Doing Business With The Department of Homeland Security

Answers to Frequently-Asked Questions

This report was prepared for the Canadian Association of Defence & Security Industries

by

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The Canadian Association of Defence and Security Industries (CADSI) commissioned this Frequently-Asked Questions briefing paper for CADSI members to enhance your ability to:

• Identify & respond effectively to business opportunities to meet American governments’ Homeland Security requirements, including
  o direct contracting by the US Department of Homeland Security (DHS) and its agencies;
  o subcontracting to DHS’ primes;
  o direct contracting with state and local governments, including those that receive federal grants
  o direct and sub-contracting to meet requirements of the U.S. National Guard’s homeland security missions

• Learn from best practices of companies who are already selling to U.S. government.

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1. **How can I find out how to register for government contracts, and how the US government buys?**

   - Guidance published at [http://www.ccr.gov/StartRegistration.aspx](http://www.ccr.gov/StartRegistration.aspx) tells you what information you need to have ready before you begin. Review the link provided there for “International Registrants”

2. **Is DHS covered by the North American Free Trade Agreement, or does it have to Buy American? And What kind of DHS work is off-limits to Canadian companies?**

   In general, DHS welcomes offers from Canada. However, always check the solicitation for the prime contract.

   The Coast Guard may determine a need to Buy American for reasons of National Security as permitted under NAFTA Article 1018. (Source: [http://www.international.gc.ca/assets/trade-agreements-accords-commerciaux/pdfs/ann-10011a-1-us.pdf](http://www.international.gc.ca/assets/trade-agreements-accords-commerciaux/pdfs/ann-10011a-1-us.pdf))

   **DHS Response** – With the exception of the Transportation Administration Authority (TSA), current law requires all DHS Components to comply with the Federal Acquisition Regulation (FAR). Under the FY 2008 Omnibus Appropriations Act, TSA will be subject also to the requirements of the FAR on June 23, 2008. DHS has not supplemented FAR Part 25 policies in the Homeland Security Regulation (HSAR). Accordingly, FAR Part 25 governs DHS’ implementation of the Buy America Act and other related statutes, such as the Trade Agreements Act and the North American Free Trade Agreement. (Source: Kevin Boshears, Director. Office of Small Business and Disadvantaged Business Utilization. Department of Homeland Security)

   Federal Acquisition Regulation 25.4 implements the policy for Federal contracting associated with Trade Agreements, including NAFTA. As a signatory to NAFTA, DHS treats offers from Canada the same as offers from U.S. companies with respect to the Buy America Act and price evaluation if:

   - No exceptions in FAR 25.401 apply and the acquisition is for:
     - goods above US$25,000 (as provided by the North Atlantic Free Trade Agreement (NAFTA)),
     - services above US$67,826 (again, under NAFTA), or
     - and construction services above US$ 7,443,000 (as provided by the World Trade Organization Government Procurement Agreement).

   (Sources: Kevin Boshears, Director. Office of Small Business and Disadvantaged Business Utilization. U.S. Department of Homeland Security, and Susan Sheehan, Director, Trade Policy and Investment Division, Canadian Department of Foreign Affairs and International Trade.)
3. What are DHS’ requirements for American Citizenship for contractor personnel and employees working in its facilities, or gaining access to its information technology assets in any way?

**DHS Response –** The answer to this question on security requirements is found at Homeland Security Acquisition Regulation 3004.470-3(b), which requires:

(b) Contracting officers shall insert the basic clause at (HSAR) 48 CFR 3052.204-71, Contractor Employee Access, in solicitations and contracts when contractor employees require recurring access to Government facilities or access to sensitive information. Contracting Officers shall insert the basic clause with its Alternate I for acquisitions requiring contractor access to IT resources. For acquisitions in which the contractor will not have access to IT resources, but the Department has determined contractor employee access to sensitive information or Government facilities must be limited to U.S. citizens and lawful permanent residents, the contracting officer shall insert the clause with its Alternate II. Neither the basic clause nor its alternates shall be used unless contractor employees will require recurring access to Government facilities or access to sensitive information. Neither the basic clause nor its alternates should ordinarily be used in contracts with educational institutions.

The clause 3052.204-71, Alt I, requires in part:

(k) Non-U.S. citizens shall not be authorized to access or assist in the development, operation, management or maintenance of Department IT systems under the contract, unless a waiver has been granted by the Head of the Component or designee, with the concurrence of both the Department’s Chief Security Officer (CSO) and the Chief Information Officer (CIO) or their designees. Within DHS Headquarters, the waiver may be granted only with the approval of both the CSO and the CIO or their designees. In order for a waiver to be granted:

(1) The individual must be a legal permanent resident of the U. S. or a citizen of … any nation on the Allied Nations List maintained by the Department of State [Canada is on the list of nations determined to fall into the allied category, as published by the Department of State at http://www.state.gov/s/l/treaty/collectivedefense/].

