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Essentials for Success in Government Contracting



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Today's Agenda

1. Top Challenges for GovCons
2. Introduction to Government Contracting Lifecycle
3. Winning Government Contracts
4. Successful Execution of Government Contracts
5. References & Resources

Top Business Challenges for Government Contractors

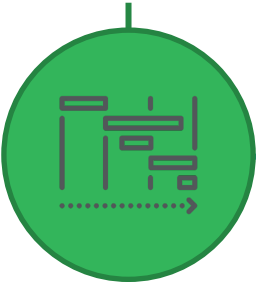


* Statistics from Clarity 2023: Government Contracting Industry Study

Government Contracting Lifecycle

STRATEGIC SALES PLANNING

Contractor evaluates opportunities and develops strategic pipeline



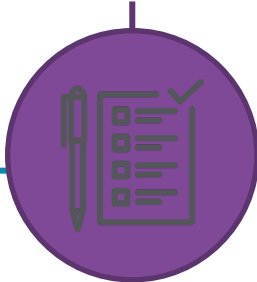
CAPTURE PLANNING & AWARD

Contractor creates proposal to win the business



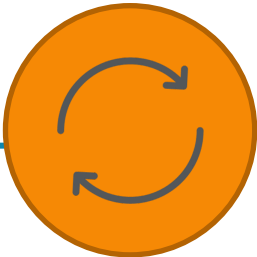
CONTRACT FULFILLMENT & REPORTING

Contractor delivers on products or services



CONTRACT COMPLETION & RENEWAL

Contract period ends and cycle begins again



AUDITS & COMPLIANCE

Contractor remains compliant with government requirements at each stage in order to pass agency audits

Winning by Doing Your Research in 4 Key Areas



Government Budgets & Spending



Market Conditions & Trends



Teaming & Contract Types



Government Policies & Compliance

Federal Budgets and Spending

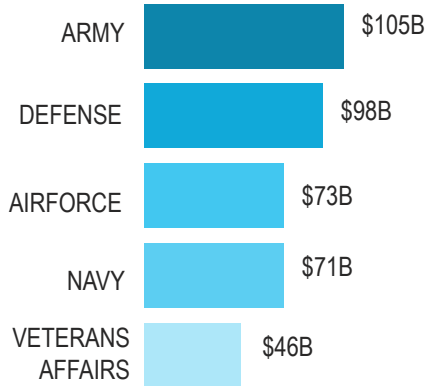


Federal Spending

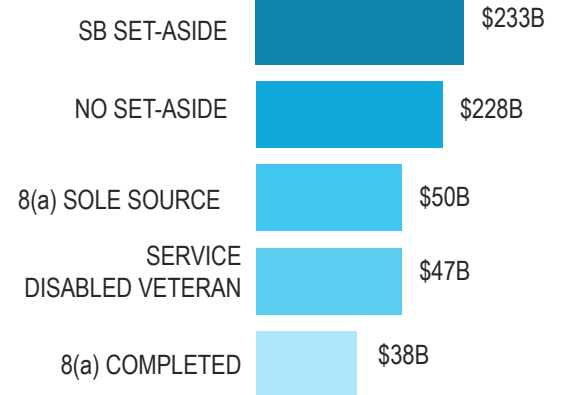
- \$1.7T 2023 Discretionary Spending
- \$201B 2023 To Small Businesses
- \$1.8T 2024 Discretionary Spending
- Goal of 15% of Spending to SMBs by 2025



Top Buyers



Top Set-Asides



Market Conditions Impacting GovCons



Healthy Spending Brings More Competition

- » Federal spending at record highs
- » More competitors entering the market but fewer contract awards due to consolidations and IDIQs.
- » Increasing Small Business goals and efforts to lessen barriers to entry, especially in the R&D space.



HCM & Supply Chain

- » Workforce challenges remain as talent is difficult to attract and retain alongside heightened demands for a flexible work environment.
- » Global and political unrest and rising fuel costs continue to impact supply chain uncertainty



Cybersecurity

- » Growing risks of cyber attacks
- » DoD CMMC initiative
- » GSA, DOE, DHS, Intel showing signs of CMMC adoption
- » Costs of data breaches increase every year
- » Security best practices a must in today's world.



Digital Transformation

- » More shifting to the cloud out of necessity
- » Business process automation is an imperative for federal contractors
- » Firms focused on retiring tech debt
- » Increased adoption of new technologies incl. RPA, AI & ML

Conditions Particularly Challenging for Small Businesses

While small businesses maintain the same positive outlook, they face a more challenging environment than their larger, better resourced competitors.

1. 37% of small businesses reported growth, as compared to 49% overall and 56% of the largest companies.
2. Small businesses report lower profit margins (8%, vs.20% and 24%).
3. Small businesses are more likely to cite concerns over labor costs, costs of compliance, and inflation overall.
4. 33% report small business regulations as having a positive impact for the coming year.

** From Clarity 2023: Government Contracting Industry Study*

Trend to Watch: Preference for GWACs/IDIQs

Contract consolidation continues to limit opportunities on preferred contract vehicles. Concerns about the ability of small businesses to gain positions on and compete for work on preferred GWACs continue into FY 2023.

