

SLED Government Contracting 101

How to start selling to state, local and education (SLED) governments to grow your public sector business

The SLED contracting market is full of opportunity. This guide outlines how your business can get started and succeed in selling to SLED government agencies across the country.

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The State, Local and Education Market Defined

With over 100,000 unique government entities purchasing goods and services valued at nearly \$1.5 trillion annually, the state, local and education (SLED) government market represents nearly 10% of the United States' GDP. For those who know how to navigate it successfully, this market can become an extremely lucrative and reliable revenue stream.

THE SLED MARKET OPPORTUNITY

The challenge with building a robust SLED government sales channel comes as a result of the vast and fragmented nature of the market. Understanding how to identify and target buyers that are a good fit for the solutions that your organization provides means sifting through huge numbers of potential contracting opportunities and managing rules and processes that are unique to each government entity. Doing that at scale presents a daunting task for most businesses who don't already have the institutional knowledge, processes and tools in place. Those businesses who focus on mastering the ins-and-outs of doing business in SLED and scaling their approach will be rewarded with a predictable, high performing stream of revenue.

WHAT IS THE SLED MARKET?

The government entities that are commonly considered to fall under the SLED market definition include the following:

State Governments:

State governments generally have large budgets and often issue high dollar value contract opportunities that companies who are serious about doing SLED business won't want to miss out on. State government contract opportunities are often focused on major information technology infrastructure efforts and civil infrastructure projects like roads, highways and water. State governments can focus on operating police and fire services, establishing zoning regulations, licensing professions and arranging elections.

• Municipal Governments:

Municipal governments oversee the operation and functions of cities, towns, townships, villages and boroughs.

Counties:

County governments typically serve a larger geographical area than cities and towns, but are generally smaller than states. They typically operate under provisions set out by the state constitution and perform essential administrative functions such as voter registrations, record keeping, law enforcement and administering health and welfare services.

Special Districts:

Special districts are limited-purpose governmental entities that operate independently from municipal or county governments. They typically perform a single or limited number of specialized functions. Common services that special districts provide include: power generation/electricity, fire protection, flood control, healthcare services, housing services, parks and recreation, libraries, water-sewer services and even entertainment venues and services.

• Independent School Districts:

Independent school districts are a common type of school district that typically focus on primary and secondary educations and operate independently from any municipality, county or state. There are school districts that operate as part of municipal governments that would not be considered an independent school district.

• Public Colleges and Universities:

Public colleges and universities are focused on providing higher education services and typically receive the majority of their funding through state ownership or public funds.

As experienced SLED contracting organizations know, SLED buyers are looking to do business with companies that provide a wide range of goods and services, including niche solutions. It is worthwhile looking at the SLED market, regardless of the services your company provides, in order to understand the opportunities that may exist to win business with the government.

The U.S. public sector market is massive and the SLED market is only one side of the same coin. If you're also looking to understand the immense opportunity that exists for you in the federal market then you can't miss out on this complimentary guide to learn the basics and get started.



To see how your offerings might align to the needs within SLED, here are the most common types of SLED contract opportunities available to businesses like yours. The list below gives a high-level description of common industry segments, as defined by the market experts at Deltek:

Architecture & Engineering



Architectural and engineering related work including project design, planning, inspection and surveying

Construction



The construction, expansion, replacement, or enhancement of roads, buildings, structures or landscaping

Educational Products & Services



Products and services intended specifically for the educational market such as textbooks, education software and education consulting services

Environmental Services



Testing and measurement services such as environmental consulting, environmental testing, wildlife/stream/soil assessments, scientific research and GIS mapping

Financial Services & Insurance



Products and services related to banking, investments, retirement, insurance, payroll, billing, accounting or auditing

Healthcare



Healthcare services, supplies and equipment, as well as mental health and social services

Operations & Maintenance



A broad range of operational services that are typically purchased in multi-year renewable contracts such as cleaning, waste, infrastructure and grounds maintenance, uniforms, food and facility supply orders

Professional Business Services



Services and consulting in areas such as administrative, employment, economic, legal, professional, business and printing/publishing

Public Safety

Products and services specific to police, fire, emergency, security, corrections or military uses

Technology & Telecom



A broad range of technology and telecom products and services such as hardware, software, wireless, cloud or IT consulting

Transportation



Vehicle purchases and equipment, as well as transportation services such as intelligent transportation systems equipment and consulting

Water & Energy



Construction or expansion of water or energy infrastructure, as well as consulting, equipment and supplies

Government buyers in the SLED market will purchase almost every type of product and service to meet needs and solve problems. Regardless of what your company sells, it makes sense to investigate the opportunity that selling to SLED would represent for your revenues and profitability.