(2) There must be a compelling reason for using this individual as opposed to a U. S. citizen; and

(3) The waiver must be in the best interest of the Government.

(l) Contractors shall identify in their proposals the names and citizenship of all non-U.S. citizens proposed to work under the contract. Any additions or deletions of non-U.S. citizens after contract award shall also be reported to the contracting officer.

1. **How can I identify the agencies of DHS and what they do?**

   - See an organizational chart at [http://www.dhs.gov/xabout/structure/editorial_0644.shtm](http://www.dhs.gov/xabout/structure/editorial_0644.shtm) for how the seven agencies of DHS fit together with the Headquarters offices. The seven agencies are:
     - The [Federal Law Enforcement Training Center](http://www.dhs.gov/xabout/structure/editorial_0644.shtm)
     - The [Transportation Security Administration (TSA)](http://www.dhs.gov/xabout/structure/editorial_0644.shtm)
     - [United States Citizenship and Immigration Services](http://www.dhs.gov/xabout/structure/editorial_0644.shtm)
     - [United States Immigration and Customs Enforcement (ICE)](http://www.dhs.gov/xabout/structure/editorial_0644.shtm),
     - The [United States Coast Guard](http://www.dhs.gov/xabout/structure/editorial_0644.shtm)
     - The [United States Secret Service](http://www.dhs.gov/xabout/structure/editorial_0644.shtm)
   
   - Find out what they do, then link to all seven DHS agencies, plus its headquarters offices, at [http://www.dhs.gov/xabout/structure/#1](http://www.dhs.gov/xabout/structure/#1)

2. **How can I find DHS spending plans?**

   

   - Get spending plans for planned purchases over $100,000, including when the competition will be run, money available, and contact information for all its agencies, at [http://www.fido.gov/dhs/aap/publicviewsb.asp](http://www.fido.gov/dhs/aap/publicviewsb.asp)

   - Research and attend industry association conferences on DHS programs, at which DHS officials often present procurement outlook requirements as well as discuss current acquisition plans.

3. **Where are the Requests for Proposal (RFP's)?**

   If the first time you read about a solicitation for a major program is in FedBizOpps and you have no other information about the opportunity, it’s probably too late to either bid or even to join a team.

   - Get advance notice of upcoming competitions by reviewing the agency spending forecasts noted above!
   - Call the point of contact listed to find out about pre-bid conferences, draft RFP's and other pre-solicitation activities that provide vital competitive intelligence.
   - The actual solicitation announcements, including but not limited to Requests for Proposal (RFP), for procurement worth more than $25,000 are published in FedBizOpps, the U.S. Federal online procurement system, at [www.fbo.gov](http://www.fbo.gov).

4. **Are Canadians allowed to attend the conferences on DHS programs and are there any specific registration requirements?**
Requirements and procedures for registration may vary by event. Check the details when the briefing is announced.

5. **Is my company eligible for small business set-asides – and what are they?**

Each U.S. Federal buying agency must aim to award a total of 23% of its procurement dollars to American small business.

Canadian companies (especially those without offices in the United States) are generally not eligible for those preferences...as prime contractors. But, with close attention to the rules on teaming with qualified American small businesses, Canadian firms can open up opportunities worth millions.

Find out more about Small Business Set-Asides and how they affect Canadian companies on the Sell2USGov website. At [http://geo.international.gc.ca/can-am/sell2/sell2usgov/socioeconprograms-en.asp](http://geo.international.gc.ca/can-am/sell2/sell2usgov/socioeconprograms-en.asp), readers will find highlights of the U.S. Small Business preference programs, the barriers they can represent, and suggestions for ways to develop business despite the obstacles that the programs can pose.

Find out more about the U.S. government's small business procurement preference programs, run by the U.S. Small Business Administration (SBA), at [http://www.sba.gov/aboutsba/sbaprograms/gc/index.html](http://www.sba.gov/aboutsba/sbaprograms/gc/index.html). Details of the preferences are published in [Federal Acquisition Regulations Part 19](http://www.access.gpo.gov/nara/cfr/waisidx_00/48cfr19_00.html) (or go to [http://www.access.gpo.gov/nara/cfr/waisidx_00/48cfr19_00.html](http://www.access.gpo.gov/nara/cfr/waisidx_00/48cfr19_00.html)).

6. **Do I need a General Services Administration (GSA) Schedule contract (also referred to as a GSA Number) to sell to DHS?**

No. A GSA Schedule Contract is only one type of indefinite delivery contract vehicle, or purchasing method, that DHS buyers may use to do business with you. Some buyers and agencies do prefer this method. Even if you do not hold a GSA Schedule Contract, you may team with someone who does, as a subcontractor, to make it easy for buyers to purchase from you.

