

Chapter 5 User Guide: Solicitation Methods and Types Chart

Use Considerations				Solicitation Type	Examples	SIGMA Posting Requirement	Solicitation Process and Forms & Templates ^{3, 4}
Expected Contract Value	Solicitation Method Requirement	Additional Use Consideration	Need CPO ¹ or Designee Approval?				
\$5,000 or less	Alternative to Competitive Bidding	n/a	No	n/a	Procurement Card (PCard)	No posting requirement.	Verbal, electronic, or online. Due diligence is encouraged to obtain the best pricing, including multiple bids when practicable.
\$5,000.01 – \$50,000	Informal Competitive Bidding	n/a	No	Request for Quote (RFQ)	Usually commodities or simple product with little or no room for product or service differentiation. Requirements usually include delivery, quantity, quality.	RFQs may, but are not required, to be posted on SIGMA. or Purchasing Professional contacts vendors and obtains written quotes.	Purchasing Professional must make reasonable effort to contact all viable vendors (a minimum of three viable vendors) that provide the good or service and obtain three viable written quotes and justify why the vendors were selected. If there are not at least three viable vendors, the Purchasing Professional must document and explain. Additionally, the decision of award must be documented. Forms/Templates: SIGMA Requisition, Code of Conduct Acknowledgement must be completed for purchases over \$5,000; Request for Quote Worksheet (optional), Request for Quote Form (optional).
\$5,000.01 - \$500,000	Informal Competitive Bidding	Optional solicitation method used when purchasing a good or service from a vendor registered in SIGMA VSS that meets the requirements of the Michigan Supplier Community Program (MiSC).	Yes	Request for Quote - MiSC	Requirements include contract period, delivery, shipping, warranty, etc.	No posting requirement.	Purchasing Professional must contact a minimum of three viable vendors that meet the requirements of MiSC and obtain a minimum of three viable written quotes. If the product or service is being re-bid, the Purchasing Professional is required to obtain a quote from the current contractor, provided the current contractor meets the requirements of MiSC. Purchasing Professional completes a General Routing Document Template with all required information (including justification) and submits via a SIGMA General Routing (GR) request to obtain approval from CPO or designee. Forms/Templates: Code of Conduct Acknowledgement, SIGMA Requisition, Request for Quote Worksheet (optional), Request for Quote Form (optional).

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Greater than \$50,000	Formal Competitive Bidding	n/a	No	Request for Proposal (RFP)	<p>A process that allows vendors to propose their own comprehensive and innovative solution to the State's needs described in the solicitation.</p> <p>The Purchasing Professional will translate the critical business requirements into a series of requirements and/or questions that will be evaluated and scored.</p>	<p>RFP (\$50K+) must be posted on SIGMA for at least 14 calendar days.²</p>	<p>Purchasing Professional completes the RFP using required and appropriate forms and attachments and posts the solicitation on SIGMA. Code of Conduct Acknowledgement must be completed.</p> <p>Forms/Templates: Completed and/or uploaded in the following order: 1) SIGMA Requisition, 2) Proposal Instructions/Confidential Treatment Form/Vendor Questions Worksheet, 3) Standard Contract Terms (appropriate version), 4) Federal Provisions Addendum (if applicable), 5) Schedule A - SOW (appropriate version), 6) Schedule B - Pricing, 7) Additional documents as needed.*</p> <p>*Additional documents may be needed such as, but not limited to, additional schedules, attachments, regional maps, federal terms, etc. These would be posted after Schedule B.</p>
Greater than \$50,000	Formal Competitive Bidding	The RFS is a type of RFP	Yes	Request for Solution (RFS)	<p>A type of RFP which solicits proposals from potential contractors without being prescriptive in requirements.</p>	<p>RFS (\$50K+) must be posted on SIGMA for at least 14 calendar days.²</p>	<p>Purchasing Professional completes a General Routing Document Template with all required information and submits via a SIGMA General Routing (GR) request to obtain approval from CPO or designee. Upon approval CPS will provide applicable templates.</p>
Greater than \$50,000	Formal Competitive Bidding	<p>Optional solicitation method when research supports there is only one vendor, and the good or service is:</p> <ul style="list-style-type: none"> Proprietary in nature Based on compatibility with existing infrastructure, or Based on a licensing exclusivity 	Yes	Invitation to Negotiate (ITN)	<p>Examples of "proprietary in nature" include:</p> <ul style="list-style-type: none"> One vendor holding the license, patent, copyright, or trademark (e.g., Microsoft Windows). One vendor has exclusive rights to the manufacturing, distributing, or selling of the good or providing the service (e.g., an effort to standardize the door locks in a facility or across the group of facilities). Warranty, repair or maintenance rights are limited to a single contractor. <p>Examples of "based on compatibility with existing infrastructure" includes: Compatibility of equipment, accessories, or replacement parts of paramount consideration (e.g., desk phones, ID badges, security system).</p>	<p>ITN must be posted on SIGMA for at least 7 calendar days.²</p>	<p>Purchasing Professional completes a General Routing Document Template with all required information (including justification) for the ITN and submits via a SIGMA General Routing (GR) request to obtain approval from CPO or designee.</p> <p>Purchasing Professional posts completed ITN Instructions and Template (minus instructions) on SIGMA.</p> <p>Note: An ITN is more like a request for a price, not a proposal. The ITN forms on the Procurement intranet site are used as tools to provide needed information. The Purchasing Professional may write a contract without a proposal when only one vendor is capable of fulfilling the need; the resulting contract will still require a Statement of Work (SOW), etc.</p> <p>Identification of Viable Alternatives: If the posting results in the identification of viable alternatives, the Purchasing Professional may, at the direction of the CPO or designee, enter into negotiations with the initially identified vendor and responding vendors directly (a "Direct Solicitation"), or conduct an alternative competitive solicitation method (i.e., RFP).</p>

