



# DEPARTMENT OF Management & Budget

## **Buy Michigan First: State Contracting 101**

*Part one of a five-part series that outlines the basics of State contracting.*

State contracting.

For those who have already yawned and stopped reading, please begin paying attention again. Sure, this topic might initially sound boring. Public purchasing is not terribly glamorous.

Unless you are a Michigan business and you want to expand and diversify your revenue stream. Then, you might want to pay close attention.

The Michigan Department of Management and Budget welcomes you to State contracting.

They seem to mean it, and they have backed up their welcome message with an ongoing series of training events held across the Detroit area.

Michigan does not have a history of welcoming minority and women owned businesses into state contracting, nor do they have a history of acting like a business when spending taxpayer dollars. In the past, the State used no-bid, sole source contracting frequently. Four years ago, \$1 out of every \$5 was awarded in this manner.

According to Michigan Department of Management and Budget (DMB) Director Lisa Webb Sharpe, today's purchasing culture is vastly different. "Michigan is open for business, and DMB wants to Buy Michigan First. All contracts are available online at [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst) and competitively bid and Michigan businesses are preferred. This is a common sense, self-preservation strategy that is working for Michigan taxpayers."

Governor Granholm issued two Executive Directives that are significant to State contracting. Executive Directive 2005-3 prohibits sole source, no-bid contracts, which results in every solicitation being competitively bid. Executive Directive 2005-6, which amended 2004-3, gives a preference to Michigan firms that bid on State contracts.

DMB Deputy Director Craig Orr, who heads procurement for the State of Michigan, explains that his department manages more than 1,300 contracts that are valued at more than \$16 billion. "The State buys an incredibly diverse array of goods and services. Michigan businesses do well with us – today, more than 85% of the value of what we buy is sold to us by Michigan firms."

Orr notes that Michigan companies of all sizes sell to the State of Michigan. “Companies don’t have to be huge to become state contractors – we have great success stories of small businesses winning significant State contract awards.” Orr adds that DMB maintains a website that lists all solicitations and contains preparation tools and resources.

Michigan companies interested in becoming State contractors should begin by registering as vendors. According to DMB, the process is simple and takes about 15 minutes.

Step One: Visit the Buy Michigan First web site at [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst)

Step Two: Select the “Doing Business with the State” link on the left of the page

Step Three: Select the “Selling to the State” link on the left of the page

Step Four: Select the “How to Register as a Vendor” link on the left of the page

Michigan firms that register as vendors should visit the website frequently to find current solicitations to bid on. DMB recommends book-marking the site and making a visit part of a weekly routine to avoid missed bidding opportunities.

Help is available for those with questions. The State of Michigan operates a vendor registration help desk that can answer questions and provide guidance. To reach the help desk, call toll free at (888) 734-9749.

*For more information, email [BuyMichiganFirst@michigan.gov](mailto:BuyMichiganFirst@michigan.gov) or call (517) 335-0230.*



# DEPARTMENT OF Management & Budget

## **Buy Michigan First: State Contracting 101**

*Part two of a five-part series outlining the basics of State contracting. Part one of this series discussed vendor registration with the State of Michigan.*

Hundreds of Michigan companies have expanded and diversified their revenue stream with government contract awards. Each year, Michigan government buys a vast and diverse array of goods and services valued at more than \$3 billion. Even with the opportunity for additional revenue, many firms hesitate venturing into government contracting, citing significant barriers to entry as the major factor.

Since 2003, the State of Michigan has taken dramatic steps to reduce or eliminate these barriers and to alleviate this reluctance. According to Michigan Department of Management and Budget (DMB) Director Lisa Webb Sharpe, today's purchasing culture is open, fair and transparent.

"DMB wants to Buy Michigan First by doing business with our companies," she said. "By spending Michigan's dollars in Michigan, we play a central role in creating jobs and driving down the price tag of government."

In 2005, Governor Granholm issued two Executive Directives that are significant to State contracting. The first directive prohibits sole-source, no-bid contracts, which results in competitive bidding for every solicitation. The second directive gives preference to Michigan firms that bid on State contracts. As a result of these directives, 85 percent of the State's purchases are sold by Michigan firms.

"This practice creates a win-win-win scenario," said Webb Sharpe. "Government wins, Michigan businesses win, and taxpayers win."

Michigan is a "best value" state with a centralized procurement system. DMB handles purchasing on behalf of each State agency and manages a contract portfolio of more than 1,300 contracts valued at more than \$16 billion. Generally, DMB handles solicitations valued at \$25,000 or more. Individual State agencies have the authority to make their own purchases valued at less than \$25,000.

Companies that are new to State contracting may start the process by registering as a vendor, as discussed in State Contracting 101 – Part One. The next step is preparation and research, which DMB leaders say is crucial to winning a State contract award.

Craig Orr, a DMB senior deputy director who leads procurement for the State of Michigan, encourages companies to use the Web site for their research.

