

## Breaking New Ground:

### *What Private-Sector Contractors Should Know Before Chasing Public Work*



#### ***In this Article:***

For CM/GC's who've built their reputations in the private sector, expanding into public sector work can be a strategic way to diversify revenue, build backlog resilience, and gain access to new project opportunities. But public work comes with its own rules—different clients, different expectations, and a far more regulated playing field. If you're new to public sector work, or are considering a new sub-sector within this category, here's what you need to know.

#### ***Understand the Differences Across Government Levels***

**Municipal Work (Cities & Counties):** Often smaller in scale, with tighter budgets and fewer bureaucratic layers. These projects can be a good entry point for first-time public GC's, but still come with prevailing wage requirements and procurement rules. Relationships and reputation at the local level matter greatly here.

**State-Level Projects:** Think highways, universities, correctional facilities, and government campuses. These projects are larger and typically follow more rigid procurement guidelines. Expect significant documentation and oversight, along with prequalification processes that focus on financial strength, safety records, and bonding capacity.

**Federal Work:** Often the most complex—and potentially the most profitable. Agencies like the U.S. Army Corps of Engineers (USACE), Department of Energy (DOE), General Services Administration (GSA), and Department of Veterans Affairs (VA) and NAVFAC expect contractors to adhere to detailed specifications, strict quality controls, and Federal Acquisition Regulation (FAR) compliance. The barriers to entry are high, but so are the potential rewards.

#### ***Know the Procurement Methods***

In the private world, contractors often win jobs based on relationships and negotiations. In the public sector, selection is more formalized. Common procurement methods include:

- **Low Bid:** Still common for straightforward work with a complete design. Pre-qualified bidders compete on price as the sole criterion.

- **Best Value:** Increasingly popular at the state and federal level. Evaluates both price and qualitative factors like team qualifications, technical approach, safety record, and past performance.
- **Qualifications-Based Selection (QBS):** Used primarily for professional services, but some construction-manager-at-risk (CMAR) projects lean heavily on qualifications.

To compete in a Best Value or QBS environment, you must have:

- A polished qualifications package (SF330 for federal work)
- Documented QA/QC processes.
- A portfolio that proves relevant experience—even if it's from private jobs with similar complexity
- Staff bios that demonstrate depth, certification, and public sector familiarity

### ***The Importance of Technical Approach in Best Value Selection***

In a Best Value procurement environment, the contractor's written proposal often carries just as much weight as their price. Beyond demonstrating qualifications and relevant experience, successful GCs go a step further by proactively identifying potential project challenges at the proposal stage. This demonstrates diligence, insight, and a thorough understanding of the project's complexity—qualities that public owners value highly.

A strong proposal might call attention to difficult access points, utility conflicts, sequencing concerns, or lead-time risks for long-duration materials. It should also outline how those issues will be addressed. This level of foresight gives the owner confidence that the GC won't just react to problems—they'll anticipate and mitigate them early.

In many ways, the proposal is the GC's first opportunity to show how they plan, communicate, and manage risk. In a field of similarly priced bidders, this proactive and thoughtful approach can be the deciding factor in award decisions.

### ***Understanding the Public Owner's Mindset***

In private development, the owner is often a business with interest-carrying debt and a clear ROI target. Every day under construction is a day without revenue, and tolerance for inefficiencies and schedule delays is low. The name of the game is speed to market and cost control.

In contrast, public owners are often procuring non-revenue-generating facilities—like libraries, courthouses, schools, and maintenance buildings. Their incentives are different: they're spending taxpayer money, they're governed by layers of compliance, and they're looking for a building that will last 40–50 years or more.

That's why quality assurance and quality control (QA/QC) can matter so much more in public work. USACE and other federal entities have their own rigid processes for quality assurance, and will often require a full-time Quality Assurance officer on site.

## ***Securing Additional Funding for Changes***

One often-overlooked challenge in public work is the time it takes to secure additional funding when changes arise. In the private sector, a developer may approve a change order quickly—sometimes in a single meeting—to keep the project on schedule. Public agencies, however, typically require more formal processes.

At the municipal level, even modest changes may require budget reallocations or city council approval, creating unavoidable delays. State projects often involve interdepartmental reviews or oversight boards that can extend decision-making timelines. Federal projects—particularly those delivered through agencies like USACE, GSA, or VA—require comprehensive documentation and often multiple layers of authorization. If the funding exceeds pre-approved contingencies, it may need to be escalated to regional or national offices.

General contractors should plan accordingly. Build schedule float into critical activities, and proactively manage change documentation so it's ready for immediate submission. Public sector clients are often more risk-averse, and delays in funding can significantly stall progress if not properly anticipated.

