The Pulse of GovCon + Koprince Law, LLC

Teaming Arrangements Resource Guide

Part I: Joint Ventures

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Part I: Joint Ventures

A joint venture is a business formed by two or more companies. The companies will combine their efforts, money, skill, property, and knowledge, but not on a permanent basis for conducting business generally. Joint ventures are perfect for a specific project because this setup means that the parties will share ownership, returns or risks, and shared governance. This is a great option if your company is looking to gain access to a new or emerging market, scale efficiencies by combining assets, share risk for investments and projects, and access skills and capabilities.

A joint venture can be a powerful tool to improve the odds of winning a federal contract. It can strengthen past performance evaluations and provide excellent mentorship opportunities. But remember, joint ventures require planning. For example, joint ventures must be in writing and must be separately identified in SAM. Joint ventures are subject to approval, and approval can be rigorous when small business set-asides are involved. Given the necessary planning, and potential risks it's important to consider if a joint venture is the right decision for your business.

Definition and Big-Picture Requirements

The FAR does not provide one specific/single definition of a joint venture that is applicable to all procurements. FAR 4.102 offers a catch all, "a contract with joint venturers may involve any combination of individuals, partnerships, or corporations." As a general matter, joint ventures can be a formal or informal partnership or an incorporation as separate legal entities.

For contractors pursuing small business set-aside contracts or contracts reserved for a socioeconomic subcategory (including 8(a), Woman-Owned Small Business, Service-Disabled Veteran-Owned Small Business, and HUBZone), the SBA's regulations provide a great deal more guidance. The SBA's regulation at 13 C.F.R. 121.103(h) begins with this definition:

"A joint venture is an association of individuals and/or concerns with interests in any degree or proportion intending to engage in and carry out business ventures for joint profit over a two-year period, for which purpose they combine their efforts, property, money, skill, or knowledge, but not on a continuing or permanent basis for conducting business generally."

As the definition indicates, because the SBA considers a joint venture to be a limited-purpose entity, a joint venture operating under the SBA's regulations is limited to a two-year bidding window. We will discuss this requirement in more detail a little later in this Guide.

"SBA-style" joint ventures must also meet the following:

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- ***Written Agreement.*** A joint venture operating under the SBA's rules must "be in writing." Often, this "writing" is a document expressly labeled as a joint venture agreement--and joint ventures pursuing certain types of contracts must have a joint venture agreement. But in some cases, another written agreement (such as a partnership agreement or LLC operating agreement) may satisfy the requirement.
- ***SAM Registration.*** As noted previously, the SBA requires that a joint venture be registered in SAM. (As a practical matter, this also means that the joint venture must have an Employer Identification Number (EIN) from the IRS and a Data Universal Numbering System ("DUNS") number from Dun & Bradstreet--at least until the Government finally replaces the DUNS). The joint venture "must do business under its own name," and must be identified as a joint venture in SAM.
- ***Unpopulated.*** An "SBA-style" joint venture ordinarily must be "unpopulated," that is, it "may not have its own separate employees to perform contracts awarded to the joint venture." Instead, the joint venture performs work through its members. The joint venture itself exists as a legal entity to hold the contract in its name, collect payments from the government, and distribute those payments--but often little else. Note that an unpopulated joint venture "may have its own separate employees to perform administrative functions." However, many SBA-style joint ventures have no administrative personnel, either; the joint venture members perform those functions, too.