- » Increased scrutiny of category management and the impact on competition.
- » High scrutiny of GSA's ASTRO and Polaris contracts to assess the long-term feasibility of price competitions at the task order level only and the impact on task order protest levels.
- » Increased agency reporting regarding small business equity in competition for major GWAC/IDIQ contracts.



Strategic Teaming is Key to Overcoming Competition

Why?

- » Despite increased spending, there are fewer awardees.
- » Improving teaming is a top small business strategy for standing out.
- » Getting partner strategy correct is critical to diversity of business

What You Can Do

- » Understand requirements as early as possible in the procurement cycle
- » Strengthen partnering and teaming methods
- » Expand portfolio into other government agencies

Prime Vs. Subcontracting

Prime Contracting



Primes work directly with the government and manage any subcontractors. They are responsible for ensuring that the work is completed as defined in the contract.

Subcontracting



A subcontractor is hired by the prime contractor or project owner to complete a certain task.

Teaming Agreements



An agreement between companies to pool resources to obtain and perform a government contract.

What's the Type!

Contract Types

- Fixed Price
- Time & Materials
- Cost-reimbursement, or cost-plus

Other Contracting Methods

- Indefinite Delivery/Indefinite Quantity (IDIQ)
- GSA Schedules

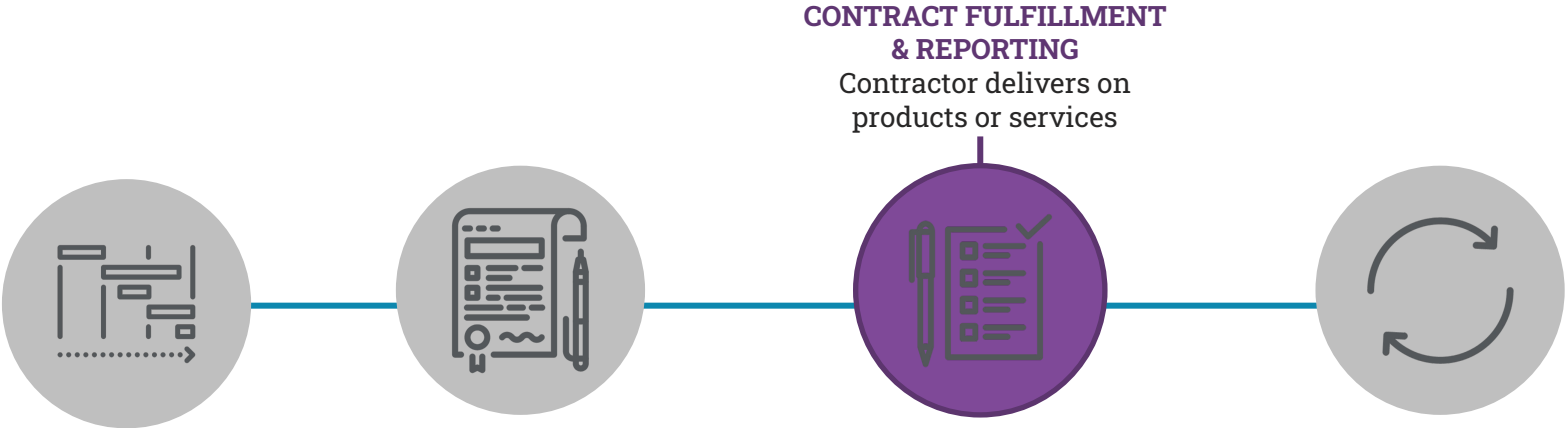
Procurement Types

- Full and Open Competition
- Sole Source Procurement
- Set-Aside
- Other Transaction Authority (OTA)

How a GovCon Market Intelligence Platform Can Help

- ✓ Provide access government contracting opportunities in time to beat out the competition.
- ✓ Delivers opportunities from federal, state, local, and education agencies.
- ✓ Provides full line of sight into every contract throughout its lifecycle.
- ✓ Includes best-fit searches to find opportunities that are right for your business.
- ✓ Provides insight into where governments will be spending money in the future.
- ✓ Provides training and ongoing support to your sales organization.

Government Contracting Lifecycle



----- **AUDITS & COMPLIANCE** -----

Contractor remains compliant with government requirements at each stage in order to pass agency audits

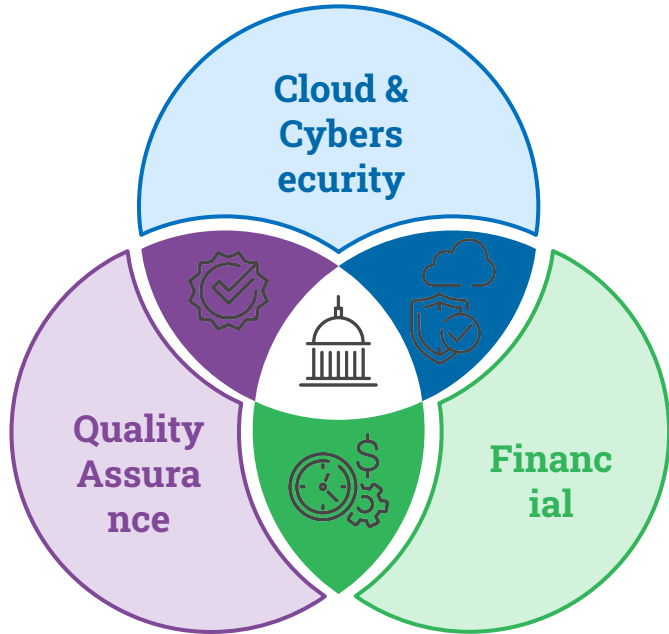
So You've Won the Contract – Now What?

