

Contracting with the U.S. Government: A Small Business Perspective

Explore the process small businesses employ when contracting with the federal government. This article provides the government's definition of a small business and the types of small businesses that the government categorizes, as well as the process of registering with the government, bidding on contracts, and an overview of the administrative requirements involved in the contracting process.

BY VICKY W. KNERLY

Introduction

Contracting with Uncle Sam can be a daunting prospect even for the big players, so imagine what it must be like for a small business staring at the behemoth that is federal government contracting. According to the Federal Procurement Report for FY2004, the total number of contracts awarded was over 10 million for a total dollar amount of \$341,447,181,612.¹ Yes, that's \$341.45 *billion*, or approximately one-third of a *trillion* dollars. Of that total, 4,358,031 actions (contracts) were awarded to small business concerns, for a total of \$69.23 billion.² Thus, just over 23 percent of all federal contracts in FY2004 went to small businesses—that's a great deal of money to be won.

For Team Power Solutions in Lakeland, Florida, contracting with the U.S. government is a "necessary evil," according to president Harry Tittel. This engineering consulting firm has been involved in a number of General Services Administration (GSA) contracts, both as a prime contractor and subcontractor specializing in engineering turnkey services. Tittel says that their experience working with government agencies has been mixed since they first began working on government contracts approximately three years ago. They have found the agencies

with whom they have worked to be helpful and responsive, but something tends to be missing. That "something" is assistance with the mountain of paperwork that usually goes along with a government contract. According to Tittel, the larger firms against whom they compete (Lockheed Martin, Northrop Grumman, Boeing, Raytheon, etc.) have entire departments of people to work on nothing but government contracting projects and paperwork, whereas small businesses like Team Power Solutions rely on one or two people to perform the myriad of activities that are ancillary to a government contract. Not only that, as Tittel's firm approaches the limit in their contracting work where they are no longer considered small, assistance is not readily available to help them plan and execute a transition into being a "large" contractor.

About the Author

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But assistance is available from a number of sources in certain areas of small business contracting, especially with regard to setting up one's firm as a small business and working to gain government contracts initially. The main resource is the Small Business Administration.

In the Small Business Act of July 30, 1953 (15 U.S.C. §631 et seq.), Congress created the Small Business Administration, whose function was to "aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns." The charter also stipulated that the SBA would ensure small businesses a "fair proportion" of government contracts and sales of surplus property.³

The National Contract Management Association (NCMA) is another resource available to contractors for help with contracting issues and networking with other contractors. Other resources, such as Procurement Technical Assistance Centers (PTACs) or the National Center for Small Business Information (NCBSI), which is located on the campus of the Florida Institute of Technology in Melbourne, Florida, provide regional assistance to small businesses looking to set themselves up as small business government contractors and find contracts. Online resources include Commerce Clearing House's small business toolkit located at <http://toolkit.cch.com>.

So what exactly is a small business to the U. S. government, and how does one become a small-business contractor and get in on a share of federal contracting dollars?

Small Business Defined

The answer to the question of what a small business is to the U.S. government is, "It depends." The government's primary interest in procuring goods and services is to obtain them competitively, based on the best value to the government.⁴ The government also uses the process to implement "collateral policies," which have little or no direct bearing on a contract and which, indeed, may be at odds with the above goal.⁵ One of these collateral policies takes into account the size of the contractor.

The SBA defines a small business concern as one that is independently owned and operated, is not dominant in its field of operations, and qualifies as a small business under the size standard applicable to the procurement (15 U.S.C. §632(a), FAR 19.001, 13 C.F.R. Part 121).⁶ Businesses are defined according to what product or service they provide. For businesses

that provide a product, size is generally determined by the number of employees over a 12-month period, while businesses that provide a service are defined by the total dollar volume of business they provide over a three-year period.⁷ The SBA establishes size criteria for a number of classes of businesses and lists these in the North American Industrial Classification System (NAICS) code published by the U.S. Department of Labor, Bureau of Labor Standards (BLS), which was based on the *Standard Industrial Classification (SIC) Manual* published by the Office of Management and Budget.⁸ These six-digit codes define 20 industries based on their activities and classify them hierarchically by sector within that industry. For example, the previously mentioned Team Power Solutions in Lakeland, Florida, had a SIC code of 8711—Engineering Services, and now has a NAICS code of 541330—Engineering Services, which falls under the industry category of Professional, Scientific, and Technical Services.

The U.S. government uses "set-asides" for the purpose of contracting with small businesses. In other words, the government will set aside a contract or a portion of a contract exclusively for small businesses to bid. Specifically, all contracts for goods or services that have an anticipated value between \$2,500 and \$100,000 are exclusively reserved for small businesses. Contracts over \$100,000 must be set aside exclusively for small businesses if the contracting officer determines that at least two responsible small businesses will make offers and that the contract will be awarded at fair market prices.⁹ These set-asides are used to reach the goals stated in the Small Business Act to award a certain percentage of all contracts annually to small businesses. The SBA negotiates these goals with each agency and reviews the results annually to see if governmentwide goals are being met. The current goals as of FY2006 are as follows:

- 23 percent of prime contracts for small businesses;
- 5 percent of prime and subcontracts for small disadvantaged businesses;
- 5 percent of prime and subcontracts for woman-owned small businesses;
- 3 percent of prime and subcontracts for HUBZone businesses; and
- 3 percent of prime and subcontracts for service-disabled veteran-owned small businesses.¹⁰

Small Business Categories and Programs

So what types of small business programs are out there? Are they treated differently? As the goals previously stated imply, there are different types of small business programs, and the U.S. government tries to allocate a certain percentage of their contracts to those types of businesses within the small business category. Small business programs are covered extensively in the *Federal Acquisition Regulation (FAR)* under Part 19. The *FAR* is the “bible” of government contracting and will be discussed later.

Small Disadvantaged Business

Firms that qualify as small disadvantaged businesses (SDB) have preferential access to government contracting, including price evaluation adjustments, participation evaluation factors, and monetary subcontracting incentives designed to encourage participation in government contracting. To qualify as a SDB, a firm must have a majority ownership (51 percent or more) by socially and economically disadvantaged individuals who control the firm’s management and daily business operations.¹¹ Socially disadvantaged individuals are those who traditionally have been subjected to racial, ethnic, or cultural prejudices or biases based on their membership in such groups. A business owned by members of the following groups are automatically presumed to be qualified as a SDB:

- African American,
- Hispanic American,
- Native American (including American Indians, Eskimos, Aleuts, or Native Hawaiians),
- Asian-Pacific Americans (includes a number of designated countries), and
- Subcontinent Asian (Asian-Indian; includes Americans originating from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, and Nepal).

