of any web site can be easily defined by knowing what you want your web site to do. Are you selling one or more products directly or indirectly to customers? Are you selling one or more services to customers directly or indirectly? Are you advertising your product(s) and/or service(s)? Whichever your purpose, the goal should be to get the visitor to do something; that is – to learn more about you and/or to contact you to discuss a need.

2. Register your domain name.

- **Domain Selection/Registration:** Choosing a domain name that resembles your company name is often the strategy taken. By doing so, you aide in the effort of building your company's credibility. Another key point by having a domain name that references your company is email – creating a professional means to electronically communicate with potential customers. For example: the use of john.doe@yourcompany.com (.net), eliminates the need for a third-party email address often created and used through one of the free web-based services; such as Hotmail or Gmail.

3. Choose a reputable hosting company.

- **Domain Hosting:** The next step after choosing and registering a domain name should be to secure a hosting company. That is, a company that offers a service to host your domain and your web site – once built. Choose one that's reputable – one that minimizes the risk of losing hosting services. Even without a website, hosting allows you to immediately create, use, and access professional email addresses associated with your domain. **Build a visually appealing web site:**
- **Visual Design:** A Web site should be visually appealing to the site visitor and should clearly define what the small business does and what it has done in the past – define its capabilities and past performance. Each section should be easy to read and important information relevant to PDMs should be easy to remember.
 - The use of meaningful visual imagery is one way to emphasize important information.
 - Create a logo that stands out, one that is appealing.
 - Choose font that is easy to read and bode well across various browsers and mobile devices.

4. Choose relevant web site content:

- **Relevant Content:** Web site content is probably the single most important element of a Web site. Content should be short, well-organized, and current. Most small businesses have a lot they want to say, but relevant information should be easy to find and read. For example: when a PDM wants to learn about a small business wanting to do business within the federal marketplace, the PDM would expect to visit the web site to access your small business capabilities and history information in a timely manner.

5. Ensure that the relevant content is credible:

- **Credibility:** Make sure that the content you present to visitors – especially PDMs – is credible and that you can back it up. Misspelled words as well as inflated capabilities can affect how potential customers perceive you. Present relevant, objective, and accurate information in your website. Make it a positive experience to be remembered.

6. Test the functionality of the web site.

- Web site functionality can refer to two differing scenarios:
 - Functionality can refer to the purpose of the web site. Small businesses should make sure that the web site accomplishes the goal you predetermine during the planning phase.
 - Functionality can refer to the ease of navigating through the web site for information. Small businesses should make sure that menu bars, links to pages, and interactive widgets function properly.

7. Test Browser/Mobile Device Adaptability.

- **Responsive Design:** With a variety of browsers (Internet Explorer, Firefox, Chrome, and Safari) and the increased use of mobile devices (smartphones, phablets, and tablets), potential customers can search for businesses and preview web sites at any time. **Become the visitor** – ensure that your website adapts to the platform being used - test your web site – ensure it responds to the environment.

8. Test the navigation of your web site.

- **Easy Navigation:** Keep it simple! A web site visitor should be able to move through content – from one section to another or from one page to another - as easy as possible and as quickly as possible. Hyperlinks (links) accessed through vertical and/or horizontal menu bars and/or embedded in content should be easy to see and use and tested to make sure they lead potential customers to relevant information.

9. Review, refresh, and revise.

- **Maintain and update:** Once you complete and publish your web site for public viewing, regularly check your web site content to make sure it is always up-to-date. Ensure that it is optimized for search engines and that social media options are available. Social media functionality will add options to communicate with potential customers while simultaneously adding a way to promote your web site.

Based on your online search results for tutorials and tips on building a viable web site, key elements may differ slightly depending on the *function* of the web site.

Resources Related to Performance History

Contractor Performance Assessment Reporting System (CPARS) is the federal reporting system used by contracting officers to track small business performance on awarded contracts. The information entered, positive or negative, is seen by contracting officers when evaluating a small business's capabilities through SAM. Objective facts and supported program and contract management data is reviewed when determining a small businesses ability to perform. Factors include but are not limited to the following:

- Cost performance reports
- Customer comments
- Quality reviews
- Technical interchange meeting assessments
- Financial solvency assessments
- Construction/production management reviews
- Contractor operations reviews
- Functional performance evaluations
- Earned contract incentives

Small businesses should be aware that information entered into CPARS by federal contracting officers automatically updates into the small businesses entity registration in SAM. Learn more about **CPARS** at <http://www.cpars.gov>.