Pros & Cons of Joint Venturing

While the decision whether to pursue a prime/subcontractor team or joint venture must be made on a case-by-case basis, there are often good reasons to consider a joint venture:

Pros of Joint Venturing:

- ***Larger Work Share (Potentially).*** For SBA-style joint ventures, a "Partner Venturer" (that is, the non-lead) can perform up to 60% of the prime contract. Often, this is more work than the same company could perform as a subcontractor. Even unrestricted contracts, not subject to the SBA's rules, can include clauses such as FAR 52.215-23 (Limitations on Excessive Pass-Through Charges), which can discourage or outright prohibit the prime contractor from subcontracting "too much" of the contract. In these situations, as with SBA-covered contracts, a joint venture may offer more workshare flexibility than a prime/subcontractor team.
- ***Consideration of Past Performance/Capabilities/Etc.*** The SBA's regulations require a contracting officer to consider the *"capabilities, past performance, experience, business*

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systems and certifications" of all joint venture members.[1] In contrast, contrary to common misconception, neither the SBA's regulations nor the FAR require contracting officers to consider the past performance and experience of most subcontractors (although contracting officers often do so, anyway).[2] In cases where a procuring agency limits the consideration of one or more of these factors to the prime contractor, a joint venture may make the team much more competitive than a prime/subcontractor team. In addition to competitive benefits opportunities for lower administrative costs, reduced communication requirements and economies of scale are realized.

- ***No Termination (Usually).*** A prime contractor typically has the right to terminate its subcontractor for default. Sometimes, primes even enjoy the right to terminate their subcontractors for convenience, that is, even when the subcontractor hasn't defaulted. From the sub's perspective, the potential to be terminated isn't a good thing. In contrast, a joint venture partner typically is an equity owner in a business—and ordinarily, one equity owner cannot unilaterally terminate another, although some joint ventures include work-arounds such as mandatory buyouts in certain situations (like if one of the venturers is debarred from government contracting).
- ***Avoid Ostensible Subcontractor Affiliation.*** When a large business will play an important subcontracting role on a set-aside contract, there may be a risk of ostensible subcontractor affiliation—which would cause the prime/subcontractor team to be ineligible.[3] Since a joint venture partner isn't a subcontractor, the ostensible subcontractor rule doesn't apply to the relationship between joint venturers. We will discuss the ostensible subcontractor rule in more detail later in this Guide.
- ***Communication with Government.*** As mentioned above, because a subcontractor does not have a direct relationship with the Government, some Government contracting officials will decline to speak directly with a subcontractor. Additionally, to protect themselves, many prime contractors include provisions in their subcontracts restricting our outright prohibiting subcontractors from speaking directly with the Government about the project. But since all

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[1] See, e.g., 13 C.F.R. 125.8(e).

[2] For negotiated procurements, FAR 15.305(a)(2)(iii) says that the evaluation "should take into account . . . subcontractors that will perform major or critical aspects of the requirement." But "should" is not the same as "must."

[3] The ostensible subcontractor rule is found at 13 C.F.R. § 121.103(h)(4). We will discuss this rule in more detail in this Guide's section on prime/subcontractor teaming.

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members of the joint venture are part of the prime contract entity, they are all able to communicate directly with the Government--unless, of course, they agree otherwise.

- ***Sharing Profits.*** Joint venturers typically agree to share profits--and, in fact, profit-sharing is required for SBA-style joint ventures. Especially for fixed-price contracts that the parties believe they can perform efficiently and at a high profit, a joint venture may be more lucrative than serving as a subcontract. But be careful as you will see below risks are shared as well. This includes the cost of proposal efforts, and finding employees with specific skill sets.

Pros of joint venturing include a significant advantage during competition through the combination of capabilities and resources. For example, companies who are typically competitors might find it advantageous to collaborate for a certain project. Several of these "Pros" have implicit potential "Cons," and there are other potential downsides to joint ventures, as well. Here are some of the most important.