In addition, individual business owners can qualify based on successful argument and justification for discrimination based on the following:

- At least one objective distinguishing feature that has contributed to social

disadvantage, such as gender disability, sexual orientation, or living in an economically-isolated community;

- Personal experiences of substantial and chronic social disadvantage; or
- Negative impact on one’s education, employment entry, and advancement in the business world.¹²

Economically disadvantaged individuals are socially disadvantaged individuals who are unable to compete on an equal basis due to impaired financial and credit status as compared to non-socially-disadvantaged individuals.¹³ The criteria for SDB certification are similar to the 8(a) program discussed later in the article, and in fact, SDB firms may also qualify as 8(a) firms to partner with the SBA’s small business development program. The threshold for the personal net worth of the individual upon whom the firm’s eligibility is based on one defining factor in determining whether a SDB may qualify for the 8(a) program. That threshold is \$750,000 for a SDB owner as opposed to \$250,000 for an 8(a) owner.

Interestingly, a 1995 Supreme Court decision cast a shadow over the entire SDB program in that the federal government’s authority to implement programs favoring racial minorities was called into question. In other words, any federal affirmative action program based on racial classification will be subject to intense judicial scrutiny and must be narrowly tailored to serve a compelling government interest.¹⁴ This resulted in changes to the categories of individuals who could be considered socially and economically disadvantaged as previously mentioned.

Section 8(a) Program

Similar to the SDB certification program, the Section 8(a) business development program was designed to assist certain minority-owned small businesses not only with contracting opportunities with the U.S. government but also with business development. Section 8(a) firms are so named from Section 8(a) of the Small Business Act (13 C.F.R. §124), which authorizes the SBA to enter into contracts directly with other federal agencies and subcontract them out to certain small businesses (15 U.S.C. §637(a)).¹⁵

Section 8(a) firms automatically qualify as SDB

firms. An 8(a) firm partners with the SBA for nine years to develop and transition into the mainstream economy, during which time they are afforded direct counseling to develop, train, and market their firm, as well as being eligible to obtain access to surplus government property and supplies, SBA loans and bonds, and streamlined contracting.¹⁶ For contracting efforts, the SBA can ask agencies to identify acquisitions that are compatible with the 8(a) firm's capabilities, or it can ask that an agency contract with the 8(a) firm on a sole-source basis under certain circumstances.¹⁷ The SBA has also implemented a Mentor–Protégé Program, which allows start-up 8(a) firms to “learn the ropes” from experienced firms, with the goal that these 8(a) firms will be able to compete for government contracts and take advantage of subcontracting opportunities through large firms.¹⁸

Woman-Owned Small Business

The Federal Acquisition Streamlining Act of 1994 (FASA) amended the Small Business Act to, among other things, provide for goals for participation by woman-owned businesses in contracting. A woman-owned small business is one in which at least 51 percent of the firm is owned by one or more women, or if the firm is publicly owned, at least 51 percent of the firm's stock must be owned by one or more women. Daily operation of the firm must also be controlled by one or more women.¹⁹ While there are currently no specific preference programs in this area, women-owned small businesses have been entering government contracting by the thousands. See APPENDIX A on page 87.

Woman-Owned Small Disadvantaged Business

If a woman-owned small business has been hindered in its ability to do business and can prove it, the firm can apply to the SBA for certification as a small disadvantaged business under the 8(a) program. Such firms can then compete for government contracts under both categories (women-owned small businesses and small disadvantaged businesses). As shown in APPENDIX A, several hundred women-owned small disadvantaged firms were formed in 2004 to compete for both DOD and civilian procurement actions.

HUBZone Business

The Historically Underutilized Business Zone (HUBZone) Empowerment Contracting Program was established as part of the Small Business Reauthorization Act of 1997 to provide contracting assistance for qualified small business concerns in distressed communities.²⁰ The aim of the HUBZone program is to increase employment, opportunities, investment, and economic development in areas that have historically underutilized areas.²¹ To qualify for SBA certification as a HUBZone firm, a business must be physically located in a HUBZone, be 100 percent owned by one or more U.S. citizens, and at least 35 percent of its employees must reside in a HUBZone.²² This does not mean that the employees must reside in the same zone in which the business is located; they may reside in other HUBZone areas.²³ HUBZones can be urban or rural and can include federally-recognized Indian reservations. A contracting officer can set aside a contract for HUBZone firms if he or she expects that at least two qualified HUBZone small businesses will submit offers and the contract will be awarded at fair market price. A HUBZone firm is also eligible for a 10 percent price evaluation preference if the HUBZone contract process is conducted using full and open competition.²⁴ For additional information on the location of HUBZone areas, see <http://www.sba.gov/hubzone>.

Service-Disabled Veteran-Owned Small Business

The Veterans Entrepreneurship and Small Business Development Act of 1999, also known as the Veterans Act, seeks to expand existing programs and establish new programs for veterans, especially those who have service-related disabilities.²⁵ Under the SBA's auspices, the law provides technical, financial, and procurement assistance to service-disabled veteran-owned businesses, including the impact on small businesses when owners or essential employees who are reservists are called to active duty.²⁶ In the contracting arena, the law provides that a contracting officer may set aside an acquisition that exceeds the micro-purchase threshold for service-disabled veteran-owned businesses if it is expected that at least two such qualified businesses will submit offers and the contract will be awarded at fair market price.²⁷

Other Small Business Programs

Very Small Business. A pilot program that sunset in December 2004 was the Very Small Business Pilot Program. A very small business concern is one that has no more than 15 employees, average annual receipts of less than \$1 million, and was headquartered in one of ten designated SBA districts. Statutory authority for the program was discontinued when the Small Business Administration Reauthorization and Manufacturing Assistance Act of 2004 did not reauthorize the program.

SBIR/STTR. Two government programs have been established to assist small businesses, which are often the nation's most efficient innovators, with obtaining access to research and development (R&D) funds to help them explore and exploit their technological potential while also providing incentive to profit from its commercialization. The first, enacted with the Small Business Innovation Development Act of 1982, is known as the Small Business Innovation Research Program (SBIR). Under the act, which has been extended through September 2008, federal agencies with R&D budgets above a certain amount must direct a specific percentage of those funds to small businesses (15 U.S.C. §638(f)).²⁸ Originally administered by 10 federal agencies, the act now encompasses 11 agencies with the addition of the Department of Homeland Security.

