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# SUCCESSFUL MARKETING TIPS

## CHAPTER 5

When marketing a product or service to New York City government, you should closely adhere to the fundamental marketing tips described throughout this chapter:

### 1. Be Smart

- \* Know the products or services purchased by various City agencies.
- \* Understand the different methods of purchasing source selection as contained in the Procurement Policy Board Rules.
- \* Learn to locate individual sales opportunities.
- \* Be entered on the appropriate bidders mailing lists.
- \* Attend City sponsored procurement fairs and vendor conferences.

### 2. Be Practical

This manual is designed to assist vendors who wish to explore the feasibility of becoming successful NYC government contractors. It is written with the new vendor in mind, and is based on the practical experiences of other such vendors who have marketed their goods and services to the City of New York.

Not every vendor is destined to become a New York City government contractor, and therefore, part of this exercise should be viewed as a study in determining when a vendor should terminate its inquiry and apply its resources to more profitable endeavors.

### 3. Be Careful

When a vendor fails to perform on a contract, the City has the right to terminate that contract for cause and “buy against” for that portion of its remaining requirements. This means the City can go to the next lowest bidder, purchase that product or service at a higher price, and charge the difference to the first contractor. A contractor who does not perform will be placed in our “Vendex” Caution List and may even risk debarment for as long as five years. There is more information on this in Chapter 8 of this manual.

If a vendor is unsure about anything, ask for assistance or clarification. The agency buyer, the contracting officer, the end user, the Department of Citywide Administrative Services/Office of Vendor Relations, the Mayor’s Office of Contracts, the Procurement Policy Board and the Department of Business Services are all potential sources of information and guidance.

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## 4. Be Efficient

There is no single formula for winning a City contract. Each vendor will need to develop their own strategy in order to determine its chances of being successful. Follow the practical steps as outlined in this manual and use the Procurement Policy Board Rules to assist you in understanding the City's procurement process. The Rules can be obtained from:

Procurement Policy Board  
51 Chambers Street - Rm 1126D  
New York, New York 10007  
Tel: (212) 788-7820  
Fax: (212) 788-7839  
Internet Website: <http://www.nyc.gov>

## 5. Backtrack to the Buying Source

When the point of purchase for an item is not easily located, consider another search strategy. For example, go directly to a day care center, or a police station. Ask people there questions about your product or service. Try to locate a potential user. Use common sense. Be practical.

Ask questions like... "Do you ever require \_\_\_\_\_?"

If that person indicates yes, then ask them, "How do you obtain it? Do you order it from a storehouse? Can you utilize small purchase procedures? Can you buy it locally with imprest funds? Who does the actual purchasing? What's their name?... Phone number?"

It is at this point the vendor should begin to backtrack, recreating the chain of events along the purchase trail. This track will eventually lead to identifying a storehouse, or other point of purchase. From the distribution outlet, one can easily determine the type and source of procurement utilized, e.g. a **DCAS** Requirements type contract, an agency blanket purchase order, etc.

Eventually the buyer's name, a telephone number, and additional details about the purchase of the item will surface. This process of backtracking works well in marketing complex, technical, and/or unusual products and services.

## 6. Specifications

There is no single clearinghouse for specifications. Each agency end user maintains a different system. **DCAS** is the best place to begin when working with Mayoral agencies. The independent agencies must be contacted separately.

There are a variety of different specifications including: Federal and military specifications, municipal and state specifications, project specific specs, and professional association standards, e.g. United Laboratories (UL), SAE, ANSI, and ASTM.

In order to change or update specifications, attempt to locate the "custodian" of the spec. This is the person(s) responsible for maintaining the specification. They may be engineers, intimately involved with the smallest details of the specification language; or they may not understand a word, and simply catalog and classify like a librarian.

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## HOW TO RELATE TO CITY PERSONNEL

Contact these individuals through the buyer, and/or the agencies technical engineering centers. Do not attempt to persuade with oral arguments, this is not a sales pitch. Be objective, technical, and employ written correspondence. Convincing engineers and technical personnel that your specification or product is the right choice for their application is a learned business skill.

