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FOR YOUR BUSINESS.**

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# North Carolina Military Business Center

Business Services  
April 2, 2009

NORTH CAROLINA MILITARY BUSINESS CENTER



# Agenda

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- Market overview
- How the government buys
- Leveraging the market - services and tools
- Opportunities

# Why Pursue this Market?

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- Federal Government buys everything it's legal to sell!
- Government spent **\$442 billion** on goods and services in FY 2007
- Firms operating in NC won (only) **\$4.5 billion**
- NC has 4<sup>th</sup> largest military presence of any state
- NC is 26<sup>th</sup> in contract funds returning to the state
- **Huge potential exists to grow this business!**

# Which Clients are Suited to this Market?

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- Not a good market for all firms
- Need **high-speed internet access** and computer savvy
- Best for firms in business at least 2 years
- Need a record of good performance
- Firms must be **technically & financially capable**
- Not a good market for (most) start-ups!

# DoD Procurement in NC

	2006	2007	Increase
Army	\$940	\$1,264	\$324
Navy	\$690	\$734	\$44
USAF	\$252	\$284	\$32
DLA	\$566	\$431	-\$135
ACoE	\$68	\$30	-\$38
ODA	\$174	\$228	\$54
NC Total	\$2,690	\$2,972	\$282

Dollars in Millions

# How the Government Acquires Goods & Services

- Rules depend on “color of money”
  - Non-appropriated funds
  - Appropriated funds
- And dollar value of procurement



# Non-appropriated Funds

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- Spent by MWR (Army), MCCS (Marines) and others to support soldiers and sailors
- **No need to register** anywhere
- Rules and process are simple:
  - If <\$5,000, buyer may solicit one source
  - When >\$5,000, buyer should solicit 3 sources and may advertise locally
- Firms should **market directly to the buyers**

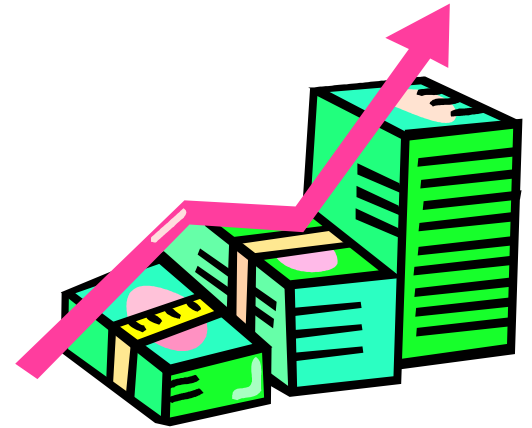
# Appropriated Funds

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- Government seeks to give firms a “fair” chance to compete
- Government buys “best value” which may or may not be lowest price
- Rules are the Federal Acquisition Regulations (FAR) & agency supplements

# Appropriated Funds (continued)

- Rules differ based on dollar value of acquisition.
- Thresholds are:
  - Purchases totaling up to \$3,000
  - Purchases totaling >\$3,000-\$25,000
  - Purchases totaling >\$25,000-\$100,000
  - Purchases totaling >\$100,000



# Appropriated Funds (continued)

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- Purchases up to \$3,000:
  - Buyer only has to solicit one source
  - Can make award as long as price is reasonable
  - Generally **paid by credit card**
  - **Thousands of individuals aboard the bases in NC are making these purchases!**



# Appropriated Funds (continued)

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- Purchases >\$3,000 and up to \$25,000:
  - Simplified acquisitions
  - Set-aside for Small Business (SB)
  - SB dealer/distributor may offer product of any size manufacturer
  - Handled by purchasing agents
    - Assigned by commodity
    - **Seek 3 quotes from vendors they know/locate**
    - Award based on **low price/delivery date**

# Appropriated Funds (continued)

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- Purchases >\$25,000 and up to \$100,000:
  - Simplified acquisitions
  - Generally set aside for SB
  - Under SB set-aside, dealer/distributor **must** sell product of Small Business manufacturer
  - “Best value” may not be lowest price
  - Solicitations posted at [www.fbo.gov](http://www.fbo.gov) (**MatchForce**)
  - **Must be web-enabled to access this market!**