Cons of Joint Venturing:

- ***Size Requirements***. If one of the partners is a large business, a joint venture might be impermissible for set-aside contracts—unless the parties have an SBA-approved mentor-protégé agreement in place. As noted above, a small business may subcontract to a large business, up to certain limits.
- ***Paperwork and Red Tape.*** When you create a joint venture, you are setting up a new legal entity. And that means paperwork: filings with Secretaries of State (usually), creating joint venture agreements, operating agreements, and so on. The joint venture must obtain an EIN and DUNS, and register in SAM. And the SBA must pre-approve joint venture agreements for 8(a) sole source awards, while the Department of Veterans Affairs must pre-approve joint ventures to bid upon VA SDVOSB or VOSB opportunities.
- ***Cost.*** It typically will cost more to form a joint venture than a prime/subcontractor team. There may be state filing fees to establish a new entity, legal fees associated with a joint venture agreement and other internal documentation, bank fees to set up an operating account, and so on. A prime/subcontractor team avoids many of these costs—although legal fees associated with a good teaming agreement and subcontract are still a wise investment.
- ***You're Stuck with Them.*** The downside of "no termination," is, well, no termination. Barring something unusual like a bankruptcy filing, or something triggering a mandatory buyout (if the parties agree to one), you're likely stuck with your joint venture partner(s) for the duration of the contract--for better or for worse.

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- ***Legal Disputes.*** Being stuck with a partner creates potential risks during negotiation and execution. Provisions of a joint venture might limit future opportunities. This means that an agreement might preclude the opportunity to conduct similar work in-house at a later date. In addition, the parties are subject to explicit and implied duties like good faith and fair dealing. Keep in mind that termination of the arrangement is possible, and should be included in the agreement.
- ***Sharing Losses.*** Joint venture partners typically share profits on the prime contract--but they also typically share losses! If there is a reasonable chance that the prime contract, on the whole, might not be profitable, becoming a joint venturer may not be advisable.
- ***No Termination (Usually).*** This one's a pro or a con, depending on your perspective. If you're picking between being a subcontractor and being a joint venturer, the latter is preferable from the standpoint of avoiding potential termination. But if you're picking between being a joint venturer and being a *prime* contractor in charge of one or more subcontractors, you'll almost certainly have more control over termination as a prime.

As a final warning, keep in mind that these arrangements are not a way to gain access to another company's technology. Additionally, a joint venture will not protect or cover up a party's past performance problems. Finally, do not think of this as an opportunity to reduce or eliminate competition.

Forming a Joint Venture

So you want to form your first joint venture. Great! But now what? Let's break down the process into two phases: (1) the qualification phase; and (2) the formation phase.

It wouldn't make sense to form a joint venture if it turned out that the JV was ineligible to receive the federal contract or contracts you're seeking! In the **qualification phase**, the parties do their due diligence to determine whether they are eligible to pursue certain government work as joint venturers. This may be as narrow as examining a particular solicitation, or as broad as assessing a category of potential opportunities, such as "VA SDVOSB set-asides under NAICS code 541330."

The parties should then consider the following:

Small Business Size Eligibility

If the joint venture will pursue a small business set-aside contract, or a sole source or set-aside contract for any socioeconomic small business subcategory (8(a), SDVOSB/VOSB,

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WOSB/EDWOSB, or HUBZone), the joint venture must qualify as a small business. There are two ways for a joint venture to qualify as small.

First, the joint venture will qualify as small if all members of the joint venture fall beneath the applicable size standard. For example, consider a solicitation set-aside for small businesses under NAICS code 236220 (Commercial and Institutional Building Construction), with a corresponding $39.5 million size standard. If Company A has $30 million in average annual receipts[4] and Company B has $25 million, a joint venture between the two companies would qualify as small for purposes of this solicitation because both companies' receipts are below the $39.5 cutoff.

Note that the sizes of Companies A and B, added together, *exceed* the size standard! But a few years ago, the SBA changed its regulations to eliminate the possibility of determining a joint venture's small business eligibility by adding the members' sizes. Instead, as our example indicates, the SBA adopted what we call the "Individual Size Treatment Rule." A joint venture's small business eligibility is determined by comparing each member's size, *individually*, to the relevant size standard.

