

# The Ultimate Guide to Government Bidding Online

Everything your business needs to know about winning government contracts.





As a small business owner looking to grow, you're always on the hunt for new opportunities. Perhaps your priority is expanding and diversifying your customer base. Or maybe you're brainstorming new ways to increase revenue. What if you just want a bigger platform and spotlight for your organization's name to shine?

If any of these goals apply to your business, the good news is that there's an easy way to accomplish them all at once: diving into the world of government bidding.

## Government agencies need businesses like yours

We know what you're thinking: "I'm a small business owner. Can I really compete for government contracts?" And the short answer is, absolutely.

Even if you're new to working with the public sector — and even if your business has a smaller scope or limited resources — there are countless opportunities out there for you.

## Bidding doesn't have to be scary

We know the government bidding space can feel intimidating. And that's why our goal is to shatter stress, eliminate uncertainty, and fuel your confidence by making it accessible and profitable for businesses of any size to bid on government contracts right away.

Consider this guide your go-to resource for decoding government bidding and understanding how you can start growing your business today. Use it on its own or as a companion to our easy bidding platform, Bonfire Premium Vendor.



## Ready to upgrade your business growth toolkit?

Here are the top three benefits you'll walk away with after reading this guide:

1. Understand what government bidding is and how it works.
2. Get a sense of what opportunities are out there for your business.
3. Break through confusing jargon and requirements to bid on the right projects for you.

Armed with these tools, you'll be better equipped to get in on the government bidding action — and hit all your business growth goals. Sound good? Let's dive in.

## Part 1:

# Government bidding 101

In many ways, a government bid is just like any other proposal you pitch to a potential client or customer — although there are a few more policies and requirements to consider. In this section, we'll explore what's involved in government bidding and how to navigate the process.

### What is government bidding?

In government bidding, your business makes an offer in response to a government agency's request for labor and/or materials needed to complete an open project.

Public sector agencies typically post these opportunities in the form of a request for proposals (RFP) or request for quotes (RFQ) that describes the scope of the project, as well as the criteria you must meet to participate in the award competition. These requests often include additional bid documents (or addenda) that communicate detailed information about an agency's requirements and policies.

### Who can bid on government contracts?

Any business, no matter their size, can bid on government projects. What's more, many government agencies are actively seeking out small and disadvantaged businesses to improve their vendor diversity.

If you're a smaller operation, you're probably wondering how you can realistically compete with larger and more established organizations vying for the same dollar. Thankfully, there's good news. The U.S. federal government is now required to award a significant percentage (at least 10%) of contracting funds to small and/or disadvantaged businesses. That gives you a massive leg-up from the very beginning and levels the playing field when it comes to small businesses participating in government bidding.

There are also several contracting assistance programs available for small and disadvantaged businesses to help them succeed. You can find out who qualifies as a small and/or disadvantaged business and what support programs are available in part three of this guide.



