



**The Social Security Administration
Small Business Resource Guide
2011**



Office of Small and Disadvantaged Business Utilization

MISSION STATEMENT

**To ensure that small businesses are an integral part of the
competitive base for purchased goods and services**

INTRODUCTION

The biggest challenge for a small business is not having the human or financial resources to pursue Federal contract opportunities. Therefore, the Social Security Administration's (SSA) Office of Small and Disadvantaged Business Utilization (OSDBU) prepared this guide to provide assistance, information, and encouragement to small businesses. The guide provides a broad overview for a small business. Other small business advocates, referenced within this guide, may provide additional assistance.

AGENCY BACKGROUND

SSA administers social insurance and social welfare programs that touch the lives of almost every American. The agency benefit programs include Social Security benefits for Retirement, Survivors and Disability Insurance, and Supplemental Security Income. A workforce of approximately 63,000 employees nationwide supports the agency's mission.

SSA's Headquarters operation is located in suburban Baltimore, and the agency has a nationwide field organization of 10 regional offices, 6 program service centers, and more than 1,300 local offices. SSA touches the lives of all Americans, young and old alike. Approximately 163 million workers will work in jobs covered by Social Security provisions for retirement, survivors and disability benefits, and more than 54 million individuals will receive monthly benefit payments.

SSA's Office of Acquisition and Grants provides information regarding contracting opportunities for small businesses on its Web page at <http://mwww.ba.ssa.gov/oag/osdbu/osdbu.htm>. For example, the Web page includes a link to a "Small Business Subcontracting Directory," which serves as a marketing aid for small business, disadvantaged business, and woman-owned business concerns seeking subcontracting opportunities with SSA prime contractors. SSA obtains the names and addresses for this directory from subcontracting plans submitted to the Government when a large business receives a Federal contract at the dollar values indicated in FAR 19.702. In some cases, the point-of-contact listed in the subcontracting plan changes after SSA adds the company to the directory. Notification of such changes is not automatic; and therefore, at any point in time, some of the information in this directory may be incorrect. SSA updates the directory on a regular basis. Please note that SSA does not have the authority to require a prime contractor to use a particular small business.

Also available from the above Web page, is a link to the *Forecast of SSA's Contracting Opportunities for Small Business*, which lists SSA's anticipated contracting opportunities during the upcoming fiscal year(s). The forecast represents SSA's best estimate of its upcoming procurements during the fiscal year. The information, presented in the forecast, is not an invitation for bids, a request for proposals, or a commitment by SSA to purchase products or services. Each forecasted acquisition may be revised or canceled subsequent to publication of the forecast, due to SSA's changing needs or priorities. The Federal OSDBU Directors Interagency Council operates a Web site (www.OSDBU.gov) giving a portal with links to all Federal Government OSDBU offices.

If you are interested in contacting SSA personnel who make micropurchases (see FAR 2.101 for a definition of micropurchase) for the agency, there is a national list of contacts accessible from the above Web site. Just click on “FOIA” and then click on “SSA Purchase Cardholder Roster—Active Purchase Card Listing by State.”

STARTING A BUSINESS

Anyone starting or thinking of starting a new business should be aware of his or her Federal tax responsibilities. Here are the top four things the Internal Revenue Service (IRS) wants you to know if you plan to start a new business.

1. First, you must decide what type of business structure you are going to establish. The type of business structure will determine which tax form you have to file. The most common types of business are the sole proprietorship, partnership, corporation, and limited liability company. Consider the advantages and disadvantages of each structure.
2. The type of business you operate determines what taxes you must pay and how you pay them. The four general types of business taxes are income tax, self-employment tax, employment tax, and excise tax. The IRS provides business kits for three types of businesses: sole proprietorships, partnerships, and corporations.
3. An Employer Identification Number (EIN) identifies a business entity. An EIN is similar to a Federal Tax Identification Number. Generally, all businesses need an EIN. You can also apply for an EIN online at IRS.gov. You must check your State to determine if you need a State number or charter.
4. Visit the business section of IRS.gov for resources to assist entrepreneurs with starting and operating a new business.