PAUL IRBY

RESEARCH MANAGER, SLED MARKET ANALYSIS, DELTEK

Now that you have a sense of how the SLED market is defined and the immense business opportunity that it offers to companies like yours, the next steps you'll need to understand are the basics for getting started in pursuing SLED contracting opportunities.

Getting Started in SLED Contracting

Selling to state, local and education government agencies can be a challenging task if you don't know how to source <u>best-fit opportunities</u> within the market or how to best position your capabilities or offerings to those buyers. Before your business thinks about responding to a bid or request for proposal (RFP) from a SLED government agency, it is imperative to set your organization up for success. To do this, consider these four steps.

STEP 1: REGISTERING TO DO BUSINESS WITH THE GOVERNMENT

The broad universe of SLED government contracting includes many different levels of government (states, municipalities, counties, education agencies and special districts) as noted above, representing approximately 30,000 unique government buying agencies. With such a fragmented market, it is easy to get overwhelmed and lose focus. Your best defense is a good offense which includes a SLED business strategy that is tailored and focused.

SLED agencies spend an average of \$1.5 trillion on products and services annually, so devoting time and energy to building out a tailored SLED business development plan - and investing in the tools and resources you need to make this possible - is well worth the effort. To begin the process, your first and best step should be to determine which levels of government you want to sell to, and which territories are the best fits for what your business offers. Then find those agencies online. Next, register to do business with them by registering your business on their procurement portal. Note, the registration may differ from agency to agency. Because of this, we advise business to be focused on which agencies to sell your offerings - a "spray and pray" approach is not one for government contracting. Using tools to identify those best-fit agencies and opportunities for your business to focus on will help you maximize your win rates and your effective use of limited resources.

Pro Tip:

GovWin's Registration Manager makes streamlining your registration pursuits easy by tracking where your organization is registered, when those registrations expire and recommends agency registrations strategically based on your activity within GovWin. With this centralized repository, you'll never have to hunt down your status with an agency again.

STEP 2: KNOW YOUR TARGET GOVERNMENT AGENCY'S BUYING AND PAYMENT CYCLE

Once you have defined your target governments to do business with, you need to understand how and when they spend. Unlike the federal government, <u>SLED</u> agencies set their own fiscal year schedules and their spending patterns often align with their state's fiscal year start and end dates. It's important to understand your target agencies' fiscal year and spending patterns to pinpoint the best time of year to go after new government contracting opportunities.

Additionally, while SLED government agencies are reliable clients, it can occasionally take time to receive payment from them after the work is completed — sometimes up to 30 to 45 days after completion. Make sure you figure this longer payment cycle into your budget planning and forecasting model.

STEP 3: KNOW HOW TO ARTICULATE AND MARKET YOUR VALUE PROPOSITION

Once you've determined which agencies to target and understand their buying and payment cycles, it's time to look internally to plan your business strategy. This starts by understanding your value proposition to best position your offering and market your capabilities. Ask yourself:

- What does my company do?
- How can we help solve an agency's unique problems?
- What's unique about our product or service how does it separate us from the competition?
- What is the value our offering brings to the table that our competition does not?

It's also good to be able to explain how your customers benefited from your product or service in the past. You'll want to be able to provide relevant examples of past government or private sector customers when responding to any competitive bidding opportunity.

Once you know the answers to these questions you will be well positioned to respond to RFPs and increase your win rate.