Do you have the right business systems in place to deliver on time and within budget?

Are they FAR compliant?



Types of Government Compliance



Financial Compliance

FAR | DFARS | CAS | DCAA | DCMA



Cloud & Cybersecurity

DFARS | NIST | SOC | CMMC | FedRAMP | ITAR



Quality Assurance

ISO9000 | AS9100 | FAA | ITAR | FMEA | OSHA

FAR/DFARS Business Systems & Process Compliance



**Accounting and Time
Keeping**



Cost Estimating



Purchasing



Materiel Management



Earned Value Management



Government Property



Cost Accounting Standards (CAS)

CAS is meant to create consistency in pricing and accounting practices.

The basic requirements of CAS implore contractors to:

1. Disclose accounting practice
2. Follow accounting practice
3. Comply with standards

CAS does not apply to all contractors, nor to all contracts. Contracts over \$50M is a common threshold.

Considerations for Cost-Plus Contracts

- » Incurred Cost Submissions are required for any cost reimbursable contracts
- » Incurred Cost Submissions are due six months after completion of the contractor's fiscal year end
- » Common areas of concern: Contractor Compensation, Contractor Labor Categories, Cost Allocation, Overall Adequacy
- » [See DCAA Adequacy Checklist](#)



Cybersecurity Compliance Standards



DFARS 252.204-7012

Defense Federal Acquisition Regulations (DFARS) requires contractors to provide adequate security for Covered Defense Information (CDI)



NIST 800-171

Responsible for developing information security standards and guidelines, including minimum requirements for federal information systems



CMMC

Specifies a range of security maturity levels that must be met, and will be used by the Department of Defense (DoD) as a qualification criteria for specific projects



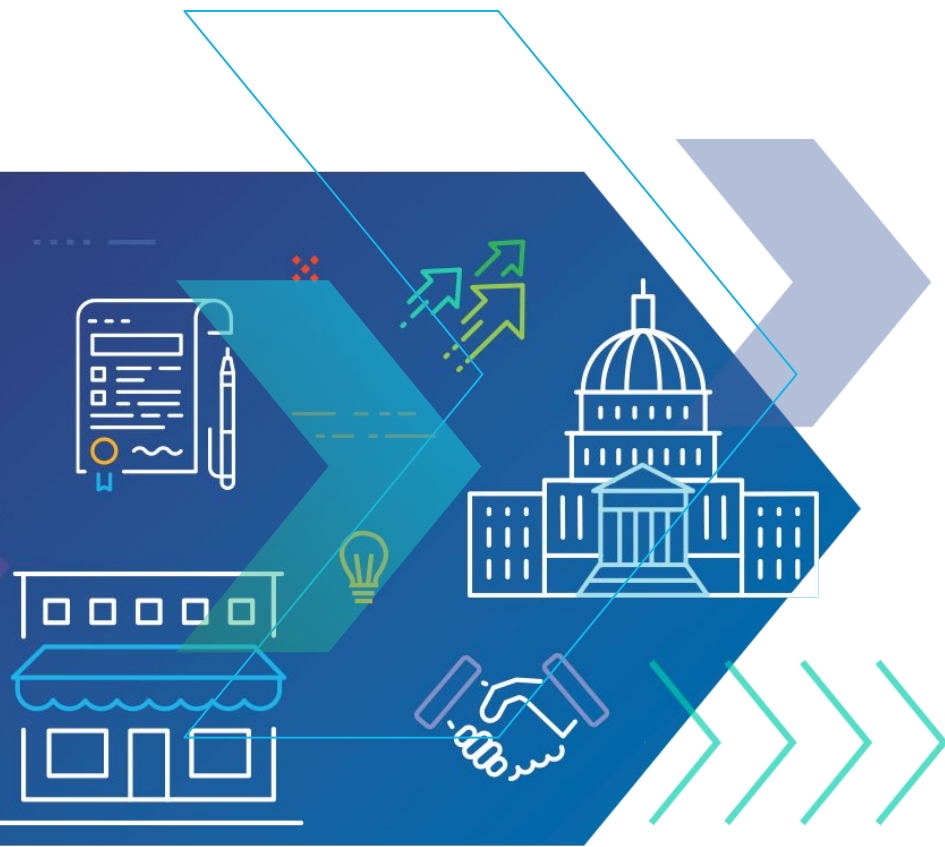
FedRAMP

Delivers a standardized approach for the assessment of cloud products and services used by federal agencies



ITAR

Restricts and controls the export of defense and military-related technologies in order to safeguard U.S. national security and further U.S. foreign policy objectives



How an ERP Can Help Meet
Compliance Requirements &
Optimize Business Processes

Drivers for Implementing an ERP

Compliance Requirements

New or stricter compliance requirements like CMMC or Cost+. Audit failure or preparing for an audit.