But what about all those joint ventures you see pursuing small business contracts, even though one of the members is some household-name contracting behemoth? These joint ventures are qualifying as small under a special exception to the Individual Size Treatment Rule, available *only* to active participants in the SBA's Mentor-Protege Program.[5]

Under the SBA's regulations, "two firms approved to be a mentor and protege under [13 C.F.R. 125.9] may joint venture as a small business for any Federal government prime contract or subcontract, provided the protege qualifies as small for the size standard corresponding to the NAICS code assigned to the procurement," and provided the joint venture adopts a written agreement satisfying the SBA's regulatory requirements.[6]

For example, consider our $30 million general contractor, Company A. Fresh off its success with its first joint venture, it now wants to pursue another small business set-aside contract under

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[4] The formulas and processes for calculating average annual receipts are beyond the scope of this Guide. Please see 13 C.F.R. 121.104 for more information.

[5] For more information on the SBA's Mentor-Protege Program, see 13 C.F.R. 125.9 and the SBA's Mentor-Protege Program website: https://www.sba.gov/federal-contracting/contracting-assistance-programs/sba-mentor-protege-program.

[6] 13 C.F.R. 121.103(h)(1)(ii). We will discuss those regulatory requirements in more detail a little later in this Guide.

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NAICS code 236220--but this time, Company A wants to joint venture with Company C, a $3 billion industry giant.

Ordinarily, this would be impossible because Company C would fail the Individual Size Treatment Rule--by a lot! But if the SBA approves Company C to be Company A's mentor, and the SBA-approved mentor-protege agreement is active on the date the proposal is submitted, the joint venture *would* be eligible.[7] When the mentor-protege exception applies, the mentor's size doesn't matter, even if the mentor is a multi-billion dollar entity. A mentor-protege joint venture's size eligibility is based only on the size of the protege.

Note that the special mentor-protege joint venturing benefit applies only to participants in *SBA's* mentor-protege program. Several other agencies, including the Department of Defense, also offer mentor-protege programs. There may be good reasons to participate in these programs, but joint venturing isn't one of them.

Socioeconomic Eligibility

To pursue an 8(a), SDVOSB/VOSB, HUBZone, or WOSB/EDWOSB contract, at least one of the joint venture partners must have the requisite certification or self-certification. But not all joint venture partners must have the certification!

For example, a HUBZone-certified small business can joint venture with a non-HUBZone small business to pursue HUBZone set-aside and sole source contracts. There is no requirement that both venturers be HUBZone-certified (although, as we will see, the joint venture must meet various regulatory requirements to ensure that the HUBZone small business controls the joint venture and receives sufficient benefits from it).

Usually, no governmental pre-approval is required to form a joint venture between a company holding a socioeconomic certification and a business without such a certification. However, there are three exceptions:

- As discussed above, when the non-certified joint venture is a large business, the SBA must approve a mentor-protege agreement before the joint venture can pursue any socioeconomic set-aside or sole source contracts.

[7] This assumes, of course, that the joint venture adopts a joint venture agreement meeting SBA's regulatory requirements. For small business set-aside contracts, those requirements are set forth in 13 C.F.R. 125.8.

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- If the joint venture pursues an 8(a) sole source contract, the SBA must pre-approve the joint venture before the contract is awarded. The SBA has, however, eliminated a prior rule requiring pre-approval for 8(a) competitive awards.
- If the joint venture pursues an SDVOSB or VOSB set-aside or sole source contract with the U.S. Department of Veterans Affairs ("VA"), the VA must verify the joint venture as eligible *before the joint venture submits its bid*.[8] The joint venture must maintain its verification at least until the date of award. This verification requirement does not apply to SDVOSB set-aside and sole source contracts awarded by other agencies.

The Two-Year Rule

Perhaps you have heard that a joint venture cannot exist for more than two years or that a joint venture cannot win more than three contracts. These are common misconceptions stemming from an SBA rule formerly known as the "three-in-two" rule, and more recently known simply as the "two-year" rule.