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					An example of "licensing exclusivity" includes the purchase of more Windows licenses.		Forms/Templates: SIGMA Requisition, General Routing Document Template, ITN Instructions and Template, ITN Vendor Question Worksheet. Code of Conduct Acknowledgement must be completed. Federal Provisions Addendum (if applicable).
Greater than \$50,000	Formal Competitive Bidding	Optional solicitation method used when the State seeks to solicit proposals from prospective suppliers to perform a proof of concept for a good or service the State wishes to try before fully implementing.	Yes	Competitive Proof of Concept (CPC)	<p>Examples include:</p> <ul style="list-style-type: none"> An agency becomes aware of a new innovative product or service and would like to test it under real world conditions. An agency has a general idea of the product or service they need, and they wish to give suppliers an opportunity to propose solutions that can be tested on-site. 	CPC must be posted on SIGMA for at least 7 calendar days. ²	<p>Purchasing Professional completes a General Routing Document Template request with required information (including justification) for a CPC and submit via a SIGMA GR request to obtain approval from CPO or designee. Purchasing Professional posts completed CPC form (minus instructions) on SIGMA.</p> <p>Forms/Templates: SIGMA Requisition, General Routing Document Template, Competitive Proof of Concept Instructions, RFP document set with customized contract terms provided by the AG, Code of Conduct Acknowledgement, and, if applicable, IT Business Readiness Checklist document(s). Federal Provisions Addendum (if applicable).</p>
Greater than \$50,000	Formal Competitive Bidding	Optional solicitation method used when CPO declares that a specific contract, category of contract, or contract in a specific geographic area must include a mandatory minimum requirement that bidders are Geographically-Disadvantaged Business Enterprises (GDBE).	Yes	GDBE Mandatory Minimum	<ul style="list-style-type: none"> The CPO and management team determine that a solicitation for a good or service will have a GDBE mandatory minimum requirement because the contract is in a category where there is a substantial GDBE vendor base or the contract primarily services a geographic area where GDBEs are based. 	RFP (\$50K+) must be posted on SIGMA for at least 14 calendar days. ²	<p>CPO meets quarterly with Central Procurement Services management team to determine which solicitations will have a GDBE mandatory minimum requirement. Purchasing Professional completes the associated RFP using required and appropriate forms and attachments and posts the solicitation on SIGMA. Code of Conduct Acknowledgement must be completed.</p> <p>Forms/Templates: Completed and/or uploaded in the following order: 1) SIGMA Requisition, 2) Proposal Instructions/Confidential Treatment Form/Vendor Questions Worksheet, 3) Standard Contract Terms (appropriate version), 4) Federal Provisions Addendum (if applicable), 5) Schedule A - SOW (appropriate version), 6) Schedule B - Pricing, 7) Additional documents as needed.*</p> <p>*Additional documents may be needed such as, but not limited to, additional schedules, attachments, regional maps, federal terms, etc. These would be posted after Schedule B.</p>

