



Small Business Contracting

A Guide to Small Businesses Entering Government Contracting

Hints – Tips – Five Step Process – Checklists

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Goal: To help new and established small businesses through the challenges of contracting with the Federal Government. In addition to definitions and facts, the book will offer lessons learned from successful small business owners and helpful hints from Small Business Specialists. The book should be a desktop reference that contains practical how-to information.

About the author

Wendi Oliveros is a former contract specialist and small business specialist with the Departments of Treasury and Transportation in Washington, DC. She is currently employed as a Training Manager for Government Training, Inc. She resides in Lancaster, PA with her husband and son.

From the Author:

When I was a small business specialist, I frequently encountered small businesses who knew they wanted to work with the Government but didn't know where to start. This book covers the topics small businesses need to know while including lots of useful reference material. This book culminates months of web research with the intention of providing all of the basics in one user-friendly guide.

I am grateful to the Government employees (and my former coworkers), Ms. Debbie Ridgely and Mr. Frank Waltos, who graciously allowed me to interview them for this book. I also thank Mr. Rick Yost, Ms. Heidi Gerding, and Mr. Jim Clement for their time and insight.

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GSA

Small Business Program Guide for Government and Industry, Army Materiel Command
General Guide to Contract Types, Department of Energy, March 2008

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Chapter 1 – Step One. Learn the Process and Terms

Small Business 101

Definitions

A small business is independently owned and operated, organized for profit, and is not dominant in its industry. This somewhat generic definition is further quantified by the Federal Government. It developed a system known as the North American Industry Classification System (NAICS) which delineates each industry with a numerical code. Each NAICS code is then assigned a size standard by the Small Business Administration (SBA). The size standard is either defined by the firm's number of employees or by its gross annual receipts over a three year average. To be considered a small business, the company must participate in the industry identified by the NAICS code and have equal to or less than the number of employees or millions of dollars of the size standard.

Based on the predominant services or product to be delivered, the contracting officer (CO) assigns one NAICS code for each solicitation. The contracting officer is the Government employee with the authority to procure products and services with Federal funds. Additional information about the role of the contracting officer is in Chapter 3.

Below are two commonly used NAICS codes and their corresponding size standards.

NAICS Code	Description	No. of Employees or Millions of Dollars
541512	Computer Systems Design Services	\$18
611420	Computer Training	\$5

It is possible that one company could offer both computer systems design services and computer training. If the company's gross annual receipts over a three year average are \$6 million, it would be defined as a large business on procurements where the assigned NAICS code is 611420 and as a small business on procurements where the assigned NAICS code is 541512.

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