# Appropriated Funds (continued)

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- Purchases > \$100,000:
  - Subject to other socioeconomic programs
  - Past performance will be a factor
  - May require a technical proposal
  - **More formal process—must follow instructions in solicitation!**

# How can Socio-Economic Programs Help?

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- Federal Government has instituted socio-economic programs through its acquisitions
- Firms that qualify:
  - May receive contracts on a sole source basis
  - May only have to compete with similar firms
  - May get a price preference
  - Help the Government agency meet its goals



# What are the Socio-Economic Programs?

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The programs, federal government's goals:

- Small Business—23% of all contract value, with the following subsets:
  - HUBZone Small Business—3%
  - Service-Disabled Veteran-Owned Small Business—3%
  - 8(a) Firms—2.5%
  - Small Disadvantaged Business—2.5%
  - Women-Owned Small Business—5%





# What is the Small Business Program?

- 
- Firm must be for-profit and “small”
  - Size standards for “small”:
    - Vary by North American Industry Classification System code
    - May be based on:
      - # of employees, or
      - Average annual receipts over the last 3 fiscal years
    - Include the parent and/or affiliate companies
  - Eligible for small business set asides
  - A firm may be a SB for one product/service and large for others!
  - Size standards: <http://www.sba.gov/size/indexsize.html>



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SMALL BUSINESS  
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TOOLS

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About SBA

Home > Services > Contract Opportunities > Size Standards

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Size Standards

SBA Program Office

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### Small Business Size Standards

When the U.S. Congress first established SBA, the fundamental question was just what numerical definition should SBA use to define small businesses, industry by industry, to determine what businesses were eligible for SBA's programs. Over the years SBA has established and revised numerical definitions for all for-profit industries, and this numerical definition is called a "size standard." It is almost always stated either as the number of employees or average annual receipts of a business concern.

In addition to establishing eligibility for SBA programs, all federal agencies must use SBA's size standards for its Federal Government contracts it identifies as a small business. Agencies must also use SBA's size standards for their other programs and regulations, unless they are authorized by Federal statute to use something else. Within Size Standards Topics we'll review:

- > [What is a Small Business](#)
- > [CompDemo Program](#)
- > [Contacts](#)
- > [Fact Sheet - Contract Coding](#)
- > [FAQs about Small Business Size Standards](#)
- > [Glossary](#)
- > [Guide to Size Standards](#)
- > [HAZMAT Registration Program](#)
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- > [What's New About small Business Size Standards](#)

E-NEWSLETTERS

E-PAYMENTS

MARKETING AND  
OUTREACH

MOST REQUESTED  
ITEMS

- > Financial Assistance
- > **Contract Opportunities**
  - > Basics
  - > Regulation & Policy
  - > **Size Standards**
    - » [What is Small Business](#)
    - » [CompDemo Program](#)
    - » [Contacts](#)
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- > Disaster Assistance
- > Online Training
- > Counseling & Assistance
- > Special Audiences

# What is the HUBZone Program?

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- Areas are designated HUBZones based on low median household income and/or high unemployment; **Rowan County is 100% HubZone!**
- Principal office of firm must be in a HUBZone & 35% of employees must reside in one
- <http://map.sba.gov/hubzone/hzqry.asp?state=nc>
- Apply to SBA for certification
- Eligible for sole source buys, set-asides and price preference
- **Government is not meeting the 3% goal!**

[U.S. Map](#)
[Address-Town-County Search](#)
[Help](#)
[Text-Only Version](#)

Now the map you may find a listing of those non-metropolitan counties on the map that are qualified in their entirety as HUBZones, based on level of median household income, or level of unemployment. You may also find a listing of qualified census tracts, former military bases, and Indian Country areas.

Now click on the map for a wider view

How to navigate?