The SBA believes that a joint venture should be a limited-duration entity, not a vehicle for conducting business together indefinitely. To implement this policy, the SBA has created a rule effectively limiting the time frame in which "SBA style" joint ventures may submit bids. The two-year rule says:

"Once a joint venture receives a contract, it may submit additional offers for a period of two years from the date of that first award. An individual joint venture may be awarded one or more contracts after that two-year period as long as it submitted an offer including price prior to the end of that two-year period."[9]

Under the rule, when a joint venture *receives its first award* (not when it is formed or submits its first bid), a two-year window opens. During that window, the joint venture can submit as many proposals as it wishes. The joint venture can accept contracts stemming from proposals submitted during the two-year window even after the window closes--but when the window closes, the joint venture should stop submitting new proposals!

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[8] The VA's SDVOSB/VOSB verification process is beyond the scope of this Guide. More information is available at https://www.va.gov/osdbu/verification/.

[9] 13 C.F.R. 121.103(h).

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Contrary to common misconception, a joint venture is not flat-out prohibited from submitting proposals outside the two-year window. Instead, if the joint venture submits a proposal after the two-year window closes, the SBA may deem the joint venturers affiliated for all purposes. But affiliation isn't a good thing for small businesses, so there's no harm in effectively treating the two-year rule as a strict, "do not cross" line.

After the two-year window closes, the joint venturers are done bidding work together forever, right? Heck no! The two-year rule applies to the *joint venture entity*, not to the *joint venture partners*. The SBA's regulations are very clear:

"The same two (or more) entities may create additional joint ventures, and each new joint venture entity may submit offers for a period of two years from the date of the first contract to the joint venture without the partners to the joint venture being deemed affiliates."[10]

So the strategy for many joint venturers is simple: when the two-year window closes, simply start a new joint venture! This is why, if you pay close attention to the names of joint ventures, you'll see plenty of Roman numbers: "XY Joint Venture II," and so forth.

Can two companies simply keep forming new joint ventures forever? The SBA cautions that, although forming new joint ventures is perfectly permissible, "[a]t some point, however, such a longstanding inter-relationship or contractual dependence between the same joint venture partners will lead to a finding of general affiliation."[11]

What, exactly, is "some point"? Nobody knows! The SBA provides no additional guidance, and we have been unable to find a single reported SBA appellate decision finding two companies affiliated on the basis of "some point." But in one case, an SBA-approved mentor and its protege formed *eight* joint ventures and won 15 contracts without running afoul of the rule.[12]

One final point: the SBA used to say that a joint venture should stop bidding either when the two-year window closed *or* the joint venture received its third contract, whichever came first. That's

[10] *Id.*

[11] 13 C.F.R. 121.103(h). From a legal perspective, we're not sure that "some point" passes muster as an enforceable benchmark; it may essentially be unconstitutionally vague. But that's just our off-the-cuff supposition--to our knowledge, there are no judicial decisions addressing this matter.

[12] *Size Appeal of Quality Servs., Int'l*, SBA No. SIZ-5599 (2014).

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why you may still hear about a three-contract limit. But the SBA deleted that portion of the former "three-in-two" rule in late 2020, leaving us with the current two-year rule we have just discussed.

Next up is the ***formation*** stage: the nuts and bolts of creating the joint venture. Here's what's often involved in this second phase:

Legal Relationship & Set-Up

The venturers must decide whether the joint venture be formed as a formal legal entity (typically a limited liability company) or as an informal partnership? These days, we find that most joint venturers choose the LLC structure: "limited liability" tends to be a strong selling point.

If the joint venture will be an LLC or other separate legal entity, it must be formally organized by filing with an appropriate Secretary of State or similar official. When the venturers are from different states, the LLC is often organized in the lead member's home state, but this is not a requirement.