Find out more about GSA Schedules via the GSA Online Campus: [http://centerforacquisitionexcellence.fas.gsa.gov/KView/CustomCodeBehind/Login/Login.aspx](http://centerforacquisitionexcellence.fas.gsa.gov/KView/CustomCodeBehind/Login/Login.aspx)

REGISTER for GSA’s free online instruction about GSA Schedules, and complete the 8-hours’ e-learning. It is excellent preparation for the complex proposal preparation and marketing effort required for success.

7. **What are GWACs, ALLIANT, EAGLE and FirstSource?**

These are types of Indefinite Delivery Vehicles (IDV) contracts, in which

- Government defines what it might want to buy, runs a competition
- Multiple vendors are awarded contracts with related offerings

- Multiple Agency Government-Wide Acquisition Contracts (GWACs) are set up by one government department and may be used by others.
The General Services Administration (GSA) has set up GWACS that may be used by all other government departments. Some of those contracts for technology include ALLIANT, ALLIANT SMALL BUSINESS, and others. See details at www.gsa.gov.

Agency – Wide Contracts: The Department of Homeland Security will be setting up more, contracts that may be used by any of its own agencies, but not by other government departments, in order to improve DHS’ buying efficiency. Check the DHS Web site to find out which primes have won these contracts. You may approach them to supply as a subcontractor.

Its best known Agency-wide contracts are:

• **Enterprise Acquisition Gateway for Leading Edge Solutions (EAGLE)** offers DHS buyers IT service solutions for:
  - Engineering Design, Development, Implementation and Integration
  - Operations and Maintenance
  - Independent Test, Evaluation, Validation and Verification
  - Software Development
  - Management Support Services

• **FirstSource**: A contract vehicle for DHS to purchase IT commodity products like:
  - Networking equipment
  - Wireless technology
  - Imaging products
  - Voice recognition technology
  - On-line data reporting services for order, delivery, warranty, asset, and spend tracking; and associated product maintenance, installation, and support.

8. How can DHS buy from my company?

Canadian companies who wants business from American public sector buyers -- whether federal, state or local, as prime or subcontractor – benefit from the Sell2USGov web site, published by the Department of Foreign Affairs and International Trade (http://geo.international.gc.ca/can-am/sell2/sell2usgov/fedprocessentials-en.asp).

The site includes essential information about:
• All aspects of business development, including the Buy American Act and answers exporters’ top questions on business development strategies
• Tips for finding contacts
• An introduction to GSA Schedule Contracts
• Export controls basics
• Registration and procurement processes
• A guide to federal solicitations – what to expect and how to respond to your RFP.

The US Federal Acquisition Regulations cover all federal departments and agencies. See www.arinet.gov/far/.
• Each agency also has its own procurement rules, called supplements – like the Defense Federal Acquisition Regulations Supplement (DFARs) and the Homeland Security Acquisition Regulations Supplement (HSAR) and more. Link to these rules through the
9. **How can I show DHS my new technology?**

- Review the DHS web site to determine which agency or bureau to find out which parts of DHS represent potential clients. Requirements arise most often from:
  - Their current programs and activities
  - Programs changes that respond to challenges / pressures to fix publicized problems
  - New initiatives, especially launched by new leadership or a new Administration

- Review DHS Broad Agency Announcements (BAA), including the Long Range BAA for the DHS Science & Technology Directorate: [http://fs2.fbo.gov/EPSData/DHS/Synopses/37711/BAA08-01/LongRangeBAA08-01-110807.doc](http://fs2.fbo.gov/EPSData/DHS/Synopses/37711/BAA08-01/LongRangeBAA08-01-110807.doc)

- See if there’s a hot requirement for what you offer that’s a top priority for the Technical Support Working Group ([www.tswg.gov](http://www.tswg.gov)), which evaluates technology. Their web site explains how to contact them.

- Research the right contacts within that bureau, through commercial directories, your own network of contacts, or asking assistance from the Trade Commissioner Service ([www.infoexport.gc.ca](http://www.infoexport.gc.ca)).

- Research the vendors that are already supplying a similar requirement, and determine how your solution is better/faster/more cost effective than what they are using or planning now, and develop your Unique Value Proposition. Unless you can explain how you’re superior, you’re just another vendor, and a capability presentation will not bring you business.

- Find out the acquisition plans and forecasts for that agency (see FAQ 2), so you can explain to potential buyers how you fit those plans.

- Arrange a call on those contacts, and/or seek out conferences where you can meet them informally first.

