

The Simplified Acquisition Program: A Practical Solution for Small Businesses in the Federal Marketplace

WHITE PAPER

Table of Contents

[Abstract](#)

Key Concepts

[Simplified Acquisition Contracts](#)

[Set-aside Contracts](#)

[FEMA Contracting](#)

[Problem Statement](#)

Background

[Part 1: The Transition to SAM](#)

[Part 2: Interpretation](#)

[Part 3: Disparity in Numbers](#)

Solution: The Simplified Acquisition Program

[Part 1: The Necessities for Success](#)

[Part 2: Meeting These Needs with the SAP](#)

Results of the Simplified Acquisition Program

[Part 1: General Findings](#)

[Part 2: Case Studies](#)

[Part 3: Further Successes](#)

[Conclusion](#)

Abstract

In federal contracting, there is a great disparity between the dollars awarded to large businesses and dollars awarded to small businesses. For example, in the fiscal year 2017, the U.S. federal government awarded around a total of \$507 billion in contracts. Of that sum, \$395 billion, around 78% of all the revenue located to all contractors was awarded to large businesses.

Currently, the federal government exercises several policies to help small businesses compete in the federal marketplace. The most well-known policy is the 23% spending goal for small businesses which gives federal agencies an incentive to hire them. Along with this comes the various set-aside programs (SVOSB, WOSB, 8(a), HUBZone, etc.) along with organizations such as the SBA and PTACs.

Despite these policies, small businesses still struggle to enter the federal marketplace, let alone compete in it. In this white paper, we will investigate why small businesses, although making up 99.7% of all firms in the U.S., are earning less than a quarter of all federal contracting dollars. From these reasons, we will address the necessary solutions to these obstacles, and then present how USFCR's Simplified Acquisition Program delivers these solutions.

Key Concepts

Simplified Acquisition Contracts

Simplified Acquisition contracts offer an easier federal buying process for contracting officers and small business vendors. In normal bids, vendors must supply an exact quotation for the solicited services and/or products. Simplified Acquisition Contracts allow procurement officers to pay with SMART Pay Cards or blanket purchase agreements. These contracts can be awarded less diligence and are the perfect way for a vendor to win their first contract.

Simplified Acquisition Contracts are awarded between \$10,000 and \$250,000. For commercial item purchases, this can range between \$10,000 and \$5,000,000.

Also, these contracts are not required to be entirely entered into the Federal Awardee Performance and Integrity Information System (FAPIIS) and the past performance retrieval system.

Simplified Acquisition contracts are:

- Designed for small businesses.
- Can be awarded without a contractor referencing to FAPIIS.
- Provide opportunities for businesses with limited or no past performance.

Set-aside Contracts

When market research conducted by the federal government finds that a small business can fulfill a procurement, the opportunity is “set-aside” This means that small businesses will have exclusive access to these contracts. Official goals or quotas are set up by the government when buying from vendors.

In total, they aim for:

- 5% of prime and subcontracts for Women Owned Small Businesses.
- 5% of prime and subcontracts for Small Disadvantaged Businesses.
- 3% of prime and subcontracts for HUBZone businesses.
- 3% of prime and subcontracts for Service-Disabled Veteran-Owned Small Businesses
- 7% of prime and subcontracts for all other small business contractors.

FEMA Contracting

When disaster strikes, the government will need all the help they can get. FEMA offers great opportunities for vendors seeking their first-time contract. In these type of situations, the federal government will be more concerned with getting the job done than finding the top candidate. Not only is this a way to get your foot in the door, but many of the times, these contracts pay top-dollar.

Problem Statement

The reason why small businesses have difficulty competing in the federal marketplace comes down to two factors:

1. The systemic complexity of obtaining the necessary registrations and certifications needed to enter as well as compete the federal marketplace.
2. A lack of affordable and effective human capital, technological resources, educational resources, and marketing capabilities for small businesses.

As you will find in this white paper, US Federal Contractor Registration's Simplified Acquisition Program addresses and solves these two main obstacles.

Background

Part 1: The Transition to SAM

In July 2012, the General Services Administration (GSA) formed the System for Award Management (SAM). This was achieved by merging the Central Contractor Registration with the Online Representations and Certification System. The original intent of this merger was to simplify the contracting process.

This resulted in the exact opposite. Many small businesses owners were left unsure of how to complete the SAM registration. Others struggled keep their status as government contractors. There was also a significant portion of business owners who attempted to handle registration on their own.

In 2014, the Georgia Tech Procurement Office (GTPO), "estimated that at least 20% of the 600,000 firms presently registered in the SAM Registration had errors ... [including] misspelled words, empty data fields, incomplete entries, incorrect procurement codes, and other flaws."

