



# 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.*