



Government Contracting Best Practices: Ten Myths Debunked

Businesses of all sizes know that the billion-dollar government market can be a lucrative source of revenue. Several misconceptions exist, however, that prevent businesses from taking full advantage of profitable government opportunities. This can be the case whether a business is in the initial research and development stage, or is a seasoned government contractor. Whatever stage in the game, government information services can be a valuable resource to help win new business, streamline the sales process, and reduce overhead.

Since 2001, Onvia has remained a trusted leader in government procurement market intelligence. Our business solutions include more than 4 million procurement records and 3,500 new local, state and federal bid opportunities daily. This whitepaper identifies and debunks ten misconceptions about doing business with the government.

Myth #1: The Government isn't a Reliable Client

Regardless of how the economy is doing, the government is always in business. During times when the private sector is scaling back, the government still needs to maintain its infrastructure and go about its business. As a result, government contracting can be a steady source of revenue regardless of the highs and lows of the economy.

Myth #2: The Government Doesn't Have any Money to Spend

That couldn't be further from the truth. The government is the world's biggest customer. Each year, state and local governments spend nearly 600 billion dollars on a wide variety of private sector goods and services.¹ Although government contracting is under close scrutiny, there is a great deal of money out there.

Myth #3: It Will Take Too Long to Get Paid for Government Work

The Prompt Payment Act of 1982 stipulates that federal contractors receive payment within 30 days of submitting a properly prepared invoice. Most cities, states, and other local jurisdictions have followed suit with similar regulations regarding government contracting. If payment is late, you are usually entitled to interest for every day it is overdue. In addition, more and more agencies are using purchase cards and electronic funds transfers, which make payments fast and efficient.

¹www.governing.com. <http://www.governing.com/mediakit/mediakit08.pdf>

Myth #4: Government Paperwork is too Long and too Confusing to Manage

In the past several years, the government has decreased and simplified paperwork on every level. Also, many agencies now put their government contracting forms, regulations, and instructions online, making them easily accessible. That said, the government still takes its paperwork seriously. Contractors must pay careful attention to every detail when contracting with any government agency.

Myth #5: Small Businesses Don't Win Government Contracts

Federal, state, and local agencies have programs in place to ensure that small and disadvantaged businesses get a share of government contracting work. For example, the federal government enacted the Very Small Business Program to increase the number of contracts going to businesses with fewer than 15 employees and annual receipts of less than \$1 million.

Myth #6: Contracts only go to Companies that Already Work with the Government

These days, many government agencies go out of their way to recruit new contractors, especially among small businesses. There are also systems of checks and balances in place to prevent government contracting officials from playing favorites with a particular company.

On the federal level, government regulation codes 10 U.S.C. 2304 and 41 U.S.C. 253 address how "full and open competition" must be promoted "in soliciting offers and awarding Government contracts": This holds true for sealed bids, competitive proposals, and a combination of competitive procedures.²

The state and local levels determine competition bylaws by individual jurisdiction. For example, the State of California SBA competition regulations are governed by Public Contract Code Section 10318. This code "makes it illegal for any agency or employee to...limit the bidding directly or indirectly to any one specific concern, or any specific brand, product, thing, or service." The aim and desire of the Procurement Division, Department of General Services requires that competition "be at all times by responsible suppliers, and the materials bought through such competition be properly suited to the job intended both as to price and quality."

Myth #7: It's Hard to Find Out Why a Proposal was Rejected by the Government

Many jurisdictions now mandate that government contracting officials list the reasons why one company was chosen over the competition. You can also request a debriefing with officials to sort out your shortcomings and the winning bidder's strengths. Using Onvia's robust business intelligence capabilities allows

² www.arnet.gov. http://www.arnet.gov/far/current/html/Subpart%206_1.html#wp1087648

you to access proposals that have previously won contracts, to get visibility into what goes into a winning proposal.