CERTIFICATION

A certification from a State, local, or national group shows that an independent organization has thoroughly examined your company to verify minority ownership. Being certified can get the company listed on directories used to identify potential sources for preferential consideration. If you want to sell to major corporations, you should consider certification by the National Minority Supplier Development Council (www.NMSDCUS.org). Certifications from State and local groups are not applicable to the Federal socioeconomic program. If you want to sell to Federal Government agencies, you should consider the 8(a)/Small Disadvantaged Business certifications. If you want to sell to State and local governments, you should consider certifications at this level.

BUSINESS LICENSES

There are many types of licenses, both State and local as well as professional. Depending on what you do and where you plan to operate, your business may be required to have various State and/or municipal licenses, certificates, or permits.

In the State of Maryland, obtain assistance from the following:

Occupational and Professional Licensing

Department of Labor, Licensing and Regulation
Maryland State Board
500 N. Calvert Street, 3rd Floor
Baltimore, Maryland 21202

Health Related Occupations Licensing

Department of Health and Mental Hygiene
4201 Patterson Avenue
Baltimore, Maryland 21215

IDENTIFY YOUR BUSINESS

A company can qualify as a small business by meeting the size standards established in the North American Industry Classification Codes. The North American Industry Classification System (NAICS) is the standard used by the Federal Government in classifying business establishments. The number of employees or average annual receipts establishes a business size standard. A small business must meet the size standard stated in the solicitation. The contracting officer designates the size standard of the procurement by selecting the industry NAICS code that best describes the principal purpose of the procurement. For a complete list of NAICS codes, visit <http://www.census.gov/eos/www/naics/>.

REGISTER YOUR BUSINESS

The Central Contractor Registration (CCR) is a database designed to hold information relevant to procurement and financial transactions. CCR affords you the opportunity for fast electronic payment of your invoices. CCR is the primary database of vendors doing business with the Federal Government. You must register with CCR to be eligible for a contract from the Federal Government. To complete your online registration, visit <http://www.ccr.gov>.

You must renew and revalidate your registration at least every 12 months from the date you first registered. If you do not renew your registration, it will expire. An expired registration will affect your ability to receive contract awards or payments, submit grants applications via <http://grants.gov/>, or receive certain payments from some Federal Government agencies.

The Small Business Administration (SBA) will determine a registrant's small business size status against each NAICS code listed in your record. Your organization's receipts and/or the number of employees determine size status. Your record must show the total receipts and number of employees for the entire firm and all its divisions, branches, and affiliates worldwide. SBA will also populate the SBA-Certified Small Disadvantaged Business, SBA-Certified 8(a), and SBA-Certified HUBZone business type fields in CCR.

INFORMATION NEEDED TO REGISTER IN CCR

Before you can complete the CCR registration, you will need to obtain a Dun and Bradstreet DUNS Number. A DUNS number is a unique, nine-character identification number used by both Government and corporate officials searching for background information on companies. You can obtain a DUNS number by visiting <http://www.dnb.com/us>.

The CCR registration process will assign a Commercial and Government Entity (CAGE) code. A CAGE code is a five-position code that identifies companies doing or interested in doing business with the Federal Government. Each separate business registered in the CCR must have its own CAGE code. The code provides a standardized method of identifying a given facility at a specific location and may be used for a facility clearance, a preaward survey, pay processes, source of supply, etc. In some cases, prime contractors may require their subcontractors to have CAGE codes also.

An EIN, also known as a Federal Tax Identification Number, helps identify a business entity. Business owners may apply to the IRS for an EIN in a variety of ways, including online, phone, and fax. Taxpayers can obtain an EIN immediately by calling 800-829-4933, Monday through Friday, from 7:30 a.m. to 5:30 p.m., customer's local time. Taxpayers can fax EIN requests 7 days a week/24 hours a day by dialing the fax number to one of the three IRS campuses in Holtsville, New York (631-447-8960), Cincinnati, Ohio (859-669-5760), and Philadelphia, Pennsylvania (215-516-3990). Visit the IRS Web site <http://www.irs.gov/index.html> and click on the Businesses tool bar for more information.

REPRESENTATIONS AND CERTIFICATIONS

Next, you will need to fill out the Online Representations and Certifications Application (ORCA) in which you provide additional information about your company and its business activities (<https://orca.bpn.gov>). ORCA is an e-Government initiative that replaces the paper-based Representations and Certifications process. The Federal Acquisition Regulation (FAR), Subpart 4.12, Representations and Certifications provides information relative to ORCA.