Under this three-phase program, small businesses must meet certain eligibility criteria in order to participate:

- American-owned and independently operated,
- For-profit,
- Principal researcher employed by business, and
- Company size limited to 500 employees.

In Phase I, the start-up phase, awards of up to \$100,000 are made for approximately six months to support the exploration and technical merit of an idea or technology. In Phase II, awards of up to \$750,000 are made over a period of up to two years to expand upon Phase I results. The developer performs R&D work to evaluate commercialization potential of the idea or technology. Only Phase I awardees may advance to Phase II. Then, during Phase III, the

innovation moves into the marketplace and no SBIR funds are available. In other words, the small business must find its own funding in the private sector or other non-SBIR federal agency funding.²⁹

The second federal program to fund research and development for small businesses and nonprofit research institution partners is the Small Business Technology Transfer Program (STTR). This program was established in 1992 to create a vehicle for moving research institutions to the market to benefit both private sector and government customers. The program is administered by five federal agencies and is similar to the SBIR, except that the principal researcher need not be employed by the small business. In addition, the research institution partner must meet certain eligibility requirements:

- Located in the United States,
- Meets one of three definitions,
- Nonprofit college or university,
- Domestic nonprofit research organization,
- Federally-funded R&D center (FFRDC), and
- No size limitation.³⁰

Under both the SBIR and STTR programs, participating agencies issue solicitations once or twice a year. The Department of Defense has a “fast track” program for small businesses that attract outside funding. These businesses are evaluated for Phase II under a separate, expedited process, and are eligible to receive interim funding of \$30,000 to \$50,000 between Phases I and II. Almost 90 percent of participating SBIR and STTR companies have qualified for this interim funding and have leveraged it to obtain funding from outside investors.³¹

Other than small business. Small businesses must self-certify that they are small, within the definitions provided by the size standards set forth under the NAICS tables and the SBA's financial assistance programs (such as the SBIR and STTR) which have unique size standards. Occasionally, a contracting officer will deny an award to such a company, who may then protest to the SBA for a determination. The SBA must then determine if the business is indeed considered small based on its industry, classification, and program. The SBA compiles and publishes a list of those businesses that it has determined to be “other than small” according to these specific size standards.

Agencies and contracting officers can use the list as a guide to determine whether an offeror is a small business concern, with the caveat that certain circumstances may have changed that affect the business's size and status, causing them to be truly considered a small business.³²

Procedures and Processes

So, with the definition of a small business established, now what? A number of processes should happen next. These steps include registering with the government, searching for opportunities, and knowing how to submit an offer.

Registering with the Government

The first thing a small business should do when it is ready to contract with the federal government is register with the Central Contractor Registration (CCR) system. This can be done online at www.ccr.gov. All suppliers of goods and services to the government, both current and prospective, must complete this one-time registration, which provides basic information that will be relevant to procurement and financial transactions.³³ Included in this information will be the NAICS code for the small business as previously discussed, as well as a DUNS code.

DUNS is a Data Universal Numbering Systems number, which is a unique number assigned to a business by the Dun & Bradstreet Corporation, and is used for credit reporting purposes.³⁴ If the business will be contracting with the DOD, registration with CCR will also involve a Commercial and Government Entity (CAGE) code. This number will be automatically assigned to the business when it submits the CCR registration. And of course, the business's Tax ID Number (TIN) is required. All of these codes will be used to classify and qualify a business for various government contracting opportunities.

As of 2002, registration with the CCR also registers qualified small businesses with the SBA's Procurement Marketing and Access Network, or *PRO-Net* (<http://pro-net.sba.gov>). This is a searchable research database for both small businesses and government buyers. Contracting officers use the database to identify small businesses with the capability to perform a contract action they are offering. Small businesses use it to research the competition, develop a marketing strategy, and for general

information on various small business issues.³⁵ Some small businesses also use the CCR to identify teaming partners. Many times, a firm does not have the expertise or manpower to perform a contract on its own. These firms use the CCR to identify other firms that can handle the portion of the contract that they cannot. In addition, large contractors use the CCR to identify a qualified small-business contractor with whom to partner in a government set-aside contract.³⁶

Searching for Opportunities

Once a small business is registered, the next step is to "follow the money." Government agencies may not award contracts unless and until the money is appropriated by Congress. Small businesses have a number of ways they can research where the money and opportunities are by following the appropriations and getting to know the players. Sometimes, the appropriated funds for a project do not originate with the agency letting the contract. Thus, examination of budgets is the key to finding where the money has been appropriated.³⁷

1. FedBizOpps

One of the best ways for a small business to search for contracting opportunities is through FedBizOpps (www.fedbizopps.gov). This official Web site lists all federal government contracting opportunities for actions and awards over \$25,000. Agencies are required by law to post their opportunities here.³⁸ For larger contracting opportunities, this is the government's "help wanted" Web site.

2. General Services Administration and GSA Advantage!

Small businesses can learn what the competition is doing and what prices are being charged to the government on a myriad of goods and services by researching the *GSA Advantage!* Web site at www.gsaadvantage.gov.

3. DODBusOpps

Similar to FedBizOpps, the DOD maintains a Web site of their contracting opportunities at www.dodbusopps.com. This site lists contracting opportunities only for the Army, Navy, Marine Corps, Air Force, Defense Information Systems Agency (DISA), and the Defense Logistics Agency (DLA). The site allows a

potential contractor to receive automatic notices of contracting opportunities that match the business's interests and capabilities. The DOD also obtains information on potential contractors through the CCR and the Defense Logistics Information Service.³⁹

4. **Subcontracting Opportunities and SUB-net**

For subcontracting opportunities, a potential source of information is the SBA's subcontracting network, *SUB-net*. Here, large businesses, government agencies, other prime contractors, and small businesses looking to team up with other small businesses post their solicitations for subcontracting opportunities. Because past performance is such a big factor in evaluating potential contractors, subcontracting is an excellent area to "get a foot in the door" of federal contracting.⁴⁰

The only disadvantage of this Web site is that once the opportunity is posted here, a business is competing with every other business with access to this site (potentially all businesses). Thus another and perhaps better source for subcontracting opportunities is the SBA Web site itself (www.sba.gov/gc). By clicking on "Contacts and Representatives" at the left-hand side, and then clicking on "Subcontracting Opportunities Directory" on the next page, a small business has access by state of all prime contractors with subcontracting plans submitted by large businesses. SBA obtains the names and addresses for this listing from subcontracting plans that are submitted to the government when a large business receives a federal contract over \$500,000 (over \$1 million in construction).⁴¹

