



BY **DEANA I. VITALE**



PROCUREMENT TECHNICAL
ASSISTANCE CENTERS:

BRIDGING

BUSINESS TO
GOVERNMENT
SALES

FOR NEARLY THREE DECADES, PTACs
HAVE BEEN WALKING SMALL BUSINESSES
THROUGH THE AISLES OF GOVERNMENT
CONTRACTING. THIS FREE ASSISTANCE
HAS NOT ONLY PAID OFF FOR SMALL
BUSINESS OWNERS, BUT HAS DELIVERED
CAPABLE SUPPLIERS TO GOVERNMENT
CONTRACTING OFFICERS AND
FEDERAL PRIMES.

ON THE HEELS OF A FISCAL CLIFF, SURROUNDED BY SEQUESTRATION, AND BEAT UP WITH BUDGET CUT THEORIES, HOW DOES A SMALL BUSINESS APPROACH THE U.S. FEDERAL GOVERNMENT AS A PROSPECTIVE CUSTOMER? HOW WILL AGENCIES AND PRIME CONTRACTORS EVER MEET THEIR SMALL BUSINESS CONTRACTING GOALS? THESE QUESTIONS WERE ANTICIPATED WAY BACK IN 1985 WHEN CONGRESS AUTHORIZED THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM. ADMINISTERED PRIMARILY BY THE DEPARTMENT OF DEFENSE'S DEFENSE LOGISTICS AGENCY, IN CONJUNCTION WITH STATE AND LOCAL SUPPORT, PROCUREMENT TECHNICAL ASSISTANCE CENTERS (PTACs) ARE LOCATED THROUGHOUT THE UNITED STATES WHERE THEY CAN CONNECT WITH BUSINESSES AND GOVERNMENT VIA SPECIALIZED SERVICES AND EVENTS.

SERVING SMALL BUSINESS

Many of the counselors at PTACs have backgrounds in government acquisition and relationships with contracting personnel. At no or nominal cost, these counselors are equipped to prepare small business owners on how to enter the government marketplace and sell their products or services to federal, state, and local government agencies.

GOING TO A PTAC IS LIKE ATTENDING A "BOOT CAMP" FOR GOVERNMENT CONTRACTING

Small business clients come to PTACs at all stages of readiness, from having just opened their doors to wanting to expand their commercial, federal, or local government customer base already in existence. Take, for example, a small company in Northern Michigan by the name of Northern Wings Repair, Inc., that started working with its PTAC when it was located in a pole barn with only two employees. It is now a

modern manufacturing operation located in a 13,000-square-foot facility performing as an AS 9100 certified aerospace manufacturer, Certificated FAA Repair Station, and serves as a stocking distributor of certified material and parts for commercial and military aircraft. The company now has established satellite sales offices in Brookfield, Wisconsin; Raleigh, North Carolina; and San Jose, California. Northern Wings, a Native American Service-Disabled Veteran-Owned Small Business, was accepted into the Small Business Administration (SBA) 8(a) business development program where disadvantaged businesses are mentored to thrive in government contracting. "The statewide, PTAC-sponsored government contracting series was the single most contributing factor to our success in developing our customer base within the U.S. government and with prime contractors," said David Goudreau, president of Northern Wings Repair.¹

The initial PTAC assessment is a key factor in laying out the steps for approaching the government as a prospective customer. One of the biggest mistakes companies make is thinking that securing a government contract is as simple as showing them where the solicitations are. It is a vast territory full

of certification requirements, regulations, and other challenges that require a tailored game plan depending on the products, services, and goals of the client.

For example, the federal government requires that vendors have an identifiable product or service and a successful track record of doing business in their selected industry. This poses a major challenge for new business startups. The new entrepreneur may be directed to work with resources such as the Small Business & Technology Development Center on business development while the company establishes its reputation at the local government or subcontracting level with reputable primes. On the other hand, a small business may be well established and thriving in the commercial marketplace, and looking to expand and diversify its customer base. Counseling sessions in this case would strive to identify opportunities available, initiate training, and assist with any applicable certifications or applications to programs such as the 8(a), veteran-owned verification, or historically underutilized business zone (HUBZone) verification.