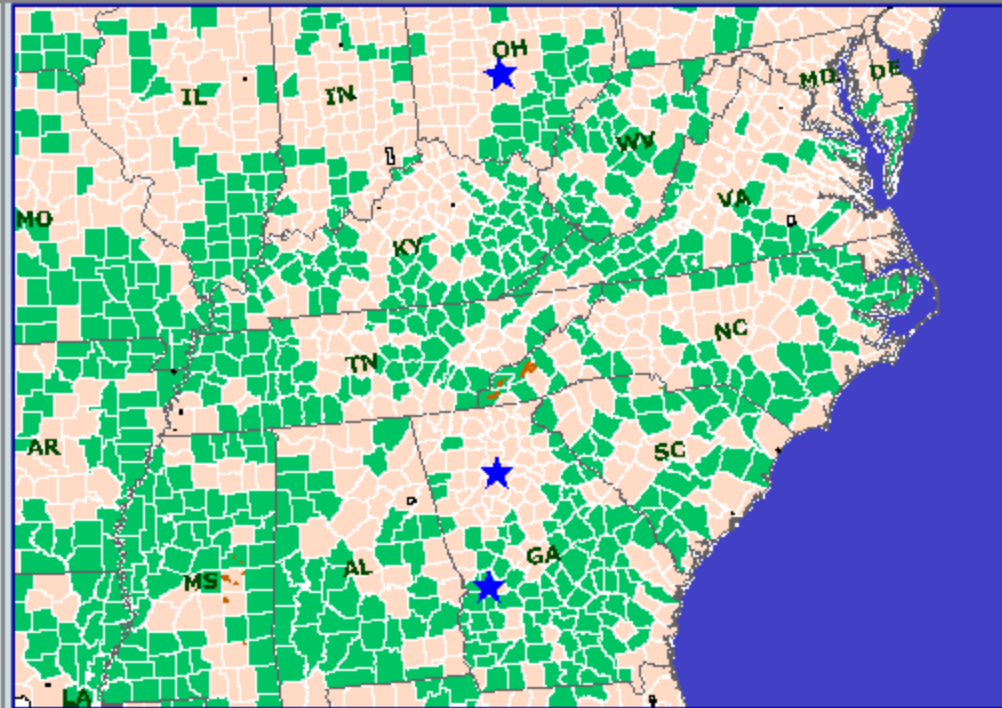
HUBZone Status

Zoom In

Zoom Out

Recenter

User can also define display area by employing the dragging function of the mouse/cursor. Dragging can be used to recenter the map.



Not Qualified (zoom to see tracts)
  Qualified
  Indian Country
  Difficult Development Area

# What is the Service-Disabled Veteran-Owned Program?

- Firm must be at least 51% owned and controlled by service-disabled vets
- Owner(s) needs disability rating letter from VA
- Self-certification, register at [www.vetbiz.gov](http://www.vetbiz.gov)
- Eligible for sole source contracts and set-asides
- **Government is not meeting the 3% goal!**





THE CENTER FOR VETERANS ENTERPRISE WEB PORTAL



Vendor Information Pages

Business Owner Support



- [Readiness Checklist](#)
- [Education Benefits](#)
- [Financing](#)
- [Business Coaching](#)

Acquisition Assistance



- [Marketing](#)
- [Federal Contracting](#)
- [Federal Trending](#)
- [Teaming](#)
- [Market Research](#)

Outreach Program



- [Conference Schedule](#)
- [Conference Request](#)
- [Partners Page](#)
- [About CVE & Staff](#)

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[Freedom of Information Act](#) | [Small Business Contacts](#) | [No FEAR Act Data](#)  
[Regulations & Guidance Documents](#) | [Directives](#) | [Site Map](#)  
[USA.gov](#) | [White House](#) | [USA Freedom Corps](#) | [ExpectMore](#) | [GovBenefits](#)



# What are the 8(a) and Small Disadvantaged Business

## Programs?

- Firm must be at least 51% owned & controlled by a ~~socially and economically disadvantaged individual~~
- Includes African Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, Asian Americans
- Apply to SBA for certification
- 8(a) Program allows sole source contracts and set-asides
- SDB Program allows for price preference