5. **Other Sources for Opportunities**

According to Donn Miller-Kermani, assistant director and lead government trainer at NCSBI, another way to search for government contracting opportunities is by networking. In their small business contracting classes, NCSBI stresses the importance of networking by attending trade conferences, expositions, and meeting with key personnel from government agencies and large businesses. Buyers, including the government and

large businesses, tend to partner with people who are familiar to them, so the more a small business is in contact with these sources, the more likely those sources will want to work with the small business. By monitoring the sources listed earlier and learning who the frequent buyers are, a small business can make contacts with those agencies. Even if they are not qualified for a solicitation or the solicitation does not fit their business, their name and their business's name is in front of that person on a regular basis.⁴²

Other sources of information include synopses, presolicitation notices, award notices, and "sources sought" notices. Synopses are provided by government agencies for large, complex actions in which a number of potential offerors are anticipated. A synopsis briefly lists information about the overall solicitation. Presolicitation notices are also used for providing information on large, complex actions or when an agency's bidders list is particularly large. A presolicitation notice identifies an upcoming solicitation prior to its posting and can sometimes be used by an agency to solicit input for contract specifications. Award notices provide a small business with information on the competition and what an agency is looking for in a contractor. By scanning award notices, a small business can also identify potential teaming partners. And "sources sought" notices are used when an agency is not sure of their exact needs and is looking for potential offerors to help them define their needs and specifications to develop a solicitation.

Each of these can provide a small business with leads on potential contracts or information on the competition or the contracting environment in general. An additional source of information on funding opportunities is the government's "bidders lists." Potential contractors are placed on the list through previous experience with an agency, at the contractor's request, or simply because the agency believes they will be a good potential contractor. Presolicitation notices or solicitations themselves are then sent to all or a portion of the list when the agency has an upcoming contract.⁴³ Access to a bidders list

can help a small business identify teaming or subcontracting opportunities if the small business is not able, for any number of reasons, to be placed directly on the list. However, the use of bidders lists has declined dramatically in recent years with the advent of the CCR and FedBizOpps.

General Services Administration

The General Services Administration (GSA) is one of the largest agencies in the federal government, and has a unique set of procedures and processes of which a small business (or any business for that matter) needs to be aware. The GSA assists other federal agencies with acquiring a whole host of goods and services from both commercial and other federal sources. The purpose is to simplify buying and to reduce costs by “negotiating large multi-user contracts and by leveraging the volume of the federal market to drive down prices.”⁴⁴ Indeed, the GSA accounts for more than a quarter of the government’s total procurement dollars annually. The GSA establishes award schedules of standard commercial products and related services through the Federal Supply Service (FSS). These schedules contain discounted commercial prices that the listed offerors will charge government agencies for placing orders under them (known as “most favored pricing”).⁴⁵

In order to become a contractor on a GSA schedule, a business can monitor the schedules through the FedBizOpps Web site, which replaced *Commerce Business Daily* as the source for listings in 2002. Solicitations call for certain classes of commercial products and services, so businesses can propose different products that fall within a designated class. Some solicitations permit offers at any time during the schedule’s time period (often five years), while other solicitations have an “open season” for offer submission with a closing date for receipt of offers.⁴⁶ In many cases, the government will make awards for products to multiple commercial offerors. These are called the multiple award schedules (MAS). If contracts are awarded to a single contractor, however, these will be on the single award schedules (SAS). Federal agencies can then place orders against these contracts once they are awarded.

It may be easy to think of GSA schedules in

terms of office supplies, furniture, and computers; however, some GSA schedule contracts can be quite large. Team Power Solutions in Lakeland, Florida, does a majority of their contracting with the government through the GSA schedules, especially GSA areawide public utility contracts. These are GSA schedule contracts mainly with large public and private utilities, who subcontract some or all of their engineering service work. Team Power Solutions has been a successful subcontractor in this area to the tune of millions of dollars over a three-year period. Even though it can be difficult and time-consuming to get on a GSA schedule, the work just starts when a small business is awarded the contract. Since GSA schedule contracts are worth more than one quarter of the government’s total procurement dollars annually, these types of contracts are worth a serious look by any small business looking to contract with the government.

Subcontracting

Subcontracting represents another huge opportunity for small businesses. A subcontract is a contract in which materials are supplied or work is performed under a prime contract.⁴⁷ The prime contractor is responsible for any and all subcontractors, and the government does not have a direct contractual relationship with subs. Certain contract clauses, however, give the government at least some control over the work of the subcontractor. Usually, a subcontractor cannot make direct claims against the government but must go through the prime contractor in the event of a dispute or claim.

Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) requires that any prime contractor awarded a federal contract over \$500,000 (\$1 million for construction contracts) must develop plans and goals for subcontracting with small businesses.⁴⁸ This requirement can generate a lot of subcontracting opportunities for small businesses. How much? APPENDIX B on page 88 lists the Top 100 federal (prime) contractors for FY2003 as published by the Federal Procurement Data System (http://www.fpdnsng.com/downloads/FPR_Reports/FPR2003a.pdf; click on “Top 100 Federal Contractors” in the bookmarks on left-hand side).

APPENDIX C on page 91 lists the same information for FY2005 as published by www.fedspending.org. In 2002, these contractors generated more than 55 percent of that year’s \$234 billion total federal

contracting dollars, while in 2005, they generated over 53 percent of the year's \$381 billion in total federal contracting dollars. Obviously, not all of the contracts performed by these contractors were over \$500,000; however, enough of them were large enough to generate substantial subcontracting dollars through the requirement for subcontracting with small businesses.

The government sometimes bundles its contracts, meaning it takes a number of small contracts that would be too expensive to perform individually and bundles them into one large contract. It does this using the argument that it can more efficiently manage these contracts and can leverage its buying power with a bundled contract to reduce costs. This has been a controversial issue, since small businesses are often excluded from bidding on a bundled contract due to the contract's size and scope. It has provided opportunities to small businesses, however, because the larger companies that bid on and are awarded such contracts often cannot perform them on their own. Thus, they subcontract a portion of it to other businesses, including small businesses. In fact, under recent SBA guidelines (the Small Business Reauthorization Act of 1997), if a government agency sees a necessity for a bundled contract, it must establish a significant evaluation factor that maximizes subcontracting opportunities for small businesses.⁴⁹

The means to become a small business subcontractor are the same as those to become a small business contractor—networking. There are several Internet resources available to help in that regard, such as:

1. Small Business Administration's Government Contracting Web site for the contacts and representatives directory previously mentioned. (www.sba.gov/gc);
2. SBA's *SUB-net* (<http://web.sba.gov/subnet>);
3. SBA's subcontracting directory (www.sba.gov/gopher/governmentcontracting/Subcontractor-Directory); and
4. Military directory of prime contracts; click on "Subcontracting Opportunities with DOD Prime Contractors" (www.acq.osd.mil/sadbu/publications/subdir/index.html).⁵⁰

Other opportunities exist for subcontracting as well, such as partnering with private entities to gain access to prime contractors. When dealing with these firms, however, a small business must be wary of the possibility of unethical behavior (such as late payments or unlawful business practices). By subcontracting with a prime directly, a small business gains greater security and protection, since the prime contractor is required by law not only to treat subcontractors fairly but also to pay those subs on time.

