



# Contracting 201

## An Overview in Procurement Practices and Procedures

Contract Connect

DTMB-Procurement



## Training Agenda

- Types of Solicitations
- Components of ITB/RFP Solicitation Documents
- The Bid Evaluation and Approval Process
- Contacts
- Website



## Solicitation Document

- RFQ: Request for Quote
- ITB: Invitation to Bid
- RFP: Request for Proposal
- RFI: Request for Information
  
- Prequalification Programs
- Delegated one-time purchases



## Solicitation Documents RFQ

- Informal competitive bid, under \$10,000
- Simple solicitation
  - Mail, fax, email, phone
- Price and delivery are the primary evaluation factors
- Lower cost commodities or services with simple specifications.





## Solicitation Documents

### ITB

- Formal competitive bid
- Low complexity
- Low bid or best value – Price is one of the main evaluation criteria
- Defined bid due date and time
- No public bid openings
  - Except for Design and Construction



## Solicitation Documents

### RFP

- Competitive formal proposal
- A more complex purchase
- Best Value – Price is only one of MANY evaluation criteria
- Highly technical commodities, IT , and professional services
- Defined bid due date and time





## Solicitation Documents

### RFI

- Two types: Pricing Research or Market Research
- RFIs can be formal or informal
- RFI response content may be used to develop an RFP



## Solicitation Documents

### Prequalification Program

- Advertised in the same manner as an RFP
- Requirements vary per program
- Prequalification approval good for limited time
- Enrollment may be open or limited
- Does not guarantee a contract or sales
- May just be a list of licensed or certified businesses





## Solicitation Documents Delegated Purchases

Individual state agencies can issue an ITB or RFP solicitation document that is structurally different from DTMB-Procurements

- For one-time purchases, not resulting in a multi-year contract
- Either under 250k or 25k depending on Agency; some exceptions may apply

Lets take a look at what DTMB-Procurements solicitations look like



## ITB / RFP Components

DTMB-Procurement RFP

- Article 1: Work Statement
- Article 2: Terms and Conditions
- Article 3: Bid Process and Evaluation Criteria
- Article 4: Required Bidder Information





## Article 1

- Project Title and Description
- Specifications / Scope of Work
- Required Services and Delivery Capabilities
- Reporting Requirements
- Minimum Order / Palletizing
- Proposal Pricing
- Special Terms and Conditions



## Article 1: Specifications

### Scope of Work

- Many Different Types
  - Commodity specifications, services scope of work, design, installation requirements etc.
- Alternate Brands
  - May have a reference brand, indicating equivalent alternatives are acceptable.
- Exceptions
  - Submit questions in the Q&A period to determine which exceptions may be acceptable





## Article 2

- Standard Contractual Terms
- Important Terms Include (but are not limited to):
  - Indemnification
  - Insurance
  - Payment Information
  - Cancellation
  - Contract Term / Optional Renewal Years



## Article 3

- Pre-bid Meetings
- Q&A Period
- Communication Rules
- Award Process
- Evaluation Criteria
- Proposal Format Details
- Bid Submission Instructions
- Bid Bond Requirements (if any)





## Article 4

- Company Information
- Staffing
- Past Performance
- Place of Performance
- Disclosure of Litigation
- MiDEAL – Extended Purchasing Program



## MiDEAL

- Program that allows local units of government to purchase from state contracts.
  - Townships
  - Cities & Villages
  - Counties
  - Road Commissions
  - Nonprofit Hospitals
  - Colleges
  - Universities
  - School Districts
- Increase your potential customer base





## Pricing Proposal & Negotiations

- Be competitive, submit best price with bid upfront
- Negotiations via email
- BAFO: Best and final offer
- Discount Delivery Terms
- Discount Schedules
- Multi-unit Discounts



## Acknowledgements

- Bidders must acknowledge:
  - An understanding of the work to be done
  - Be inclusive of any bid addendums, including Q&A
  - How you will fulfill scope of work requirements
  - Agreement to Article 2 terms and conditions
  - Complete additional forms, if any
  - Have successfully completed any prequalifications





## Evaluation

- Evaluation
- Clarifications
- Purchasing Preferences
- Award Notifications
- Debrief
- FOIA
- Protest



## Evaluation

- Proposals may be reviewed by:
  - Individual Buyer
  - Buyer and the requesting agency
  - Joint evaluation committee (JEC)
- Type of review is determined by:
  - Dollar amount of contract
  - Complexity of proposals



## Evaluation



- What to know about Joint Evaluation Committees (JEC)
  - Sign conflict of interest statements
  - From inside and outside the requesting agency
  - Evaluation to mirror the RFP
  - Recommendations are advisory
  - Process is documented