# What is the Women-Owned Business Program?

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- Firms at least 51% owned and controlled by women
- Legislation passed in 2000 required SBA to implement set-aside program
- Study conducted of markets where WOBs have been discriminated against
- Set-aside program not yet in effect
- **Not meeting the 5% goal!**



# What about the Subcontracting Market?

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- Federal subcontracts are commercial contracts between two firms
- Large prime contractors have goals for awards of subcontracts to SB, HUBZone, SDVOSB, SDB, and WOSBs
- May be the best market for you, initially
- Access subcontract opportunities via [www.MatchForce.org](http://www.MatchForce.org) and [www.ncmbc.us](http://www.ncmbc.us)



# Now: Get Engaged in the Market!

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- Credit card capacity:
  - Accept credit cards for purchases up to \$3,000
  - Market at trade shows, advertise locally
  - Register on [www.MatchForce.org](http://www.MatchForce.org)
- Beyond credit card capacity:
  - Follow “Getting Ready to Sell” handout (ncmbc.us)
  - Purchases up to \$25k, market directly to buyers
  - For purchases over \$25,000, monitor MatchForce for opportunities from [www.fbo.gov](http://www.fbo.gov), market as appropriate

# Beyond Credit Cards...Get Started!

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- ID your product/service (FSC/PSC)
- ID your business (NAICS codes)
- Determine if your firm is a SB and qualifies for other socioeconomic programs
- **Get in [MatchForce.org](https://www.MatchForce.org)!**
- Get a DUNS number, register in CCR
- Complete online Reps & Certs (ORCA)



# ID Your Product or Service

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- Federal Supply Classification (FSC):
  - 1<sup>st</sup> 2 digits are group, 2<sup>nd</sup> 2 digits are class
- Product Service Codes (PSC):
  - 1<sup>st</sup> digit is a letter, followed by 3 digit number
- Websites for FSC / PSC lookup:
  - Links on [www.ncmbc.us](http://www.ncmbc.us)
  - <http://www.softshare.com/tables/pscs>

# ID Your NAICS Codes

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- North American Industry Classification System (NAICS)
- Replaced US Standard Industrial Classification (SIC) system in 1997
- ID **all that may apply** to product/service:
  - Wholesaler, dealer, distributor, manufacturer
- NAICS Lookup:
  - Link on [www.ncmbc.us](http://www.ncmbc.us)  
(<http://www.census.gov/epcd/naics02>)

# Is Your Firm a Small Business?

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- Size standards vary by NAICS code
- Include your parent and/or affiliate companies
- May be:
  - # of employees, or
  - average annual receipts, last 3 fiscal years
- You may be a SB for one and large for others!
- Size standards lookup: (link on [www.ncmbc.us](http://www.ncmbc.us) or <http://www.sba.gov/size/indexsize.html>)

# Getting a DUNS Number

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- DUNS = Data Universal Numbering System
- Obtain from Dun & Bradstreet
- Free for seeking government contracts
- Unique 9-character # for each location/address and legal division
- **Mandatory for CCR** registration
- Website: link on [www.ncmbc.us](http://www.ncmbc.us)

# Register in CCR

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- CCR = Central Contractor Registration
- **Mandatory before award:** purchase order, contract
- Enter info for Dynamic SB Search
  - Capability statement, keywords, etc
- Results in assignment of CAGE Code
- Allows electronic payment
- Website: Link on [www.ncmbc.us](http://www.ncmbc.us) or [www.ccr.gov](http://www.ccr.gov)

# ORCA

- ORCA = Online Representations & Certifications Application
- Update at least once a year
- Replaces solicitation-specific Reps & Certs
- Use DUNS from CCR
- Website: link on [www.ncmbc.us](http://www.ncmbc.us) or <https://orca.bpn.gov/>



# MatchForce.org Website

MatchForce



North Carolina Military Business Center  
Connecting You to Contracts, Businesses, and Jobs



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April 01, 2009, 09:12 PM

**Returning Users (Login)**  
Username:  
  
Password:  
  
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**Quick Search**  
I am seeking:  
 ▼

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[About Us](#)

**Cut Computer  
& Network Costs  
by 50%**

**LIVE**  
support  
Please leave  
a message

## Businesses

Create your business profile, access government contracts & purchasing opportunities, and find employees!