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Expected Contract Value	Solicitation Method Requirement	Additional Use Consideration	Need CPO ¹ or Designee Approval?				
Greater than \$50,000	Informal Competitive Bidding	Optional solicitation method when vendor pool is limited or when posting on SIGMA would not provide sufficient response from the vendor community.	Yes	Direct Solicitation (DS)	<p>Examples of a purchase that may be made through a Direct Solicitation process are:</p> <ul style="list-style-type: none"> • Only authorized dealers are allowed to sell the good. • A heating and cooling system needs repair in a remote area of the Upper Peninsula and only two nearby plumbing and heating shops near the vicinity can provide the required service. • In limited circumstances, a purchase where vendors are not likely to respond on SIGMA. For example, DNR needs to repair a truck in Alpena. SIGMA posting is not going to yield vendors. Local body shops will need to be contacted directly. 	<p>Notice is to be provided to all vendors in the identified vendor pool.</p> <p>DS may but is not required to be posted on SIGMA.</p>	<p>Purchasing Professional completes a General Routing Document Template with required information (including justification) for a DS and submit via a SIGMA GR request to obtain approval from CPO or designee.</p> <p>Forms/Templates: Full RFP document set, Code of Conduct Acknowledgement, Federal Provisions Addendum (if applicable).</p>
Greater than \$50,000	Exceptions to Competitive Bidding Requirements	Existing State contract may be amended to add a good or service reasonably related to the good or service initially purchased, or in limited cases, extend the term of the contract.	Yes	Existing State Contract	<p>Examples include adding additional:</p> <ul style="list-style-type: none"> • Years to a contract when the good or service has a remaining useful life. • State agencies to the contract. • Goods or services to extend the useful life of the contract. 	<p>No SIGMA posting requirement.</p>	<p>Purchasing Professional completes a General Routing Document Template with all required information (including justification) and submit via a SIGMA GR request to obtain approval from CPO or designee. Additionally, Purchasing Professionals will follow State Administrative Board procedures as required in policy.</p> <p>Forms/Templates: SIGMA Requisition, General Routing Document Template, Code of Conduct Acknowledgement</p>

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Expected Contract Value	Solicitation Method Requirement	Additional Use Consideration	Need CPO ¹ or Designee Approval?				
Greater than \$50,000	Exceptions to Competitive Bidding Requirements	Exception to competitive bidding.	Yes	Cooperative Agreements or Other State Contracts	Includes a competitively bid contract from another State, local unit of government, college or university, or other public entity. Federal government General Services Administration (GSA) contracts are not normally competitively bid and are similar to the State's prequalified contracts.	No solicitation required. The Purchasing Professional confirms that the contract was competitively bid. Can be leveraged when research supports fair and reasonable pricing is in the best interest of the State.	Purchasing Professional reviews the entire contract to understand scope and if pricing is fair and reasonable. The fact that many other States use the contract does not support a conclusion of fair and reasonable pricing. Note: Many cooperative contracts encompass the solicitation, the contractor's proposal and other contract documents. All documents must be reviewed to understand final contract requirements and pricing. Purchasing Professional completes a General Routing Document Template with all required information (including justification) and submit via a SIGMA GR request to obtain approval from CPO or designee. Justification should include all appropriate detail as identified in the General Routing Document Template for this solicitation type. The State may sign a participating addendum or similar document to participate. Forms/Templates: General Routing Document Template.
Greater than \$50,000	Exceptions to Competitive Bidding Requirements	Exception to competitive bidding	Yes	Emergency Purchase Related to Protection of Public Health or Safety	Includes a purchase necessary for the imminent protection of public health or safety or to mitigate a threat to public health or safety.	No SIGMA Posting Requirement.	Purchasing Professional must obtain approval from CPO or designee. See "Emergency Guidance for Purchasing and PCard Reference Guide" for instructions on how to seek approval.