New Acquisition or Rapid Growth

Preparing for acquisition or rapid growth and current system won't scale. Expansion into commercial markets.

Digital Transformation Initiatives

Take advantage of innovations – Cloud/SaaS, AI, ML, RPA to create operational efficiencies and eliminate tech debt.

Siloed Systems & Manual Processes

Multiple systems for buying, building and billing. Lack of automation and inefficiencies caused by manual processes.

Poor Project Execution or Low Win Rates

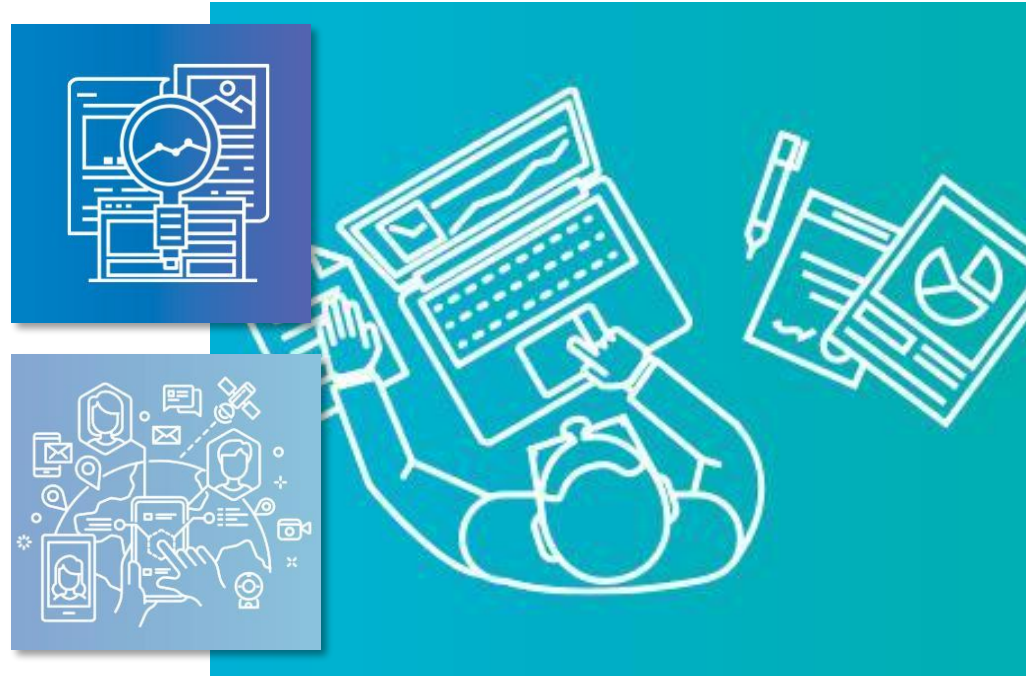
Lack of project and cost visibility that leads to poor cost estimates and projections.

Lower TCO

Without infrastructure to purchase and maintain, the long-term cost savings are beneficial.

How Small Businesses Benefit from Utilizing an ERP

1. Fewer software vendors and systems to maintain
2. Provides holistic view of organization health
3. Better data accuracy and traceability
4. Promotes collaboration across project teams
5. Automates processes to drive efficiencies



How an Industry Specific ERP Helps



Purpose Built to
Address
Industry
Challenges



Meets Industry
Specific
Compliance
Requirements



Out of the Box
Functionality



Streamlined
Deployments
& Shorter
Implementation



Share
Knowledge
and Best
Practices



Audit Readiness Tips

Tools and functionality to aid in DCAA or DCMA audit readiness include:

1. Approval workflows that require items to pass through the workflows setup by the contractor.
2. Audit trails and traceability on every transaction at all project levels.
3. Tracking of purchasing data and all communications between buyers and sellers.
4. Creation of a digital thread where all information is within one system, enabling timely analysis of cost and price.