## ***Gaining Experience through “Strategic” Hires***

Hiring project staff with prior experience in similar public sectors is an often-considered strategy. Public agencies frequently require or strongly prefer that key team members have a proven track record on similar projects, and the right hire can lend the necessary credibility to win work. These individuals bring not only technical knowledge, but also a working familiarity with agency expectations, processes, and quality standards that are difficult to develop in-house without prior exposure.

That said, this strategy comes with notable risks. Talent with specialized experience is often in high demand and aware of their market value. As a result, they may command a significant premium—sometimes earning well above what others in similar roles at the firm are making. If not managed carefully, this can create internal tension and complicate retention of tenured employees.

Furthermore, unless these hires are effectively onboarded and their knowledge is leveraged across the organization, the benefits can remain isolated to a single project. To be successful, contractors must integrate new expertise into their broader operations, using it as a catalyst to build long-term capability rather than a temporary fix.

## ***What CM/GC’s Should Do to Prepare***

1. **Build Your Public Portfolio (Strategically):** Start small—pursue municipal work or team as a subcontractor or joint venture partner on a public project to gain relevant past performance.
2. **Strengthen Partnerships with Key Subcontractors:** people who manage military installations, schools, and government office buildings will have their own relationships with and preferences for the subcontractors performing technical trades such as MEP, Fire Protection, and Telecom. Having a strong relationship with the incumbent firms at this level is critically important.

3. **Formalize Your QA/QC Program:** Public agencies expect written plans, internal inspections, third-party oversight, and documented compliance. Your QA/QC process should be more than a checklist—it should be a culture. When working for government agencies like USACE or NAVFAC, have members of your staff attend a CQM-C training course, and know whether a full-time QC Manager is required.

4. **Understand Prevailing Wage & Compliance Requirements:** Become fluent in Davis-Bacon (federal) and state-level prevailing wage laws, certified payroll reporting, and small business (MBE, DBE, etc.) subcontracting goals.

5. **Invest in Proposal Development Skills:** Responding to RFQs and RFPs takes time and skill. Assemble a go-to team that can write, edit, and assemble polished submittals that make you stand out—especially on Best Value competitions.

6. **Talk to Your Surety:** The Miller Act (Federal Level) and “Little” Miller Acts (State Level) require that payment and performance bonds be carried on projects over \$100,000 in contract value. Talk to your bonding company to ensure you have adequate coverage. (Because liens cannot be used on public projects, the prime contractor is required to post a payment bond, which subcontractor and suppliers can pursue claims against if they are not paid).

6. **Plan for a Different Kind of Cash Flow—Often Better:** Contrary to the assumption that public work pays slowly, federal agencies like USACE, VA, and GSA often pay faster than private owners—especially those using bank financing. Many federal contracts do not require retention, and if a GC manages their Schedule of Values properly, cash flow can actually be more favorable than on private projects. The key is knowing the administrative process and being disciplined about timely, complete submittals and documentation.

### ***Key Notes About Specifications, Submittals, and Schedule***

The Unified Facilities Guide Specifications (UFGS) and Unified Facilities Criteria (UFC) provide the backbone and minimum performance requirements for the specifications written for many federally funded projects. Legally, these standards are not allowed to call for specific product manufacturers, except in limited cases such as door hardware and access control products. However, many of the requirements contained within these standards are written so tightly that only one manufacturer satisfies the specs 100% – effectively achieving the same thing as calling for an exclusive product.

If a contractor’s proposal is based on assumptions around providing substitute products, they may be setting themselves up for a costly lesson when the government enforces strict compliance. Even if the submitted product data in question was approved, the government reserves the right to retroactively reject submittals if non-compliance is later discovered – a scenario in which extensive rework and major schedule impacts are likely.

Another scenario observed all too often is that of an initial project schedule that assumes only one submission cycle for shop drawings and product data for critical, long-lead items. Furthermore, the contract typically provides the government with 30 days to review submittal data (and they are unlikely to return approved submittals any earlier)

Any misaligned expectations among the administrators, end-users, designers, contractors, and subcontractors can result in months wasted away on the back-and-forth between the project stakeholders.

Contractual precedence is another key concept here. Government RFP's and contract documents incorporate by reference a great number of standards and criteria. In the event that two documents contradict one another, ensure you know which standard supersedes.

### ***Final Thoughts***

Public sector work isn't necessarily harder—it's just different. The priorities shift from speed and margin to compliance and longevity. But if your team brings a private-sector mindset to quality, coordination, and execution—and adapts to the structure of public work—you may find it a source of growth and value for your business.

If you're exploring how to break into public work, DCS can help you build the strategy, structure your proposals, and ensure your operations align with what government clients expect. Let's connect!