Another advantage to subcontracting with a large prime contractor is being associated with a contractor who is a known entity to the federal government. An agency may have a preference for contracting with a larger business and may be allowed to do so based on current rules and regulations. As such, being affiliated with the prime contractor as a sub provides the sub with past performance experience while also getting their name and key personnel in front of the agency through the prime. Harry Tittel, president of Team Power Solutions, states that they act as a subcontractor on a number of contracts such as these mainly because they are able to team with a prime contractor who is a "known quantity." Contracting officers are more comfortable doing business with such firms rather than contracting directly with a small business such as Team Power Solutions.

As an example, Team Power Solutions has developed projects to meet an agency's needs. Once the agency has obtained the funding appropriations, Team Power Solutions looks for a contracting vehicle, usually through a GSA resource, an areawide public utility GSA or through the U.S. Army Corps of Engineers (U.S. ACE). If the agency does not use the GSA or areawide public utility GSA resources, then Team Power Solutions takes the project to the U.S. ACE. As Tittel states, "No contracting officer can ever get into trouble giving money to the Corps."⁵¹ The U.S. ACE then typically contracts with a local utility, and the local utility contracts with Team Power Solutions. So even though Team Power Solutions is actually designing and executing the project, they act as a subcontractor or a sub-subcontractor in order to bring the project to fruition. The agency works with a familiar entity such as U.S. ACE, and Team Power Solutions receives payment regardless of whether they are the prime contractor or subcontractor.

Bidding and Proposing: A Quick Overview

So the small business has been defined and has found its opportunities. The next step is to submit actual bids or proposals for consideration. Volumes of materials have been written about this process, so this will be a very simplified outline of how the procedure works. For additional information on the process, two definitive resources in this area are *Formation of Government Contracts* by John Cibinic Jr. and Ralph C. Nash Jr., and *Competitive Negotiation: The Source Selection Process* by Ralph C. Nash Jr., John Cibinic Jr., and Karen R. O'Brien. While these texts are written emphasizing the government's perspective, they are excellent resources for a small business to determine exactly why the government does what it does and what they are looking for when evaluating and awarding a contract.

Submitting Bids and Proposals

The process begins when a government agency identifies a need to procure goods and services, and defines how it will solicit contractors to supply or perform under the contract. The two major types of solicitations are (1) the sealed bid process, solicited through an invitation for bids (IFB), and (2) the competitive negotiation process, solicited through a request for proposals (RFP). Since the vast majority of contracts are now awarded through the competitive negotiation process, this process will be emphasized.

The Competition in Contracting Act of 1984 (CICA) specifically requires that agencies attain "full and open competition" in their sealed bid or competitive negotiation actions, except under certain circumstances. That means that "all responsible sources are permitted to submit sealed bids or competitive proposals on the procurement" (41 U.S.C. §403(6)).⁵² The procedures for the process are codified in the FAR Part 14 covers the sealed bidding process, while Part 15 covers the competitive negotiation process, and as previously mentioned, small business programs are covered in FAR Part 19. FAR Part 52 lists all standard contract clauses.

In competitive negotiations, RFPs contain a number of standard features and are usually issued on a standard form. In addition to the description of the work to be done or goods to be supplied, the

RFP also contains statements about such things as

- The relative importance of cost or price to other factors in the solicitation,
- The extent of negotiations that are anticipated,
- How the proposal should be submitted and in what format, and
- What information on evaluation factors and subfactors are needed from the firms submitting proposals.⁵³

Also, a number of standard clauses are usually included that cover such details as

- How changes will be handled;
- How and when payments are to be made;
- How and to what extent subcontractors may be utilized;
- How cost and pricing data will be evaluated;
- The recourses a contractor will have in the event of problems;
- How end products will be shipped and inspected; and
- A whole host of other administrative, technical, and management issues.

Cost Factors

A major portion of the offeror's proposal will be proposed costs or prices. Generally, the type and complexity of the proposed contract will determine the extent to which an offeror must provide detailed cost and pricing analysis. The government has a number of rules for what costs are allowable in government contracts. FAR Part 31 covers the cost principles relevant to contracts, including what costs are considered reasonable, allowable, and applicable to the contract. Finally, a proposal will be evaluated on how reasonable and realistic the overall cost is. The government agency will probably have its own estimate of the overall cost of the contract, known as the independent government cost estimate (IGCE), and will use it when evaluating offerors' proposals. They will also have access to information from previous similar contracts and market rates for costs that are similar to those proposed in the contract.⁵⁴

Donn Miller-Kermani of NCSBI stresses that pricing a contract is one of the areas in which many

small businesses struggle. Many small businesses do not consider wrap-around costs, such as benefits and overhead, when pricing a contract. In addition to the basic cost or pricing data, factors that may need to be considered include wage and labor issues, management salaries (especially for key personnel), special licensing and trademark or patent costs, royalties, advertising fees, marketing, and of course, overhead and profit. Not all of these factors are allowable, and a firm must be familiar with FAR Part 31 to determine which cost factors are and are not allowed in government contracts.

Quality Factors

When submitting a bid or proposal for a government contract, several quality factors should be kept in mind, since it is probable that these factors will be evaluated as part of the overall package. As stated, past performance has become critically important when selecting contract awardees. Many times, past performance will be *the* major noncost factor that agencies consider when determining a contract award.⁵⁵ This would seem to set up a “catch 22” for small businesses with no or minimal government contracting experience. It is difficult to rate a business’s past performance when it has none. That is why subcontracting can be so important to a small business, especially to a start-up operation. Unless one or more key personnel in a small business have a lot of past experience with government contracting, subcontracting is an excellent means of adding past performance to the company’s résumé.

