

A Guide to Teaming



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SERIES

PREPARING FOR PUBLIC PROJECTS WITH THE INTERSTATE BRIDGE



OFFICE OF EQUITY AND CIVIL RIGHTS

CAPACITY BUILDING MENTORSHIP PROGRAM



The Capacity Building Mentorship Program (CBMP) pairs small, minority, veteran and women businesses with successful prime contractors and consultants. These mentors provide technical assistance and business advice to strengthen the protégés' capacity to work with Washington State Department of Transportation and Sound Transit projects. This program is intended to enhance the capabilities and participation of underserved businesses that are able to perform work on transportation-related projects.

STRENGTHENING LOCAL BUSINESSES

WSDOT's Office of Equity and Civil Rights and Sound Transit cosponsor the program. The program's primary objective is to strengthen the long-term stability of diverse firms by focusing resources on those critical business skills that contractors need to compete successfully in the construction industry.

The CBMP program is part of WSDOT's [efforts to increase diverse business participation](#) in the construction industry.

WHO CAN PARTICIPATE?

All contractors, subcontractors and stakeholders working on WSDOT consulting and construction projects.

ABOUT WASHINGTON MINORITY BUSINESS DEVELOPMENT AGENCY BUSINESS CENTER

Operating since September 2016, Washington MBDA Business Center is part of a network of 40+ MBDA business centers in the U.S., and provides technical assistance and strategic consulting to established minority-owned businesses in the state of Washington.

[Click here to get started](#)

You can also email WSDOT directly at DBESS@wsdot.wa.gov or call 360-705-7090



How Small Businesses can Leverage Joint Ventures to Win and Perform non-Federal Public Contracts

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REAVES GovCon GROUP

Experience

- 20 Years of Experience as a Government Contracts Attorney assisting Companies doing business with Federal, State, and Local Government
- Co-Founded Reaves GovCon Group in 2012 – Reaves GovCon Group has 10 Attorneys who specialize in Government Contracts and Construction
- Since 2016, have created more than 250 Joint Ventures (25 of which have been individually awarded contracts/task orders valued at over \$50 million)
- National Speaker on Government Contracting, Small Business, and Legal Topics

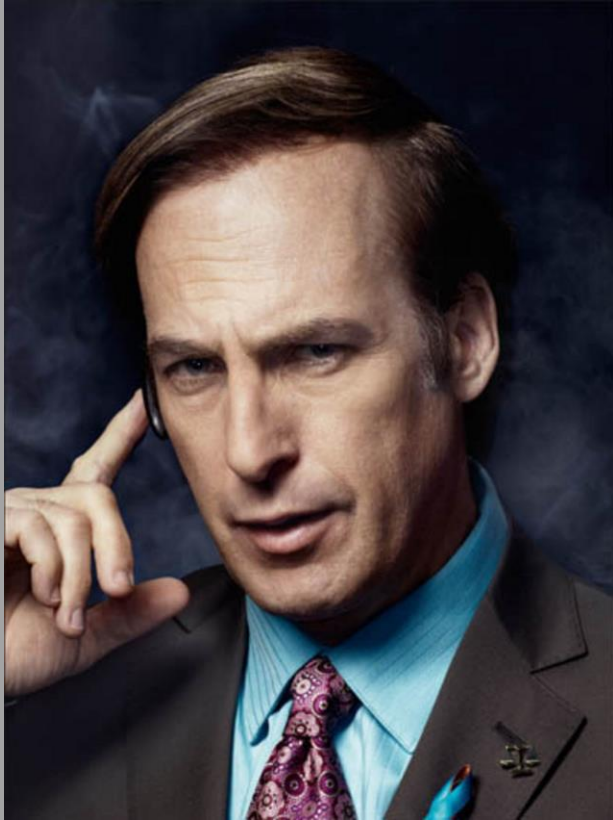
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Disclaimer



- The following presentation is for informational and educational purposes only and does not constitute legal advice. For legal advice on specific situations and circumstances, please contact an attorney familiar with public procurement statutes and regulations.



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Joint Venture Refresher

- In Federal Government Contracting (under FAR 9.601) BOTH Traditional Prime-Sub Teaming Agreements AND Joint Ventures are collectively referred to as “Contractor Teaming Arrangements”
- Unlike the Federal Contracting where Joint Venture regulations are implemented by the Small Business Administration (SBA), and by Federal Agencies and Contracting Officers, at the State level, each State has its own unique rules for creating, registering, bidding, and conducting business as a Joint Venture



Joint Venture Refresher, cont.

