

Keeping Commitments Key To Building Government Contract Résumé

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Winning a government contract requires diligence and deliberate focus. Fulfilling it and building a résumé on outstanding performance are even more demanding.

Failure to perform as promised — depriving a government agency of the expected product or service — will sour future opportunities for underperforming or defaulting businesses. And it might result in serious financial and legal problems for the business that breaches a contract.



To help entrepreneurs navigate the intricate world of government contracting, the U.S. Small Business Administration sponsors pro-bono classes and individual sessions with interested businesses. The SBA website also offers advice on how to build a good reputation with government procurement and contracting officers.

Understand the terms. The successful bidder should read the contract thoroughly before signing it and clarify any elements that are erroneous or vague. Most government contracts are comprehensive and detailed, and it's critical to understand the terms before committing to fulfill them. Private-sector suppliers and contractors are expected to protect the integrity of the process and behave with unimpeachable ethics. This means, among other things, that kickbacks aren't offered or accepted and that billing is honest and transparent.

Have the resources and capital to operate without immediate repayment. Federal agencies most often use fixed-price contracts, as do most state and local governments, to receive services or goods. "Firm-fixed price" contracts aren't adjustable, which means the business must contain costs and maintain productivity to make a profit. Other "cost type" contracts reimburse the business for operational costs at regular intervals and pay incentives or fees for contract elements not based on cost — for example, for delivering a product below cost, ahead of schedule or at a

level of performance that exceeds expectations. With these types of contracts, the incentive payment is the profit, and the size of that profit depends on how satisfied the contracting agency is with deliverables. Given that payment schedule, businesses must have the cash reserves to meet payroll, subcontractor payments and other operational costs between reimbursements.

Invoice accurately. Because complete and error-free invoices are essential to prompt payment, a contracting business needs to be diligent in accounting and record-keeping. The contract will specify which government office is responsible for payment, as some government agencies delegate contract administration to a separate office.

Make sure products or services pass muster. The government, as guardian of taxpayer dollars, is entitled to inspect and test deliverables to ensure they meet contract specifications and to reject and withhold payment for items that don't meet contract specifications. Consistent failure to meet standards and requirements will blemish the reputation of a government contractor and limit future opportunities.

Be flexible if a contract is canceled. Government contracts may be terminated by default if the business fails to meet the terms, but they can also be canceled "for convenience" if the government no longer needs the product or service. Government agencies will compensate businesses for completed work and for any supported incurred expenses on canceled contract items. Contracting or procurement officers are required to accommodate such disruption with grace and fairness.

For more information about becoming a government contractor or obtaining short-term financing through SBA's loan guarantee programs, contact the New Mexico district office of the SBA at 505-248-8225.

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