FEDERAL BUSINESS OPPORTUNITIES (FBO)

FedBizOpps.gov is the single government point-of-entry (GPE) for certain Federal Government procurement opportunities over \$25,000. Government buyers are able to publicize their business opportunities by posting information directly to www.FedBizOpps.gov via the Internet. Through one portal – <http://www.fbo.gov> – commercial vendors seeking Federal markets for their products and services can search, monitor, and retrieve opportunities solicited by the entire Federal contracting community. Opportunities posted on <http://www.fbo.gov> appear each day. There are several ways to search and you should have your NAICS codes on hand to conduct an opportunity search.

The Web site allows vendors to search for opportunities based on a variety of search criteria. These searches, once created, can be useful tools for recurring use in the system. Search results saved as “search agents” are available for recurring exploration. Vendors use “search agents” to highlight newly filed opportunities that align with the designated search criteria. “Search agent” emails highlight those notices that were either newly added or modified since the last “search agent” email. If a “search agent” is slated to run daily, the email will list those notices that fall into the search criteria, and that were either newly added or modified since the last email was sent to you (in this example, in the past day).

“Search agents” can be set up to find notices that meet a specific set of criteria. The “search agent” automatically tries to find notices meeting the “search agent” criteria. The “search agent” email will list only notices that meet the criteria and were added or modified since the last email.

THE FEDERAL PROCUREMENT DATA SYSTEM – NEXT GENERATION (FPDS-NG)

FPDS-NG is a contract data reporting system. FPDS-NG centralizes the collection, storage, and dissemination of contract data for the Government, Congress, and the public. Businesses can use data contained in FPDS-NG to obtain information about specific contract awards.

FPDS-NG collects contract data from all agencies in the Government. Congress and Federal departments and agencies use FPDS-NG reporting capabilities to:

- Track small business goals;
- Report number and amount of contracts to date;
- Show geographical placement of contracts; and/or
- Summarize contract data for a specific contractor.

The following data elements do not appear in FPDS-NG. Most of this data resides at the individual contracting office.

- Subcontracting data from either the Government or the prime contractors with whom we do business (The Government does have a method to collect this data at <http://www.esrs.gov/>. The two data sources work together.)
- Contract accounting data
- Contract line item data (There is no NAICS information at the Contract Line Item Number (CLIN) level, no CLIN description, no CLIN funding data, and no appropriation data at the CLIN level.)
- No identification of the contracting officer technical representative, nor details about the services performed
- Details of the contractor's employee or staffing levels
- Statements of work or objectives
- Terms and conditions of a contract
- Deliverables
- Contractor proposals from the awardee or any other interested party
- Information about any parties excluded from the procurement

There is a new search tool within FPDS-NG known as "ezSearch." This search tool will provide users an easier way to navigate the millions of records within FPDS-NG.

ezSearch is a text-based search that allows users to enter any element for a contract of interest (vendor name, agency name, dollar amount, etc). There are several different ways to sort search results or narrow down information further by using the advance search. Users are also able to drill down on each record to the award detail level. ezSearch is available to both Government and public users.

TIPS FOR NEWLY ESTABLISHED BUSINESS OWNERS

Company Web Site. Develop a company Web site so that your prospects can get information about you online. Also, make sure your Web site has your company's branding message and core capabilities.

Determine Goals and Objectives. Your capability statement should set forth your company's ability to perform specific work in a concise manner. The capability statement should also include current and past performance within the Government sector. Firms without current or past performance within the Government sector should see Experience below.

Develop Niche Market. Identify your company's strengths and then study market trends to determine where you are competitive. Your market strategy should emphasize the company strength in a market where your firm specializes. The company strength should result in offering something no one else has. Target your business to a few select markets to protect yourself from competition.

Differentiate Your Business from Your Competitors. Make sure you have something valuable to sell. Also, make sure you identify your company's niche (core capabilities) areas. You should explain how you are different from your competitors. For example, emphasize customer service by advising the client they will have the personal involvement of company owner.