Myth #8: The Government Procurement Process is Complicated

The government spends billions a year on procurement needs, but many business owners mistakenly believe that obtaining government contracts is too complicated. Onvia provides access to valuable tools and information, which can make breaking into the government market a simple process. These services explain DUNS numbers, CAGE codes, certifications, qualifications, and provide procurement histories. And Onvia can deliver new bid and RFP information directly to their customers' e-mail inboxes.

Myth #9: Government Opportunities are Limited

Many companies access and organize their lead collecting data in a way that is outdated or not precisely defined. This prevents them from finding contract bids that are suitable for their particular offerings. Other business owners don't bother pursuing new government contract opportunities, thinking they are already aware of all the opportunities available. Businesses may think they know who government buyers are working with on a county-by-county basis, but Onvia's research shows that 80% of government purchases are never advertised. There are literally hundreds of thousands of industry-specific government opportunities available right now and new prospects every day. In order to tap into this gateway, businesses need to do bid document research. They also need to track data such as planholder lists, award data, and decision maker contact information. Having this data in an easy-to-access format will help uncover new government leads.

Myth #10: Marketing is a Waste of Time

Marketing programs work in tandem with sales, so if companies aren't marketing their services the possibility of reaching a greater number of new clients is limited. Government sales and marketing efforts can be maximized with plenty of marketing collateral, direct mail pieces and email campaigns. A company website is also a great tool to help drive sales leads. Utilization of a search engine optimization writer (SEO) writer can help drive more traffic to the site; otherwise, the site may only capture a small fraction of potential clients.

Gain a Competitive Edge with Government Business Intelligence

Debunking these myths has hopefully provided insight into doing business with the government. It's evident that working with the government doesn't have to be a difficult process and that it is definitely a worthwhile market. There are several government data resources, such as Onvia, available that can even further simplify this course of action.

In order to expand government business, companies need to be able to quickly access the right government contract bids and market intelligence on

Typically only the largest of companies, or entrenched providers, could corral the information needed to be competitive.

Onvia's professional products and services provide businesses with the ability to spend less time gathering information and more time winning contracts. Traditionally reserved for multi-billion-dollar Fortune 100 companies, Onvia's "inside the shop" tool is now available to a wide audience. This technology enables Onvia to distribute 3,500 new local, state and federal bid opportunities from government agencies across the country on a daily basis.

Now that this government procurement information has been diligently collected and archived over the past eight years by Onvia, businesses have affordable access to sales intelligence that was otherwise beyond their reach. Onvia's database provides companies affordable access to comprehensive government business intelligence.

The Onvia Database

The past eight years at Onvia have been very exciting - the Award winning Onvia database has expanded exponentially and continues to do so at a rapid rate. Onvia has built and populated a sales platform database that has a wealth of useful government information. This valuable source includes 4.5 million government procurement records which help companies understand their market, from a historical and current standpoint. Plus, these records show companies when they can succeed on their own and when it makes sense to build partnerships.

Additionally, the database has listings of currently active agencies, as well as their annual buying trends. It also includes coverage of more than 78,000 agencies and purchasing offices, 800,000 government contacts, and 275,000 vendor profiles.

You Need to Be the Authority—Onvia Will Make it Happen

Take advantage of Onvia's daily reports that are delivered directly to your personal inbox. These are filled with targeted sales opportunities, government contract and government bid notices, requests for proposals, plan holders and bidders lists, and awards. Not only that, all of this valuable business intelligence easily exports to Microsoft Excel for fast and simple data organization.

Since 80 percent of public sector spending never hits the public eye, Onvia suggests businesses across every industry leave nothing to chance. Identify who buys or specs your products or services today; Onvia will provide you with a one-time, ready to use list of public sector prospects for integration into your CRM system for unlimited use.

The more businesses educate themselves, the better chance they have of standing out from a crowd of bidders. In today's market, competition is steep and economic uncertainty is a quarterly reality. Staying informed can help you stay ahead of the game.

Being Too Busy Will Be Your Biggest Problem
Try Onvia Now