¹ Chief Procurement Officer (CPO)

² The posting or stated posting time on SIGMA is required unless the CPO or designee approves otherwise.

³ Other forms and templates may be required depending upon the procurement needs. See the [Procurement](#) intranet site and the [Michigan Procurement Policy Manual](#) for additional information.

⁴ Submit all multi-year contracts to Central Procurement Services on the [Contract Data Collection](#) page on the Procurement intranet site.

Color Key

Informal Competitive Bidding – White
All Other Types of Competitive Bidding – Yellow/Orange
No Requirements – Gray

Chapter 5 User Guide: Solicitation Methods and Types Chart – Evaluation and Award Section

Use Considerations				Solicitation Type	Evaluation, Award Process, and Contract Forms & Templates ¹		
Expected Value of Purchase / Contract	Solicitation Method Requirement	Additional Use Consideration	CPO or Designee Approval Required		Evaluation & Award Process	Contract Development	Contract Management ³
\$5,000 or less	Alternative to Competitive Bidding	n/a	No	n/a	Use due diligence		
\$5,000.01 - \$50,000	Informal competitive bidding	n/a	No	Request for Quote (RFQ)	<ul style="list-style-type: none"> No standard evaluation form, but must document: <ul style="list-style-type: none"> Three written quotes Decision-making rationale Code of Conduct Acknowledgement 	<ul style="list-style-type: none"> Purchase Order Standard Contract Terms or Standard Contract Terms – Short Form Requirement specifications, including pricing 	
\$5,000.01 - \$500,000	Informal competitive bidding	n/a	Yes	Request for Quote - MiSC	<ul style="list-style-type: none"> No standard evaluation form, but must document: <ul style="list-style-type: none"> Three written quotes Decision-making rationale Code of Conduct Acknowledgement 	<ul style="list-style-type: none"> Purchase Order Standard Contract Terms or Standard Contract Terms – Short Form Requirement specifications, including pricing Federal Provisions Addendum (if applicable) 	
Greater than \$50,000	Formal competitive bidding	n/a	No	Request for Proposal (RFP)	<ul style="list-style-type: none"> Code of Conduct Acknowledgement Award Recommendation and Evaluation Synopsis 	<ul style="list-style-type: none"> Notice of Contract Standard Contract Terms or Standard Contract Terms – Short Form Schedule A - SOW (appropriate version) Federal Provisions Addendum (if applicable) Contract Signature Request - email (optional) State Ad Board Bid Tab (if value \$250K+) 	<ul style="list-style-type: none"> Change Notice Template State Ad Board Bid Tab (if applicable)

Use Considerations				Solicitation Type	Evaluation, Award Process, and Contract Forms & Templates ¹		
Expected Value of Purchase / Contract	Solicitation Method Requirement	Additional Use Consideration	CPO or Designee Approval Required		Evaluation & Award Process	Contract Development	Contract Management ³
Greater than \$50,000	Formal competitive bidding	Optional solicitation method when research supports there is only one vendor, and the good or service is: <ul style="list-style-type: none"> Proprietary in nature Based on compatibility with existing infrastructure, or Based on a licensing exclusivity 	Yes	Invitation to Negotiate (ITN)	<ul style="list-style-type: none"> Code of Conduct Acknowledgement ITN Award Recommendation and Evaluation Synopsis Template (appropriate version)² 	<ul style="list-style-type: none"> Notice of Contract Standard Contract Terms or Standard Contract Terms – Short Form Schedule A - SOW (appropriate version) Federal Provisions Addendum (if applicable) Contract Signature Request - email (optional) State Ad Board Bid Tab (if value \$250K+) 	<ul style="list-style-type: none"> Change Notice Template State Ad Board Bid Tab (if applicable)
Greater than \$50,000	Formal competitive bidding	Optional solicitation method used when the State seeks to solicit proposals from prospective suppliers to perform a proof of concept for a good or service the State wishes to try before fully implementing.	Yes	Competitive Proof of Concept (CPC)	<ul style="list-style-type: none"> Code of Conduct Acknowledgement Proof of Concept Proposal Evaluation Proof of Concept Supplier Evaluation 	<p>CPC Agreement: Construct based upon the RFP contract documents, using non-IT or IT requirements appropriately⁴</p> <p>Implementation Contract: Construct based upon the RFP contract documents, using non-IT or IT requirements appropriately</p>	<p>CPC Agreement: As defined in the CPC Agreement, if any</p> <p>Implementation Contract: <ul style="list-style-type: none"> Change Notice Template State Ad Board Bid Tab (if applicable) </p>
Greater than \$50,000	Formal competitive bidding	Optional solicitation method used when CPO declares that a specific contract, category of contract, or contract in a specific geographic area must include a mandatory minimum requirement that bidders are Geographically-Disadvantaged Business Enterprises (GDBE).	Yes	Geographically-Disadvantaged Business Enterprise Mandatory Minimum	<ul style="list-style-type: none"> Code of Conduct Acknowledgement Award Recommendation and Evaluation Synopsis 	<ul style="list-style-type: none"> Notice of Contract Standard Contract Terms or Standard Contract Terms – Short Form Schedule A - SOW (appropriate version) Federal Provisions Addendum (if applicable) Contract Signature Request - email (optional) State Ad Board Bid Tab (if value \$250K+) 	<ul style="list-style-type: none"> Change Notice Template State Ad Board Bid Tab (if applicable)