STEP 4: PREPARE TO SELL TO SLED **GOVERNMENT AGENCIES**

Now that you understand how to position and market your product or service, you're ready to start selling to SLED governments. There are several key steps you should take to prepare to sell to the state, local and education market:

- **Target and research the agencies** by studying past procurement habits, identifying upcoming contract renewals, and zeroing in on future spending by looking at budgets and planning documents.
- Organize and fill your pipeline with **near-term** opportunities and long-term opportunities to effectively balance your short- and long-term business outlook.
- Collect important agency contact information, such as job functions, email addresses, and phone numbers, and make sure your sales representatives know who to reach out to at which agency.
- Understand the agency's goals, recent initiatives and if they have a preference for local vendors. The better you understand how an agency operates, the better you can position your organization to meet their needs.
- Start connecting with decision makers **before the** release of an RFP. You will be able to collaborate with decision makers, and influence your chance of winning.

GovWin IO from Deltek offers tremendous depth of functionality for SLED, and has great customer support along with sales support.

YOGI MUTHUSWAMY PROGRAM MANAGER, YKM TECH SERVICES

How to Grow and Scale in SLED **Government Contracting**

Companies looking to scale their SLED government contracting business should follow three key strategies to be best set up for success. They should also seek out contract opportunities that they are uniquely qualified to pursue, such as opportunities reserved for small businesses and common socieoeconomic set-aside categories such as women-owned, minority-owned and veteran-owned. Additionally, they should educate themselves on the GSA Schedules program, which offers access to federal, state and local government opportunities.

TOP STRATEGIES FOR OPTIMIZING SLED GOVERNMENT SALES

State and local contracting opportunities exist in nearly every industry, with bids available to be won across the country. Many successful SLED government contractors offset the voluntility from the private sector market with reliable public sector business which has proven to be a solid source of business revenue.



Pro Tip:

Read the <u>Top 3 Strategies for Optimizing State and</u> Local Government Sales guide for a deeper dive into growing your SLED government contracting business. Recent analysis of the state and local government market from GovWin's team of market experts has revealed the most effective strategies businesses can apply when scaling their SLED government pursuits:



STRATEGY 1: PLANNED FUTURE CONTRACTS

Businesses can study planned future contracts to begin building their pursuit strategy in advance. This lead time can often make it easier to understand the opportunity in its entirety, put together a project team and decide whether or not to bid on a particular project. Having this information helps businesses contact key decision makers in advance which can lead to shaping the RFP in their favor.



STRATEGY 2: EXPIRING FIXED-TERM CONTRACTS

Fixed-term contracts are a great way to safeguard long-term business plans by providing the ability to predict consistent revenue streams. By identifying expiring fixed-term contracts where you have a good chance of unseating the incumbent supplier, you can build a pipeline of ongoing, consistent work for your business. Networking with decision-makers prior to launch of the RFP gives your organization a chance to stand out more before the next procurement cycle kicks off.



STRATEGY 3: COOPERATIVE PURCHASING

State, local and education governments have historically used cooperative purchasing to drive savings and efficiency in the purchasing process. The concept involves

using a contract that has already been solicited on which vendors will compete – allowing them to have access to potentially hundreds of purchases from a variety of government agencies.



Pro Tip:

Review GovWin's <u>SLED Cooperative Purchasing Market Landscape</u> report to better understand the cooperative purchasing market landscape including key market segments, benefits for suppliers and vendors, and tactics to compete and win co-op contracts.

STATE AND LOCAL OPPORTUNITIES FOR SMALL AND DIVERSE BUSINESSES

Many state and local governments place great value on having a diverse set of businesses working with their respective government entities. Similar to the federal government, these government agencies offer extra opportunities reserved for small businesses and common socioeconomic set-aside categories such as disadvantaged, women-owned, minority-owned, and veteran-owned.

If you just get an RFP, you're not seeing what was happening before. You're not seeing the totality of that universe. And that's the important thing for us. By doing all that research, by understanding who the buyer is and what their needs are, we're able to go in and tailor our presentation as if we were talking specifically to one individual.

RON ZAYAS

Of course, actively seeking out these types of opportunities well in advance is crucial. Successful small and diverse businesses going after SLED bids, RFPs or contract vehicles are identifying upcoming opportunities well in advance and connecting with the buyer well before the contract goes out to bid.

THE GSA SCHEDULES PROGRAM

In the government contracting marketplace, the U.S. General Services Administration (GSA) is an agency to get to know. It hosts a key contracting program that spans all levels of government.