A company with inaccurate SAM Registrations cannot win a government contract. It's that simple. The GTPAC explains that they're eliminated from consideration for not exhibiting "attention-to-detail" or because a procurement officer did not have enough information to identify them nor the services and/or products they provided.

Offices of the Small Business Administration (SBA) and Procurement Technical Assistance Center (PTAC) offer some assistance, but this assistance is extremely limited. It does not include hands-on training and does not include an expert completion or submission of the form.

Part 2: Interpretation

According to the federal government, not enough qualified vendors exist. Although the federal government is required to make these contracts available, they're not required to provide the tools or strategies that have helped successful vendors in the past. There is some "assistance" provided, but it's ineffective.

The PTAC has been around since 1985, but their influence has been dismal. The organization has not been able to help the government to fill the guaranteed set-aside contract requirement of 23%. As the federal contracting budget grows, so does the number of lost opportunities for small business.

To begin working as a federal contractor, a business needs to be registered in SAM. The sheer number of firms having difficulty with this process shows the ineffectiveness of government-provided resources for small businesses.

Secondly, there are a great deal of resources needed for a small business owner to compete in the federal space. Registration, if completed, isn't enough. The federal marketplace has a steep learning curve and PTAC is unable to provide contractors with enough learning resources. Small business owners need to adjust their marketing initiatives to better reach their government clients as well. Finally, searching for contracting opportunities, or just even carrying out market research is difficult with the outdated websites provided by the government.

Part 3: Disparity in Numbers

Below you will find several tables displaying the total dollars awarded in contracts, the amount awarded to small businesses, and the overall disparity of the awarded dollars. The tables are meant to show the overall gap of spending toward large businesses and small business throughout recent years.

2012

Total Contract Awards: \$404,108,126,265

Contracts Awarded to Small Businesses: \$89,923,198,457

Disparity: \approx \$314 billion

2013

Total Contract Awards: \$355,413,247,812

Contracts Awarded to Small Businesses: \$83,142,807,957

Disparity: \approx \$272 billion

2014

Total Contract Awards: \$366,824,039,527.35

Contracts Awarded to Small Businesses: \$91,681,658,658.85

Disparity: \approx \$272 billion

2015

Total Contract Awards: \$439,360,022,696

Contracts Awarded to Small Businesses: \$90,701,727,944.11

Disparity: \approx \$350 billion

2016

Total Contract Awards: \$471,005,228,199

Contracts Awarded to Small Businesses: \$104,833,970,507

Disparity: \approx \$367 billion

2017

Total Contract Awards: \$507,191,367,156

Contracts Awarded to Small Businesses: \$109,792,253,749

Disparity: \approx \$398 billion

Solution: The Simplified Acquisition Program

Part 1: The Necessities for Success

In this section, we're going to outline the basic assets that small businesses need to help level the playing field in the federal space.

Proper Registration in SAM

To even begin in the federal marketplace, a business needs a completed and fully compliant SAM registration. As mentioned earlier, resources provided by the government have failed to adequately assist small business with this process as well as obtaining set-aside certifications.

What small businesses need are experts in the registration and certification processes. They need personnel who can give their paperwork the One-on-one attention it needs. Not only does this help them become officially registered, but the small business owner can focus on the day-to-day operations and decision making for their entity.

Accessible Search Resources

Another systemic issue in federal contracting is the outdated search tools available for government contractors. FBO.gov is the website where agencies post the majority of contracts valued at over \$25,000. Although there is a wealth of opportunities, it's difficult to properly navigate without proper guidance.

The Federal Procurement Data System (FPDS), which is a resource that contractors can use for market research is even more difficult to use. So much valuable insight and data is out of reach merely because of a non-user-friendly design. To resolve the difficulty of finding contracting opportunities as well as finding potential federal buyers, small businesses need an application that is both easy-to-use and extracts relevant information from government sites.

Thorough and Flexible Training/Education

Another asset that small business owners need in order to compete in the federal marketplace is proper training and educational resources. Again, federal contracting is a profitable sector, but there is a steep learning curve. Having a resource that is both flexible and accessible for a small business owner's schedule is crucial.

Much like the registration in SAM, there is also a great necessity for one-on-one attention from an expert. Small businesses in different industries face different obstacles in federal contracting. A professional consultant, who is familiar with the owner and their industry can provide them the proper training.

Proper B2G Marketing Materials

Just like the private sector, marketing plays a crucial role to a business's success in federal contracting. The problem though, is that many small firms do not have any marketing materials,

let alone materials specialized for B2G marketing. What a small business needs are professional marketing personnel who can develop such crucial materials as a capabilities statement and even a website.

Naturally, to cut down on the overall cost, they will have to outsource this work to an outside business that specializes in B2G marketing. Still, although there are plenty of marketing firms that focus on creating materials for small businesses, very few of them can provide the proper assistance for taking on government clients.