Use Considerations				Solicitation Type	Evaluation, Award Process, and Contract Forms & Templates ¹		
Expected Value of Purchase / Contract	Solicitation Method Requirement	Additional Use Consideration	CPO or Designee Approval Required		Evaluation & Award Process	Contract Development	Contract Management ³
Greater than \$50,000	Informal competitive bidding	Optional solicitation method when vendor pool is limited OR when posting on SIGMA VSS would not provide sufficient response from the vendor community.	Yes	Direct Solicitation (DS)	(See RFP)	(See RFP)	(See RFP)
Greater than \$50,000	Exceptions to Competitive Bidding Requirements	Existing State contract may be amended to add a good or service reasonably related to the good or service initially purchased, or in limited cases, extend the term of the contract.	Yes	Existing State Contract			<ul style="list-style-type: none"> • Schedule A – SOW (as needed) • Schedule B – Pricing (as needed) • Change Notice Template • State Ad Board Bid Tab (if applicable)
Greater than \$50,000	Exceptions to Competitive Bidding Requirements	Exception to competitive bidding.	Yes	Cooperative Agreements or Other State Contracts		<p>Attached the following existing or modified documents:</p> <ul style="list-style-type: none"> • Standard Contract Terms • Schedule A – SOW • Schedule B – Pricing • Vendor Questions Worksheet portion of the Proposal Instructions/Confidential Treatment Form/Vendor Questions Worksheet • Participating Addendum or similar document (if applicable) • State Ad Board Bid Tab (if applicable) 	(See RFP)

¹ Forms and templates listed are regularly used. However, additional forms/templates/documents may be needed if/when applicable depending upon what is being purchased. See additional forms and templates on the [Procurement](#) intranet site.

² The ITN Award Recommendation and Evaluation Synopsis – No Bidders is used when no vendor responds to the ITN; the award will be made to the vendor named in the ITN. If responses are received from a vendor(s) not named in the ITN solicitation, other forms and processes may be needed including but not limited to: the ITN Award Recommendation and Evaluation Synopsis Template – No Viable Bidder when

a or multiple vendors respond but none are found viable, or the ITN Award Recommendation and Evaluation Synopsis Template – Viable Bidder Discovered when one or more vendor respond and at least one is found viable. See page 1 for more information regarding when viable bidders are discovered.

³ Contract Monitoring Plans are required for all new Contracts (CT) and Master Agreements (MA) with an original execution date of October 1, 2018 or later and cumulative value over \$50,000. Exceptions are contract changes which increase a CT or MA above \$50,000 after the original execution date. Other exclusions include CTs/MAs under Agency Statutory Authority (e.g., Direct Human Services and road construction), and Michigan Department of Corrections contracts. Other exceptions may be considered or authorized upon request. See [Supplier Relationship Management](#) intranet page for more information regarding Contract Monitoring Plan development.

⁴ CPC Agreements contain many of the same documents that are in an RFP, but the forms and content are guided based upon the study/test being conducted.

Color Key

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All Other Types of Competitive Bidding – Yellow/Orange
No Requirements – Gray