



# FEDERAL CONTRACTING QUICK START GUIDE



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Federal contracts can provide construction companies with a steady source for new work and revenue.

Winning these contracts, however, requires companies to take additional steps and follow specific laws and regulations. If you're new to the world of government contracting, this can be a bit daunting.

This quick start guide explains the footwork you'll need to do in order to bid on government contracts. We'll also talk about the specific laws you'll need to follow as an official contractor for the federal government. Keep in mind, there may also be state and municipal regulations to abide by in some circumstances. You'll want to check with official government labor agencies in your area to learn more about local requirements.

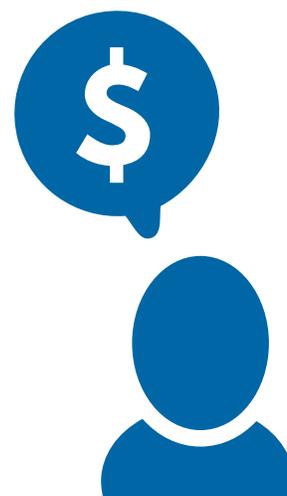
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# Basic requirements to bid on federal contracts

As a business owner, you're familiar with the steps you had to take to initially establish your business. This is similar to what you will need to do to officially become a federal contractor. This work must be complete before you're eligible to bid on a single federal contract.



Once a business has determined that government contracting is the right path, the following preparatory steps should be taken:



Register with the [Federal Contractor Registry](#). This is necessary to qualify for any federal contract.



Look up the [North American Industry Classification System \(NAICS\) code](#) for your industry. This six-digit code is required to bid on federal contracts.



Register for a [Data Universal Numbering System \(DUNS\) code](#). This is a nine-digit code required to bid on federal contracts.

You may also need to register with your state in order to bid on contracts that use a combination of federal and state dollars. Often times this is through a state agency dedicated to industrial relations or labor relations. Check with the [U.S. Department of Labor](#) for information on individual state boards of labor.

## Need general business help?

If you're not sure how to get started, the [Small Business Administration](#) has a wealth of information available for business owners. You'll find guidance for all steps of ownership, from start up to seasoned entrepreneur.

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# Understanding regulations



There are several key laws that govern how a company conducts itself while working on government projects. These laws regulate things such as sourcing materials, product acquisition, limits and rules about who a contractor uses as a subcontractor, wages and the use of apprentices. There are also reporting requirements to be complied with, such as certified payroll.

Knowing the rules is key to successfully contracting with government agencies. The main regulations for federal contracts include:



## [Davis-Bacon and Related Acts \(DBRA\)](#)

This set of regulations govern many aspects of work for government contractors. It applies to federally funded, or assisted contracts in excess of \$2,000 for the construction, alternation, or repair of public buildings or public works. DBRA includes wage rates, reporting and other requirements.



## [Service Contract Act \(SCA\)](#)

This act governs federal service contracts and it also includes wage rates and reporting requirements. While DBRA would govern construction, SCA would apply to those performing services such as accountants or janitors.

Additionally, there are often state and even municipal regulations in place that may need to be followed. It is every company's responsibility to know, understand and follow all applicable rules.





# Timekeeping and Payroll

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You will need to make some adjustments to how you handle timekeeping and payroll when you work on federal contracts. This must be done to stay compliant with the law. Failing to do so can lead to financial penalties, legal actions and debarment from federal contracts.

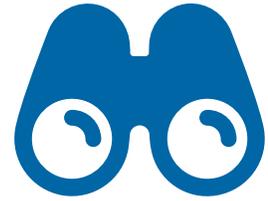
This includes:

- Paying prevailing wages using the correct wage determinations
- Tracking worker classifications, changing roles and payrates for each worker on each shift they work.
- Submitting certified payroll reports each week.
- Dealing with wage restitution when errors occur

**Learn more about [certified payroll](#) before you take your first government contract!**

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# How to find government contracts



There is a lot of competition for government contracts, which may deter smaller companies from entering the bidding process. For those prepared to do the work, however, government contracting can be a rewarding new stream of revenue.



While there are several outlets companies can use to locate potential contracts, the following two databases are popular official platforms:



## [SAM.gov](https://sam.gov)

The System for Award Management, or SAM, is a federal website where all contracts over \$25,000 must be advertised. This is a great place to look for contracting opportunities.



## [SubNet](https://subnet.gov)

This is a database of subcontracting opportunities. This is a good place for those looking to start out as a subcontractor for an established prime contractor that is already doing government work.

Smaller companies, including women-owned and service-disabled veteran-owned businesses, may also qualify for [set-aside contracts](#). These are contracts with limited competition to allow certain smaller companies a chance at winning the bid. Explore this option to see if your company qualifies for a set-aside contract.

## Create a presence

Government agencies also actively look for contractors. For this reason, it's important to create a strong online profile on key websites. For instance, profile information on the SAM system is shared on the [Dynamic Small Business Search \(DSBS\)](#) database. To make your company attractive and accessible, make sure the information on your SAM profile is comprehensive and correct.

You may also benefit from downloading our [Marketing Guide for Contractors PDF](#).



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