Part III: Not Procurement Ready?

The following actions may help small business become procurement ready.

How Do You Get Started?

Small businesses getting started in the federal marketplace can gain valuable guidance and support through the **Association of Procurement Technical Assistance Centers (APTAC)**. The association, as a whole, oversees over 98 local *Procurement Technical Acquisition Centers (PTACs)* nationwide supporting over 300 local offices. Each PTAC is staffed with dedicated procurement professionals and are available to guide small businesses seeking to compete for opportunities successfully. Learn more about PTAC at <http://www.aptac-us.org/>.

Another program designed to support small business efforts for competing successfully within the federal marketplace is the **Boots-to-Business** training program initiative launched and managed through the SBA. Small businesses taking advantage of SBA's training program will gain valuable assistance when transitioning from active service to small business ownership or some other self-employment opportunities. Step-by-step, you will learn how to evaluate business concepts – determine which work best for you; and you will gain insight on the knowledge required to develop a business plan. The Boots-to-Business training program focuses on entrepreneurship and provides an in-depth look into writing a business plan and tips and techniques for starting a business. Learn more about Boots-to-Business at <https://www.sba.gov/offices/headquarters/ovbd>.

Increase Competitiveness

The experience provided by the following actions may assist small businesses with increasing competitiveness to participate in the government marketplace:

- **Subcontract:** As a subcontractor, a small business is contracted to work on a specified federal opportunity through the prime contract awardee. As a subcontractor performing well on the contract, small businesses gain

the opportunity to build their resume (past performance), increase experience, and gain the confidence of the procurement decision maker when it comes time to evaluate your small business as a prime on future contracting opportunities. SBA's *SUB-Net* is a way of finding subcontracting solicitations and opportunities posted by prime contractors awarded a contract. A good tip that small businesses should know is that prime contract holders of contracts exceeding \$700,000 (\$1.5 million for construction projects) must include a subcontracting plan when proposing itself for the project. Subcontracting plans include all socio-economic small business categories. Learn more about subcontracting opportunities at https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm.

- **Partner with other business:** Teaming agreements or “Contractor Team Arrangement,” (as used in *FAR. Subpart 9.6—Contractor Team Arrangements*), means an arrangement in which *two or more companies form a partnership or joint venture to act as a potential prime contractor; or a potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program*. Types of partnering options include:
 - Teaming agreements are composed of a prime contractor (that completes 51% of the contracts) and one or more subcontractors that will propose to meet the government’s need.
 - Prime contractors could be either large or small businesses.
 - Subcontracting agreements are an option for small businesses. Specifications vary by industry.
- **Contractors Team Arrangements (CTAs)** are formal agreements provided by the U.S. General Services Administration (GSA). GSA awards contracts to multiple companies supplying comparable products or services. Learn more about GSA schedule solicitations at <http://www.gsa.gov/portal/content/207509>. By forming a CTA, GSA Schedule contractors can:
 - Compete for schedule orders for which they wouldn’t otherwise qualify.
 - Take advantage of streamlined acquisition procedures.
 - Increase their market share and become more competitive.
 - Reduce risk by sharing responsibilities with other team members.
 - Focus on the supplies (products) and services that best match their company’s resources and strengths.
- Learn more about GSA Schedules at <https://www.gsa.gov/acquisition/purchasing-programs/gsa-schedules>.
- **Joint Ventures** allow two or more small businesses the option to combine their expertise in an effort to successfully respond to federal contracting opportunities. Small businesses need to understand that when forming a joint venture, product and/or service expertise is combined in addition to assets, liabilities, financials, and size standards – among other variables. The good thing about a joint venture is that it is not necessarily a permanent option – it can be if the small businesses agree to use the joint venture small business on an as-needed basis. When creating a joint venture, small businesses are creating a new legal entity, either temporary or permanent – and requires its own DUNS number, tax id number, among other items newly formed companies. require. The value in a joint venture is that both prime companies receive the benefit of past-performance history.