10. **When do I need a lobbyist?**

You might need or want to engage a lobbyist to help you for situations that could include:

- Current or proposed regulatory standards leave your company or offerings at a disadvantage to your competitors…OR when a revised standard could give you an advantage over your competition
- Competitors are trying, or have succeeded, to get Congressional funding “earmarks” that create advantages for them as potential suppliers
- Your solution would be used in a program that does not have sufficient funds, and you want the Congress to authorize more funding to DHS or other target client department
- You want Congress to authorize funding for a pilot program to test your innovative solution, AND you need support from champions inside the government agency, too.

Got a specific question? Ask the CADSI International Committee for guidance, or contact your Trade Commissioner for Troubleshooting Assistance – learn more at
11. How can I better understand the roles of the Customs and Border Patrol (CBP) and the Secure Border Initiative Network (SBINet) procurement offices in the DHS? Do they jointly procure? If no, what are their respective areas of responsibility?

- Review the PowerPoint provided by DHS Tiffany Hixson, as presented to CADSI members on 30 January 2008. These materials are available for download on the CADSI web site.
- Review the DHS web site information at:
  - About Customs and Border Patrol: http://www.cbp.gov/xp/cgov/home.xml

12. Which Canadian agencies does the US DHS collaborate (and work closely with) in matters of the common border issues between Canada and USA?

Many agencies are involved.

- The lead agency opposite DHS is Public Safety Canada (http://www.publicsafety.gc.ca/index-en.asp)
- Canada Border Service Agency parallels U.S. Customs and Border Patrol.

13. Where can I find an organization chart of the Canadian equivalent to DHS and identify similarities and differences in procurements and acquisition?

- There is no comparative procurement guide.
1. Where can I find RFPs for state and local government?

Here's the answer, but please remember: if the first time you find out about an opportunity is on an electronic bid notice, you don’t know the buyer, have never heard of the requirement, and don’t know the incumbent, the RFP most likely represents a source of market research for tomorrow, not winnable business today.

- You can drill down state by state for free through the jumpstation published by the National Association of State Purchasing Officers (free, but time consuming) via http://www.naspo.org/directors/, or
- Access them via www.merx.ca from a single portal as a paid subscription service (costs you some money, saves you a lot of time).

2. Can State and local governments buy from Canadian companies?

Often yes; sometimes with restrictions. The best approach is to always check the individual state’s procurement regulations and read the specific solicitation.

State and local governments are not covered by NAFTA, which means they are not required to treat Canadian offers equally. In practice:
- many state and local governments do so
- many other state governments have “reciprocal” provisions – that is, their state discriminates against your province if your province would discriminate against a bidder from their state.
- some states, like New York, have negotiated reciprocal agreements with specific provinces, like Ontario and Quebec
- Check with your Trade Commissioner who covers that state to get details.

See a detailed discussion, and get links to all the states’ domestic source restrictions, at http://geo.international.gc.ca/can-am/sell2/sell2usgov/statelawsreg-en.asp

3. As a Canadian integrator firm, do I need to register with the State agency as a broker in order to do business with the US government?

Business registration rules differ by state. If you want to be a vendor to a state government, research that state’s procurement rules to find out whether you must have a legal business entity in that state in order to be a vendor.

4. How can I find out about DHS Grant Programs that fund state and local opportunities?

- Start at the DHS Grants jumpstation: http://www.dhs.gov/xopnbiz/grants/
- See the State Contract and Grant Award information at http://www.dhs.gov/xgovt/grants/index.shtm

5. How can my products qualify for state and local buyers who get federal grants from DHS to purchase emergency response equipment?

Department of Homeland Security’s Office for Domestic Preparedness funds the Responder Knowledge Base (RKB) at www.rkb.mipt.org. This web site provides emergency responders
with a single source of lists and information on equipment that may be purchased with federal grant funds. The federal Department of Homeland Security disburses over US$2.5 billion in grants and training funds to state and local governments across the United States.

DHS manages and publishes two lists of categories: the DHS Authorized Equipment List (AEL) and the Interagency Board’s Standardized Equipment List (SEL). If your product fits within one of the categories on the AEL (and is within the state’s spending priorities) DHS grant recipients may consider buying it. The SEL is also a list of categories. It is not tied to any grant funds, but gives details of features and operating considerations.

Whether or not a product may be purchased in a specific state with federal grant money is decided jointly by each State Administrative Agent and their respective preparedness officer in the DHS Office of Grants and Training. However, regardless of whether a product is on any list, each state’s DHS Administrative Agent (SAA) makes the final decisions on what the state may buy with its federal grants.

The RKB does not recommend specific products. Department of Homeland Security recommends that companies submit product information to the RKB for increased visibility and, in essence, free advertising on site where the grant guidance exists. Listing is not an approval, but helps buyers to see what industry offers, by linking the specific products to the related categories on the AEL.

