

Government Contracting.

How It Really Works.

What small businesses need to know about government contracts – certifications, the process, where to find contracts, real strategies for getting in the door, and what needs to be in order before you ever submit a bid.

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01

What Needs to Be in Order *Before You Pursue Any Contract*

Most small businesses hear about government contracting and go straight to looking for opportunities. That's the wrong order. What the government is evaluating – at every level – is whether your business is real, stable, and ready. These need to be in place first.

<p>LEGAL FOUNDATION</p>	<p>Registered Business Entity LLC, corporation, or other formal structure. Sole proprietors can pursue some local contracts but are at a disadvantage for federal work. Entity must</p>
<p>TAX ID</p>	<p>match across all registrations. EIN (Employer Identification Number) the IRS. Required for all government registration. Apply at irs.gov – free, takes minutes.</p>
<p>SAM.GOV</p>	<p>Active SAM.gov Registration System for Award Management. Required for ALL federal contracts without exception. Registration is free – allow 2-4 weeks for processing.</p>
<p>NAICS CODES</p>	<p>Must be renewed annually. Beware of Correct Industry Classification Codes (NAICS) and North American Industry Classification System. Every contract is tied to a NAICS code. Identify the 3-5 codes that match your business before you register – you'll need them in SAM.gov and on every proposal.</p>
<p>FINANCIAL RECORDS</p>	<p>Clean, Current Business Financials At minimum, two years of business bank statements and a current P&L. Many contracts – especially federal – will require financial documentation at proposal stage. Get these organized before you need them under deadline pressure.</p>

CAPABILITY STATEMENT

One-Page Business Profile

The government's equivalent of a business card meets a resume. Required for nearly all contracting introductions. Should include: core competencies, NAICS codes, differentiators, past performance, and contact info. One page, formatted cleanly.

INSURANCE

General Liability at Minimum

Most contracts require proof of insurance at specific coverage levels. Know your coverage before you bid – finding out at award stage that you're underinsured kills the contract.

02

Certifications That *Open Doors*

8(a)

SBA 8(A) BUSINESS DEVELOPMENT

For socially and economically disadvantaged small businesses. Gives access to sole-source contracts up to \$4M (services) or \$6.5M (manufacturing). 9-year program. Apply through [SBA.gov](https://www.sba.gov).

WOSB

WOMEN-OWNED SMALL BUSINESS

For businesses at least 51% owned and controlled by women. EDWOSB designation (Economically Disadvantaged WOSB) provides additional set-aside access. Certified through [SBA](https://www.sba.gov) or approved third parties.

HUBZone

HISTORICALLY UNDERUTILIZED BUSINESS ZONE

For businesses located in designated underserved areas with employees living in those zones. Government has a 3% spending goal with HUBZone businesses. Check eligibility at [sba.gov/hubzone](https://www.sba.gov/hubzone).

SDVOSB

SERVICE-DISABLED VETERAN-OWNED

For businesses majority-owned by service-disabled veterans. VA has a 10% spend goal with SDVOSBs. Strong access to VA contracts specifically. Verify through [SBA.gov](https://www.sba.gov).

MBE

MINORITY BUSINESS ENTERPRISE

State and local level certification for minority-owned businesses. Administered by state agencies and NMSDC. Particularly valuable for state and municipal contracting where MBE spend goals exist.

DBE

DISADVANTAGED BUSINESS ENTERPRISE

Required for businesses pursuing federally-funded transportation and infrastructure contracts administered at the state level (DOT projects, highway contracts). Certified through your state DOT.

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Where Contracts Live — *The Sites People Use*

SITE	WHAT IT'S FOR
SAM.gov sam.gov	Federal contract opportunities, required registration for all federal bidding, certifications hub. Your starting point for anything federal.
USASpending.gov usaspending.gov	See exactly what the government is spending money on, with which agencies, in which categories. Use this to identify where your NAICS codes have active spend before you pursue anything.
SBA.gov / Dynamic Small Business Search sba.gov	Small business certifications, DSBS profile (how agencies find you), resources, and matchmaking events.
State Procurement Portals <i>Varies by state</i>	Every state has its own procurement system. Search "[your state] + vendor registration" or "[your state] + small business procurement." Often lower competition than federal.
City/County Bid Portals <i>Varies by municipality</i>	Local governments post RFPs for services, supplies, and construction. Often the most accessible entry point — shorter timelines, less documentation, and relationships matter more.
DemandStar / BidSync / Bonfire demandstar.com	Aggregators that pull local and state bids into one searchable platform. Useful for monitoring multiple jurisdictions simultaneously.

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Realistic Timelines —

What to Actually Expect

2–4 weeks	SAM.gov registration processing time. Start here — nothing federal moves without it.
3–6 months	Typical time from registering to submitting your first competitive proposal. Research, certification, and capability statement development take real time.
6–18 months	Realistic window for a first federal contract award after active pursuit begins. Government procurement moves slowly. This is normal, not a failure signal.
30–90 days	State and local contract timelines are significantly faster. Smaller scope, simpler process, and more relationship-driven decision-making.
Ongoing	Past performance is cumulative. Every contract won and delivered well becomes evidence for the next one. The second contract is always easier than the first.

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Real Strategies for

Getting Your First Contract

- 1 START LOCAL, NOT FEDERAL**

City and county contracts are smaller, faster, and won more on relationship and capability than on compliance documentation. A local contract builds the past performance record that makes federal contracts accessible.
 - 2 SUBCONTRACT FIRST**

Find prime contractors already winning contracts in your NAICS codes and offer to subcontract under them. You gain past performance without the full prime contractor burden. Search current federal awards on USASpending.gov to identify who is already winning work in your space.
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3 **ATTEND MATCHMAKING EVENTS**

Federal agencies and SBA offices host small business matchmaking events where you meet procurement officers directly. These conversations turn into relationships that turn into opportunities — often before an official solicitation is published.

4 **READ AWARDS, NOT JUST SOLICITATIONS**

Study what was recently awarded in your category — scope of work, award value, who won it. This tells you what the government is actually buying, at what price, from what type of business. That intelligence shapes a more competitive proposal than reading the solicitation alone.

Government contracting is a long game. The businesses that win consistently are the ones that stayed in it long enough to become known. The first contract is the hardest. Every one after it is built on the credibility the first one established.