Visit Deltek Booth 245



Federal Market Outlook and Trends Impacting Small Businesses in 2024

Speaker: Kevin Plexico SVP, Information Solutions, Deltek

Date/Time: Monday, Feb. 5th @ 1:00PM

Location: Embassy CD

Meet the Experts Roundtable with Tara Cannon

Date/Time: Monday, Feb 5th from 2:30-3:30PM

Location: Hanover Hall, Table #5

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Appendix



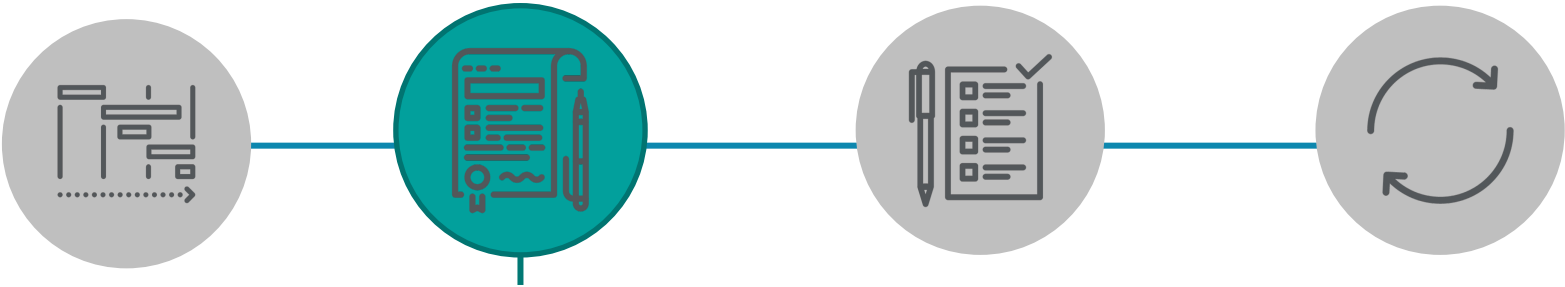
Deltek Resources

- » [REPORT: Federal Trends to Watch in 2024](#)
- » [REPORT:](#)
- » [GovCon University Webinar Series](#)
- » [Guide to Government Contracting](#)
- » [Federal Acquisition Regulation & Cost Accounting Standards](#)
- » [Deltek Guides: Teaming Agreements 101](#)
- » [How Deltek Costpoint Supports Government Compliance Requirements](#)
- » [Deltek Authority Page: IDIQ Contracts](#)

Government Resources

- » [SBA's Directory of Federal Government Prime Contractors with a Subcontracting Plan](#)
- » [SUBNet](#)
- » [General Services Administration's Subcontracting Directory for Small Businesses](#)
- » [Department of Defense Subcontracting Opportunity Directory](#)
- » [DOT Subcontracting Directory | US Department of Transportation](#)
- » [Subcontracting and Other Partnerships | GSA](#)
- » [APEX Accelerator](#)

Government Contracting Lifecycle



**CAPTURE PLANNING
& AWARD**

Contractor creates proposal
to win the business

AUDITS & COMPLIANCE

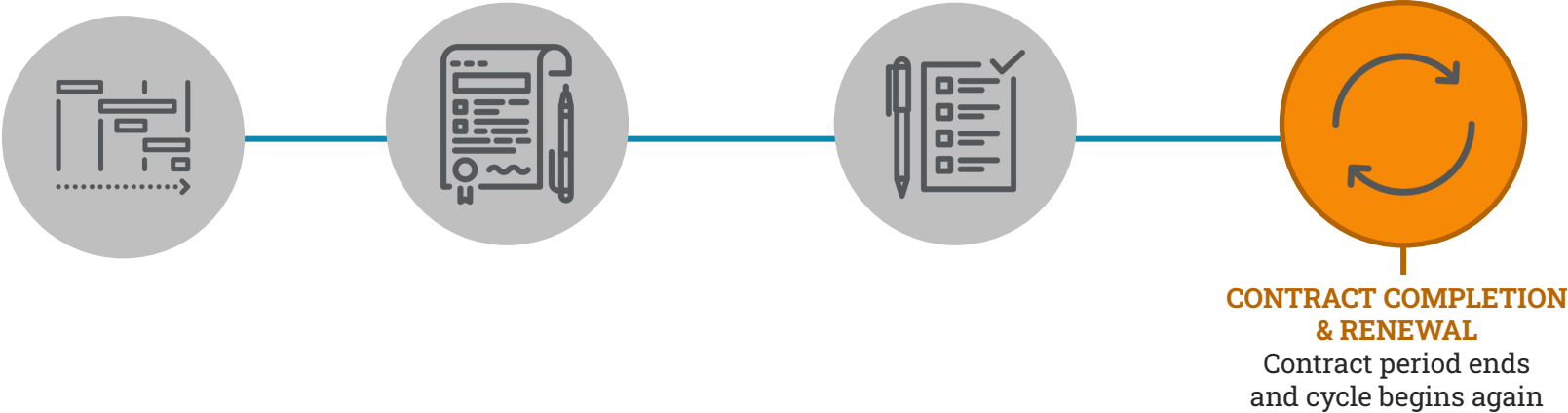
Contractor remains compliant with government requirements at each stage in order to pass agency audits

Best Practices in Capture Management



- ✓ Make an effective bid/no-bid decision
- ✓ Research and influence the opportunity
- ✓ Conduct a competitive analysis
- ✓ Develop a sound win strategy
- ✓ Perform price to win analysis
- ✓ Assemble a winning team

Government Contracting Lifecycle



----- **AUDITS & COMPLIANCE** -----

Contractor remains compliant with government requirements at each stage in order to pass agency audits

Contract Close-out Best Practices

- » Ensuring proper systems and processes are in place **prior to contract award.**
- » Using automated tools and software that have built-in support for contract close-outs.
- » Secure/safe storage of contract data for a reasonable period of time.