To help minimize time and maximize effort, small businesses can take advantage of procurement options that may better position the small business for supporting more complex contracting opportunities in the future. Suggested activities include:

- **Gain knowledge through education:** Stay up-to-date with government contracting rules and regulations. It is recommended that education should be ongoing. Attending procurement events – is a way to stay up-to-date. Workshops such as “How to do Business with the Federal Government”; small business summits; and national procurement conferences will also provide small businesses with the opportunity to connect with PDMs.
- **Validate your experience:** Be able to provide documentation that supports your small business capabilities and accomplishments. A current capabilities statement and reference of past performance will assist in validating experience. For those small business new to federal contracting, non-government contracts may provide relevant experience.

Some small businesses share the common objective of receiving federal procurement opportunities. Networking at federal procurement events will help you learn about federal contracting and how your business fits in the federal contracting process. Take advantage of opportunities to learn.

Part IV: Procurement Readiness Differentiators

These are key considerations to *differentiate* small business from competitors when looking to participate in the government marketplace.

With competition increasing daily, small businesses strive to differentiate themselves. They should be different in areas that matter to the PDM, and specific contracting opportunities.

Differentiator

Small businesses should strive to be different as it relates to the PDM. In the glossary of terms at the end of this guide small businesses can learn more about performance history specifics that relate to procurement decision makers - *past performance, small business certifications, and certificate of competency are relevant.*

- **Past performance** outlines your professional qualifications and experiences. Contracting solicitations reference experience; small business past performance is that experience. Performance history is relevant information for future source selection purposes, regarding a contractor’s actions under previous work conducted. What you did in the past that makes the PDM want to learn more about your small business, how you performed, and the quality of the work you did. Types of performance history that procurement decision makers look for include:
 - Documentable and recent performance history as a prime or subcontractor.
 - Performance history in a similar line of work as the solicitation.
 - Performance history in the government department or agency posting the solicitation.
 - Performance history that meets the solicitation’s other requirements.
 - Performance history in similar size projects.
- **Small business certifications** like professional certifications, document a special capability or status that helps small businesses compete in the marketplace. Certifications may provide preference to your business when pursuing business opportunities and government contracts, but keep in mind that this alone will not make your business qualified for a specific contract. SBA offers small businesses the opportunity to certify their small business but only if they meet the requirements and size standards; SBA programs include:

- Service-Disabled Veteran-Owned Small Business.
- Veteran-Owned Small Business.
- 8(a) Business Development Program.
- Historically Underutilized Business Zones (HUBZone) Program.
- Women-Owned Small Business (WOSB) and Economically Disadvantaged Women-Owned Small Business (EDWOSB) Programs.

Learn more about SBA small business certification programs at <https://www.sba.gov/category/navigation-structure/contracting/contracting-support-small-businesses>.

Unlike other agencies within the federal marketplace, to be eligible for SDVOSB and VOSB set aside contracts with VA small businesses must be verified by the **VA Veterans First Verification Program**.

The VA Verification Program doesn't guarantee small business contract awards – but rather, makes them eligible to compete for SDVOSB and VOSB set-aside opportunities. The VA Office of Small and Disadvantaged Business Utilization (OSDBU) Center for Verification and Evaluation (CVE) oversees the verification process.

- The **Certificate of Competency (COC) Program** provides small business the opportunity to appeal a contracting officer's determination that the small business is not 'responsible' – unable to fulfill the requirements of the contracting opportunity for which the small business may have otherwise been awarded. SBA's COC Program allows the small business the opportunity to demonstrate that it is in fact does possess the capability to perform on the specified contract. Once SBA completes its detailed review of the small business and finds it capable to perform on the specific contract, SBA issues a COC to the contracting officer – requiring the contracting officer to reverse the negative decision and award the specified contract to the small business. Learn more about SBA's COC program at <https://www.sba.gov/content/certificate-competency-program>. For additional COC information, feel free to review *FAR Subpart 19.6* at https://www.acquisition.gov/far/html/Subpart%2019_6.html.