The GSA Schedules Program is the largest government-wide source of contracts available to the federal government. State and local government also use the Schedule contracts to buy an array of goods and services. Schedule contractors can have access to business and solicitations issued by states. Understanding which Schedule contracts fit your business well can help give you access to more sales opportunities.

The most successful companies in the state, local and education government contracting space have access to early opportunites, leverage data, research and insights on opportunities, providing them a forward-looking and efficient approach to predictable long-term revenue. By following the three proven strategies listed above for driving growth in the SLED market – and by arming yourself with as much actionable information and industry research as possible – businesses looking to scale their SLED sales will give themselves the best chance to succeed.

Tools and Services to Stay Competitive

There are a variety of tools and services available to help firms establish their SLED sales channel. These range from providers that help to manage vendor registrations, databases that can help to identify new and upcoming right-fit opportunities and networks that help firms connect with industry analysts and source teaming partners.

As you grow your SLED practice, you will want to look for solutions and services that are capable of assisting you in key areas such as:

MANAGING SLED VENDOR REGISTRATIONS

Unlike the federal contracting world where there is only one vendor registration portal, the SLED market has thousands. And as you consider expanding your SLED business footprint from local to regional (or potentially national) in scale, the level of effort and time it will take to operationalize, manage and maintain all of the necessary registrations will increase exponentially. As you expand the scope of your pursuits with state and local governments, it will become increasingly important to keep a keen eye out for partners that understand the challenge of maintaining SLED vendor registrations and have the scale to act as a trusted business partner.

IDENTIFYING RIGHT-FIT OPPORTUNITIES, BEFORE THE BID HITS THE STREET

Competitive and growth-minded business development executives never want to find out that they missed out on a good-fit opportunity for their organization. Missing out on a single competitive bid notification can be a costly mistake that will create a dent in your pipeline and growth potential. The most successful SLED government contractors know that early opportunity identification is key to gaining a competitive edge. By ensuring that they have access to the information (and the resources in place to operationalize it) these companies are able to understand which agencies are sending buying signals for goods and services that match their capabilities, before a competitive bid hits the street. By harnessing this powerful buying intent data, strategic business development executives are able to establish meaningful relationships with decision makers and influencers at their target agency before their competition has any idea that a new bid will soon hit the street. That's a huge competitive advantage.

There are many government contracting solution providers on the market today that claim they can help you identify good fit government contracting opportunities. You will want to look for ones that go a step beyond posting bids that are already made public. Look for solutions that publish not only competitive bids, but information that spans across the procurement lifecycle – i.e. data about upcoming future opportunities, currently available opportunities and historical contract award information. It is this breadth of knowledge about an opportunity that will allow your company to positon its response against the need and win more government contracts.

It is also imperative to identify where you will have the best success at winning the bid. Knowing which best-fit opportunities to add to your pipeline will increase your effectiveness, decrease your level of effort and safe you time. Look for solutions that can help you score opportunities against your organizational characteristics to help identify what might be your best-fit opportunities to go after.

ESTABLISHING CONNECTIONS AND NETWORKING OPPORTUNITIES WITH POTENTIAL TEAMING PARTNERS

Whether you're looking to be a prime or a <u>subcontractor</u>, you will want to find a provider that can help you quickly <u>identify good-fit teaming partners</u> when you need them. Industry events have long provided an avenue to connect with teaming partners but the barrier to entry can be cost-prohibitive for smaller companies and in-person events do not allow for the ease-of-use and scale that a digital teaming network can provide. Look for solutions that can offer you access to a network of potential <u>teaming</u> <u>agreement partners</u> and virtual teaming events, especially ones that are focused on a specific contract vehicle.

LEVERAGING EXTENSIONS OF YOUR TEAM

It's worth taking the time to look for solutions and services that that can offer you a dedicated customer success manager who can act as an extension of your team. There are many small providers of bids in the market, but most do not have the ability to address your questions and needs in a swift and responsive manner. Be wary of these providers as they could leave you hanging out to dry when you need a fast response and assistance with such tasks as performing an opportunity search, getting in touch with a contracting officer or retrieving an update on an upcoming or current bid.