Affordable Accessibility to These Resources

All of the items that were listed above would improve the competitive capabilities of a small business in federal contracting. However, the biggest obstacle toward obtaining them is affordability. Could your average American small business develop its own search technology geared for federal contracts? Would they be able to afford to hire a full time firm that specializes in B2G marketing?

A larger firm might have an entire department dedicated toward pursuing and executing federal contracts. This might include personnel who have years of experience in the federal sector as well as an entire marketing team. Small businesses need access to these types of resources, but at an affordable rate. They need to be conglomerated into one resource they can access.

Part 2: Meeting these Needs with the SAP

The Simplified Acquisition Program was developed by US Federal Contractor Registration to specifically provide small businesses with the resources above at an affordable price and practical manner. Essentially, through this program, they will be receiving the human capital, training, resources, and technology all in one package. Below is how the Simplified Acquisition Program is fulfilling these various needs.

A Case Manager to Handle Registrations

Every client who works with US Federal Contractor Registration is assigned a Case Manager. The Simplified Acquisition Program is no exception. One of the primary duties of a USFCR Case Manager is to handle a contractor's SAM registration as well as small business set-aside certifications. Leaving these processes in the hands of a trained professional ensures that a business's registration will always remain compliant.

Even when changes in the registration policy occur, a contractor's assigned Case Manager will be there to assist. One such instance of a major change that affected contractors was the notarized letter policy which was enacted in 2018. This band-aid solution caused a 70% drop in new SAM registrations during the first few months of its implementation. During this time, Case Managers were able to help USFCR clients get their notarized letter processed by the Federal Service Desk in a much shorter timespan than contractors who handled it on their own.

APP: Opportunity Search and Research Made Easy

The Advanced Procurement Portal (APP) is a multipurpose application developed by USFCR. Access to this application is available to all enrolled in the Simplified Acquisition Program. So, what are some of its capabilities?

With the Advanced Procurement Portal, contractors can:

- Search for opportunities.
- Find competitors and the contracts they've won.
- Get emailed live notifications of relevant contracting opportunities.
- Manage their federal contracts.
- Put contracting officers on a watch list.

Before the APP contractors would have needed to visit multiple sites to get all of the information listed above. As mentioned earlier, all of these sites are outdated and difficult to use. US Federal Contractor Registration designed APP with a user-friendly experience in mind. Basically, if someone is able to use Google to find information, they will be able to use APP.

Yearlong Training and Educational Resources

Enrollment in the Simplified Acquisition Program comes with a year of hands on learning provided by USFCR's bid training department. Some of the areas that are covered in this year of training includes:

- Creating bids that will get noticed by contracting officers.
- Developing ongoing working relationships with federal agencies.
- Consolidating their products and services to meet with federal demands.

On top of this, participants in the Simplified Acquisition Program have access to USFCR's Learning Center. The learning center features a series of modules which consist of videos as well as knowledge assessments. Much like APP, the Learning Center was designed for the average person. An individual who knows nothing about the federal sector can run through it and come out the other side ready to bid on contracts.

Federally Formatted Website and DSBS Profile

Marketing materials are just as crucial in the federal space as they are in the private sector. One of the major components of the Simplified Acquisition Program is the federally formatted website. So, what does that mean? It should come as no surprise that cybersecurity is an utmost priority of federal agencies. However, the protections that they put in place end up blocking many business's websites.

The federally formatted website that comes with the SAP is designed to bypass these security measures. Plus, on top of that, it serves as an online capabilities statement providing all the information a contracting officer would need about your business. This includes core competencies, differentiators, certifications, contact information, and past performance.

Vendors enrolled in the SAP will also have their Dynamic Small Business Search Profile (DSBS) assessed and updated as well. DSBS is used by both contracting officers and prime contractors to search for small businesses. However, about 70% of these profiles lack a capabilities narrative. As part of the Simplified Acquisition Program, a client's DSBS profile will be set up by a B2G marketing expert in order to stand out amongst their competition.

Practicality for Small Businesses

Prior to the implementation of the Simplified Acquisition Program, a small business federal contractor, if they could even afford it, would have to go to multiple sources to acquire all of the assets mentioned above. By consolidating all of these resources into one service, it is as if the vendor just added a new branch to their business but at a fraction of the price.

This is not only cost-effective, but it makes it easier for a small business owner to manager their venture into federal contracting. With all of these resources centralized, they will only need one point of contact for ongoing support. In turn, the business owner can focus on running their firm rather than the upkeep of these various resources.