### 7. Brand Name or Equal

In order to determine whether an item specified in a bid complies with the “brand name or equal” clause, vendors need to obtain the product data as listed in the cited manufacturer’s product literature. One may also utilize sales and technical catalogs, industry and trade directories, manufacturers catalog files, the Thomas Register of Manufacturers, IHS Microfilm Services, and the public library system. Develop and maintain a library of these specifications.

CIDs, or commercial item descriptions, are generic narratives related to a class of products within a given industry or subset. The use of CIDs helps to define what may be considered equal or comparable. The concept draws on similarities in form, fit, and function.

When offering an “or equal” item, identify the brand, model number, and its salient characteristics on the bid pricing page. Attach to, or include with the bid package, additional supporting documents, product literature, test lab reports, or comparison studies. A carefully prepared technical package makes it much easier for the evaluation team to fairly judge a vendor’s product against the cited standard.

### Agency Buyers

Buyers and contract managers are responsible for insuring that fair and openly competitive practices are utilized. However, they are not obligated to sit down and meet with every prospective supplier that comes through the door. Most agencies have established designated time periods when procurement personnel and suppliers can meet.

There is a fine line between maintaining contact with a buyer or contract manager and being a nuisance. Whether a buyer is receptive to a company’s marketing efforts depends on a combination of elements. These include:

- \* The firm’s product, price, quality and/or performance
- \* The level of competition required for a specific item
- \* How busy the buyer is with other suppliers and current bids
- \* The supplier’s tact and salesmanship skills

### Buyers and End Users

A common mistake is to confuse the person whose name is on the contract document (the buyer) with the person who will ultimately use the item or service being purchased (the end user).

The buyers, or contracting officers, are procurement specialists who conduct the administrative procedures involved in the purchase of the goods or services. In the case of highly technical items, they may not be familiar with the product or service being purchased. If the buyer believes it is necessary to learn more about the product or service, he/she will contact a technician at the user agency. Do not attempt to make this contact directly. Go through the buyer or the contract manager.

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## Highlight Your Competitive Strengths

In selling to the City, the best single method is to meet with a buyer personally. The best way to meet a buyer is to emphasize the company's responsible and competitive assets. Appointments are easiest to make if a supplier:

- \* Has current or recent government contracts
- \* Has current or recent commercial contracts
- \* Is a regular manufacturer or authorized dealer of an item
- \* Is, or has been, a subcontractor to a recognizable prime contractor

## Contacting the Buyers

The objective of this marketing strategy is threefold:

1. Personally meet and talk with the appropriate buyer(s)
  2. Remind buyers to remember your product and your firm
  3. Be notified by them when the next solicitation is issued
- There are any number of ways to meet buyers. Three of the most appropriate are:

### 1. Write a Letter

Start by writing letters. Keep them brief and include a reasonable amount of information describing the company and its product or service. Close by asking for an appointment.

### 2. Send Company or Product Literature

Some buyers use loose-leaf catalogues arranged on their desks. Others keep literature attached to manila folders which contain historical data relating to the purchase of items. Finally, some agencies have completely discarded all hard copy company literature, and put the product and company information into their computer systems. One method which seems to be effective is distributing business cards printed in the form of a "rolodex card". Buyers file this card and it is easily located in their rolodex files. This technique is especially effective with products or services which are unusual in nature, or infrequently purchased.

### 3. Attend Procurement Fairs and Other Events

Procurement fairs, supplier workshops and other related events are an excellent way to meet buyers and introduce your firm.

### 4. Avoid Telephone Sales

The use of the telephone as a marketing tool has limited value. Buyers are not usually receptive to telephone inquiries. Suppliers that persist in using telephone "cold calls" run the risk of alienating the very people they need the most. It is strongly recommended that suppliers market their products by the suggested methods outlined above and avoid unsolicited telephone canvassing techniques.