Populated Versus Unpopulated

The venturers must decide whether the joint venture will have its own employees ("populated") or perform its work through its members ("unpopulated")? As we discussed previously, SBA-style joint ventures must be unpopulated, but joint ventures pursuing unrestricted contracts can choose the populated form. In our experience, though, many venturers sour on the populated joint venture when they start considering the administrative and human resources difficulties of populating a new entity using the employees of existing companies. Venturers considering a populated joint venture would be wise to consult with an expert in the Employee Retirement Income Security Act ("ERISA") to ensure that whatever benefits the populated entity offers are compliant.

SAM and Other Registrations

Regardless of whether it is an LLC or an informal partnership, the joint venture must register in SAM.[13] Because of how the SAM system operates, this means that the joint venture also needs an EIN, DUNS, and CAGE code.

[13] As discussed previously, the SBA's joint venture regulations require SAM registration. But even for non-SBA joint ventures, the FAR requires SAM registration. *See* FAR 4.11 & FAR 52.204-7.

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The venturers should also be careful to make sure that they investigate any state or local registration requirements. For instance, a joint venture formed in one state may be required to register as a foreign entity to perform contracts in another state.

Joint Venture Agreement

Joint ventures operating under the SBA's rules must adopt written agreements. And except when two small businesses will pursue a small business set-aside, each SBA-style joint venture agreement must contain more than a dozen mandatory terms set forth in SBA's regulations.

Where do you find those mandatory terms? It depends on the socioeconomic status of the contract you're bidding! SBA has *five* (count 'em!) separate regulations governing joint venture agreements: one for small business set-aside contracts[14] and one each for 8(a), HUBZone, SDVOSB/VOSB and WOSB/EDWOSB contracts.

Here's where to find the mandatory joint venture agreement terms:

SOCIOECONOMIC STATUS	SBA REGULATION
Small Business	**13 C.F.R. 125.8**
8(a) Program	**13 C.F.R. 124.513**
SDVOSB/VOSB Programs[15]	**13 C.F.R. 125.18**
HUBZone Program	**13 C.F.R. 126.616**
WOSB/EDWOSB Program	**13 C.F.R. 127.506**

[14] The mandatory provisions for small business set-asides apply only when the joint venture includes a large business under an SBA-approved mentor-protege agreement. When all venturers are small businesses, the joint venture must have a written agreement, but there are no mandatory terms.

[15] The government currently operates two separate SDVOSB programs--one applicable to the VA and the other applicable to most other agencies. The joint venture regulation cited in this Guide applies to both.

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When they are required, it is essential to get the mandatory terms exactly right! As many unfortunate bidders have discovered, omitting even a single mandatory term will make the joint venture ineligible.[16]

A detailed discussion of these mandatory terms is beyond the scope of this Guide. But we offer the following big-picture tips for drafting joint venture agreements when mandatory terms are required:

- ***Always, Always, Always Check the Regulation!*** It can be tempting to skip the Code of Federal Regulations and just use a template joint venture agreement from a teaming partner, the internet, or your own files. But the SBA often tinkers with the joint venture regulations, so templates sometimes become outdated. (And some of the templates we see floating around were never compliant to begin with!) There is no substitute for carefully cross-walking a joint venture agreement against the appropriate regulation.
- ***Use the Right Regulation.*** The five SBA joint venture regulations are largely the same--but they are not identical. For example, it is possible that a joint venture agreement meeting the regulatory requirements for an 8(a) contract wouldn't comply with the regulatory requirements for a small business contract. If the joint venture will bid on different categories of contracts, be sure that the joint venture agreement accounts for any differences between the applicable regulations for each category.
- ***Don't Undermine Mandatory Provisions.*** Sometimes, joint venturers adopt an agreement meeting the SBA's mandatory provisions--then add additional provisions conflicting with one or more of the requirements! It's often wise to go beyond the mandatory provisions, but be careful to avoid including anything that would conflict with SBA's requirements.
- ***Consider "Writing for the SBA."*** If the joint venture agreement is challenged, an SBA specialist will review it--comparing the joint venture agreement to the appropriate regulation. While it's certainly not a legal requirement, it can be wise to "write for the SBA," that is, to address the required provisions first, and in the order set forth in the SBA's regulation. This will make it much easier for the SBA to quickly and easily determine that the agreement complies. (We've seen extremely long joint venture agreements with the