“DMB’s Buy Michigan First Web site provides extensive information about contracts and registration processes,” he said. “We also encourage companies to schedule a vendor visit and work one-on-one with us. Companies can arrange visits by calling (517) 335-0230.

Michigan companies interested in using the preparation tools on the Doing Business Web site may follow these easy steps:

- Visit the Buy Michigan First web site at [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst).
- Select the “Doing Business with the State” link at the left of the page.
- Select the “Selling to the State” link at the left of the page.
- From “Quick Links” at the right of the page, note the “Complete Contract List” and “Freedom of Information Act Requests” links.
- Use the “Complete Contract List” link to review contracts of interest. This link includes all active contracts, not only those currently up for bid. The list offers a snapshot of what the State buys in each different contract area and is a great starting point.
- Find contracts that match business capabilities and use the “Freedom of Information Act Requests” link to obtain copies of the contracts.
- Review the contracts, the winning bid responses, and other documents to get a sense of contract specifications and information needed by the State needs in the bid response.
- Contact DMB with questions or to schedule a vendor visit.

Michigan firms are encouraged to visit the Web site frequently to view and bid on current solicitations. By book-marking the site and revisiting it weekly, firms will be able to avoid missed bidding opportunities.

For more information, e-mail [BuyMichiganFirst@michigan.gov](mailto:BuyMichiganFirst@michigan.gov) or call (517) 335-0230.

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The five-part State Contracting 101 series Includes:

1. Introduction to State Contracting

2. How to prepare and research for state contracting?
3. How to find current contracting opportunities?
4. How to bid on state contracting?
5. How to debrief and prepare for the next round?



# DEPARTMENT OF Management & Budget

## **Buy Michigan First: State Contracting 101**

*Part three of a five-part series that outlines the basics of State contracting. Part two of this series discussed how to prepare for State contracting opportunities.*

This series has covered two preliminary points so far: how to register as a vendor with the State of Michigan and how to prepare for and research State contract awards.

The State of Michigan has taken dramatic steps to award State contracts based on a fair and level playing field. Governor Granholm issued two Executive Directives that are significant to State contracting. Executive Directive 2005-3 prohibits sole source, no-bid contracts, which results in every solicitation being competitively bid. Executive Directive 2005-6, which amended 2004-3, gives a preference to Michigan firms that bid on State contracts. As a result of this Michigan business preference, 85% of what the State buys is sold by Michigan firms.

According to Michigan Department of Management and Budget (DMB) Director Lisa Webb Sharpe, today's purchasing culture is open, fair and transparent. "DMB shares Governor Granholm's commitment to competition. All of our contracts are competitively bid, and Michigan businesses are preferred. This is a common sense, self-preservation strategy that is working for Michigan taxpayers."

The State of Michigan is a "best value" state with a centralized procurement system. DMB handles purchasing on behalf of each State agency, managing a contract portfolio of more than 1,300 contracts that are valued at more than \$16 billion. As a general rule, DMB handles solicitations that are valued at \$25,000 or more, with each individual State agency having the authority to make their own purchases valued at less than \$25,000.

Companies new to State contracting should begin by registering as a vendor, which was discussed in part one of this five part series. The next step is preparation and research, which was discussed in part two of this five part series. The third step is finding opportunities to bid on.

According to DMB Senior Deputy Director Craig Orr, who leads procurement for the State of Michigan, a user-friendly website is important for Michigan firms. "DMB competitively bids every solicitation, and every opportunity is posted on our website for equal access and to maximize the fair and level playing field."

Michigan companies interested in finding solicitations that are currently open for bidding should follow some basic steps.

Step One: Visit the Buy Michigan First web site at [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst)

Step Two: Select the "Doing Business with the State" link at the left of the page

Step Three: Select "Bids and Proposals" link at the left of the page

Step Four: Select the contract area that fits – the options are Building and Construction, Commodities and Services, or School Organization Building and Construction

Step Five: Review the Invitations to Bid, with all bid attachments

Step Six: Contact the buyer assigned to the solicitation with questions or for clarifications

Michigan firms should visit the website frequently to find current solicitations to bid on. DMB recommends book-marking the site and making a visit part of a weekly routine to avoid missed bidding opportunities.

For more information, email [BuyMichiganFirst@michigan.gov](mailto:BuyMichiganFirst@michigan.gov) or call (517) 335-0230.



D E P A R T M E N T O F

# Management & Budget

## **Buy Michigan First: State Contracting 101**

*Part four of a five-part series that outlines the basics of State contracting. Part three of this series discussed how to find current bidding opportunities.*

This series has covered three big topics to date: how to register as a vendor with the State of Michigan, how to prepare for and research State contract opportunities, and how to find current solicitations to bid on.

A bit of background for those new to this series – the State of Michigan has taken dramatic steps to level the playing field in State contracting. Governor Granholm issued two Executive Directives that are significant to purchasing. Executive Directive 2005-3 prohibits sole source, no-bid contracts, which results in every solicitation being competitively bid. Executive Directive 2005-6, which amended 2004-3, gives a preference to Michigan firms that bid on State contracts. As a result of this Michigan business preference, 85% of what the State buys is purchased from Michigan firms.