### Premium Vendor Quick Fact

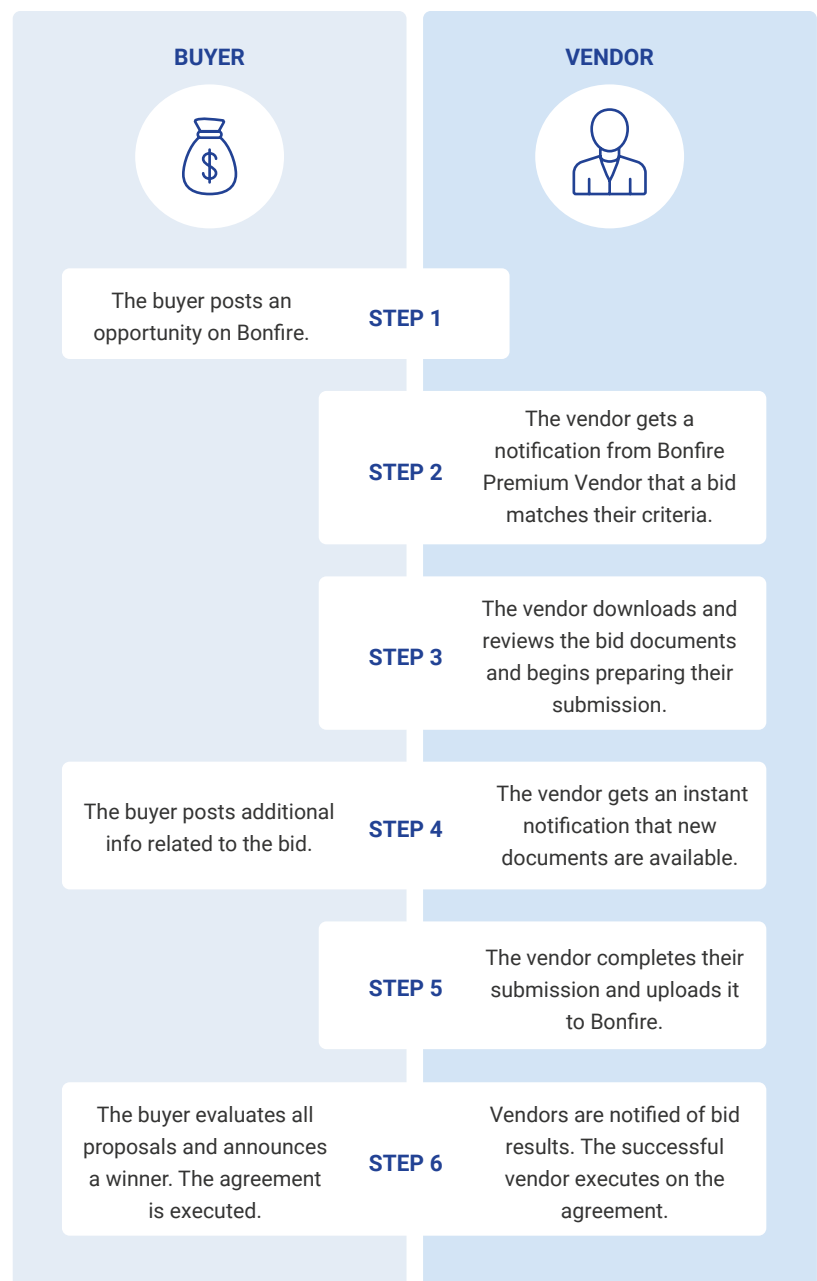
#### Opportunity at your fingertips

Government agencies post over **200,000 bid opportunities** on Bonfire annually. Our searchable bid database makes it easy to find the ones you're most interested in.

## Demystifying the procurement process

Government bid proposals undergo a rigorous review process in which evaluators score proposals against the criteria outlined in the bid documents. The goal of this procurement process and the policies associated with it is to be transparent, fair, and unbiased, all in the interest of spending taxpayer dollars responsibly.

Here's the process you can typically expect from a traditional online bid competition in Bonfire:



## **RFPs are changing**

If you've heard anything about government bidding, it's probably about how in-depth (and daunting) public sector RFPs can be. It's true that, traditionally, these are lengthy documents with rigorous requirements — and that's a big reason why government bidding can feel so intimidating.

We'll tackle some of those potential roadblocks in part three of this guide. But it's also worth noting that recent Bonfire data reveals a positive trend: the complexity and length of project documentation is going down. In 2022, the average number of pages contained in an online RFP and bid proposal decreased by 13% from 2021. While it's a small step, it could signal that government agencies are simplifying RFP packages to make things easier on both procurement teams and vendors. After all, it's in the best interests of the taxpayer to attract as many high-quality bids as possible from a diverse array of vendors. Healthy competition equals best-value sourcing.

The rapid growth of online procurement in recent years is also supporting a more accessible bidding process. Historically, participating in a government bid competition involved a labor-intensive paper-based process with high printing and shipping costs. Now, with tools like Bonfire Premium Vendor, bidding can be done completely online. This simplifies the process from start to finish and reduces barriers to entry for small businesses. And it's better for the environment, too.

## **What it means for you**

With recent data in mind — and forward-thinking agencies across North America driving procurement transformation — it's time to do away with outdated notions of slow-moving governments mired in red tape. Public procurement is moving faster than ever, and bidding is getting quicker and easier, too. The rise in simplicity means businesses of all industries, shapes, and sizes can bid on government projects.

## Part 2:

# Government opportunities are out there

When you consider what it takes to operate government agencies at the federal, state, and local levels, it's no wonder bid opportunities exist for virtually every type of business. Government projects span a wide range of industries and sectors, from construction to consulting services to IT and everything in between.

There are plenty of chances to compete for lucrative public sector contracts, and governments are actively trying to partner with new businesses to fulfill them. In fact, vendors get one out of every 10 dollars of federal government spending<sup>1</sup>, while governments across Canada and the U.S. at the local, state, and federal levels post over 200,000 bid opportunities on Bonfire each year.