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[16] *See, e.g.*, *CR Nationwide, LLC - Trumble Construction, Inc. JV1*, SBA No. CVE-148-P (2020) (joint venture ineligible for SDVOSB contract because joint venture agreement omitted certain mandatory information).

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mandatory provisions sprinkled seemingly randomly throughout, making review much more difficult).

- ***Go Beyond the Mandatory Provisions.*** The SBA's mandatory provisions are, well, *mandatory*--you gotta have 'em! But that doesn't mean that an effective joint venture agreement should stop there. The mandatory provisions don't address many topics that the venturers ought to consider, such as how and when disputes between the venturers will be resolved, the timing of profit distributions, how taxes are handled, and others. An effective joint venture agreement is more than just an SBA compliance document--it's the framework for a business relationship potentially lasting many years. Without undermining any mandatory requirements, it's wise to go beyond the SBA's regulations by including provisions commonly found in corporate governance documents such as operating agreements and bylaws.[17]
- ***Don't Forget the Certifications.*** SBA's rules require joint venturers to submit certain compliance certificates to SBA and Contracting Officers. These certificates don't have to be discussed in the joint venture agreement (although many venturers do anyway) but they aren't optional--so don't forget them!

Of course, not all joint ventures are bound by the SBA's rules. For those venturers, it still may be worth taking a quick look at the SBA's regulations to see whether any of the mandatory provisions might be worth consideration.

Joint venturers operating outside the SBA's rules are still well-advised to adopt a comprehensive written agreement covering all important aspects of corporate governance. Non-SBA joint ventures pursue unrestricted contracts, which are often larger and more complex than their small business counterparts. There is little sense in bidding on such important contracts using an informal or ill-defined partnership arrangement.

Final Words on Joint Ventures

So there you have it--our Guide to joint venturing for U.S. federal government contracts! At first, the prospect of joint venturing may seem overwhelming, with so many potential rules to keep track of, agreements to write and registrations to make. But for many contractors, large and small, joint

[17] *See, e.g.*, *CR Nationwide, LLC - Trumble Construction, Inc. JV1*, SBA No. CVE-148-P (2020) (joint venture ineligible for SDVOSB contract because joint venture agreement omitted certain mandatory information).

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ventures have been a key component of success in federal contracting. If you think joint venturing may be for you, don't be intimidated.

The best defense is a careful plan for your joint venture agreement. You are already off to a great start utilizing this guide. In summary, you have learned what a team arrangement is, what a joint venture is, the pros and cons of joint venturing, eligibility requirements, rules, and legal considerations. All of which will factor into your successful GovCon win strategy.

In Part II of this series, you will learn about prime/subcontractor teaming which is the second major teaming mechanism for federal contractors. Subcontracting is very common in federal contracting, but it comes with its own pros and cons, which are important to realize when making a thoughtful business decision. Part II will take you through key legal compliance issues and best practices for creating prime/subcontractor teams. Then Part II will come full circle with best practices using a teaming agreement and subcontract.

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About

Founded in 2017, The Pulse of GovCon is a small, self-funded, women-owned, for-profit business located in the DMV region.

The Pulse was founded to break down barriers across the Government Contacting ecosystem and bridge the fundamental gaps surrounding federal procurement through our writing, training, consulting, and customized membership platform. We serve as an accessible supplemental resource for large-,mid-, and small-sized Government Contractors, as well as the U.S. federal government, media, trade organization, academia, and Procurement Technical Assistance Centers (PTACs), finding, translating, and analyzing complex federal procurement information and data to develop actionable solutions.

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