[▶ Enter Now](#)

## Government

Post solicitations and purchase card requirements, and match local businesses - quickly and easily!

[▶ Enter Now](#)

## Individuals

Create your personal profile, post your skills, or search area jobs just for you!

[▶ Enter Now](#)

### ▼ New to MatchForce?

MatchForce matches North Carolina businesses to government contracts, government purchasers to NC suppliers, and job seekers to NC jobs. Businesses, contracting officers, cardholders and job seekers can register, post, search and receive opportunities - and get results - TODAY!

### ▼ What's New:

NCMBC launched a new Defense Machining Program. NC machine shops should register in both MatchForce and the new machining portal, [www.SourceNC.com](http://www.SourceNC.com)! [\[More\]](#)

[Click here for the NCMBC 2007-2008 Summary Report](#)

### ▼ MatchForce Portfolio:

Current Contracts 7,860	Current Jobs 3,741
Businesses 13,106	Individuals 28,134

**State of North Carolina Jobs Now Matching on MatchForce!**

**NCMBC Featured on North Carolina Now**

**Search All Major Search  
Engines from One Application**

[Try it Now!](#)



# Opportunities

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- CCR ([www.ccr.gov](http://www.ccr.gov))
- FedBizOpps ([www.fbo.gov](http://www.fbo.gov))
- NCMBC website ([www.ncmbc.us](http://www.ncmbc.us))
- Machining ([www.SourceNC.com](http://www.SourceNC.com))
- MatchForce: ([www.MatchForce.org](http://www.MatchForce.org))

# Opportunities

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- Sources Sought

- (<https://www.fbo.gov/?s=opportunity&mode=form&tab=core&id=77da08be3f231ddb8b4e4c05d77fbd2f&cvview=0>)
- <http://www.fbo.gov/spg/DLA/J3/DRMS/J33%2D002/listing.html>)

- Pre-Solicitation Notice:

(<https://www.fbo.gov/?s=opportunity&mode=form&id=ccd41b8e8b65fbbc37ddd174bd3dfa57&tab=core&cvview=1>)

# Opportunities

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- Combined Synopsis/Solicitation

([https://www.fbo.gov/index?s=opportunity&mode=form&id=0ea4b764da530693105ba19e93c82245&tab=core&\\_cvview=1](https://www.fbo.gov/index?s=opportunity&mode=form&id=0ea4b764da530693105ba19e93c82245&tab=core&_cvview=1))

([https://www.fbo.gov/index?s=opportunity&mode=form&id=f58a23c9803eee9e93d14c7e89192f8d&tab=core&\\_cvview=0](https://www.fbo.gov/index?s=opportunity&mode=form&id=f58a23c9803eee9e93d14c7e89192f8d&tab=core&_cvview=0))

- Sole Source

(<http://www.fbo.gov/spg/USA/DABK/DABK07/USA%2DSNOTE%2D080228%2D007/listing.html>)

# Opportunities

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- Solicitation

- (<https://www.fbo.gov/index?s=opportunity&mode=form&id=985210f8b4e2d6a012483691d1cd0b43&tab=core&cvview=1>)

- Modification/Amendment:

- (<https://www.fbo.gov/?s=opportunity&mode=form&tab=core&id=67ecc8aa9fc9a56e083165cb44b328b4&cvview=0>)

- Special Notice

(<https://www.fbo.gov/?s=opportunity&mode=form&id=b86195cc3ddcb020bb216110a4831a4b&tab=core&cvview=0>)



# What You Need To Do...

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- Become web-enabled to find contracts
- Learn the basic rules of contracting
- Learn to describe your business and your products/services (NAICS, FSC, PSC codes)
- Learn who buys what you sell, and market!
- Register: [www.MatchForce.org](http://www.MatchForce.org)
- Get DUNS number, register in CCR
- Make the system work for you!
- Call the NCMBC to help you WIN!





# Contact Information

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