Additional Differentiators

- **Business references:** current or past customers can verify how you performed on awarded contracts. Small businesses should include the company name and identify a point of contact, along information; facility or agency with which it worked; description of project; and dollar amount of the contract, which is preferred but not required.
- **ISO 9000/9001 Certifications:** ISO 9000 is a series of standards, developed and published by the International Organization for Standardization (ISO), that define, establish, and maintain an effective quality assurance system for manufacturing and service industries. Small businesses are recognized for the field they are certified in. Learn more about ISO 9000/9001 at <http://www.iso.org/iso/home.htm>.
- **Industry Awards/Recognition:** Industry awards for quality performance and positive write-ups in professional trade publications, newspapers, and magazines (print and/or web).
- **Capability Maturity Model Integration (CMMI®):** Through the Capability Maturity Model Integration (CMMI®) Institute, a small business gains access to a comprehensive model that defines the elements required to develop

outstanding products and services. Small businesses achieving a maturity level rating earn the right to showcase a certification that demonstrates to potential customer - its culture of excellence. CMMI offers appraisals, team partnering, trainings, and certifications for development, acquisition, and services. Each completed component within each of the three maturity practices carry a rating – the higher the rating, the better. Learn more about CMMI at <http://cmminstitute.com>.

Part V: Procurement Readiness Eligibility

This section provides information on resources that may help small businesses improve procurement readiness.

Small Business Eligibility for Set-Asides

Eligibility for small business set-asides varies depending on the industry in which the small business wants to do business, which is identified by the NAICS Code. Size standards determine eligibility for set-asides and represent the largest size a small business can be, including its subsidiaries and affiliates, to remain eligible for a small business government set-aside contract. In addition to the NAICS, SBA requests documentation to identify the business' employee count and/or average revenue during its previous three years as documented in the business tax returns. In summary:

- Each Request for Quotation (RFQ) or Request for Proposal (RFP) is assigned a NAICS code
- Firms must be small for the NAICS in which they want to do business. The NAICS must be shown in the business' SAM profile.

Learn more about small business eligibility requirements provided by the Small Business Administration at <https://www.sba.gov/category/navigation-structure/contracting/contracting-officials/small-business-size-standards>.

Small Business Bonding Capacity

Small businesses should recognize that **bonding capacity** can influence their eligibility to bid on a contract. A **surety bond (bonding capacity)** could be required when bidding on large contracts, especially for construction projects. Many service contracts, and occasionally supply contracts, also require surety bonds:

- A **surety bond** is a document signed by the contractor and the surety company that assures the project owner that the contract will be completed.
- A **surety bond** is required by any federal construction contract valued at \$150,000 or more when bidding or as a condition of contract award. SBA guarantees bid, performance and payment bonds are issued by surety companies.

Learn more about SBAs Surety Bond Program at <http://www.sba.gov/surety-bonds>.

Small Business Auditing Guidelines

The **Defense Contract Audit Agency (DCAA)** primarily oversees contracting audits of proposals and/or claims submitted by small and/or large businesses that do business with the Department of Defense (DoD). DCAA also offers auditing services to other federal agencies in an effort to help minimize risk for all parties involved in the procurement process. In an effort to perform unbiased audits, audits are done by independent DoD contractors. Government acquisition officials

can request DCAA audit services based on contracting needs. DoD audit services include but are not limited to the following:

- Pre-award Contracts
- Post-award Contracts
- Business Systems
- Negotiation Assistance

Certified accounting is not required for contracts at or below the simplified acquisition threshold (SAT) - \$250,000; but are required in many instances for contracts larger than the SAT, as outlined in FAR Subpart 15.403 Obtaining Certified Cost or Pricing Data. Learn more about FAR Subpart 15.403 at

https://www.acquisition.gov/far/html/Subpart%2015_4.html. It is important for first-time contractors to make sure their accounting systems are compliant with generally accepted accounting principles (GAAP). Small businesses are encouraged to also review VA Acquisition Regulations (VAAR) Part 831 – Contract Cost Principles and Procedures at <https://www.va.gov/oal/library/vaar/vaar831.asp>. Learn more about the Defense Contract Audit Agency at <http://www.dcaa.mil/>.

