

# So, You Want to do Business with the Government

## Part 2: Technical Considerations for Government Contracting

Danielle Petermann, MPA  
Cincinnati Area Procurement Specialist  
Ohio APEX Accelerator at Ohio University

# Why Procurement Readiness Matters

- Be prepared for government buyers
- Have key documents ready
  - Capability statements
- Improve competitiveness
  - CMMC
  - Joint Ventures
  - MPP

# Capability Statements

- A capability statement serves as a door opener for your business.
  - Your business's resume/a print version of your elevator pitch
  - Can be used when agencies or prime contractors are doing market research
  - Can be required as part of your response to a government solicitation.

# What makes a Strong Capability Statement

- Call it a Capability Statement
- Core Competencies
- Past Performance
- Differentiators
- Company Overview and key procurement data
- UEI/NAICS/Contact

# Core Competencies



HEADLINE SECTION  
“CORE  
COMPETENCIES”



THIS IS WHAT YOUR  
COMPANY DOES



FOCUS ON WHAT  
YOUR COMPANY  
DOES BEST



TARGET YOUR  
COMPETENCIES TO  
YOUR AUDIENCE



BE SPECIFIC, BRIEF,  
TO THE POINT,  
FOCUSING ON KEY  
WORDS



USE BULLET POINTS –  
EASIER TO READ!

# Past Performance



Headline section “Past Performance”



Include contracts/work that matches what your target is looking for



Provide brief description of work, name of client and contact info



If your work does not pertain to the opportunity, you are looking for, do not include.

# Differentiators

- **Differentiators- What Makes You Different from Your Competition And How Does It Benefit the Buyer?**



Why did your biggest customer want you?



How and why is your company the best choice for the needs of this opportunity or agency?



What is it about your services/products that make you stand out from the rest?



What is it about your people that give you the advantage over your competitors?



Why are your products better solutions than the others that are available?



Is your business located near the targeted agency?

# Capability Statement Questions?

# Cyber Security in Government Contracting Overview

# What is cybersecurity/cyber hygiene?

*“Cyber hygiene is a reference to the practices and steps that **users** of computers and other devices take to maintain system health and improve online security. These practices are often part of a routine to ensure the safety of identity and other details that could be stolen or corrupted.”*

- Digital Guardian

# Why Cybersecurity Matters

- Necessary in all types of industries including
  - Medical
  - Financial
  - Government
  - Energy & Utilities
  - Auto
- The risk of unprepared Cyber Hygiene measures is COSTLY:
  - Recent studies have shown that the average cost of a data breach to small business can range from \$120,000 to \$1.24 million, and that's strictly limited to a small business market (March '23) ([Business.com](https://www.business.com))
  - IP Costs, Downtime, Lost Customer Base, Outright Ransom
  - Can be a great differentiator for your business

# Understanding CMMC Levels

- Level 1: Basic FCI (Federal Contract Information) protection
- Level 2: CUI (Controlled Unclassified Information) protection
- Level 3: High-sensitivity data (cost is potentially millions depending on company size, security posture, and required updates to existing infrastructure)

source: <https://dodcio.defense.gov/cmmc/About/>

# Requirements for Each Level

CMMC Status	Source & Number of Security Reqts.	Assessment Reqts.	Plan of Action & Milestones (POA&M) Reqts.	Affirmation Reqts.
Level 1 (Self)	<ul style="list-style-type: none"> <li>15 required by FAR clause 52.204-21</li> </ul>	<ul style="list-style-type: none"> <li>Conducted by Organization Seeking Assessment (OSA) annually</li> <li>Results entered into the Supplier Performance Risk System (SPRS)</li> </ul>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>	<ul style="list-style-type: none"> <li>After each assessment</li> <li>Entered into SPRS</li> </ul>
Level 2 (Self)	<ul style="list-style-type: none"> <li>110 NIST SP 800-171 R2 required by DFARS clause 252.204-7012</li> </ul>	<ul style="list-style-type: none"> <li>Conducted by OSA every 3 years</li> <li>Results entered into SPRS</li> <li>CMMC Status will be valid for three years from the CMMC Status Date as defined in § 170.4</li> </ul>	<ul style="list-style-type: none"> <li>Permitted as defined in 32 CFR § 170.21(a)(2) and must be closed out within 180 days</li> <li>Final CMMC Status will be valid for three years from the Conditional CMMC Status Date</li> </ul>	<ul style="list-style-type: none"> <li>After each assessment and annually thereafter</li> <li>Assessment will lapse upon failure to annually affirm</li> <li>Entered into SPRS</li> </ul>
Level 2 (C3PAO)	<ul style="list-style-type: none"> <li>110 NIST SP 800-171 R2 required by DFAR clause 252.204-7012</li> </ul>	<ul style="list-style-type: none"> <li>Conducted by C3PAO every 3 years</li> <li>Results entered into CMMC Enterprise Mission Assurance Support Service (eMASS)</li> <li>CMMC Status will be valid for three years from the CMMC Status Date as defined in 32 CFR § 170.4</li> </ul>	<ul style="list-style-type: none"> <li>Permitted as defined in 32 CFR § 170.21(a)(2) and must be closed out within 180 days</li> <li>Final CMMC Status will be valid for three years from the Conditional CMMC Status Date</li> </ul>	<ul style="list-style-type: none"> <li>After each assessment and annually thereafter</li> <li>Assessment will lapse upon failure to annually affirm</li> <li>Entered into SPRS</li> </ul>
Level 3 (DIBCAC)	<ul style="list-style-type: none"> <li>110 NIST SP 800-171 R2 required by DFARS clause 252.204-7012</li> <li>24 selected from NIST SP 800-172 Feb2021, as detailed in table 1 to 32 CFR § 170.14(c)(4)</li> </ul>	<ul style="list-style-type: none"> <li>Pre-requisite CMMC Status of Level 2 (C3PAO) for the same CMMC Assessment Scope, for each Level 3 certification assessment</li> <li>Conducted by DIBCAC every 3 years</li> <li>Results entered into CMMC eMASS</li> <li>CMMC Status will be valid for three years from the CMMC Status Date as defined in 32 CFR § 170.4</li> </ul>	<ul style="list-style-type: none"> <li>Permitted as defined in 32 CFR § 170.21(a)(3) and must be closed out within 180 days</li> <li>Final CMMC Status will be valid for three years from the Conditional CMMC Status Date</li> </ul>	<ul style="list-style-type: none"> <li>After each assessment and annually thereafter</li> <li>Assessment will lapse upon failure to annually affirm</li> <li>Level 2 (C3PAO) affirmation must also continue to be completed annually</li> <li>Entered into SPRS</li> </ul>