The screenshot displays the 'Manage Contracts' application window. The main form shows contract details for 'CNTR-0000000000000008' with a name of 'HHS IT Ops & Maint Srvs 8'. Below this is a 'CheckList' section with a table of items to be completed. The table has columns for 'Completed' (Yes/No), 'Date Completed', and 'Completed By'. The items include 'Project Complete', 'Customer Requested Closeout', 'All Mods Executed', 'All Subcontracts Closed', 'Financial Reconciliation Complete', 'Incurred Cost Submission', 'Rate Audit Completed', 'Final Invoice Submitted', 'Final Invoice Paid', and 'Closeout Package Sent'. The 'Disposition Summary' section contains three text boxes: 'Classified Materials' (N/A), 'Government Property' (All employee issued laptops were returned on the final day of work.), and 'Inventions or Patents' (N/A). The 'Other Issues' section contains a text box stating: 'All badges were returned on the last day of work. Confirmed with PM Patricia Hayes on 062317 that there are no outstanding items with the client. RB.' At the bottom, there is a 'Final Acceptance' section with a checked checkbox and the text: 'To the best of my knowledge, all tasks under this contract have been completed and accepted by the Customer.'

Completed	Date Completed	Completed By
Yes	06/22/2022	1104
Yes	06/24/2022	1101
Yes	06/22/2022	1101
Yes	07/31/2022	1003
Yes	07/31/2022	1104
N/A		
Yes	07/13/2022	1104
Yes	07/03/2022	1104
Yes	07/26/2022	1104
Yes	08/01/2022	1101

Costpoint's Contract Closeout Checklist

Best Practices for Follow-on Contract Opportunities

Audit your work and gather documentation so your organization can articulate and prove that it:

- ✓ Is compliant with the latest contracting regulations
- ✓ Has all of the necessary documentation in place
- ✓ Has been meeting the minimum annual sales requirements on the contracts current term

Perform a realistic assessment of your performance and relationship with government stakeholders and make adjustments as needed.



Contributing to Your Organizations Knowledge Base



Technical and product knowledge



Stakeholder information



Estimates, schedules and timelines



Cost/Price Data



Supplier and Vendor information



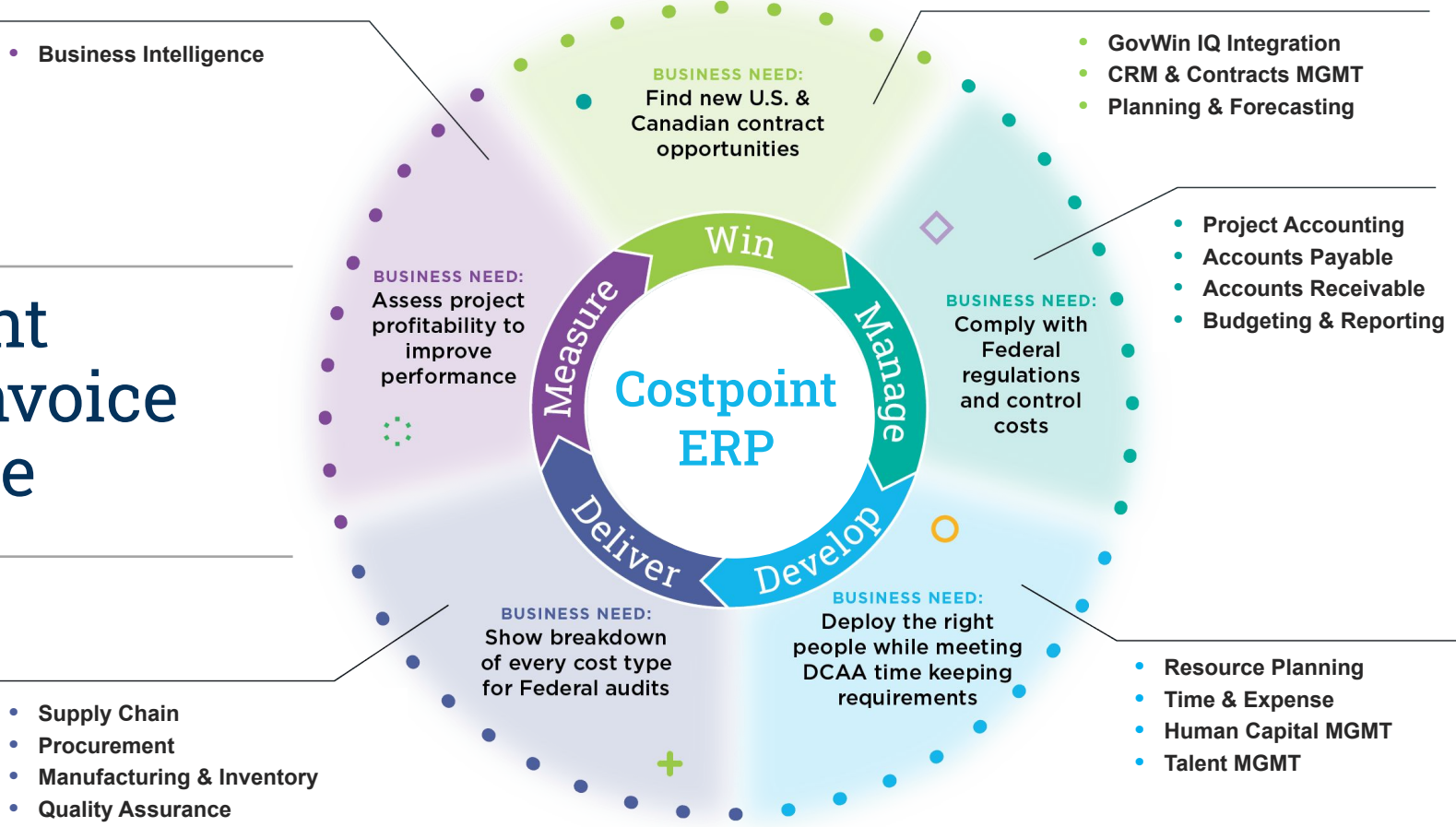
Competitive Intelligence

How this helps...