Last, but certainly not least, is looking for government contracting intelligence from experts in the field. Providers that that have contracting expertise and institutional knowledge built into their solutions are worth their weight in gold. Having access to those experts and research analysts is taking it to a whole new level of competitive advantage. Look to work with solution providers that give you both access to information and to their own market experts. Consider reputable providers for their expertise doing business with the government and who have research analysts on staff to address nuanced questions and your unique needs.





Guide: Canadian Government Contracting 101

The Canadian government contracting market is full of opportunity operates similarly to the U.S. public sector. This free guide outlines how your business can get started and expand its sales to federal, provincial, territorial, and municipal agencies across Canada.

Get the Guide >>

Next Steps for Success

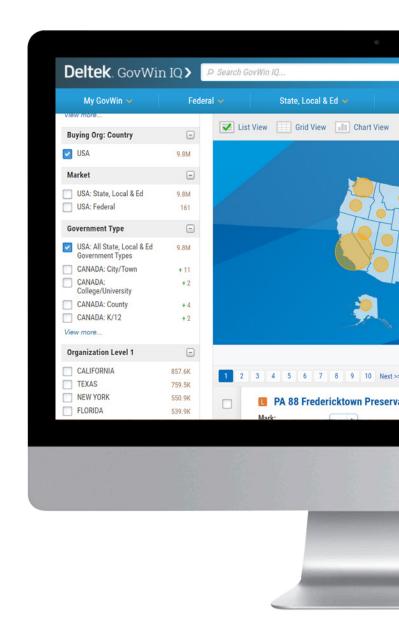
Now that you know how the state, local and education government contracting market is defined, understand the basics of getting started in this space, and appreciate how to scale and operationalize your business development strategy, you might be wondering 'what do I do next?' Some good questions to ask yourself are:

- Where can I get a sense of the market opportunity in SLED for my product or services?
- What services can help me access leads on contract opportunities that look like a good fit for my business?
- What information can help me understand where my competitors are winning business in the SLED market?
- How do I get access to contact information so I can begin to reach out and develop relationships with SLED government buyers and potential teaming partners?

The answers these questions can be addressed with a subscription to GovWin, the market leader for U.S. and Canadian contractors seeking to confidently manage and grow their government business.

GovWin IQ, the industry's leading market intelligence solution, is uniquely built, backed, and continuously updated by market analysts and industry experts who gather and analyze first-hand information from government decision-makers. Customers can gain early access to opportunities, network with teaming partners and buyers, and leverage powerful market intelligence, along with support from our team experts, to beat the competition and win more government contracts.

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Appendix

ADDITIONAL RESOURCES

As you start your SLED government contracting journey, consider these additional resources to help scale your pursuits:

GovWin Small Business Resource Center

GovWin's Small Business Resource Center serves as your toolkit for finding small business opportunities, learning about agency buying behavior, identifying potential teaming partners, finding the right government contacts, staying informed about market conditions and accessing training and education resources.

Selling to the Government as a Small Business

Download this guide to learn how to get your small business started in government contracting and get tips on bidding on contracts and developing a strong proposal. You will also get an understanding of socioeconomic programs, category management and commonly used government contracting acronyms.

Federal Government Contracting 101

The U.S. federal government market is full of opportunities, especially for firms who qualify under one or more small business categories as defined by the SBA. This guide contains the basics your business needs to know in order to start selling to the federal government.

Canadian Government Contracting 101

Canadian government contracting operates similarly to the U.S. public sector. This guide outlines how your business can get started and expand its sales to federal, provincial, territorial, and municipal agencies across Canada.

Teaming Agreements 101

This guide outlines what teaming agreements are, how the virtual business environment has changed the way government contractors make connections, best practices for subcontracting, why small businesses should team with larger primes and next steps to get started.

Build a Winning Public Sector Sales Pipeline

The public sector is a challenging, complex and highly competitive market that rewards those who invest in strategic and proactive sales methods. This step-by-step guide outlines five best practices that will help you build a winning public sector sales pipeline.

A Guide to the Government Contracting Lifecycle

Download the guide to learn how to maximize your business opportunity at each stage of The Government Contracting Lifecycle - Strategic Sales Planning, Capture Planning & Award, Contract Fulfillment & Reporting and Contract Completion & Renewal - including why audits and compliance are necessary to keep top of mind at each stage.