- High Level - Teaming Agreement (Prime/Sub) vs. JV
 - Teaming Agreement – only ONE party with direct contractual privity with the Government (Prime-Sub)
 - No enforcement rights between Subcontractor and the Government
 - Joint Ventures – BOTH parties have contractual privity with the Government
 - Enforcement rights between parties governed by the JV Agreement and there are enforcement rights between BOTH contractors and the Government



Joint Ventures

- A JV is an entity (incorporated or unincorporated), separate from its members but made up of its individual members
- The JV entity is the offeror/bidder to government
- You can think of each JV partner as being a “super” subcontractor of the JV entity
- JV’s can be populated OR unpopulated, although federal contracts do not generally allow populated JV’s (populated = with employees)



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Joint Ventures, cont.

- An incorporated JV is almost exclusively set up as a Limited Liability Company (LLC) with each of the Joint Venturers as members/owners
- An UN-incorporated JV is essentially a Partnership and is created by a Written Agreement between the Parties
 - Although unincorporate JV's are less common on the federal level, they are much MORE common at the state and local level
- A Joint Venture allows EACH PARTY to provide its capabilities, resources, past performance and experience and to do so with a direct contractual relationship with the Government (unlike a traditional prime-sub relationship)



JV Benefits

- Unlike a traditional Teaming Agreement, the JV entity can be set in place and cover multiple RFPs and contracts
- The management, control, workshare, and profit/loss distribution issues usually get addressed up front
- Government Benefit – Government/Agency is able to “reach out and touch” both the “prime” and “sub” by virtue of the JV structure (privity with BOTH entities)
- At the federal level (and potentially at the state and local level) Joint Ventures can provide for a revenue allocation split for small business split for small business
- **Construction contractors combine/utilize bonding resources**



JV Drawbacks

- Joint Ventures provide for the sharing of profits AND losses, so subcontractor/JV partners cannot limit their losses in the same way as in a traditional Prime-Sub relationship
- More costs involved with setting up
 - Legal fees (JV Agreement/Operating Agreement)
 - Legal formation of a new entity (for separate entity JV)
 - Business License (revenue tracking)
 - Tax filings
 - Some ongoing costs/logistics to maintain registrations
- In firm-fixed price (FFP) setting, can be difficult to agree on definition of “costs” for purposes of splitting profits and losses



WA Administrative Code (JVs)

- Under Wash. Admin. Code § 468-310-070, JV's are either considered:
 - 1) An Individual Project Joint Venture, OR
 - 2) A Continuing Joint Venture
- The Regulations include specific requirements for prequalification of both types of JV's – the requirements for Continuing Joint Ventures are more extensive (because these joint ventures are permitted to bid on multiple projects)
 - [410-009.PDF \(wa.gov\)](#) (WDOT FORM 410-009)



WA Administrative Code (JVs), cont.

- For Individual Project Joint Ventures, as long as all JV members are prequalified, the requirements are not extensive, but the JV members must file a “individual project statement of joint venture” at least 15 days prior to the bid date which includes specific information about the JV partners
- For Continuing Joint Ventures (including separate entity JV’s) the requirements are more detailed and include the actual Joint Venture Agreement itself among other specific requirements)



Other JV Issues

- Size and Status of the JV members is always an important issue
- You must confirm procurement by procurement, Agency by Agency – whether Joint Venture with a Large or non-disadvantage business is permitted
- JV's can create unique insurance issues – for separate entity JV's, typically the new JV entity can be added as an “additional insured” for projects
- Bonding – if each JV member has a different bonding program, sometimes cross-indemnity Agreements need to be put in place



QUESTIONS???

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A Business Primer for Companies in the State of Washington

TEAMING STRATEGIES

Convincing General Contractors To Put You On Their Team

Joshua P. Frank MIS, MBA

- ▶ **RSM Federal - Managing Partner**
- ▶ **Executive Coach, Author, Professional Speaker**
- ▶ **35 years Public Sector / Government**
- ▶ **Former Military Intelligence Officer**
- ▶ **Small Business Advocate**
 - Strategic Advisor, National Veteran Small Business Coalition (NVSBC)
 - Chairman Emeritus, Veterans Advocacy Foundation (VAF)
 - Finalist Judge, Arch Grants Entrepreneurial Competition
- ▶ **Expertise**
 - Education, Training, and Helping Companies Win Government Contracts
 - **Tailored Tactics & Strategies** to Accelerate Revenue and Market Entry
- ▶ **Client and Member Success**
 - \$14.6 Billion in Small Business Government Contracts
 - \$30 Billion in Multiple Award IDIQs

Teaming Is More Than Introductions and Desire Requires Market Intelligence and Effective Strategies



Not about what you learn. I want you to think differently.

