



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

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 or call (517) 335-0230.