**26.4M** Total opportunities recommended in 2022

**508K** Total opportunities recommended per week

**72K** Total opportunities recommended per day

**10K** Opportunities recommended per vendor

### Premium Vendor Quick Fact

#### The power of suggestion

Over the last year alone, vendors tapped into **26.4M opportunity recommendations**. You can easily enter the keywords or commodity codes that matter to you to automatically receive tailored bid matches for your business.

Wondering how many of those projects could be a good fit for you? Let's take a look at some common types of government projects and how your business can benefit.

<sup>1</sup> The Office of Federal Procurement Policy

## Premium Vendor Quick Fact

### Popular project keywords

What opportunities are other vendors exploring? Here are the top ten most searched keywords in Premium Vendor in 2022:

1. Marketing
2. Construction
3. Security
4. Design
5. Consulting
6. Advertising
7. Janitorial
8. Software
9. HVAC
10. Training

Learn more about project classification codes:

**UNSPSC** — [unspsc.org](https://unspsc.org)

**NAICS** — [census.gov/naics](https://census.gov/naics)

## Understanding commodity codes for government projects

Government agencies use two different types of commodity codes to categorize open bid opportunities: the United Nations Standard Products and Services Code (UNSPSC) and the North American Industry Classification System (NAICS).

The purpose of these code systems is to classify businesses by type of economic activity, so that government agencies can easily identify the goods and services required for procurement activities.

The UNSPSC is an international classification system while the NAICS is used by governments and businesses in Canada, Mexico, and the U.S.





## Common project types in Bonfire Premium Vendor

In Bonfire Premium Vendor, you can search opportunities and set bid notification criteria based on UNSPSC and NAICS codes. In 2023, the top three most common project types by UNSPSC number are:

# 1

### Building and Facility Construction and Maintenance Services

UNSPSC 72

This segment of projects includes services associated with the construction and maintenance of facilities, buildings, structures, roads, and infrastructure. It also includes trades, such as general contractors, electricians, plumbers, carpenters, painters, and more.

**Projects include:**

- Building and facility maintenance and repair services
- Residential building construction services
- Nonresidential building construction services
- Heavy construction services
- Specialized trade construction and maintenance services

# 2

### Engineering and Research and Technology Based Services

UNSPSC 81

These opportunities include services associated with professional engineering, information and computer technology, economic analysis, and manufacturing production planning and control, as well as cartographic, weather forecasting, and other earth sciences services.

**Projects include:**

- Professional engineering services
- Computer services
- Economics
- Statistics
- Manufacturing technologies
- Earth science services
- Information technology service delivery
- Biological science services

# 3

### Management and Business Professionals and Administrative Services

UNSPSC 80

Bids in this category include services associated with the management and administration of an organization. They also include business administration, human resources, marketing, management consulting, legal, and real estate services.

**Projects include:**

- Management advisory services
- Human resources services
- Legal services
- Real estate services
- Marketing and distribution
- Trade policy services
- Business administration services
- Public relations and professional communications services

These top three project categories are just a snapshot of the thousands of projects and project types that are posted every month on Bonfire Premium Vendor. With such a wide range of goods and services required to run today's government agencies, there are countless opportunities out there for businesses of every shape and size — including yours.

## Part 3:

# Understanding contracting rules and requirements

With any partnership between two or more organizations, there are rules and policies that guide your work together. When it comes to submitting a government bid, there are specific regulations you'll want to be aware of before you begin the process.

In this section, we'll cover the main contracting rules you need to keep in mind as a small business bidding on government opportunities. The U.S. Small Business Administration (SBA) contracting guide and Government of Canada procurement guide also offer a wealth of information on this topic.

### Qualifying as a small business

If you're looking to bid on small business set-aside contracts with the U.S. federal government, you must fulfill the requirements put in place by the SBA. For some SBA contracting programs, you need to apply for certification by answering questions about your business and its ownership and uploading supporting documents. For other programs, you can self-certify by updating your business profile in the System for Award Management (SAM). You'll want to check with each contracting program to learn about their specific requirements for eligibility and certification.

There are also a few basic requirements you need to meet to participate in government contracts as a small business:

- Register your business with SAM to get a Unique Entity Identifier (UEI).
- Match your products and services to a North American Industry Classification System (NAICS) code.
- Meet size standards set by the SBA, which vary by NAICS code.
- Maintain all compliance and policy requirements (more on that below).