- » Provides a mechanism to make data-backed decisions on future pursuits
- » Aids in developing more accurate cost and schedule estimates
- » Helps to determine technical approach and make/buy decisions
- » Provides a better understanding of stakeholders and their motivations
- » Enables better competitive assessments
- » ***Keeps you from repeating past mistakes!***



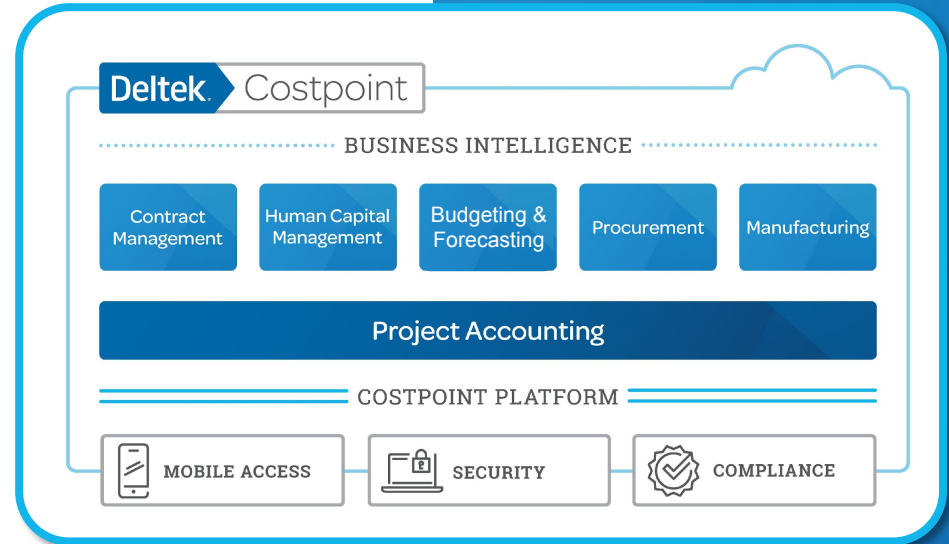
Costpoint Bid to Invoice Coverage



Costpoint ERP

Built to Support Government Contractors of All Sizes

- » Full project lifecycle support from opportunity pursuit to contract close-out
- » Built-in compliance capability & controls
- » Embedded dashboards, reports and workflows specific to government contractors
- » Flexible platform that supports 3rd party integrations and personalization
- » Available on-premise or in the Cloud with multiple Software as a Service (SaaS) offerings.





Purpose Built for GovCons

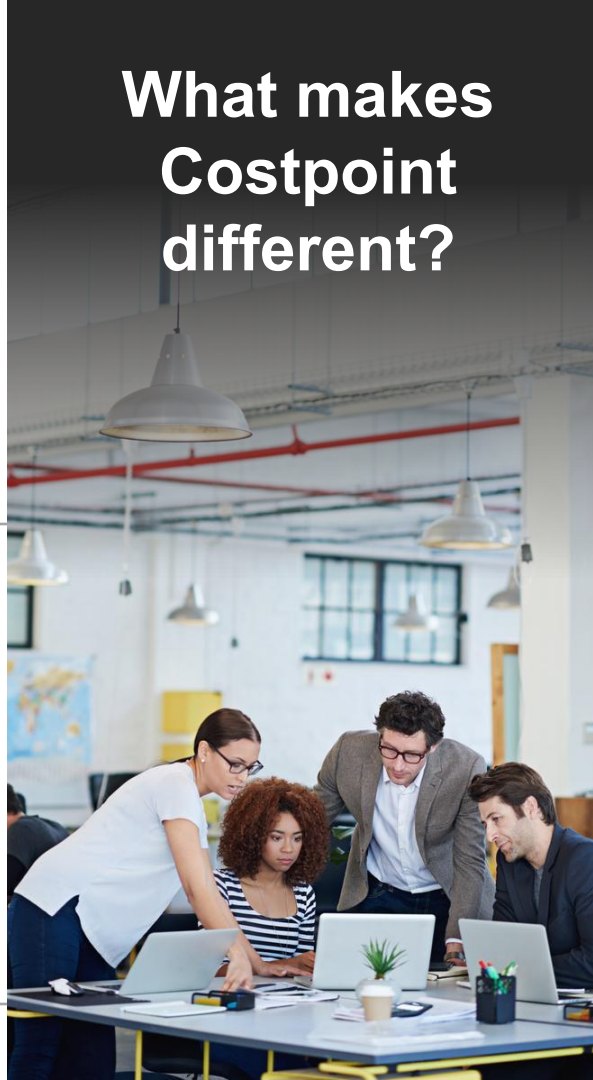
Costpoint was designed from the ground up to support government contractors of all sizes.