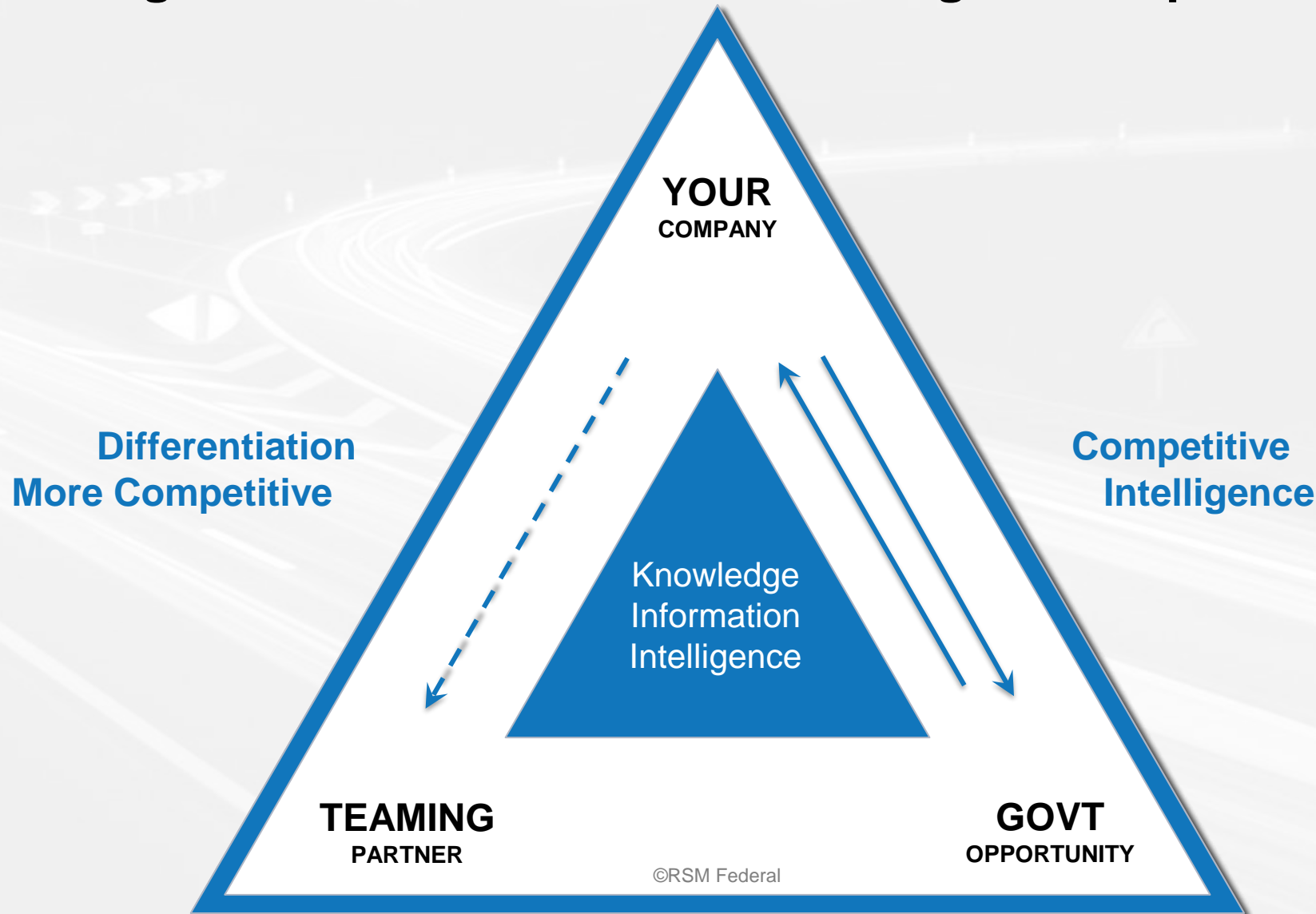
What's Your Objective?

Your #1 objective is to convince the Prime Contractor...
*you will make **THEIR** team more competitive!*



*Market & Opportunity Intelligence
is the foundation for teaming*

Teaming Triangle → Information and Knowledge = Competitive Advantage



How Large Companies Evaluate Smaller Companies

5 Functional Areas

1) Market Acumen

- You Know the Customer
- Geographical Location

2) Back-Office Maturity

- Strong Interpersonal Skills
- Investment Potential (Time?) (They will ask around)
- Proactive versus Reactive
- Follow-Up What is Promised
- Company Reputation
- Competitive Pricing

“You may have superior capability, great products and past performance, but a strong back-office is equally important to a teaming decision.”