#### Small business contracting resources:

- Review the **SBA Contracting Guide**
- Create a profile in the federal **System for Award Management**
- Find your NAICS code at the **U.S. Census Bureau**
- Review the **SBA's table of small business size standards**

Provided you meet these standards, you'll be given the green light to register as a government contractor and begin bidding on public sector opportunities with Bonfire Premium Vendor!

## Contracting assistance programs

Small and/or disadvantaged businesses in the U.S. can benefit from contracting assistance programs that allocate set-aside contracts for program participants. These programs also provide various types of support to small business owners in the areas of mentorship, training, and technical help to make the bidding process more equitable.



### Small Disadvantaged Businesses

At least 5% of annual federal contracting dollars go to socially and economically disadvantaged small businesses through the 8(a) Business Development Program.



### HUBZone Small Businesses

At least 3% of annual federal contracting dollars go to eligible small businesses in historically underutilized business zones (HUBZones).



### Women-Owned Small Businesses

At least 5% of annual federal contracting dollars go to women-owned businesses.



### Veteran-Owned Small Businesses

At least 3% of annual federal contracting dollars go to businesses owned by service-disabled veterans.

Learn more about U.S. federal [contracting assistance programs](#). For eligible Canadian businesses, the federal government offers plenty of [support and valuable resources](#) for bidding on public-sector opportunities.



## Legal regulations for federal contracting

As with anything government-related, there are legal regulations and requirements that you'll need to be aware of before bidding on contracts within the public sector. Take some time to review the [rules related to small businesses](#).

Also important to keep in mind are the regulations set out by the [Buy American Act](#), the Trade Agreements Act, relevant labor standards (Service Contract Act, Contract Work Hours, Safety Standards Act, etc.), and others.

The federal government of Canada also has its own [rules and regulations](#) around procurement.

## Manufacturing rules

For small businesses interested in supplying goods to a U.S. government agency, there are rules around who pays for manufacturing. To qualify for a small business set-aside contract, you must cover at least 50% of the manufacturing costs related to the goods you supply.

There is an exception if your business qualifies as a nonmanufacturer. The nonmanufacturer rule allows a small business to supply products it did not manufacture — as long as those products come from another small business. This rule may be waived if there are no small business manufacturers available to supply a product.

## Subcontracting limits

For some contracts, you may be required to partner with a subcontractor to finish the job. In this event, you'll want to have a solid grasp of the subcontracting limits for small businesses. These rules exist to protect small and/or disadvantaged businesses from ineligible contractors looking to sneak their way into set-aside contracts.

During any partnership of this nature, it's also important to remember that the small business prime contractor must perform anywhere from 15-50% of the cost of the contract.

## Other requirements

In addition to the specific rules and requirements listed above, there may be other certifications, insurance policies, or qualifications needed before you can start the bidding process. One example is the cybersecurity policy that vendors must follow to be eligible to work with the U.S. Department of Defense (DoD).

The specific rules governing a contract depend largely on the government agency you're planning to work with. You can learn about these policies by reading the bid documents for each opportunity.

## How to submit government bids online

With more lucrative government contracts available than ever before, it's a great time for your small business to explore work within the public sector.

Finding opportunities and submitting bids online through an easy-to-use platform like Bonfire Premium Vendor is the best way to avoid the cumbersome, time-consuming process of paper-based bidding.

- 1** Stop scouring the web for bids. Tap into the ultimate bidding network and get thousands of curated bids delivered right to you. Find opportunities that match your business by entering keywords or using filtering criteria. Our smart tools pinpoint your exact matches by commodity code, industry, project type, and geographical preference.
- 2** Tap into tailored recommendations. Get right-fit bids delivered straight to your inbox daily and stay on top of opportunities with a personalized dashboard where you can easily view and track bid submissions, deadlines, and more.
- 3** Submit bids online with ease. An easy-to-use interface, helpful tools, and legendary customer support walk you through the bidding process from start to finish so you never have to worry about mistakes or accidents. Everything is uploaded to our secure server and submitted online, which means less administrative effort, zero printing or mailing costs, and no more stress over missed deadlines.



## So what are you waiting for?

There are over 200,000 government contracts waiting for you in Bonfire Premium Vendor. That means thousands of opportunities for your business to win lucrative government contracts and nurture lasting relationships with public sector agencies across North America.

Join Bonfire Premium Vendor today to receive curated bid matches and start bidding instantly. It's the ultimate online bidding solution to grow your business to its full potential!