Because of how detailed and time consuming an audit can be, contractor’s proposals, claims, and/or submissions should be reviewed before submitting the documentation for audit purposes – ensure that all documentation has been completed. Learn about requesting an audit at <https://www.dcaa.mil/Home/RequestAnAudit>.

Part VI: Procurement Readiness and the Department of Veterans Affairs

The following information provides small business with a brief overview on doing business with the Department of Veterans Affairs (VA) and being procurement ready for socioeconomic set-asides, to include VA’s VOSB and SDVOSB.

VA Office of Small and Disadvantaged Business Utilization

VA Office of Small and Disadvantaged Business Utilization (VA OSDBU) provides guidance, information, and resources to help small businesses learn how to take advantage of VA contracting opportunities. Its mission is to “enable Veterans to gain access to economic opportunities by leveraging the federal procurement system and expanding participation of procurement ready small businesses.”

OSDBU initiates programs that focus on bridging the gap between procurement ready small businesses and contracting opportunities, ultimately helping small and Veteran-owned businesses contribute most effectively to the mission of VA.

- Service-Disabled Veteran-Owned Small Business (SDVOSB)
- Veteran-Owned Small Business (VOSB)
- 8(a) Business Development
- Historically Underutilized Business Zones (HUBZone)
- Small Disadvantaged Business Program
- Women-Owned Small Business
- Subcontracting

Learn more about VA Small Business Programs at <http://www.va.gov/osdbu/programs>.

VA verified VOSBs and SDVOSBs are listed in the VetBiz Vendor Information Pages database. Being verified by VA and listed in VetBiz, makes SDVOSBs and VOSBs eligible to bid on VA set-aside procurement opportunities for these socioeconomic groups. Learn more about VetBiz at <http://www.vip.vetbiz.gov>.

The **Veterans First Contracting Program (Vets First)** provides VA the unique authority to award set-aside and sole source contracting opportunities to procurement ready - VA verified SDVOSB and VOSB firms. Learn more about Public Law 109-461 at <http://www.va.gov/ogc/docs/pl109-461.pdf>.

Networking and Procurement Readiness Events

Procurement events are held to assist small businesses to navigate and learn how to do business in the federal marketplace. VA encourages small businesses to attend and take advantage of as many events as possible in order to assure their small business procurement readiness status.

- To learn more about VA OSDBU events, visit <https://www.va.gov/osdbu/calendar.asp> To learn more about PTAC events, visit <http://www.aptac-us.org/contracting-assistance/ptac-training-events>.
- To learn more about SBA events, visit <https://www.sba.gov/tools/events>.

No matter how small your business is, VA is a potential customer.

- Learn more about Doing Business with VA web page at <http://www.va.gov/osdbu/library/dbwva.asp>.
- To download a copy of the VA OSDBU Doing Business with VA Reference Guide (Abridged Version), go to http://www.va.gov/osdbu/docs/DoingBusinessWithVA_ReferenceGuide.pdf.

To download a copy of the VA OSDBU Doing Business with VA Reference Guide (Expanded Version), go to https://www.va.gov/osdbu/docs/doingBusinessWithVA_ReferenceGuideFULL.pdf

Part VII: Procurement Ready Contracting Strategies

This section lists web portals where procurement ready small businesses can find contracting opportunities.

By taking advantage of small contracting opportunities, small business can get a better position to compete for more complex opportunities in the future.

- **Look for micro-purchases** or federal procurement opportunities below \$10,000. These purchases are made using credit cards by authorized federal staff. Small businesses who accept credit cards are already eligible to accept government-wide micro-purchase payments. Learn more about the GSA Smart Pay program at <https://smartpay.gsa.gov/businesses-vendors>.

To learn about agency specific micro-purchases, get to know Small Business Liaisons (SBLs) at agencies within the federal marketplace.

- **Compete for Simplified Acquisition Threshold Contracts (SATCs)** which includes some procurement opportunities between \$10,000 and \$250,000 – the threshold or ceiling of this contract type. In some instances, contracting officers are required to use small business services for SATCs. Learn more about Simplified Acquisition Procedures, Simplified Acquisition Threshold Contracts, and at <https://www.acquisition.gov/?q=/browse/far/13>.