Experience. Small businesses are encouraged to gain experience first at the local, county, and State government level before approaching the Federal Government. Subcontract performance is also valuable experience.

Find a Mentor. Find and learn from someone who has already succeeded. Seek coaching to help you understand and communicate expectations.

Join an Alliance. Join a Chamber of Commerce, business council, network, or association. There is strength in numbers. Advocacy groups facilitate networking.

Marketing Advice. A small business should consider marketing exclusively to a limited number of executive departments of the Federal Government. Trying to market to all of Federal Government is not practicable for small business. After studying functions of each executive department, make a list of those Federal agencies that have historically purchased your supply or service. Depending on the size of the agency, shorten the list to one or two agencies. The benefit to limited marketing is the hope of gaining reliable contacts and potential buying sources.

Network. Making connections in building relationships, increases your potential business opportunities. Forming alliances with firms that have already established corporate or Government contracts is an excellent way to leverage your opportunities.

HINTS TO EFFECTIVE MARKETING

- Know your customer (learn the culture and understand how they buy and what they buy)
- Visit the Federal agency's small business office Web site to learn about opportunities (<http://www.osdbu.gov/offices.html>)
- Attend agency business forums, expos, and conferences
- Request a meeting with the agency after you have done the above homework
- Be honest about your experience and capability--Dishonesty leads to mistrust--Be clear and concise
- Be prepared--To be unprepared gives an unprofessional appearance
- Out of sight is out of mind--Get over the perception that you are pestering agency/industry contacts
- Know the rules (FAR, Code of Federal Regulations, etc.)
- Have a plan; manage the plan
- Stick with what you know
- Hire the best
- Be careful who you partner with

THE ELEVATOR PITCH

The elevator pitch is a 30-second or so story about your business. It can be just as important as the business card in the age of text messaging, blogging, and “tweets.” The secret to the successful elevator pitch is brevity. It has to be very succinct and to the point. Do not use jargon, acronyms, and clichés, and avoid sounding like a technology manual. The average person should be able to understand the benefits of your business. Spend time practicing your pitch so it sounds unrehearsed. Get feedback from colleagues and associates who do not know much about your business. After getting feedback, refine the pitch in a way that is comfortable for you.

GOVERNMENT ACRONYMS

ACO	-	Administrative Contracting Officer
A&E	-	Architect and Engineering
ANC	-	Alaskan Native Corporation
BPA	-	Blanket Purchase Agreement
CAGE	-	Commercial and Government Entity
CAS	-	Cost Accounting Standards
CCR	-	Central Contractor Registration
CFR	-	Code of Federal Regulations
CIO	-	Chief Information Officer
CLIN	-	Contract Line Item Number
CO	-	Contracting Officer
DO	-	Delivery Order
DUNS	-	Data Universal Number System
EDI	-	Electronic Data Interchange
EFT	-	Electronic Funds Transfer
F.O.B.	-	Free On Board
FAR	-	Federal Acquisition Regulation
FBO	-	Federal Business Opportunity
FPDS-NG	-	Federal Procurement Data System-Next Generation
FR	-	Federal Register
FSS	-	Federal Supply Schedule
GSA	-	General Services Administration
GWAC	-	Governmentwide Acquisition Contract
HBCU	-	Historically Black College or University
HCA	-	Head of the Contracting Activity
HUBZone	-	Historically Underutilized Business Zone
IDIQ	-	Indefinite Delivery/Indefinite Quantity
IFB	-	Invitation for Bid
NAICS	-	North American Industry Classification System
ORCA	-	Online Representations & Certifications Application
OSDBU	-	Office of Small & Disadvantaged Business Utilization
PO	-	Purchase Order
PTAC	-	Procurement Technical Assistance Center
PTAP	-	Procurement Technical Assistance Program
RFI	-	Request for Information
RFQ	-	Request for Quotation
RFP	-	Request for Proposal
SADBUS	-	Small and Disadvantaged Business Utilization Specialist
SBA	-	Small Business Administration
SBC	-	Small Business Concern
SBDC	-	Small Business Development Center
SDB	-	Small Disadvantaged Business
SOW	-	Statement of Work
UCF	-	Uniform Contract Format
VOSB	-	Veteran-Owned Small Business
WOSB	-	Woman-Owned Small Business