# CyberSECURE Program Overview

1. Application via the CyberSECURE online portal at:  
<https://development.ohio.gov/business/small-business-and-entrepreneurship/ohio-cybersecure>
2. Training: Accepted applicants will be given pre-requisite training and 30 days to complete.
3. Assessment: Client & SBDC/APEX counselor will be contacted by consultation firm to set up kickoff meeting.
4. Consultation: Clients engage in free cyber consulting services tailored to their assessment results.
5. Conclusion: Closeout Meeting with SBDC/APEX counselor.

# CMMC Questions?

# Increasing Competitiveness Through Teaming

- Access larger contracts
- Combine strengths
- Share resources
- Reduce risk

# Joint Venture Agreement Benefits

- Collective representation of past performance
- Shared costs and resources
- Leveraging the other partner's experience and market share

\*\*Note: The SBA no longer approves joint venture agreements formed to pursue competitive 8(a) contracts. This includes joint venture agreements formed under the SBA MPP to perform a competitive 8(a) contract. SBA will continue to review and approve all joint venture agreements formed to pursue sole source 8(a) contracts.

# Joint Venture Rules

## Limitations on subcontracting

- As the joint venture prime of either a full or partial set-aside contract, the small business concern must agree to the following limitations on subcontractor for the respective contract types:
  - Pay no more than 50% of the amount paid by the government to non-similarly situated firms for service contracts.
  - Pay no more than 50% of the amount paid by the government to non-similarly situated firms for supplies or products contracts.
  - Pay no more than 85% of the amount paid by the government to non-similarly situated firms for construction contracts.
  - Pay no more than 75% of the amount paid by the government to non-similarly situated firms for special trade contracts.

# JV Performance of Work

The protégé must perform at least 40% of the work done by the joint venture. Assuming the joint venture and the protégé perform the minimum work share requirements, the protégé will perform 20% of the contract. However, for purposes of determining the protégé's size, 40% of the revenues under the contract must be appropriated to the protégé.

## Allocation of joint venture receipts

- The joint venture must submit annual evaluation reports, annual performance-of-work statements, and project-end performance-of-work to SBA and the contracting agencies explaining how the work is being performed for each contract.
- Annual evaluations are due 30 days from the anniversary date on your welcome letter.
- Respective, annual reports and project-end reports are due 45 days after each operating year and 90 days after completion of the contract. Note, the protégé is the responsible party for reporting the evaluation under its DUNS number.

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

# Questions about Joint Ventures?

(I may lean on my partners for these.)

# SBA Mentor-Protégé Program

- Pair with experienced mentors
- Build capacity
- Form MP-JVs
- Use protégé status for set-asides

# Mentor-Protégé Program Benefits

Protégés can get valuable business development help from their mentors in several areas, including:

- Guidance on internal business management systems, accounting, marketing, manufacturing, and strategic planning
- Financial assistance in the form of equity investments, loans, and bonding
- Assistance navigating federal contract bidding, acquisition, and the federal procurement process
- Education about international trade, strategic planning, and finding markets
- Business development, including strategy and identifying contracting and partnership opportunities
- General and administrative assistance, like human resource sharing or security clearance support

# Program Qualifications

## Protégé:

- To qualify as a protégé, your business must:
- Be a small business with industry experience
  - Find out if your business qualifies as small by using the Size Standards Tool, or by referencing SBA's table of small business size standards
  - Both the tool and the table help you find the small business classification requirements according to individual NAICS codes
- Be organized for profit or as an agricultural cooperative
- Have a proposed mentor prior to applying for the program

# Program Qualifications

## Mentor:

- To qualify as a mentor, your business must:
- Be organized for profit or as an agricultural cooperative
- Be able to carry out its responsibilities to assist the protégé
- Possess good character
- Not appear on the federal list of debarred or suspended contractors
- Be able to impart value to a protégé firm due to lessons learned, practical experience gained or through its knowledge of general business operations and government contracting

# Other MPP Notes

- Not a matchmaker. Applicant protégé must apply with an identified prospective mentor
- Mentor and Protégé may not be affiliated at the time of application.
- Both businesses must have an active SAM registration
- Program lasts up to 6 years from the date of the SBA approval.

# Key Takeaways

- Procurement readiness = credibility
- Cybersecurity is mandatory
- Teaming increases competitiveness

# Questions?

Danielle Petermann

[petermann@ohio.edu](mailto:petermann@ohio.edu)  
Office: (740) 566-0619