



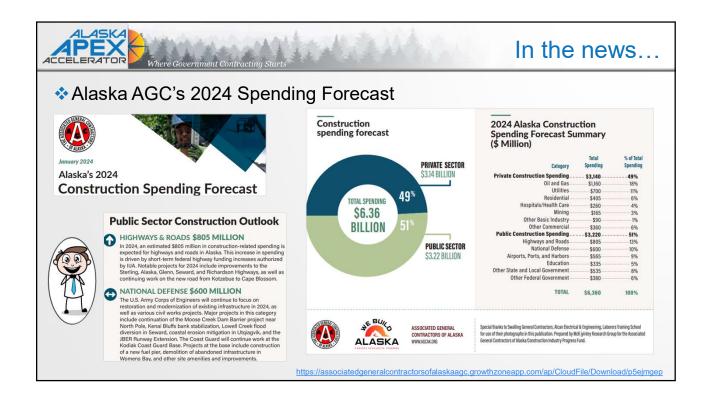


# **Discussion Topics**

- In the news...
- Finding Opportunities
- Teaming Strategies
  - Prime/Sub vs. JVs
  - Teaming agreement 
     Subcontract agreement
- Marketing to Potential Owners, Primes & Teaming Partners
  - What are you bringing to the table?
  - What do they need?
  - How are you marketing your company?











# **Teaming Strategies**

- Competitors vs. Potential Teaming Partners
  - Business growth: more employees or strategic partnering?
  - What are the business bottlenecks slowing growth?
  - Diversification new locations or new product and/or service lines?

But first, let's define teaming...

"Coming together is a beginning. Keeping together is progress. Working together is success." -Henry Ford



# Teams vs Joint Ventures

## **Prime/Sub Teams**

- Only one party (prime) performs at the prime contract level and is responsible to the government
- Subcontractor typically paid on a pre-determined basis
- No new legal entity created
- Subcontracting limits apply to prime only (but note similarly situated entity rule)

### **Joint Ventures**

- Both parties perform at the prime contract level and are responsible for the entire contract
- Parties typically split profits and losses
- Parties create a new legal entity (e.g., LLC) & registered in SAM
- Subcontracting limits apply to JV as a whole





### FAR 9.601 Definition

Contractor team arrangement, as used in this subpart, means an arrangement in which-

- (1) Two or more companies form a partnership or joint venture to act as a potential prime contractor; or
- (2) A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program.

#### FAR 9.602 General

- (a) Contractor team arrangements may be desirable from both a Government and industry standpoint in order to enable the companies involved to-
  - (1) Complement each other's unique capabilities; and
  - (2) Offer the Government the best combination of performance, cost, and delivery for the system or product being acquired.
- (b) Contractor team arrangements may be particularly appropriate in complex research and development acquisitions, but may be used in other appropriate acquisitions, including production.
- (c) The companies involved normally form a contractor team arrangement before submitting an offer. However, they may enter into an arrangement later in the acquisition process, including after contract award.



## Prime/Sub Teams

### Prime/Sub Teams - Teaming Agreements

- Privity of Contract: 1 to 1 relationship between government and prime contractor
- Teaming Agreements
  - FAR does not require prime/subcontractor teaming agreements
  - Procuring agencies sometimes (perhaps increasingly) require teaming agreements to be submitted with proposal
    - These agencies may decline to consider a subcontractor's past performance, capabilities, etc. without a teaming agreement
  - Lock-in commitments from prospective teammates
    - Prime doesn't want to rely on prospective subcontractor's qualifications & resources, only to have a subcontractor decline to participate
    - Subcontractor doesn't want to spend time and energy on proposal only to receive no subcontract
  - · Establishes rules (if any) for exclusivity
  - · Avoid difficult post-award disputes
  - · Demonstrate compliance with key requirements





## **Subcontracts**

### Prime/Sub Teams - Subcontracts

#### Subcontracts

- Teaming agreements → Subcontracts: Teaming agreement is a "chasing the contract document" and a subcontract is a "performing the contract" document.
- More detailed project and/or scope specific
- Must include mandatory FAR provisions
  - A <u>flow-down</u> is a provision of a prime contract that the prime contractor includes in a subcontract.
     FAR required primes to flow-down many clauses failing to flow-down, when required, is a breach of contract!
- This is a negotiated agreement and should be specific to a singular contact activity. Subcontractors should be ready to push back against non-compliant terms
  - Scope of Work should be specific to avoid disputes
  - Payment & invoicing provisions should be included
  - Dispute resolution
  - o Termination provisions: Termination for Convenience and Default
  - Non-disclosure provisions
  - Ensured compliance with subcontracting limits
  - Term of subcontract how will the prime address contract options?





# **Joint Ventures**

- Privity of Contract: 1 to 1 relationship between government and prime contractor
- Form and Registration
  - SBA Regulations require that a JV:
    - o Must be in writing typically done by way of a joint venture agreement
    - Must register in SAM
      - Must have an EIN, Unique Entity Identifier (UEI) and must be identified as a joint venture

https://www.sba.gov/federal-contracting/contracting-assistance-programs/joint-ventures

- Small Business Requirements a JV qualified as a small business so long as each member of the JV, individually, falls below the applicable size standard. This is a change from the old SBA rule, in which venturers' sizes were sometimes added together for determining size.
- ❖ Affiliation Issues: (13 C.F.R. § 121.103(h))
  - Size of JV small or other than small
  - Ostensible Contractor Rule

https://smallgovcon.com/sbaohadecisions/back-to-basics-sbas-oha-reminds-area-offices-how-to-apply-the-ostensible-subcontractor-rule/