Results of the Simplified Acquisition Program

Part 1: General Findings

After the first year of implementing the Simplified Acquisition Program, we surveyed enrolled contractors about their overall impressions. Here's what we found:

- Clients were generally pleased with results of the Simplified Acquisition Program.
- It provided all the tools required to fully develop a vendor's federal brand and outreach.
- The comprehensive list of buyer histories linked vendors with those who were looking for their products and/or services.
- Websites optimized for marketing toward the federal government helped procurement officers easily understand their business.
- Having a DSBS profile made connecting with a procurement officer easier to do.
- Businesses enrolled in the Simplified Acquisition Program earned more contracts on average than businesses who weren't enrolled in the program.
- Enrolled clients reported higher receipts year over year.

Part 2: Case Studies

Greatrex Global Learning

Greatrex Global Learning provides leadership development as well as training modules for businesses and agencies. In August 2014, they enrolled in our Simplified Acquisition Program.

USFCR trained their staff, gave them guidance, and provided all the services as described in the Simplified Acquisition Program earlier in this white paper.

We also provided Greatrex with a list of top procurement officers in their industry. This list included optimized contracting officers and prime contractors who may have subcontracting opportunities available.

Within a month of enrolling, Greatrex Global Learning received two contracts. Their first was a \$27,900 contract from the NSA/DoD and the second was a \$17,500 contract from the Office of the Secretary of Defense. The following January, they had then received a \$22,350 contract from the Department of the Navy.

Acquisition Specialist John Lynch guided Greatrex Global Learning throughout the whole process. Within six months of enrolling, the company – who had never before attempted to bid on government contracts – received \$67,750 in federal contracts.

You can view these contracts and more won by Greatrex Global Learning via the Federal Procurement Data System (FPDS). The FPDS which provides information about previously awarded contracts, contract winners (aka potential competitors), NAICS Codes for which contracts were awarded, and more.

Robert Doscher Associates (RDA National, Inc.)

RDA National, Inc. is a woman-owned small business (WOSB) that specializes in fixture manufacturing. For decades, the company had worked with national chains which included Barnes and Noble, Best Buy, Home Depot, and Nike. They eventually wanted to obtain contract work from the federal government.

In the December of 2013, they enrolled in our Simplified Acquisition Program. Within that month, we launched their website and set in motion the other aspects of the program. USFCR advised RDA National, Inc. that the more targeted their marketing efforts, the more success they would enjoy.

USFCR also helped RDA National, Inc. get its certification as a small, disadvantaged, women-owned business. That year, WOSBs were awarded more than \$15 billion, or about 4.32% of the \$464 billion awarded in all federal contracts.

With everything implemented, RDA National, Inc. received a \$23,000 contract in June 2014 from the Department of the Navy in Centerport, NY. Months later, they earned contracts valued at more than \$147,196.

After a year of enrolling in USFCR's Simplified Acquisition Program, the company was closing at around \$200,000 in government contracts.

Part 3: Further Successes

The two previous case studies aren't isolated occurrences. There have been many businesses enrolled in the Simplified Acquisition Program who have found success in the federal marketplace. Below is a list of those businesses along with the dollar amounts they were awarded while in the program.

DLP Enterprises: \$1,615,531

ECSI International: \$1,499,992

Progress Solar Solutions: \$965,386

United Grinding Technologies: \$916,356

Fabricare Draperies: \$817,498

AGM Container Controls, Inc: \$801,394

Mac Made Easy, Inc.: \$641,244

Suburban Surgical Company, Inc.: \$556,380

Robert F. Audit, Inc.: \$479,184

Creative Tent International, Inc.: \$422,209

CAMF, Inc.: \$394,437

Emergency 911 Security, Inc.: \$370,172

SEACON Advanced Products, LLC: \$240,000

Kingsbury, Inc: \$189,000

Amerigas Propane LP: \$113,000

Big Sky Industrial: \$108,000

PCB International, LLC: \$80,000

Heating and Air Conditioning Services: \$79,117

Robert Doscher Associates \$58,837

Conklin & de Decker Associates Inc.: \$48,119

SciAps Inc.: \$47,800

Otto Environmental: \$46,266

MinnPar: \$45,000

Gary Wolfe Toxicology, LLC: \$37,500

Straight Stripe Painting, Inc.: \$24,000

Ever-Green Communications Services, Inc.: \$20,991

The Stage Depot: \$18,075

Conclusion

Federal contracting is a vast sector with over \$500 billion worth of opportunities every year. Although the federal government makes great strides to level the playing field for small businesses, our research has shown that these efforts have not been enough. Getting registered in the System for Award Management alone can prove to be quite the obstacle. On top of this, business owners need the proper training and resources to actually land federal contracts.

It's this gap of needs that US Federal Contractor Registration's Simplified Acquisition Program was designed to fill. The SAP provides small business owners with a wide range tools and resources that were once only available to larger firms. When small businesses have affordable access to these assets, their chance of success in the federal space increases. This notion isn't merely a theory, the results we have seen from our clients as well as their satisfaction can vouch for the SAP.