



U.S. Small Business Administration

Government Contracting

Is it for you?



Government contracting can be a valuable tool to grow your small business, but it isn't for everyone. Complete the following readiness assessment to help you decide whether your company can successfully compete for government contracts.

1. Does the government buy the product or service that you sell?

Yes. Continue to question 2.

No. Government contracting may not be for you at this time.

Maybe. Start with your local SBA District Office. If you can't identify at least three federal agencies that might buy what you sell, contracting might not be right for you.



2. Are you capable of fulfilling a government contract (e.g., time, staffing, and materials)?

Yes. Continue to question 3.

Maybe. Your local SBA District Office can help you gauge ramp-up time and other factors that contribute to government contracting success.



3. Confirm your answer to all of the following:

- Is the majority owner(s) a U.S. citizen?
- Does your company have a place of business in the U.S.?
- Is your business organized for profit?
- Does your business generate revenue?

Yes. Continue to question 4.

No. These are requirements for participation in government contracting programs.

4. Are you credit worthy?

Yes. Continue to question 5.

No. Visit an SBA Resource Partner for tips on repairing your credit.

Maybe. Talk to an SBA Lender about how to build credit.



5. Do you have an accounting system that produces financial statements, such as profit and loss statements, balance sheets, and cash flow projections?

Yes. Continue to question 6.

No. Before you get into government contracting, make sure your accounting system is compatible with the government's requirements.



6. Do you have cash on hand to purchase working inventory, if needed?

Yes. Continue to question 7.

No. Talk to an SBA Lender about getting a line of credit or a loan to do business with the government.

7. Do you already have federal/state/local government contracting?

Yes. Continue to question 8.

No. If you don't have contracting experience, you won't reap the full benefit of opportunities like the 8(a) Business Development Program. You can only participate in the 8(a) program once in a nine-year period, so make sure it's the right time for you.



8. Do you know where to find contracting opportunities?

Yes. Continue to question 9.

No. Ask an SBA Business Opportunity Specialist for help.



9. Do you have the following:

- The NAICS codes and size standards for your industry?
- System of Award Management (SAM) registration?

Yes. Continue below.

No. This is a requirement for participation in some government contracting programs.



It sounds like you may be a good fit for government contracting!
Visit your local SBA District Office or [sba.gov/contracting](https://www.sba.gov/contracting) for more information.

HOW TO DO BUSINESS WITH THE FEDERAL GOVERNMENT

FOLLOW THESE TWO EASY STEPS TO GET ON YOUR WAY TO TAPPING INTO THE MULTIBILLION DOLLAR GOVERNMENT CONTRACTING MARKET



1. Identify your NAICS codes and size standards for your industry.

- NAICS codes are used by the government to classify business establishments according to their primary business activities for administrative, contracting, and tax purposes.
- A size standard is usually stated in number of employees or average annual receipts and represents the largest size that a business (including its subsidiaries and affiliates) may be to remain classified as a small business for SBA and federal contracting programs. SBA Size Standards use NAICS as their basis.
- Learn more about NAICS at [census.gov/eos/www/naics](https://www.census.gov/eos/www/naics) and SBA's Size Standards at [sba.gov/size-standards](https://www.sba.gov/size-standards).

2. Register in SAM and create a winning SAM profile.

- To sell your products and services to the federal government, your business must be registered in the System for Award Management (SAM).
- Your SAM profile must be updated at least once every 12 months to remain active.
- Register for SAM at sam.gov.

Learn more about doing business with the federal government by visiting your local SBA district office or [SBA.gov](https://www.sba.gov).



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