According to Michigan Department of Management and Budget (DMB) Director Lisa Webb Sharpe, today's purchasing culture is open, fair and transparent. "Today's contracting culture is vastly different than it was in the past. Instead of sole source, no-bid contracting, we operate in an atmosphere of full and open competition, with Michigan businesses preferred. This is a common sense, business strategy that is working for Michigan taxpayers."

The State of Michigan is a "best value" state with a centralized procurement system. DMB handles purchasing on behalf of each State agency, managing a contract portfolio of more than 1,300 contracts that are valued at more than \$16 billion. As a general rule, DMB handles solicitations that are valued at \$25,000 or more, with each individual State agency having the authority to make their own purchases valued at less than \$25,000.

Companies new to State contracting should begin by registering as a vendor, which was discussed in part one of this five part series. The next step is preparation and research, which was discussed in part two of this five part series. The third step is finding opportunities to bid on, covered last week. The fourth step is crafting and submitting a competitive bid.

Michigan businesses that want to win State contract awards are advised to follow the three B's: Be Competitive, Be Complete and Be Timely. DMB Senior Deputy Director Craig Orr, who heads procurement for the State of Michigan, recommends an emphasis on these. "The Buy Michigan First website provides tools to help prepare for and craft a complete and thorough bid response. Michigan companies are the most qualified, competent and competitive in the nation – when they submit solid bids, they usually win."

Michigan companies interested in finding resources available to help them should follow the following steps.

1. Visit the Buy Michigan First website at [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst).
2. Link to the Procurement Technical Assistance Centers (PTAC) website, which provide no-cost contracting assistance to Michigan firms. PTAC have regional offices across the state to serve Michigan companies.
3. Link to the Michigan Small Business and Technology Development Centers (SBTDC), which provide no cost business consulting services for Michigan firms. SBTDC have regional offices across the state to serve Michigan companies.

Michigan firms should continue to visit the Buy Michigan First website frequently to find current solicitations to bid on. DMB recommends book-marking the site and making a visit part of a weekly routine to avoid missed bidding opportunities.

*For more information, email [BuyMichiganFirst@michigan.gov](mailto:BuyMichiganFirst@michigan.gov) or call (517) 335-0230.*



# DEPARTMENT OF Management & Budget

## **Buy Michigan First: State Contracting 101**

*Part five of a five-part series that outlines the basics of State contracting. Series four discussed how to submit a competitive and complete bid response.*

This series has covered four topics to date: how to register as a vendor with the State of Michigan, how to prepare for and research State contract opportunities, how to find current solicitations to bid on, and how to submit competitive and complete bid responses.

A bit of background for those new to this series – the State of Michigan has taken dramatic steps to level the playing field in State contracting. Governor Granholm issued two Executive Directives that are significant to purchasing. Executive Directive 2005-3 prohibits sole source, no-bid contracts, which results in every solicitation being competitively bid. Executive Directive 2005-6, which amended 2004-3, gives a preference to Michigan firms that bid on State contracts. As a result of this Michigan business preference, 85% of what the State buys is purchased from Michigan firms.

According to Michigan Department of Management and Budget (DMB) Director Lisa Webb Sharpe, “Today’s contracting culture has increased opportunities for Michigan businesses, including small businesses, minority-owned businesses, women-owned businesses, and Detroit companies. Buy Michigan First creates jobs today, diversifies our economy to create jobs tomorrow, and invests in Michigan businesses and citizens.”

The State of Michigan is a “best value” state with a centralized procurement system. DMB handles purchasing on behalf of each State agency, managing a contract portfolio of more than 1,300 contracts that are valued at more than \$16 billion. As a general rule, DMB handles solicitations that are valued at \$25,000 or more, with each individual State agency having the authority to make their own purchases valued at less than \$25,000.

Companies new to State contracting should begin by registering as a vendor, which was discussed in part one of this five part series. The next step is preparation and research, which was discussed in part two of this five part series. The third and fourth steps are finding opportunities to bid on and submitting a competitive bid, covered in parts three and four of this series.

Michigan businesses that submit bid responses to DMB's competitively bid solicitations should request a debrief session with the buyer in order to find areas of improvement for their next solicitation response. Deputy Director Craig Orr, who heads procurement for the State of Michigan, recommends debrief session for both successful and unsuccessful bidders. "Debrief sessions cover the strengths of each proposal, and areas that could be improved. Michigan companies can benefit from these conversations, both for future State bid responses and for other government contract solicitations at the federal and local levels."

To request a debrief session, please take the following steps:

1. Call the Buyer associated with the bid and request a debrief session
2. Identify areas with the buyer to improve bid submission
3. Review other bid submissions with the buyer to understand your competition

Debrief sessions are voluntary and are held at the bidder's request. Michigan firms should visit the Buy Michigan First website frequently at [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst). DMB recommends book-marking the site and making a visit part of a weekly routine to avoid missed bidding opportunities.

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