DHS officials encourage Canadian manufacturers or distributors of appropriate products in the US to register with the Responder Knowledge Base (RKB) and submit product information to the database.

- For more information, visit [www.rkb.mipt.org](http://www.rkb.mipt.org)
- Review the flyer at http://www.rkb.mipt.org/documents/RKBOverviewFlyerIV.pdf, or
- Contact RKB online at rkb@terrorism.com

6. What role does the National Guard perform for homeland security?

The National Guard, a reserve component of the US Army, serves state mandates as well as federal ones (domestic and international). The National Guard Adjutant-General in each state is usually that state’s top coordinator for emergency response.

7. Does the National Guard have its own funding available and its own procurement responsibilities?

Yes. The National Guard’s budget is about $3 billion, split about 50-50 between state funds and Army appropriations. The National Guard is guided by the US Army’s procurement procedures and funds when its purchases support its federal roles and state procedures and funds for state mandates.

8. How can I find out more about the National Guard’s requirements?

**The US National Guard** often leads disaster response (in addition to its big roles in overseas deployments like Iraq). Here are 4 ways to connect with leaders and decision-makers you need to know if you want to become a trusted supplier.

- **Canadian companies may join the National Guard Association (NGAUS),** which advocates for the funding and equipment the Guard needs to carry out its missions.
• Then, as a new member, ask Hazell Booker, NGAUS Director, Industry & Association Liaison, for help to identify and introduce you to the state Adjutants-General and committee members that you most need to meet.

• Attend/exhibit at the NGAUS National Conference (August 2008 in Baltimore, Maryland)

• Ask Hazell how to register for the December NGAUS sell-out annual briefing, "Doing Business with the National Guard" in Washington DC.

Find out more about the National Guard and its roles:

• Overall: on The National Guard’s web site: www.ngb.army.mil/default.aspx

• In the Secure Border Initiative led by DHS Customs and Border Patrol: http://www.asisonline.org/newsroom/051506operationjumpstart.pdf

1. **How can I get lists of DHS buyers?**

Most federal government agencies publish only limited public contact directories, and the information is scattered through web sites. There is no single electronic contact directory like Canada’s Government Electronic Directory Service. The free best sources are to ask your own network of contacts for introductions.

Otherwise:

- Procurement points of contact are listed along with the forecast purchases published at [http://www.fido.gov/dhs/aap/publicviewsb.asp](http://www.fido.gov/dhs/aap/publicviewsb.asp)
- Commercial Contact Directory publishers provide comprehensive lists that includes officials’ names, titles, emails, addresses, phone numbers and organizational structures. You can purchase single use, quarterly, or licensed unlimited online access from companies including:
  - Leadership Directories [www.leadershipdirectories.com](http://www.leadershipdirectories.com)
  - Carroll Publishing [www.carrollpub.com](http://www.carrollpub.com)
  - More detailed biographical information plus contact lists are available for purchase from sources including Specialized Consultants:
    - Federal Sources – [www.fedsources.com](http://www.fedsources.com)
    - INPUT – [www.input.com](http://www.input.com)
    - ONVIA – [www.onvia.com](http://www.onvia.com)
    - E-Pipeline – [www.e-pipeline.com](http://www.e-pipeline.com)
    - Fedxcel – [www.fedxcel.com](http://www.fedxcel.com)

2. **How can I get appointments with DHS buyers?**

Once you research the right contacts, their current programs, procurements plans, suppliers, and needs,

- Easiest way: through an introduction from someone
- Someone who knows the buyer you want to reach
- Next best: seek out a meeting or conference where the contacts you want to meet will be speaking or attending.
- Last try: cold call. If so, a strong Unique Value Proposition will help you get the meeting.

3. **How can I find out who the DHS primes are?**

Research past contract awards at no charge via:

- FedBizOpps ([www.fbo.gov](http://www.fbo.gov))
- Federal Procurement Data System ([www.fpds.gov](http://www.fpds.gov))
- USASpending ([www.usaspending.org](http://www.usaspending.org))

Spend less time and more money to get probably more comprehensive, useful answers through procurement consultancies that specialize in such databases and research. Costs can run from about $1000 to over $5000, depending on whether you want custom one-time work or a simple database subscription. Such consultants include:
4. **How long will it take me to win business?**

Expect to spend 2-3 years on marketing and business development before making a consistent profit in this market niche.

5. **How do I get to meet the key homeland security decision-makers?**

Conferences and trade association meetings are probably the easiest ways to meet these officials for the first time. Most are very open to meet, willing to exchange cards, and invite you to follow up.