BECOMING A GOVERNMENT CONTRACTOR TAKES TIME

Diversification into any new industry sector, even with the help of experienced PTAC counselors, requires the understanding that the process takes time. If a small business offers products or services that are primarily purchased by federal customers from the General Services Administration (GSA) Multiple Award Schedules, for instance, then it will need to consider obtaining a GSA Schedules contract. Depending on how much time and resources it wants to dedicate to the process, this could take anywhere from eight to 12 months. At the state and local levels, PTAC research may uncover that there is a long-term contract in place or there are pre-qualifications required before a bid would be considered. The strategy in this case may include the pursuit of those pre-qualifications while building relationships, attending PTAC-provided training,

and monitoring smaller prospects in local communities as they come up.

In many cases, the small business contracting opportunities are best suited to sell to prime contractors. Such is the situation with a HUBZone-certified company from Houghton, Michigan, known as Great Lakes Sound and Vibration (GLSV). It received over a million dollars in subcontracts for work on the U.S. Navy's littoral combat ships. This occurred after attending a PTAC "Small Business Day" and "Welding Procedure Workshop," co-hosted with the Marinette

Marine Corps., a federal government prime contractor. The knowledge of quality systems and welding procedures GLSV learned equipped it for subcontracting preparedness as these techniques were required for work on the naval vessels.

GLSV used its subcontracting experience to obtain direct government work as a result of its participation in PTAC training events. Working primarily in the engineering and testing fields, GLSV was awarded two Small Business Innovative Research (SBIR) grants from the U.S. Army Tank Automotive Research, Development, and Engineering Center (TARDEC) in Warren, Michigan. TARDEC's SBIR program's goal is to tap into the innovation and creativity of small businesses to develop technologies and products that can be commercialized through sales in the private sector or to the government. Steve Polakowski, GLSV's owner, summarized the results of the company's participation with the PTAC:

In short, GLSV found great success. \$1.66 million in direct contracting with government

agencies since enrolling as a PTAC client and 11 new jobs in 2012. Clearly, our SBIR contracts are a big part of our 2012 growth. However, it is the immeasurable knowledge that we gained from PTAC trainings and workshops that made us more viable to our existing clients. Yes, we had state-of-the-art software, equipment, and machines. We also had many innovative engineering and prototype success stories. What we were missing were quality systems, procedures, certifications, and a basic understanding of government contracting. These are things that buyers must consider and that we did not possess. That is until GLSV leveraged PTAC resources.²

PTACs have access to thousands of government-related solicitation websites and provide customized delivery of bid opportunities to their clients based on their products or services. But real success exists within the patience of the supplier to preview the landscape, determine the best starting point, use the tools provided, and enter the market when properly equipped.

HELPING CONTRACTING OFFICERS

It is no secret that federal government agencies are under close scrutiny to meet their small business contracting goals. Each year, SBA posts its scorecard and the headlines start flying. For several years, these headlines have not been positive. For example, in July 2012, two headlines read: "Federal Small Business Contract Goal Missed for 6th Straight Year"³ and "Federal Government Misses Small Business Contract Goal—Again."⁴ PTACs are working with local contracting officers to help bridge this gap in two ways:

1. Agencies Refer Companies New to Government Contracting to the PTAC

When a small business contacts a federal agency wanting information on how to enter their marketplace, PTAC counselors are invaluable in the preparation process. The Department of Veterans Affairs in Detroit, for example, requires that new suppliers

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work with the PTAC to determine readiness, conduct research on available opportunities, and explain the methods they use to purchase their products and supplies. I am a procurement counselor at Wayne State University, and have ongoing discussions with the Department of Veterans Affairs. When the supplier is ready, the counselor will inform the contracting officer that he or she has a potential candidate on upcoming opportunities, or we will work with their prime if there are long-term contracts already in place.” This teamwork approach puts valuable time back in the contracting officer’s hands to focus on what they do best.

2. Provide Agencies with Viable Candidates to Help Meet SBA Small Business Goals

Part of the education process with small business clients is to encourage them to respond to sources sought and pre-solicitation notices posted on FedBizOpps (www.fbo.gov). That is the process the federal government uses, and is the best way for small businesses to let agencies know they are out there. But more important, with databases full of small businesses capable of performing on government contracts, outreach from the agency to a PTAC network for a supplier with specific attributes is more than ideal. To ensure government agencies are aware of this potential, the PTAC of South Central Michigan developed a training program for government contracting officers. “I was amazed at how relieved they were to learn about what we do and how we can assist them with viable suppliers,” said Pennie Southwell, program director.