Business Process Optimization

Brings time-saving automation and streamlines processes while providing real-time data to make better business decisions

What makes Costpoint different?



Secure & Compliant Framework

Compliance and security is the Costpoint foundation.



All-One-Solution

Costpoint supports the entire project lifecycle, eliminating the need for multiple vendors, systems and extensive customizations.

Deltek Costpoint > + GovWin from Deltek



Benefits of Using GovWin IQ with Costpoint

Reduce Time Analyzing and Reporting

Analyze what is happening throughout the entire capture management process efficiently by pulling opportunity information from GovWin IQ and having it available for you to view in Costpoint immediately.

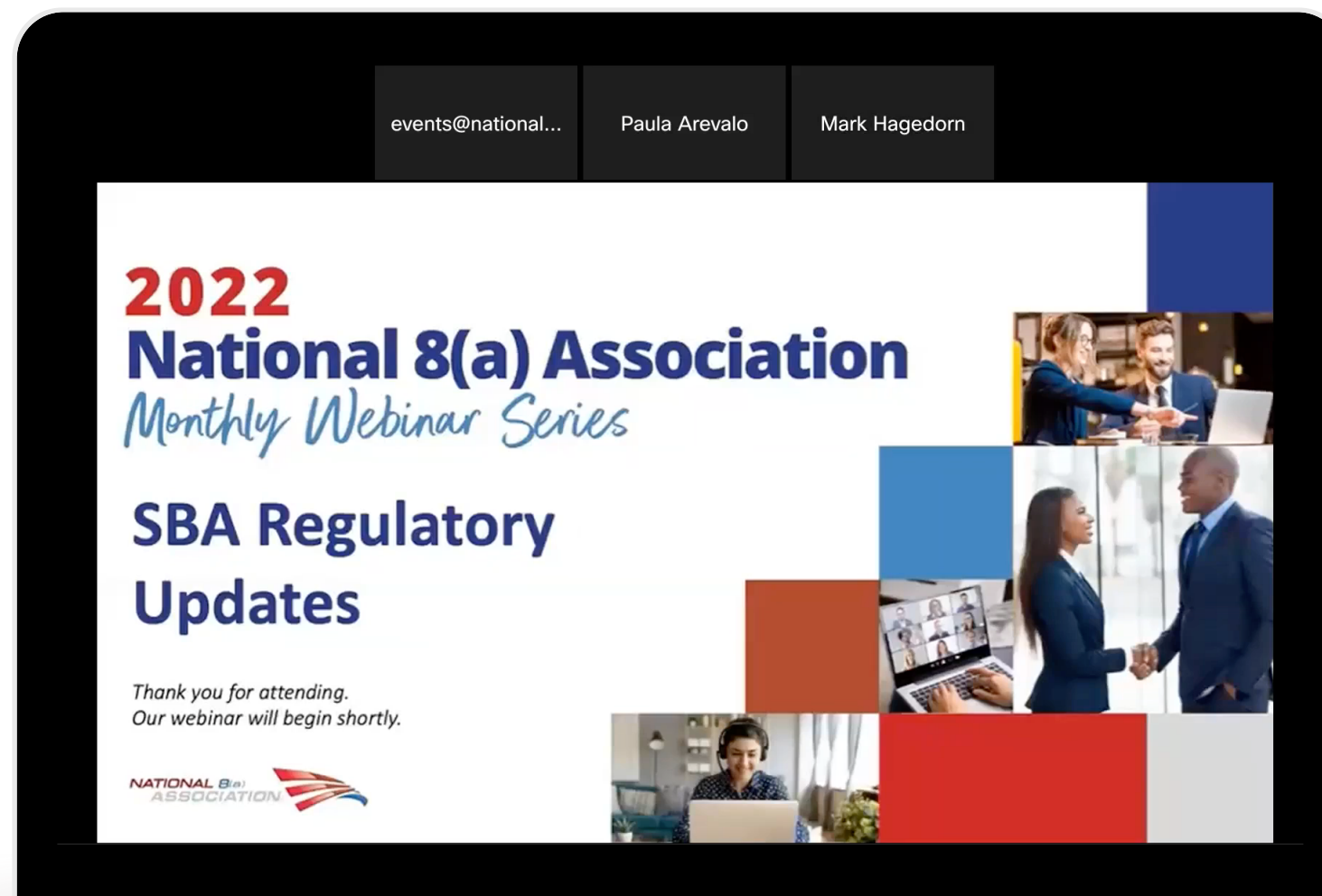
Stay Up-To-Date on Procurement Information

Never miss important dates or amendments with integrated functionality that provides deadlines and updates accessible in Costpoint as soon as they are entered into GovWin IQ.

Focus on Your Business Objectives

Automate the management and administration of government contracts in Costpoint and GovWin IQ, enabling you to deploy resources to effectively track and win more business.

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