6. **Where can I meet prime contractors?**

- Ask your network of contacts and your company’s board of advisers for introductions.
- Ask your Trade Commissioner who they know among the companies you want to meet (see more at www.infoexport.gc.ca)
- Join the associations to which the primes you want to meet belong.
- Then become an active member of that association’s committees, and volunteer your time to work on program, sponsorship, membership, events, or other activities (including golf!).
- Look for every way you can to help the people you meet through the organization – share your contacts, news, and insights with them, refer work to them.
- Work hard for the association and its members….and they will become your colleagues and the friends you can help you open the doors you need.

7. **Do I need an office in the United States?**

It’s usually not required. However, many Canadian firms find that American buyers and partners view a U.S. office as a sign of serious commitment to the U.S. government market, and respond more positively to companies that have an American subsidiary.

A Canadian company seeking to take direct advantage of small business set asides may choose to set up a U.S. subsidiary to qualify for those preferences. However, be careful! The Small Business Administration counts the revenue or number of employees of all the parent companies as well as the U.S. small business when considering size eligibility.

8. **Where can I find a good sales agent?**

- Your own network of contacts should be your best source of trusted referrals.
- Barring that, consider asking your Trade Commissioner who assists you in the city or territory you want to reach for recommendations (see www.infoexport.gc.ca)
9. **Do sales agents work on commission?**

Expect to pay an experienced marketing representative or business development executive about $100,000 per year or more, plus commission or performance incentives.

Some volume distributors that are providing fulfillment service for simple commodity products that you are marketing may be willing to work on commission alone.

Otherwise, sales agents rarely work on commission alone in the government market. That is particularly so if you offer a sophisticated solution that has to be integrated into a large system. Sales cycles are too long, and outcomes too uncertain, to expect someone to work for free for 24 to 36 months in the hope of getting paid commission on a sale. Furthermore, keep in mind that your revenue from the contract doesn’t come until after you perform.
1) **Are sales agents subject to any limits under the Federal Acquisition Regulation concerning the fees payable to them?**

The FAR doesn’t limit what you can pay your sales agents…but it DOES limit how much general and administrative overhead you can charge to your project costs.

2) **What top tactics do winning Canadian companies use?**

These top tips for success in the US Homeland Security market were developed from interviews with Canadian industry executives of firms that are successfully selling their homeland security solutions to federal, state and local US government buyers.

Companies surveyed were less than six years old, with 15 – 36 employees, with sales ranging from $1 – 20 million. The companies rely heavily on export sales, especially to the United States, for business growth, and had targeted the homeland security niche as a key market for their firm.

- Research to identify partners who offer the best fit, and tailor your partnership proposal to show the complementary strengths that mean your prospective partner will win more business teamed with you than without you.

- Many large primes have a small business liaison office. Those offices can be a good place to start navigating to find the precise contact you need. Some prime contractors publish procedures or require you to register your partnership interests online. The larger the firm, the more seriously they take these systems! You will never win business because someone finds you on the partnership web site. However, they will review how carefully you prepare your profile, and can use that as a criterion to screen you in – or out – of consideration.

- Establish the ways in which your technology or offering is unique, has been demonstrated as highly reliable in operational environments, and, if possible, is something that the government buyer already uses or wants.

- Primes expect you to bring business to them. Do not rely on them to bring business to you or to find opportunities to market your products.

- Focus on showing how well you understand both the end user AND the needs and priorities of the prime contractor to serve that end user.

**Initial sales**

- Seek a small pilot project (whether with Canadian or US government). Keep in mind that some US government buyers favor projects scaled at just under US$25,000, so that they can make a sole-source award.

- Focus early on getting a full-scale implementation of your security solution. Then, “Come up with a case study, documented, with proven results.”

- Build your reputation: carefully cultivate the highest possible success rate and the highest quality customer experience.

**Identifying & Developing Opportunities**
• Position your firm to end users, designers/consultants, and integrators so that your solution gets specified.

• Work with systems designers and government program managers to win their support for your enabling technology and be sure it works with other equipment and preferred systems.

**Contact Development**

“The first contact you get is not going to be the right person, but persistence and the right approach will get you to right person.”

• Niche-oriented trade shows and conferences; Speciality Journals: find out what your target clients attend and read.

• Board of Advisors/Directors, and Sales Force: be sure to include former military officers who are comfortable calling on former colleagues in government and industry. They are one of the best sources of inside information as well as contacts.

• Canadian Defence Liaison Staff: Canadian military liaison officers assigned to US military bases are very helpful in providing referrals and introductions. Find out who they are by contacting the Defence Cooperation Attache at the Canadian Embassy in Washington DC (202) 682-7771. As of Spring 2008, the Attache is Col. Denis Dion (Dion.JACD@forces.gc.ca)

• Call on US military facilities: Canadian companies should arrange visit clearances through the Joint Certification Program (JCP) in Battle Creek, Michigan. The Canadian and US governments are structured to help you! Find out more at http://www.dlis.dla.mil/jcp/faq.asp

• Associations: active participation in targeted associations provides leads and connections to buyers and primes.