3) Competencies

- Complimentary Capabilities
- Niche Capability?
- Website, LI, Marketing is “Reality”
- Past Performance

4) Quid-Pro-Quo

- Common Interests
- Bring Them Business First

5) Acquisition Differentiators

- Socio Economic Status

Past Performance Levels

How competitive is your company?



12+ Success Factors

- ▶ **You are an expert at whatever you decide to be an expert at**
- ▶ **Hope is not a strategy**
- ▶ **Marketing gets 6 seconds**
- ▶ **General Contractors don't team with companies. They team with people.**
- ▶ **Don't market what you sell. Market the value.**
 - If you're not communicating value – no differentiation / not strong option / not getting on team
 - Example

12+ Success Factors

- ▶ **Teaming is not a slot machine**
- ▶ **Your socio-economic status is a *Balancing Differentiator***
 - Being certified MBE, WBE, etc. does *not* give you competitive advantage
- ▶ **You initiate teaming discussions Pre-Acquisition**
 - If you don't have a teaming agreement...you're NOT on the team (no matter what they say)
- ▶ **The first meeting should be YOU bringing an opportunity to THEM**
 - Bring them an opportunity they can not prime on their own (small business set-aside)
 - Common practice and expected by larger companies
 - No stronger way to build a relationship with another company
 - Strategically position for future large projects

12+ Success Factors

- ▶ **Relationships drive teaming decisions**
 - Don't over-rely on technology - *nothing* replaces face-to-face
 - Meeting in person? 10 x more likely to get on the team

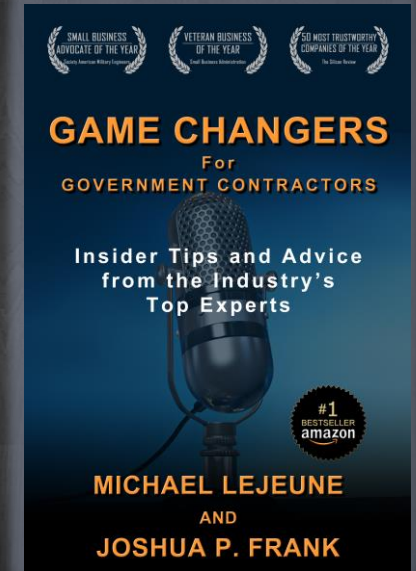
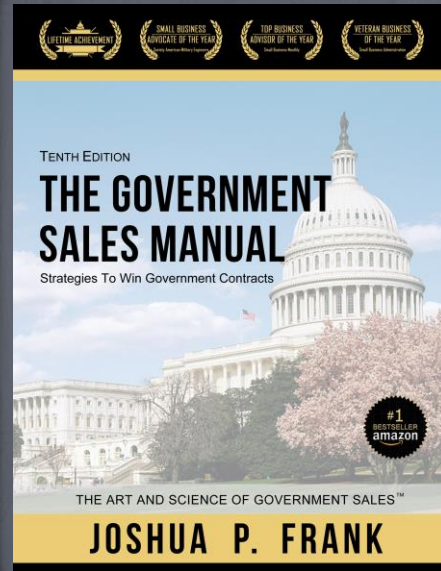
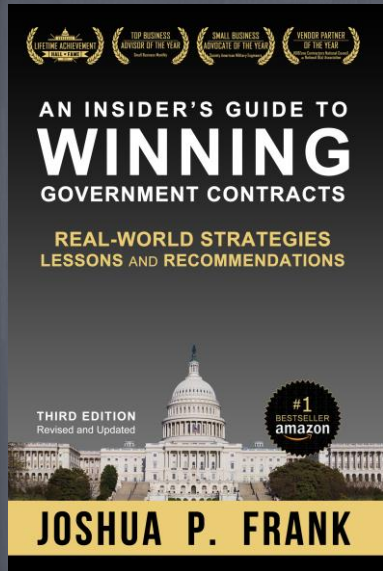
- ▶ **Your competition doesn't get on the team because**
 - Stronger past performance or experience on larger projects
 - How does the **value** you provide help the Prime be **more competitive**?

- ▶ **You're just another company**
 - Never differentiate until the teaming partner perceives that you are equal to **your** competition
 - Perception that you are just like the other 50 companies that have called to get on the team
 - Example

- ▶ **Exclusivity – be careful what you wish for**

Joshua Frank

"The difference between a job and an occupation is life-long learning"



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Questions?

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