“We are now putting together a training plan for other PTACs to reach out to as many buying agencies as possible. Awareness is key to ensuring the greatest possible success for both the agencies and the small businesses.”

As a resource created by government to improve the general economy of a locality and generate employment by assisting all business firms in obtaining and performing on government contracting, the collaboration between PTACs and government purchasing agencies, whether federal, state, or local, is essential to achieving this mission.

ASSISTING PRIME CONTRACTORS

According to *Federal Acquisition Regulation* 19.7:

[A]ny contractor [except for a small business] receiving a contract for more than the simplified acquisition threshold [\$150,000] must agree in the contract that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns will have the maximum practicable opportunity to participate in contract performance.

Because of this regulation, federal prime contractors are required to submit a subcontracting plan outlining how they intend to meet their goals. Compliance is reported by the prime through the governmentwide, electronic, Web-based system known as the Electronic Subcontracting Reporting System.

While primes may not fall under public scrutiny and do not have scorecards published to encourage compliance, they, like the federal contracting officer, can struggle with finding small, capable suppliers.

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ONE OF THE BIGGEST MISTAKES COMPANIES MAKE IS THINKING THAT SECURING A GOVERNMENT CONTRACT IS AS SIMPLE AS SHOWING THEM WHERE THE SOLICITATIONS ARE.

THAT'S "CAPABLE" WITH A BIG "C"

This conversation could be a "ditto" to the previous one (i.e., helping contracting officers), but with one major difference. Federal contracting officers are not disbursed throughout the country like primes are, making primes more readily available, logistically, to PTAC resources. It is a fact that many small businesses will be a better fit working for a prime than directly for the federal government, and less so at the state and local levels where jobs are smaller. So, for the sake of clarification, let's talk about federal prime contracting with small business subcontractors.

Large federal prime contractors build embassies, weapon systems, aircraft, and naval ships. They often inject communities with economic growth through their many tiers of opportunities both in employment and business development. Take Southeast Michigan for example. It is host to one of the largest defense manufacturing corridors in the country. The National Defense Industry Association's Women in Defense was born there. It is also host to an engineering and manufacturing industry that has supported the automotive industry for more than 100 years. In 2008, when the automotive industry took a turn, suppliers filled PTAC offices wanting to diversify their customer base with government contracts. These small business manufacturers quickly learned that the defense industry was not easily jumped into, even at the second- and third-tier levels. Acronyms like *ITAR*, *DCMA*, *DCAA*, *SAM*, *ORCA*, and *DFARS* left the hopeful bruised with frustration.

"The relationship between PTAC, defense-related associations, and the primes is critical in preparing a small business to participate in this sector," says Jennifer Tisdale, procurement counselor at Schoolcraft College. "When the primes need a supplier with specific skills, we put their request before our PTAC network and they know only a qualified choice will be presented to them. Likewise, when a PTAC client needs a spec or clarification on the army's requirements, they know we will get the information they need to support the mission."

As we saw in our example with GLSV, sometimes primes host workshops to create capable suppliers. The emerging trend is that the speed-dating/invite-everyone outreach events are being replaced with invitation-only activities where primes specify their needs and PTACs nominate capable attendees. It's time-consuming, but when everyone is finally in the room together, there's an understanding that it will be a valuable activity for all.

SUMMARY

There is plenty of opportunity for small businesses to participate in government contracting at all levels as long as they are willing to dedicate the time and resources needed to succeed. PTACs work with business owners, government contracting officers, and primes to ensure the most capable suppliers are available to perform and deliver services and products to the largest customer they may ever have. **CM**

ABOUT THE AUTHOR

DEANA I. VITALE is a procurement counselor with the PTAC located at Wayne State University, serving the Detroit area. The PTACS of Michigan, Inc., is a collection of 11 member PTAC locations, with over 30 counselors serving 83 counties. According to statistical information provided by the Michigan Economic Development Corporation, the PTACs of Michigan, during fiscal year 2012, assisted over 10,500 Michigan-based businesses.

Send comments about this article to cm@ncmahq.org.

ENDNOTES

1. Quote provided from interview by Don Makowski, CFCM, Procurement Counselor, N.W. Michigan Council of Governments, with Dave Goudreau, President, Northern Wings Repair, Inc.
2. Quote provided from interview by Anne Helbig, N.W. Michigan Council of Governments, with Steve Polakowski, GLSV's owner.
3. *Huffington Post* (July 2012).
4. *CNN Money* (July 2012).