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## OTHER SUGGESTIONS FOR LOCATING BID OPPORTUNITIES

### Use More Than One Method to Locate Bids

No single technique can guarantee a company will be able to locate every appropriate contract opportunity. Therefore, it is best to practice all the techniques in the hope that they overlap enough to identify most of the potentially suitable opportunities. In the beginning, new bidders should do the following:

- \* Search the City's web-site <http://www.nyc.gov>
- \* File for bidders mailing list applications and respond to every bid package sent
- \* Read each issue of **The City Record**
- \* Visit the bid rooms at least twice a month
- \* Learn which agencies to contact and meet the buyer(s)
- \* Maintain contact with the buyers at least twice a year

### The Time Factor

Bidders or proposal respondents must act promptly. Time is always one of the critical factors in preparing a bid. When a supplier obtains the required contract documents there is often little time to calculate costs, establish prices, and submit a timely bid. Bid openings are specified by time and date and must be followed.

### Start with Smaller Contracts

Be practical and start with contracts that are relatively small. By doing so, bidders can reduce their inherent financial risks while learning the City's administrative procedures.

### Practice Bidding

New bidders, desiring to be cautious, should consider practicing by going through a complete bidding cycle without bidding. Suppliers should obtain the bid documents, research the costs and establish their prices.

The supplier should not actually submit a bid, but rather wait until the bid opening date and attend the bid opening. Suppliers can "test run" a contract at no risk, and in doing so, they will learn much about how to bid, what prices to bid, and who they are bidding against.

### Results of Bid Openings

Results of contract awards are published in **The City Record**. However, most suppliers will want to know more information than is currently provided. For example, who else is bidding and at what prices? For bids conducted by the DCAS Division of Municipal Supply Services, contact the Office of Vendor Relations (See Appendix III for a list of frequently asked questions). For bids conducted by other agencies, inquire at their bid rooms.

### Bid Summary Sheets (Tabulations)

The results of bid openings may be obtained from a bidding summary sheet, sometimes referred to as a bid tabulation. Bidding summary sheets are the recorded results of bid openings. They include the names of the firms that bid, the prices offered, any terms and conditions, and any other special restrictions to their offerings.

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Occasionally, bid results may be obtained by telephone, however, a personal visit to the bid room is usually required. Bid results are usually maintained for thirty days at the bid room. Thereafter, they must be obtained by using the Freedom of Information Law (FOIL). (See Chapter 8)

## **Price Histories**

Price histories are similar to bid summary sheets, except the chronological data regarding the purchase concerns the procurement of a given item over an extended period of time. This information includes who was awarded the contract, when it was awarded, the quantities involved, and the dollar value. This information can be helpful in determining whether one or two suppliers have dominated the market for this procurement.

It is also helpful to establish previous pricing strategies for a given procurement in order to properly calculate prices for an extended period of time in the future as might be the case in multi-year requirement contracts.

## **Commodity Lists**

Commodity lists can be viewed as an agency's shopping list. Sometimes the lists are very general and contain only broad categories of items. In other cases, they are quite specific and identify items by sizes, shapes, or materials.

When considering what types of items or services an agency might purchase, be practical and think about that agency's function. Obviously, the Board of Education is going to buy more textbooks than the Transit Authority.

When reviewing commodity lists, suppliers should read between the lines. It is often possible to interpret the number and type of listings as an indicator of the agency's requirements for certain types of products and services.

## **The Agency Chief Contracting Officer (ACCO)**

ACCOs are designated individuals who are responsible for the overall procurement function of a specific department or agency. A listing of these ACCOs can be found in Chapter 4.

As noted elsewhere in this manual, when general information about an agency's procurement function is desired or when specific answers about a contract bid opportunity are needed, it is usually most appropriate to contact a buyer, or a supplier relations specialist at the agency. However, if all else fails, ACCOs are the people to call.

## **The Purchase Liaison Personnel**

Each agency assigns at least one person to coordinate small purchases. These individuals are designated the agencies' Small Purchase Supplier Liaisons. They may be used as a contact point to locate small purchases valued at less than the small purchase limits. A listing of these contacts can be found in Chapter 4.