Another quality factor is past experience. This differs from past performance in that experience takes into account the *types* of work performed rather than merely how well the firm performed it.⁵⁶

In addition to the technical aspects of a proposal, which cover how well the firm will make the goods or supply the services needed, management factors are important in determining how the firm will manage its resources to achieve the desired results. Key personnel are a part of that, because they are the ones who will actually be directing the work on the contract, either as executives of the business, project managers, researchers, or technical experts.⁵⁷

Award and Debriefing

Once the proposals have been submitted and evaluated, the contracting agency will reach a decision to award the contract. The agency must be

careful to ensure that it has followed the solicitation when making evaluations and has considered all the stated evaluation factors and its stated selection method. A number of rules govern how the award is made as well as what information can be disclosed to unsuccessful bidders and when it can be disclosed.⁵⁸ A post-award debriefing can be a very useful tool to an unsuccessful small business. This is where the business can learn what it did right and what it did wrong, including where it stood relative to the prices it proposed. The business can use that information to improve its performance on future proposals as well as lay the groundwork for future opportunities.⁵⁹

Protests and Disputes

Contract award controversies have become a common and substantial part of government contracting, and it seems the larger and more complex the acquisition, the more likely a protest will be filed at some point in the process. A bidder has the right to file either a dispute or a protest at the appropriate time. A protest is filed over a defective bid or the award of a contract to another bidder that the protester believes is incorrect. A dispute is lodged when an issue or disagreement arises with a contracting officer after the contract has been awarded.⁶⁰

Four main forums are available to hear contract controversies: the procuring agency itself (contracting officer or agency head), the comptroller general as head of the General Accounting Office (GAO), the Court of Federal Claims, and the U.S. district courts.⁶¹ A protest can be filed by any interested party (generally an actual or prospective bidder) whose economic interest is affected or compromised by the award of or failure to award a contract. A protest filed before a contract is awarded will delay the contract award unless there is an urgent and compelling reason for the government to continue.⁶² The procedures and timing to be followed when submitting a protest and the remedies available vary depending upon which forum is chosen. Generally, as protests are taken to higher levels, more work and procedural issues are involved.

There are also a number of alternate methods available to resolve a controversy. Alternative dispute resolution (ADR) procedures are addressed in FAR Subpart 33.2 and include such methods as “conciliation, facilitation, mediation, fact-finding,

mini-trials, arbitration, and the use of ombudsmen.” (FAR 33.201). ADR has become more prevalent in government contracting recently, with very promising results.

Conclusion

A small business should not consider federal contracting if it is looking for the government to save it financially.⁶³ Contracting can be a long, complex, expensive proposition that can cause a financially struggling concern to go under. Some of the questions that small businesses should consider when contemplating contracting with the government are:

1. Do you have the financial resources?
2. Are you stable?
3. Are you financially healthy?
4. Can you make payroll and other payments while performing a contract?
5. Are you committed to investing and applying the resources needed to market to the government?⁶⁴

The point to these questions is that contracting with the government can be very lucrative, but it can also be a significant drain on both resources and finances. The government does not make payments up front, except in extremely rare circumstances, so a business must be able to maintain its day-to-day operations during contract performance.⁶⁵ Therefore, government contracting is not for everyone. In addition to size considerations, a firm must be willing to work within the bureaucratic process and have the patience to deal with the nuances of federal contracting. It must have the necessary technology in place as well as a documented quality control plan. The results, however, can be very rewarding both professionally and financially, so as long as the questions are answered and the preparation is in place, contracting with Uncle Sam may be the best thing that happens to a small business. *JCM*

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Appendix A.

Federal Procurement Data System–Next Generation			
SMALL BUSINESS OWNERSHIP REPORT			
Number of New Businesses by Ethnic Group			
Actions reported individually–fiscal year 2004 through fourth quarter			
	Women-Owned Small Business Firms	Women-Owned Small Disadvan- taged Business Firms	Small Disadvan- taged Business Firms
Total DOD	2,191	264	1,191
Asian Pacific American	25	25	194
Black American	74	73	240
Hispanic American	50	50	138
Native American	40	40	195
No Representation	2,002	76	424
Total Civilian	8,102	418	4,162
Asian Indian American	80	9	41
Asian Pacific American	113	16	407
Black American	397	72	180
Hispanic American	408	84	255
Native American	145	11	61
No Representation	7,035	238	3,258

Source: Federal Procurement Data System–Next Generation, Federal Procurement Report: FY 2004, Section I, Total Federal Views. Accessed at www.fpdsg.com/downloads/fpr_reports/fpr_section_i_federal_views.pdf.

Appendix B.

Federal Procurement Data System				
TOP 100 FEDERAL CONTRACTORS				
Actions reported individually on SF279—fiscal year 2003 through fourth quarter				
	Current Year's Dollars (000)	Percent Of Dollars	Prior Year's Dollars (000)	Percent Of Dollars
Total Federal	290,354,256	100.00	234,882,547	100.00
Top 100 Subtotal	165,680,050	57.06	125,159,646	53.29
1 Lockheed Martin Corporation	25,065,368	8.63	20,487,665	8.72
2 Boeing Company, The	19,082,544	6.57	15,112,451	6.43
3 Northrop Grumman Corporation	11,911,412	4.10	9,419,142	4.01
4 Raytheon Company	8,284,449	2.85	6,752,583	2.87
5 General Dynamics Corporation	7,657,307	2.64	6,589,920	2.81
6 United Technologies Corporation	5,006,810	1.72	3,763,307	1.60
7 Science Applications International Corp	4,656,290	1.60	2,204,577	0.94
8 Bechtel Group Inc	4,597,221	1.58	4,288,480	1.83
9 Computer Sciences Corporation	4,245,606	1.46	1,628,150	0.69
10 Halliburton Company	3,155,042	1.09	574,298	0.24
11 Amerisourcebergen Corporation	3,067,429	1.06	1,851,209	0.79
12 L-3 Communications Holding Inc	2,849,637	0.98	1,635,788	0.70
13 General Electric Company	2,534,841	0.87	1,632,643	0.70
14 University Of California	2,112,666	0.73	2,158,917	0.92
15 Humana Inc	1,820,294	0.63	1,304,689	0.56
16 Honeywell International Inc	1,804,708	0.62	1,822,152	0.78
17 BAE Systems PLC	1,801,730	0.62	1,146,859	0.49
18 United Space Alliance LLC	1,759,972	0.61	1,797,762	0.77
19 Westinghouse Electric Corporation	1,594,850	0.55	1,565,376	0.67
20 California Institute Of Technology	1,539,102	0.53	1,419,873	0.60
21 United Defense Industries Inc	1,490,507	0.51	1,339,984	0.57
22 Booz Allen Hamilton Inc	1,365,024	0.47	1,018,598	0.43
23 Fluor Corp	1,306,343	0.45	997,318	0.42
24 ITT Industries Inc	1,278,347	0.44	1,035,492	0.44
25 Triwest Healthcare Alliance Co	1,200,306	0.41	822,799	0.35
26 North American Airlines	1,195,179	0.41	624,375	0.27
27 Electronic Data Systems Corporation	1,184,655	0.41	821,188	0.35
28 FedEx Corp	1,056,229	0.36	403,117	0.17
29 Battelle Memorial Institute Inc	1,046,307	0.36	822,225	0.35
30 International Business Machine Corp	1,011,370	0.35	1,052,776	0.45
31 Dell Inc	971,395	0.33	762,506	0.32
32 Alliant Techsystems Inc	940,378	0.32	1,040,811	0.44