1) **How can I tell the best trade shows and conferences to attend?**

   a) Ask your buyers which 3 events they consider “must-go”, and why they like those events.

   b) See which shows and events your competitors continue to attend.

   c) Walk the show and talk to visitors and exhibitors about traffic and results.

   d) Consider favourably events that are jointly organized by industry and government -- for example, Navy League, Armed Forces Communications and Electronics Association (AFCEA), and Modern Day Marine. These events often have more substantial participation from government buyers than those run by trade show promoters, as they represent a community gathering, not just a commercial marketplace.

   e) Get the show statistics and demographics from the producers, and consider how the total cost of preparing for, marketing at, and following up after the event fits your budget.

   f) Attend first as a visitor, walk the show, listen to the sessions.
2) What assistance is available from the Government of Canada to a Canadian company or person selling a product or service to the US Government, particularly the Department of Homeland Security?

a) Market Planning, Contacts, Troubleshooting: Canadian Trade Commissioner Service
   i) In Canada: ExportSource (www.exportsource.gc.ca)
   ii) In USA: InfoExport/Virtual Trade Commissioner (www.infoexport.gc.ca)
   iii) Online: www.sell2usgov.ca

b) Visit Clearances: Joint Certification Program (JCP) in Battle Creek, Michigan

   The U.S. – Canada Joint Certification Office (JCO) facilitates visit clearances to U.S. military installations
   - **Contact:** Bob Davidson, (269) 961-7431, http://www.dlis.dla.mil/jcp/
   - Allow 30 days lead time for initial application.
   - Apply for DD2345 – can fill in online.

   JCO Registration required for:
   - Visit Clearance Requests
   - Solicitation/specification requests
   - Assistance with Central Contractor Registration

c) Offer Endorsement and Contracting Assistance
   - Canadian Commercial Corporation (www.ccc.ca)

d) Referrals and Introductions to Military Contacts: Canadian Defence Liaison Staff Contact the Defence Cooperation Attache at the Canadian Embassy in Washington DC (202) 682-7771.

   - Coordinates secure Canadian participation in US military projects, visits
   - Administers industrial security clearances
     - Corporate
     - Facilities
     - Personnel
     - International
     - Contact: Tita Cochrane (613) 948-1661

Read American industrial security procedures: http://www.tscm.com/NISPOMSU.html
1. What do prime contractors partners look for?

Prime top priorities – in order – often include:
• Core capabilities & differentiation
• Past performance & reputation
• Price
• Personnel experience & low turnover
• Location
• Financial strength
• Dependable, responsive team player

2. What are the top things I can do to get their attention?

• Learn and know how the government does business
• Find and bring them opportunities. They are opportunity-driven, not technology-driven.
• Research their company, clients, capabilities, and come ready to present where you fit into their strategy.
• Show how your solution fills a niche with something you know the client already wants
• Show how they benefit because YOU’RE on the team

3. Some primes say they’re looking for 8(a) companies. What are those, and how can I become one?

The U.S. Federal government seeks to achieve certain socio-economic goals through its annual awards of over US$400 billion in contracts for goods and services by establishing preference programs for a wide variety of American small business contractors.

The 8(a) program of the U.S. Small Business Administration (SBA) aims to help small companies owned and operated by socially and economically disadvantaged persons develop their businesses -- including through preferences in American Federal contract awards.

One benefit of the 8(a) program is the preference that qualified companies gain in award of Federal contracts. SBA may act as a prime contractor to other Federal Government departments and agencies, and awards subcontracts -- including sole-sourced -- for performance by companies that SBA certifies as eligible under the rules of the 8(a) program.

• Each buying agency must aim to award a total of 23% of its procurement dollars to American small business (including but not limited to 8(a) companies. Details of the preferences are published in Federal Acquisition Regulations Part 19 (or go to http://www.access.gpo.gov/nara/cfr/waisidx_00/48cfr19_00.html).

• Canadian companies (especially those without offices in the United States) are generally not eligible for those preferences...as prime contractors. But, with close
attention to the rules on teaming with qualified American small businesses, Canadian firms can open up opportunities worth millions.

- Find out more about Small Business Set-Asides and how they affect Canadian companies on the Sell2USGov web site. At http://geo.international.gc.ca/can-am/sell2/sell2usgov/socioeconprograms-en.asp, readers will find highlights of the U.S. Small Business preference programs, the barriers they can represent, and suggestions for ways to develop business despite the obstacles that the programs can pose.