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# LOCATING SMALL PURCHASES

## Which Agencies Can Make Small Purchases?

Almost any City agency with its own line-item budget can make small purchases from almost any supplier.

## SMALL PURCHASES OR PUBLICLY ADVERTISED CONTRACTS?

### The Agency

An agency's decision to utilize small purchase procedures rather than conducting publicly advertised contract proceedings is based upon the estimated dollar value of the purchase (\$25,000 or less for goods and services, \$50,000 or less for construction contracts or \$100,000 or less for information technology products or services).

### The Suppliers

A supplier's decision to target either small purchases or publicly advertised contracts will probably depend on the company's size and competitive strengths. The following may be used as a guide:

**Small Purchases (\$25,000 or less for goods and services \$50,000 or less for Construction and Construction-related services and \$100,000 or less for Information Technology products and services).**

The average New York City business (one with less than 20 employees) should target small purchase orders. This advice also applies to smaller distributors and service firms without successful track records or experience with larger corporate clients (those employing more than 500 people).

### Small Purchase Marketing Goals

Suppliers interested in targeting the small purchase market should:

- \* Inquire about the need for the firm's product
- \* Be placed on a bidders list
- \* Try to arrange an appointment and meet the buyer(s)
- \* Leave sufficient product literature with the buyer(s)
- \* Periodically contact the buyer(s) to advise them of your continued availability to provide a quote or answer questions

### How to Target Small Purchase Contracts

There are two important concepts to remember when marketing a product governed by small purchase procedures. They are:

#### 1. Suppliers Should Contact Each Agency Separately

There is no inter-agency clearing house for small purchases. Each agency has its own budget, keeps its own records and should be considered autonomous in its authority to make small purchases. In making small purchases, City agencies generally:

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## **SUBCONTRACTING OPPORTUNITIES**

- \* Do not advertise their needs or requirements
- \* Do not coordinate their purchases with other agencies
- \* Maintain their own suppliers list and do not share their list of suppliers with other agencies

### **2. The Marketing Effort Should Be Commercially Oriented**

Selling to New York City government requires the same insight, business management skills, and sales techniques as are needed in the private sector.

Therefore, most companies with experience in selling to other large businesses and corporations will probably be quite comfortable in dealing with most units of local government and their small purchase procedures.

### **Subcontracting Opportunities**

Many businesses attempt to sell the City products or services that are not required or purchased in large quantities. However, some products and services, although not bought directly, are utilized in the overall performance of City contracts.

### **Servicing a Manufacturer's Prime Contract**

The bidding on some large contracts is often dominated by a few large manufacturers and regional distributors. However, there are still opportunities for small vendors to take advantage of the situation.

If a prime contractor is located a great distance from New York City, they may experience logistical problems servicing the accounts. This can be especially troublesome in a requirements contract, resulting in many small orders and deliveries.

Enterprising local distributors can approach the prime contractor with an offer to store, deliver, and service the product as required by the end users. Payment terms may be a percentage of the account gross, or a per unit charge.

As with subcontracting opportunities, the names and addresses of prime contract award winners are available as a matter of public record. Contact these prime contractors directly, and begin a network of private business relationships.

### **An Example of Subcontracting**

Although the City must arrange for the repair of a large number of broken windows, it purchases relatively small quantities of plate glass. If a distributor of plate glass analyzed the overall opportunities to market its product, it would soon discover that contractors performing local government contracts purchase far more glass than does the City.

Most of window repair contracts go to commercial glaziers who do the complete job, providing both parts [glass] and labor. Glass wholesalers who keep track of these contracts know which firm was awarded the repair contract and details of the work involved. They can quickly estimate how much glass is needed; when, where, and by whom, the work will be performed; and the total dollar value of the job. Additionally, because the distributor [the subcontractor] had access to the original bid documents, they will also know about any special or unusual aspects of the work.