CONTRACTING WITH THE U.S. GOVERNMENT: A SMALL BUSINESS PERSPECTIVE

		Current Year's Dollars (000)	Percent Of Dollars	Prior Year's Dollars (000)	Percent Of Dollars
33	Boeing Sikorsky Comanche Team	931,076	0.32	661,832	0.28
34	Titan Corporation, The	922,894	0.32	591,877	0.25
35	Urs Corporation	865,706	0.30	403,942	0.17
36	Pearson Plc	824,100	0.28	148,005	0.06
37	Johnson Controls Inc	817,653	0.28	483,849	0.21
38	Anteon International Corporation	810,691	0.28	317,017	0.14
39	Ut-Battelle LLC	807,965	0.28	802,950	0.34
40	Textron Inc	771,886	0.27	726,340	0.31
41	Ch2m Hill Companies Ltd	762,737	0.26	533,321	0.23
42	Exxon Mobil Corporation	757,225	0.26	564,718	0.24
43	Parsons Corporation, The	756,820	0.26	279,454	0.12
44	CACI International Inc	747,879	0.26	458,442	0.20
45	Accenture LLP	731,011	0.25	449,798	0.19
46	Cardinal Health Inc	696,854	0.24	658,666	0.28
47	Johns Hopkins University	678,864	0.23	650,917	0.28
48	Kaiser-Hill Company LLC	675,127	0.23	194,336	0.08
49	Unisys Corporation	665,557	0.23	339,637	0.14
50	Oshkosh Truck Corporation	664,609	0.23	621,915	0.26
51	Jacobs Engineering Group Inc	648,171	0.22	592,985	0.25
52	Teledyne Inc	645,897	0.22	338,529	0.14
53	Gmgdls Defense Group LLC	635,102	0.22	678,311	0.29
54	McDermott International Inc	618,729	0.21	447,007	0.19
55	Rockwell Collins Inc	612,401	0.21	277,583	0.12
56	Bell Boeing Joint Program	608,683	0.21	0	0.00
57	GTSI Corp	607,331	0.21	529,593	0.23
58	BearingPoint Inc	600,400	0.21	420,311	0.18
59	Motorola Inc	600,357	0.21	502,099	0.21
60	Tetra Tech Inc	576,903	0.20	224,284	0.10
61	Renco Group Inc, The	574,518	0.20	347,833	0.15
62	Washington Group International	566,590	0.20	515,412	0.22
63	Affiliated Computer Services	565,537	0.19	482,918	0.21
64	Engineered Support Systems Inc	562,830	0.19	379,466	0.16
65	Harris Corporation	546,178	0.19	386,299	0.16
66	Aerospace Corporation, The	544,676	0.19	477,788	0.20
67	Government of Canada	537,466	0.19	359,354	0.15
68	University of Chicago, The	531,327	0.18	532,192	0.23
69	Stewart & Stevenson Services Inc	531,319	0.18	440,165	0.19
70	Chugach Alaska Corporation	528,890	0.18	292,615	0.12
71	Massachusetts Institute of Technology	525,263	0.18	372,219	0.16
72	Health Net Inc	519,464	0.18	1,695,276	0.72
73	Mitre Corporation, The	509,129	0.18	497,262	0.21

CONTRACTING WITH THE U.S. GOVERNMENT: A SMALL BUSINESS PERSPECTIVE

		Current Year's Dollars (000)	Percent Of Dollars	Prior Year's Dollars (000)	Percent Of Dollars
74	ManTech International Corporation	500,123	0.17	345,948	0.15
75	BP PLC	448,876	0.15	156,009	0.07
76	General Motors Corporation	441,149	0.15	405,018	0.17
77	Brookhaven Science Associates	440,920	0.15	460,176	0.20
78	Equilon Enterprises LLC	439,721	0.15	539,523	0.23
79	Rolls-Royce Group PLC	430,960	0.15	219,994	0.09
80	Worldcom Inc	429,410	0.15	575,542	0.25
81	Integrated Coast Guard Systems	423,104	0.15	169,612	0.07
82	Goodrich Corporation	410,410	0.14	329,849	0.14
83	McKesson Corporation	403,374	0.14	161,306	0.07
84	AT&T Corp	398,659	0.14	447,728	0.19
85	Shaw Group Inc	394,399	0.14	107,065	0.05
86	Hensel Phelps Construction Co	374,032	0.13	397,554	0.17
87	Tyco International Ltd	369,295	0.13	297,202	0.13
88	SRA International Inc	368,541	0.13	284,494	0.12
89	DRS Technologies Inc	350,107	0.12	126,919	0.05
90	DaimlerChrysler Ag	340,274	0.12	260,019	0.11
91	Goodyear Tire & Rubber Company	335,079	0.12	112,613	0.05
92	ARINC Incorporated	321,136	0.11	297,414	0.13
93	Leland Junior Stanford University	319,770	0.11	281,389	0.12
94	Universities Research Association	316,293	0.11	295,291	0.13
95	Valero Energy Corporation	314,397	0.11	230,755	0.10
96	Westat Inc	298,145	0.10	252,795	0.11
97	Raytheon/Lockheed Martin Javelin JV	289,324	0.10	511	0.00
98	Sierra Health Systems Inc	281,714	0.10	352,687	0.15
99	Management and Training Corp	281,453	0.10	284,660	0.12
100	United Industrial Corporation	280,252	0.10	194,026	0.08

Source: Federal Procurement Data System, www.fpdsg.com/downloads/fpr_reports/fpd2003a.pdf.

