

 Send to PrinterClose Window 

The Bottom Line - October 2004

Does Uncle Sam Want You?

The U.S. government offers plenty of opportunity to find work for those in the construction industry. But before you do Uncle Sam's bidding, you should be aware of the environment in which the government operates.

by Michael Ceschini, CPA

No institution plays a more dynamic role in the construction industry than does the United States government.

It's easy to understand why. Consider the huge number of facilities Uncle Sam must build to serve its citizens and to pursue national interests. For starters, there is the far flung Defense Department infrastructure, the numerous office buildings in Washington, D.C. and around the U.S. needed to accommodate the huge bureaucracy, and the U.S. State Department's vast network of embassies and missions that span the globe.

The federal government offers the aggressive and ambitious builder, both large and small, excellent opportunities to land lucrative construction contracts. Worldwide, the U.S. government procures more than \$300 billion annually in commercial products and services. But before you do Uncle Sam's bidding, be aware of your potential client's nature and the environment in which you'll have to operate. Working with the government is a lot more complicated than working with a client in the private sector. Contractors face a maze of red tape and will not have as much opportunity to interact and get direct feedback from their federal client during the project. Contractors have to do their homework if they want to put together a winning bid and then make a profit from the job. The sad truth is many contractors have gotten in over their heads when they took on government contracts.

So, if you work with Uncle Sam, make sure you follow these practical suggestions:

Familiarize yourself thoroughly with the federal laws and regulations under which you must operate. They are unique and vary greatly from those governing the private sector. Understanding the complex laws associated with contracting with the government, as well as the risks, options and responsibilities involved, is vital to your success and to making a profit from the job.

Keep good records because you'll need to fulfill specific requirements, including those that govern deadlines and monitor costs. Document as much as you can (in a daily agenda) and photograph the progress (and hurdles) of the job. There will invariably be problems and you need this proof to back up any discussions or challenges.

Work out a dispute resolution agreement with the contracting federal agency before you begin the project.

Don't be afraid to ask: Call up the contracting government agency if you have a question. The personnel there are supposed to answer any questions you may have relating to the job.

Seek out experience and expertise in your industry and community. That is, find sources that can help you to better connect with Uncle Sam. Find a company in your region

that's bidding on a different government project that may be willing to share insights and experiences with you.

Use the wealth of available resources. Dealing with the federal government can often be frustrating, but its agencies do make valuable information available. Government agencies that can help in various ways include the Small Business Administration (SBA), the General Services Administration (GSA), the Environmental Protection Agency (EPA) and the National Labor Relations Board (NLRB). All have web sites, so get on the Internet and check them out.

The good news is Uncle Sam does care about the quality of the job done by the contractor. So do a good job and you'll increase your chances of winning more federal contracts. In the proposal, there is a section where a builder can state his experience working with Uncle Sam. If you are smart and play by Uncle Sam's rules, you'll have an opportunity to build a lucrative, long-term relationship.

[Click here for more of the Bottom Line News >>](#)

<http://newyork.construction.com/opinions/bottomline/archive/0410.asp>