To learn about VA specific contracting opportunities, visit the VA Forecast of Contracting Opportunities (FCO) web portal.

- **VA Forecast of Contracting Opportunities (FCO)** is a forecast of VA's estimate of procurement opportunities during a specific fiscal year, current and future. The information is published for planning purposes only and is not an invitation for bids, a request for proposals, or a commitment by VA to purchase products or services. Each acquisition is based on the best information available at the time of publication and may be revised or canceled. Learn more about VA Forecast of Contracting Opportunities (FCO) at <https://www.vendorportal.ecms.va.gov/eVP/fco/FCO.aspx>.

Part IX: Glossary/Acronyms

This section provides a glossary of commonly used terms within the federal marketplace.

Glossary

- **Agency Procurement Readiness:** Small business eligibility for agency specific set-aside opportunities.
- **Data Universal Numbering System (DUNS) Number:** a unique, non-indicative 9-digit identifier (number) issued and maintained by **Dun & Bradstreet (D&B)** that verifies the existence of a business entity globally. Learn more at <http://www.DANDB.com>. Get a DUNS number at <https://www.dnb.com/duns-number/get-a-duns.html>. Update your Dun & Bradstreet profile at <https://iupdate.dnb.com/iUpdate/viewiUpdateHome.htm>.
- **Dynamic Small Business Search (DSBS):** It is used by the government to search for small business procurement information. Businesses can be searched by different criteria such as location, ownership data, federal certifications, NAICS, and business type, among others. Learn more at http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm.
- **NAICS Codes** are six-digit codes used for classifying business establishments and industries that small business use to identify business with the government. Learn more at <http://www.Census.gov>.
- **Performance History:** Professional qualifications, experience, and acceptable and related performance history specific to each solicitation; where performance history may include:
 - Record of conforming to contract requirements and to standards of good workmanship
 - Record of forecasting and controlling costs
 - Adherence to contract schedules, including the administrative aspects of performance
 - History of reasonable and cooperative behavior and commitment to customer satisfaction
 - Record of integrity and business ethics, and generally, the contractor's business-like concern for the interest of the customer. (FAR Subpart 42.15—Contractor Performance Information; 42.1501-General)
 - For specific policy on how to prepare performance history, see FAR Subpart 42.1502-Policy.
 - Demonstrate the capability to fulfill requirements or similar requirements for similar dollar value.
 - References
- **Procurement Readiness:** Capable of participating effectively in the government marketplace.
- **System for Award Management (SAM):** The Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. Learn more at <http://www.SAM.gov>.
- **VA Forecast of Contracting Opportunities (FCO):** VAs best estimate of procurement opportunities during current and future fiscal years. The information is published for planning purposes only. Each acquisition is based on the best information available at the time of publication and may be revised or canceled. Learn more about VA FCO's at <https://www.vendorportal.ecms.va.gov/eVP/fco/FCO.aspx>.
- **Vendor Information Pages (VIP):** A VA online database that lists businesses that have been verified as 51% or more owned and controlled by Veterans or service-disabled Veterans. Registered VOSB and SDVOSB are able to compete for sole source procurement opportunities with VA. Learn more about VA's verification program at <http://www.vip.VetBiz.va.gov>.

Small Business Acronyms

- **ACH:** Automated Clearing House
- **APTAC:** Association of Procurement Technical Assistance Centers
- **CAGE:** Commercial and Government Entity Code
- **COC:** Certificate of Competency
- **CMMI:** Capability Maturity Model Integration
- **CMMII:** Capability Maturity Model Integration Institute
- **CPARS:** Contractor Performance Assessment Reporting System
- **CTAs:** Contractors Team Arrangements
- **DCAA:** Defense Contract Audit Agency
- **DoD:** Department of Defense
- **DUNS:** Data Universal Numbering System
- **DSBS:** Dynamic Small Business Search
- **EDWOSB:** Economically-Disadvantaged Women-Owned Small Business
- **EIN/TIN:** Employer (Tax) Identification Number
- **FSC:** Federal Supply Codes (another name for Product Service Codes)
- **VA FCO:** VA Forecast of Contracting Opportunities
- **GSA:** General Services Administration
- **HUBZone:** Historically Underutilized Business Zone
- **NAICS:** North American Industrial Classification System
- **PSC:** Product Service Codes (sometimes referred to as Federal Supply Codes)
- **PTAC:** Procurement Technical Assistance Center
- **SAM:** System for Award Management
- **SDVOSB:** Service-Disabled Veteran-Owned Small Business
- **SATCs:** Simplified Acquisition Threshold Contracts
- **VA:** Department of Veterans Affairs
- **VA OSDDBU:** VA Office of Small and Disadvantaged Business Utilization
- **Vets First:** Veterans First Contracting Program
- **VIP:** Vendor Information Pages
- **VOSB:** Veteran-Owned Small Business
- **WOSB:** Women-Owned Small Business