Appendix C.**Top 100 Recipients of Federal Contract Awards for Fiscal Year 2005**

		Dollars	Percent Of Total
Total Top 100		205,489,668,774	53.80
Total for all others (includes 168,295 other contractors)		176,443,709,104	46.20
Total		381,933,377,878	100
1	Lockheed Martin Corp	24,779,249,050	6.49
2	Boeing Co.	19,560,923,434	5.12
3	Northrop Grumman Corp.	15,029,261,873	3.94
4	General Dynamics Corp.	10,779,633,771	2.82
5	Raytheon Co.	9,669,133,423	2.53
6	Halliburton Co.	5,911,648,847	1.55
7	United Technologies Corp.	5,050,610,078	1.32
8	L-3 Communications Holdings	4,671,793,559	1.22
9	Science Applications Intl Corp	4,440,387,544	1.16
10	University Of California System	4,365,629,195	1.14
11	McKesson Corporation	4,330,733,632	1.13
12	Computer Sciences Corp.	4,122,963,949	1.08
13	Bechtel Group, Inc.	4,007,482,139	1.05
14	BAE Systems	2,793,957,666	0.73
15	Carlyle Group	2,680,464,351	0.70
16	ITT Industries	2,608,346,856	0.68
17	General Electric Company	2,530,882,435	0.66
18	Honeywell, Inc.	2,352,954,508	0.62
19	Humana, Inc.	2,220,238,793	0.58
20	United Space Alliance	2,041,608,378	0.53
21	Occupational Health Services	1,932,451,660	0.51
22	Booz Allen Hamilton Inc.	1,924,629,085	0.50
23	Triwest Healthcare Alliance Co	1,810,036,904	0.47
24	Alliant Techsystems, Inc.	1,792,016,158	0.47
25	URS Corp.	1,789,439,982	0.47
26	Textron, Inc.	1,766,867,506	0.46
27	Electronic Data Systems Corp.	1,714,331,621	0.45
28	Fluor Corp.	1,693,916,407	0.44
29	BP PLC	1,523,530,833	0.40
30	GM GDLS Defense Group LLC, JOI	1,513,312,459	0.40
31	Oshkosh Truck Corp.	1,479,489,061	0.39
32	Public Warehousing Company KSC	1,425,343,056	0.37
33	California Institute Of Technology	1,411,596,253	0.37
34	MacAndrews AMG Holdings	1,406,228,337	0.37

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35	FedEx Corporation	1,397,244,145	0.37
36	BNFL Inc	1,338,505,141	0.35
37	IAP Worldwide Services, Inc.	1,328,020,168	0.35
38	Stewart & Stevenson Services	1,312,078,508	0.34
39	Veritas Capital Inc	1,251,100,720	0.33
40	Anteon Corporation (VA)	1,186,232,343	0.31
41	Battelle Memorial Institute	1,148,314,012	0.30
42	Amerisource Bergen Corp	1,077,489,925	0.28
43	Exxon Mobil Corp.	1,072,574,983	0.28
44	Bell Boeing Joint Program	1,051,337,205	0.28
45	Royal Dutch Petroleum Co.	1,029,525,119	0.27
46	CACI International Inc	992,428,391	0.26
47	The Alliance Contractor Team	985,865,540	0.26
48	Ut-Battelle LLC	944,326,551	0.25
49	IBM Corp.	943,896,510	0.25
50	Dell Computer Corporation	898,650,122	0.24
51	Ch2m Hill Companies Ltd	887,506,673	0.23
52	Harris Corp.	882,147,440	0.23
53	McDermott, Inc.	868,834,092	0.23
54	Jacobs Engineering Group Inc	856,921,798	0.22
55	Cardinal Health Inc	820,266,971	0.21
56	Accenture	798,175,980	0.21
57	Verizon Communications	793,045,885	0.21
58	Unisys	780,752,326	0.20
59	Johns Hopkins University	777,243,293	0.20
60	McDermott/Bechtel Group	776,075,950	0.20
61	SRA International, Inc.	768,706,066	0.20
62	Shaw Group, Inc.	735,114,415	0.19
63	Washington Group International	721,229,094	0.19
64	Engineered Support Systems Inc	708,093,750	0.19
65	Mitre Corp.	699,821,589	0.18
66	Aerospace Corp.	689,313,081	0.18
67	Massachusetts Institute Of Technology	667,820,156	0.17
68	Canada, Government Of	649,872,969	0.17
69	Kaiser-Hill Company LLC	647,866,933	0.17
70	General Motors Corp.	622,539,323	0.16
71	Battelle Energy Alliance Limited Liability Company	612,272,658	0.16
72	General Atomics Tech Corp	600,072,089	0.16
73	Rockwell Collins	598,296,059	0.16
74	ARINC, Inc.	578,504,397	0.15
75	GTSI	575,297,037	0.15
76	Chugach Alaska Corporation	573,575,697	0.15
77	Rederiet A. P. Moller A/S	572,380,094	0.15

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78	Valero Marketing and Supply Co	564,413,358	0.15
79	ManTech International Corp	559,123,722	0.15
80	Group 4 Securicor Plc	551,743,914	0.14
81	U.S. Department Of Justice	548,164,238	0.14
82	BearingPoint, Inc	539,339,971	0.14
83	Gulf Stream Coach Incorporated	521,377,500	0.14
84	Rolls Royce PLC	508,809,211	0.13
85	Afognak Native Corporation	502,073,907	0.13
86	University Of Chicago	498,501,109	0.13
87	First Kuwaiti Trading And Cont	497,074,329	0.13
88	U.S. Department Of Defense	484,697,514	0.13
89	NANA Regional Corporation Inc	479,881,157	0.13
90	Environmental Chemical Corp.	473,368,609	0.12
91	United Industrial Corp.	471,024,130	0.12
92	Blackstone Dredging Partners	464,892,204	0.12
93	Brookhaven Science Assoc LLC	463,285,813	0.12
94	Hensel Phelps Construction Co	454,129,016	0.12
95	Apptis	448,984,089	0.12
96	Tetra Tech, Inc.	435,879,273	0.11
97	U.S. Department Of Energy	421,790,782	0.11
98	Weston Solutions, Inc	420,817,577	0.11
99	Kelly Aviation Center, L P	416,549,559	0.11
100	Motorola, Inc.	413,319,796	0.11

Source: Accessed at www.fedspending.org/fpds/tables.php?tabtype=t2&subtype=t&year=2005. [fedspending.org](http://www.fedspending.org), A Project Of OMB Watch (<http://www.ombwatch.org>).

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