JVs under Mentor-Protégé Programs





# **Additional Training**

### **Govology On-Demand Webinars**

 Compliant and Effective Teaming Agreements, Joint Ventures & Subcontracts – 3-Part Series (2023 Update)

https://govology.com/product/compliant-and-effective-teaming-agreements-joint-ventures-subcontracts-3-part-series/

Advanced Teaming Strategies to Accelerate Small Business Government Revenue (2022 Update)

https://govology.com/product/advanced-teaming-strategies-accelerate-small-business-government-revenue/

- Limitations on Subcontracting: A Step-by-Step Compliance Guide (2023 Update) https://govology.com/product/limitations-on-subcontracting-a-step-by-step-compliance-guide/
- Still a Game Changer: The SBA Mentor-Protégé Program (2023 Update) https://govology.com/product/universal-small-business-mentor-protege-program/
- Intro to Teaming (2024 Update) https://govology.com/product/intro-to-teaming/





# Marketing to Potential "

- 7
- Before you knock on the door looking for potential teaming partners, ask yourself:
  - What do you need from them?
  - What do you (or your business) bring to the table?
  - How can the teaming relationship benefit the potential teaming partner(s)?

But first, let's assess your business...

"Honesty is the first chapter in the book of wisdom."

- Thomas Jefferson



# **Company Self-Assessment**

- Why team with another company? What do you need to complete the next contract, break a bottleneck, or diversify/expand into another area?)
  - Physical Capital
  - **Human Capital**
  - Intellectual Capital
  - **Financial Benefits**

https://americassbdc.org/8-reasons-to-consider-collaborating-with-another-small-business/

Before entering into a teamed / contractual business relationship, assess your own company standing.

What does your company need and what can it offer?





# Ability, Capacity & Capability

- Ability the skill, knowledge or power to do something
- Capability the ability to do something in "either/or" scenarios; The capability of a business refers to its ability to do something when all its resources are optimally employed.
- Capacity the innate potential; the business capacity refers to the maximum level of output that it can yield and deliver within inherent limitations

#### **Ability** · Staff (People): - Management - Key Personnel - W-9 Employees - Subcontractors Staff Training & Certification Contingency Plans · Standard Operating

Procedures

#### Capability

### Capacity (Max level of output)

- Past Performance
- Completed projects
- Existing Master Subcontract Agreements
- Contingency Planning & Resources
- Accounting Systems
- Job Codes
- Cost tracking mechanisms
- Bonding Capacity
- Maximums: Ceiling & Project limitations
- Available Bond Amount?
- · Work in Progress
- Availability of Manpower - Availability of Equipment
- Financial Resources
- · Risk Management Limitations
- Contingency Resources
- · Supply Chain Availability
- · Inherent Limitations





# Looking for potential partners

### Where to find potential teaming partners

- Dynamic Small Business Search (DSBS)
- System for Award Management (SAM.gov)
- Federal Procurement Data System (FPDS) Next gen
- State of Alaska DBE Directory (or other state directories)
- Professional Organization training or networking events

### **Vetting potential teaming partners**

- Dynamic Small Business Search (DSBS)
- Federal Procurement Data System (FPDS) Next gen
- CPARS past performance
- Risk Management concerns
- Legal concerns











# **Marketing Your Business**

- How are you marketing your business?
  - Develop a marketing plan more than just using social media
    - Social Media presence name and brand recognition
    - Marketing Materials
      - Business Cards
      - Capability Statement
      - Website what does it say about your business? Who is your audience?

"Marketing strategy will impact every piece of your business, and it should be tied to every piece of your business."

Brandon Andersen







# **Marketing Your Business**

## Upcoming Alaska APEX webinars

## Business Insurance Market Update

WHEN: March 21, 2024, 12:00 PM - 1:00 PM

WHERE: Webinar COST: Free

SIGN UP

https://akptac.ecenterdirect.com/events/6407

In a constantly changing market with evolving risks, it's important to understand what the property & casualty insurance markets are doing, to prepare your business better and set yourself up for success. We'll take an in-depth review of the current state of the insurance markets, discussing carrier and market options, hard market conditions leading to increased cost and more restrictive coverage, strategies for operating in this environment, and more

Presented by Chris Pobieglo, CIC, CRIS with Business Insurance Associates. Chris is a certified risk management professional, holding Alaska resident insurance licenses and non-resident licenses in eleven other states in the Pacific Northwest.

## Surety Bonding 101

WHEN: April 9, 2024, 12:00 PM - 1:00 PM

WHERE: Webinar COST: Free

SIGN LID

https://akptac.ecenterdirect.com/events/6408

Obtaining surety bonds can be critical to any organization wanting to do government contracting. In this session, we will review the basic fundamentals of surety, discuss strategies for establishing a growing a contract surety program, and provide information that will put you on a path to success.

Presented by Chris Pobieglo, CIC, CRIS with Business Insurance Associates. Chris is a certified risk management professional, holding Alaska resident insurance licenses and non-resident licenses in eleven other states in the Pacific Northwest.



## **Questions?**

# Alaska APEX Accelerator Staff Contact Information

Anchorage: Phone: 907-786-7258

Carolyn Pratt, Program Manager Jody King, Contract Specialist II Lynda Gregory, Program Specialist 

 capratt@alaska.edu
 907-786-7259

 jlking8@alaska.edu
 907-786-7270

 lmgregory@alaska.edu
 907-786-7258

Fairbanks: Phone: 907-456-7288

Pierre Thompson, Center Director/Contract Specialist Kristen Sullivan, Program Assistant pdthompson@alaska.edu khsullivan@alaska.edu

General email: info@apexalaska.org Website: https://alaskapex.org

To request assistance, sign up here: <a href="https://akptac.ecenterdirect.com/signup">https://akptac.ecenterdirect.com/signup</a>



How can the Alaska APEX help you?