

APTAC Body of Knowledge Competency Guide

C. Basics of Contracting with Government Entities

C.5 Government Buying Cycle

Description

Government buying cycle can refer to the overall **acquisition** process, a very complex process which often spans years, or to the **procurement** process, which is the final stage of acquisition. Acquisition includes the recognition of needs and the development of **requirements**, which may ultimately lead to procurement. PTAC counselors are primarily concerned with the procurement (purchasing) process.

The federal buying cycle is the timeline in the federal fiscal year when purchases are made. The federal fiscal year begins on October 1st and ends on September 30th. Generally, the first and second quarters of the fiscal year are not high volume purchase times. Often October through late winter is a time when government buyers are in the planning stages of the acquisition process. The purchasing activity picks up in the spring and by the third quarter, and especially the end of the fourth quarter, are times when agencies finalize contract awards because of “use it or lose it” philosophy. The months of August and, particularly, September are the “busy season” in the federal buying cycle. However, the volume of government purchases is so high that no matter where the PTAC client starts, they should become:

1. Ready to do business with the government;
2. Focused on a targeted government customer; and
3. Understand how the government buys

Being ready to do business with the government means having good business practices in place, such as a compliant financial/accounting system, an up to date website, the ability to process electronic payments, marketing materials such as a capabilities statement, and having obtained a Dun and Bradstreet (DUNS) number, registered in the System for Award Management (SAM) database and the SBA profile in DSBS, and completed relevant certifications. These are minimum essential actions any prospective government contractor needs to take to prepare to enter the government market.

The other major aspect is for the client to focus on a limited number of government agencies. The client will need to know the agency needs and how his or her company can offer value to the government. This knowledge can be obtained by researching past purchases, projected buys, and current competition and reaching out to the program manager or contracting officer to find out how the client’s approach may offer greater value to the government.

Lastly, the client needs to understand how the government buys, either by credit card or purchase card for smaller purchases, electronic bid boards, sealed bidding or by negotiation. The PTAC counselor has an important role in guiding the client through all the stages of a government purchase.

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Section C.21, Marketing to Government Agencies - will provide more specifics on how to identify targeted government agencies and learn their buying history.

If the client is both ready and focused, then it is much easier to address and benefit from the government acquisition process.

Clients should be particularly cognizant of the government procurement process that allows contracts by negotiation. This is a multistep process as outlined in FAR 15 and involves:

- Market research and information gathering
- Advertisement of the need, posting of solicitation
- Acceptance of proposals from offerors
- Evaluation of offers
- Source selection based on evaluation factors
- Execution of e purchase or contract award
- Acceptance of product(s) and/or service(s)
- Administration of purchase or contract
- Review of contractor performance

The table below (next page) is a shortened list of what the government is doing during the acquisition process and what the business is doing.

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Phase	Acquisition Planning	Source Selection	Contract Administration	Contract Closeout
Contractor Officer Actions	<ul style="list-style-type: none"> Determine need Define Requirements Do Market Research Release Request for Information Put out RFP 	<ul style="list-style-type: none"> Review Proposals Competitive Range Conduct Negotiations Contract Award Debriefings 	<ul style="list-style-type: none"> Task order and Delivery order executions Contract modifications Invoice review and payment to contractor 	<ul style="list-style-type: none"> Verify Contract completion Put in contract performance report Do contract close out
Business Actions	<ul style="list-style-type: none"> Determine target customer needs Gather market research Get registrations and certifications in order Reply to Requests for Information Put in proposal to RFP 	<ul style="list-style-type: none"> Ensure people and inventory availability to do contract Be able to defend proposal items Ask for a debriefing 	<ul style="list-style-type: none"> Deliver items on time and in spec Communicate to Contracting Officer any problems Put in proper invoices Keep records up to date 	<ul style="list-style-type: none"> Supply any remaining items Work with CO on close out documents Review company performance assessment Keep records up to date

References

DOD acquisition process: http://clinton3.nara.gov/pscsb/rmo_dod.html

FAR 15 Contracting by Negotiation

<http://www.acquisition.gov/far/current/html/FARTOCP15.html#wp246607>

“Acquisition Planning and Management in the Federal Budget Process, Wydler and Tetrault, NCMA World Congress, July 20, 2010

Contracting Officer Podcasts: <http://www.contractingofficerpodcast.com/front-page/>