APEX Accelerators

Authorized by Congress in 1985 to help expand the number of businesses participating in the government marketplace, APEX Accelerators (formerly known as Procurement Technical Assistance Centers, or PTACs), offer free counseling and training services designs to help launch your U.S. federal or SLED government contracting pursuits.

U.S. Small Business Administration

The U.S. Small Business Administration (SBA) is the only cabinet-level federal agency dedicated to helping small businesses gain access to counseling, capital and contracting programs.

U.S. General Services Administration

The U.S. General Services Administration (GSA) works with federal, state and local governments, assisting them with acquisition programs and contracting schedules to procure goods and services to meet their needs. The GSA also serves the public with programs designed to make it easier for companies to conduct business with the government.

<u>Buyers Guide: Select the Right Public Sector</u> Sales Solution

Ready to take the next step on your government contracting journey? Review this free buyers guide to discover what you should be looking for when choosing a public sector sales solution to help grow your business.

GovWin IQ from Deltek

The preferred choice for U.S. and Canadian government contractors seeking to confidently manage their government growth strategy and win more business.

ACRONYMS

As you enter the government contracting marketplace, it will be immediately obvious the community has its own language and vernacular using a lot of acronyms. U.S. and Canadian governments use many of the same terms, and, to say the least, it is important to understand the dialect. Below are some of the more common acronyms to familiarize yourself with:

General Government Contracting Terms

- SLED U.S. State, Local and Education Government Market
- FED U.S. Federal Government Market
- MASH Canadian Municipalities, Academic, Social Services and Healthcare Government Market
- GOVCON Government Contracting
- B2G Business-to-Government

Business Categories

- MBE Minority Business Enterprise
- DBE Disadvantaged Business Enterprise
- SBE Small Business Enterprise
- SBR Small Business Reserve
- VSBE Veteran-Owned Small Business Enterprise
- SBA Small Business Administration
- HUBZone Historically Underutilized Business Zone
- SDVOSB Service-Disabled Veteran Owned Small Business
- MAS Multiple Award Schedule
- MOBIS Mission Oriented Business Integrated Services
- PES Professional Engineering Services
- IT Information Technology
- AEC Architecture, Engineering and Construction
- O&M Operations and Maintenance
- PS Professional Services
- 03FAC Facilities Maintenance and Management

- FABS Financial and Business Solutions
- AIMS Advertising and Integrated Marketing Solutions
- NAICS Code North American Industrial Classification Standard

Proposals

- PWS Performance Work Statement
- RFI Request for Information
- RFP Request for Proposal
- RFQ Request for Quote
- RFB Request for Bid
- SOW Statement of Work
- SOO Statement of Objectives
- QBL Qualified Bidders List
- QA Quality Assurance

Types of Contracts

- BPA Blanket Purchase Agreement
- ID/IQ Indefinite Delivery/Indefinite Quantity
- COOP Purchasing Cooperative
- T&M Time and Materials
- TO Task Order

Contract Provisions

- CPAF Cost Plus Award Fee
- CPFF Cost Plus Fixed Fee
- CPIF Cost Plus Incentive Fee

Contract Databases

- SAM System for Award Management
- CCR Central Contractor Registration
- DUNS Number Data Universal Numbering System number, a unique nine-digit identification number for each physical location of a business
- SAM.gov (formerly 'beta.SAM.gov')
- FPDS Federal Procurement Data System

- CLIN Contract Line Item Number
- SIN Special Item Number

Points of Contact

- CO Contracting Officer
- COR Contracting Officer Representative
- COTR Contracting Officer's Technical Representative
- PCO Procurement and Contracting Officer

Regulations

- FAR Federal Acquisition Regulation
- FOIA Freedom of Information Act

Agencies

- GSA U.S. General Services Administration
- SBA U.S. Small Business Administration

Small Business

- 8(a) Business Development Program, a Federal contracting preference program for disadvantaged businesses
- SET-ASIDE/SBSA Small Business Set Aside
- SDB Small Disadvantaged Business
- SDV Service Disabled Veteran
- SDVOSB Service-Disabled Veteran-Owned Small Business
- HUBZone Historically Underutilized Business Zone
- WOSB Women-Owned Small Business
- PTAC Procurement Technical Assistance Center