Within that 23%, agencies must strive to award contracts to special kinds of small businesses, including small disadvantaged businesses that qualify for preference under the 8(a) program that is run by the U.S. Small Business Administration (SBA). 8(a) companies are eligible for contract preferences, including sole-source work, for up to nine years.

When a federal buyer wants to make a sole-source award to a specific participant in the 8(a) program, the agency must request SBA's approval via an offering letter that includes a description of the proposed work, North American Industrial Classification (NAICS) code, and anticipated dollar value, and identifies the small business contractors that have performed on the requirement during the previous 24 months. Before SBA accepts a proposed procurement for award through the 8(a) program, it must determine that to do so would not create significant adverse impact on other small businesses, including ones that have been performing the requirement outside the 8(a) program and rely on such work for 25 percent or more of its revenue.

4. What are Alaskan Native Corporations, and why and how would I seek to team with them?

Alaskan Native Corporations (ANC’s) and American Native-Owned Corporations can win sole-source federal contracts with no upper dollar limit – and have government clients all across the United States.

With the right Alaskan Native Corporation or Native American partner, your company could team on multi-million-dollar American government contracts and slash the time, cost and risk of losing the bid to competition.

Find the right ANC partners for you, get corporate profiles and contacts, and the keys to success.

The Canadian Trade Commissioner Service has just made that easy for you! Request their new report on success tips and advice on how to make contacts, evaluate the risks, opportunities and procedures for successful teaming with Alaskan Native Corporations (ANC’s) through the 8(a) program on these increasingly large contract awards.

Contact Jane Shaw, Trade Commissioner at the Canadian Consulate General in Seattle -- jane.shaw@international.gc.ca.
1) **How should I respond to a prime contractor or partner that says the International Traffic in Arms Regulations (ITAR) require them to purchase our Canadian-made product through a distributor?**

   a) First, review the Export Controls FAQ’s on the CADSI web site for background that may help answer this question.

   b) Second, your description of the situation is insufficiently complete to know whether ITAR requirements are triggered and, if so, which ones.

   Your company should respond to specific situations in accordance with the standard operating procedures you have developed for compliance with export controls obligations – whether Canadian, American or those of other countries with which you do business.

   If your company does not have such standard operating procedures, and is concerned about compliance with export controls obligations, then consider engaging the services of export controls professionals in Canada and the United States to assist you in developing and implementing such procedures.

2) **How can Canadian citizens get security clearances that may be required to participate in DHS contracts?**

   Canadian citizens may not perform work as contractors at DHS facilities.

3) **How can Canadian companies meet U.S. DHS requirements for facility security clearances?**


   Contact: Tita Cochrane (613) 948-1661

   Read American industrial security procedures: [http://www.tscm.com/NISPOMSU.html](http://www.tscm.com/NISPOMSU.html)

4) **How do US Export Controls, particularly the International Traffic in Arms Regulations, affect Canadian participation in DHS solicitations and contracts?**

   Transfer and export of technology, data or other items or services designed for military use may be controlled by the U.S. Department of State through the International Traffic in Arms Regulations if the items are on the U.S. Munitions List. Homeland security buyers and prime contractors may wish to include some of those controlled items as components in a Homeland Security programme or project.

   If so, then a Canadian company may only have access to such items – whether they be parts, drawings, specifications or even expertise by phone or email – if the American partner or buyer has secured the permission of the State Department. The Canadian firm must find out whether
any aspect of a prospective project is covered by ITAR, and, if so, ask its prime contractors, partners, or government buyers to seek the appropriate permission from the U.S. Department of State through application for a Technical Assistance Agreement or other kind of export license. Only American Persons may apply for such licenses.

Find out more! CADSI has an FAQ on Export Controls on the Members Only part of your web site.

- Overview for Canadians: www.international.gc.ca/sell2usgov/exportcontrols-en.asp
- Canadian Controlled Goods Program: www.cgp.gc.ca/cgrp/text/cgrp/default-e.asp
- U.S. Department of State: Directorate of Defense Trade Controls -- www.pmddtc.state.gov/
  - How to apply for a Commodity Jurisdiction: www.pmdtc.org/docs/cj.pdf
  - International Traffic in Arms Regulations -- www.pmddtc.state.gov/reference.htm#regs
- U.S. Department of Commerce
  - Bureau of Industry and Security -- http://www.bis.doc.gov/
  - Commerce Control List -- http://www.access.gpo.gov/bis/ear/ear_data.html#ccl
  - Course Schedule at http://www.bis.doc.gov/seminarsandtraining/elsem.htm
- Society of International Affairs: This is the American association of export controls professionals. Basic, Intermediate & Advanced Licensing courses fill up fast! See schedule at www.siaed.org.