

Guide to Federal Contracting



Basic Requirements

- Register for a Dun and Bradstreet Number ([DUN](#))
- Match your products and services to North American Industry Classification Code ([NAICS](#))
- Meet [size requirements](#) set by the SBA to be eligible for government contracts reserved for small businesses and compete for contracts
 - ☐ check if your small business meets the size standard
- Register your business in the federal government's System for Award Management ([SAM](#))
- Review laws and regulations

Contracts

- [Set-aside for small businesses](#)
 - ☐ Competitive: When at least two small businesses could perform the work or provide the products being purchased
 - ☐ Sole-Source: can be issued without a competitive bidding process
- **Set-asides for government contracting programs**
 - ☐ [8\(a\) business development](#)
 - ☐ [HUBZone](#)
 - ☐ [Women-Owned Small Business](#)
 - ☐ [Services-Disabled Veteran-Owned](#)
- [Joint Ventures](#)
 - ☐ Two or more small businesses may pool their efforts by forming a joint venture to compete for a contract award

Governing Rules and Responsibilities

Important Elements of a Government Contract

- Specifications: As a contractor, you must deliver the product or service as described in the specifications. If you don't, the government may terminate your contract.
- Inspection and Testing: You're responsible for controlling the quality of the products and services you deliver to the government.
- Contract Changes: The contracting officer may change the specifications and other contract terms. The changes must be "within the general scope of the contract." You must fulfill the contract as changed by the contracting officer.

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- Termination: If you don't meet your contractual obligations, the government may terminate — or cancel — the contract for default.
 - Payments: Your contract will specify the government office responsible for payment and will contain invoicing instructions. The more accurate your invoices, the more quickly you'll be paid.
 - Fix-priced systems: method of payment can vary with the dollar value of the contract.
 - Larger contracts: can receive payments for partial deliveries.
 - For larger fixed-price contracts and subcontracts: payments based on costs incurred as work progresses.



Subcontracting Limitations

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- The limitations apply to contract set-asides for small businesses when the contract amount exceeds \$150,000, and all other [set-aside contracts](#) are under the [8\(a\)](#), [HUBZone](#), [service-disabled](#), [veteran-owned](#) or [women-owned](#) small business programs.
 - Service contracts: The small business prime contractor must provide at least 50% of the contract cost for personnel.
 - Supply contracts: The small business prime contractor must perform work for at least 50% of the cost of manufacturing the supplies, not including the cost of materials, unless the business qualifies as a non-manufacturer.
 - General construction contracts: The small business prime contractor must perform at least 15% of the cost of the contract with its own employees, not including the cost of materials.
 - Specialty construction contracts: The small business prime contractor must perform at least 25% of the cost of the contract with its own employees, not including the cost of materials.
 - Under the HUBZone, women's contracting or disabled veterans' programs, the small business prime contractor can utilize similarly situated subcontractors to meet these performance requirements.
 - There are higher performance requirements for construction contracts.
 - The prime contractor's limitations on subcontracting are explained in detail in [13 CFR 125.6](#).