Part X: Resources and Tools

This section provides contracting and acquisition resources and tools.

Support Resources and Contracting Tools

Additional resources that small businesses should take advantage of are:

- The **Federal Procurement Data System (FPDS)** may help small businesses target small business opportunities by reporting contracts whose estimated value is \$3,000 or more in addition to modifications to contracts, regardless of the dollar amount. Run a report on your NAICS to find out which agencies buy what you sell. Learn more about FPDS at <http://www.fpds.gov>.
- **Contract Opportunities within Beta.SAM.gov** is the single most visited procurement portal for learning about federal government procurement opportunities over \$25,000. Federal buyers publicize agency specific business opportunities by posting information directly to beta.SAM.gov via the Internet. Small businesses can search for, monitor, and retrieve opportunities. Learn more about contract opportunities by visiting beta.SAM.gov at <http://beta.SAM.gov>.
- **Application for Verification and Resources for Assistance:** Application Resources are available to assist you with the verification process. Learn more through VA's Verification Assistance and Counseling Programs at <https://www.va.gov/osdbu/verification/index.asp>.
- **Small Business Administration (SBA):** the federal agency that determines size qualification based on each industry identified by its NAICS Code. Learn more at <http://www.sba.gov/tools/size-standards-tool?ms=nid4070>

Acquisition Tools

The **Federal Acquisition Regulation (FAR)** invokes federally mandated guidelines used by all federal agencies procuring products and/or services within the federal marketplace. The most important acquisition regulations that small businesses must adhere to are parts 5, 6, 8, 12, 13, 14, 15, 16, and 19; where, FAR regulation part 13 defines **simple acquisition procedures** - the easiest path to federal contracts for small businesses. The following sections of the FAR may be of particular interest:

- FAR Subpart 2.1: Definitions (for federal contracting terminology)
<https://www.acquisition.gov/sites/default/files/current/far/html/FARTOCP02.html>
- FAR Part 19: Small Business Programs
<https://www.acquisition.gov/sites/default/files/current/far/html/FARTOCP19.html>
- Subchapter C: Contracting Methods and Contract Types (Part 513)
<https://www.acquisition.gov/sites/default/files/current/gsam/html/SubchC.html>

Learn more about FAR as it relates to small businesses at <https://www.acquisition.gov/?q=browsefar>.

In addition to FAR, the **Code of Federal Regulations (CFR)** is a public record of all permanent rules and regulations published by executive departments and federal agencies of the U.S. government. Like the FAR, the CFR includes small business regulations relevant for doing business within the federal marketplace; CFR 124, 125, and 126 are especially important.

- CFR-13: Part 124 - 8(A) Business Development/Small Disadvantaged Business Status Determinations
<https://www.sba.gov/content/part-124-8a-business-developments-small-disadvantaged-business-status-determinations>
- CFR-13: Part 125 - Government Contracting Programs
<https://www.sba.gov/content/part-125-government-contracting-programs>
- CFR-13: Part 126 - HUBZone Program
<https://www.sba.gov/content/part-126-hubzone-program>
- CFR 52.219-8: Utilization of Small business Concerns
http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=48:2.0.1.1.1#se48.2.52_1219_68
- CFR 52.219-9: Small Business Subcontracting Plan
http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=48:2.0.1.1.1#se48.2.52_1219_69

Learn more about CFR and other laws and regulations through the Small Business Administration (SBA) at <https://www.sba.gov/about-sba/sba-performance/policy-regulations/laws-regulations>.

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