## Evaluation



- |  |                                       |
|--|---------------------------------------|
| • Price & Cost                                 | • Technical Proposals                 |
| • Organizational capacity & financial strength | • Quality & Delivery                  |
| • Personnel qualifications                     | • Payment terms                       |
| • Past performance                             | • Those required by law or public act |
| • Project experience                           | • Responsive & Responsible            |



## Evaluation

- Pharmacy Services for Juvenile Justice Facilities

### 3.020 Award Process

#### 3.021 Method of Evaluation

In awarding the Contract, proposals will be evaluated by a Joint Evaluation Committee (JEC which will be chaired by DTMB Purchasing Operations).

#### 3.022 Technical Proposal Evaluation Criteria

The following chart represents the scoring of the particular factors:

		<b>Weight</b>
1.	Product Quality (1.021)	20
2.	Service Capabilities (1.022)	15
3.	Delivery Capabilities (1.021)	25
4.	Company Information (4.011)	5
5.	Prior Experience (4.012)	15
6.	Contractor Roles (1.031) / Staffing (4.013)	20
<b>TOTAL:</b>		<b>100</b>



## Evaluation

- Award Types
  - Single Award
    - Award entire contract to one vendor
  - Split Award
    - Award by item/group of items among multiple vendors
  - Multiple Source Award
    - Award to multiple vendors
  - Regional or Zone Awards
    - Award by region or zone



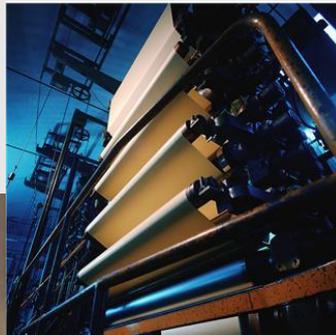
## Clarifications

- Buyer or JEC may request additional information in order to evaluate proposal
  - Clarifications
  - Oral presentations
  - Negotiations



## State Purchasing Preferences

- Service Disabled Veteran Owned Business (SDVOB)
- Community Rehabilitation Organizations
- Printing Act of 1937
- Michigan Preference
- Reciprocal Preference



## Internal Approvals

- After recommendation, awarding is approved by one of the following:
  - Buyer Manager
  - Division Director
  - Chief Procurement Officer
- Governor's Administrative Board
- Certificate of Awardability



## Award Notification

- Buyer send the Notice of Recommendation (NOR) to bidders by email
  - Awarded vendor & price
  - Contract base years and options
  - Debrief Information
  - Protest Information



## Debrief

- Meet in person or via phone
- Request Evaluation Synopsis
- Buyer will identify areas to revise for the next bid



## Protest

### Who can protest?

- Responsive Bidder

### Who cannot protest?

- Bidders who "No Bid"
- Manufacturers or suppliers selling through distributors, or businesses listed as subcontractors in a vendor's proposal.



## Protest

### Bidder

- ◆ Submit Protest in writing by 5:00 PM on the due date (Include ITB/RFP number, facts, desired remedy).

### DTMB

- ◆ Chief Procurement Officer or designee will provide written decision to protesting party after investigation or will schedule an informal meeting before issuing a decision. Decision is final.



## Freedom of Information Act Requests (FOIA)

- Documents are public information
- How are the documents sent?
  - Email, fax, postal service
- How long does it take?
  - Acknowledged in 5 business days; up to a 10 day extension
- How much does it cost?
  - No charge if labor, duplication & mailing is less than \$10.00
- Most frequently requested documents?
  - The awarded proposal & bid evaluation synopsis



## How to FOIA

Michigan DTMB Department of Technology, Management & Budget

Contract Connect: Your guide to doing business with the State of Michigan

Michigan.gov Home DTMB Home FAQ Contact Us Contract Connect Home

Vendor Information Resources Vendor Gateway State Administrative Board Bid Opportunities Local Government Contact Us

Vendor Information

**How to Register**

Bid4Michigan.com is the official posting site for most State of Michigan solicitations over \$10,000. To view current solicitations and register as a State of Michigan vendor, click the icon below (redirects to Bid4Michigan.com).

**Bid4Michigan**  
State of Michigan Bid System

Vendors will also need to register for Electronic Funds Transfer (EFT) at Contract & Payment Express. You will need your Tax ID number, banking information and business characteristics available before beginning. To register, click the icon below (redirects to Contract & Payment Express).

**Contract & Payment Express**  
Vendor & Payee Registration

**Prepare and Research**

In order to be a competitive vendor in the State of Michigan bid process, use these tools to prepare and research contracts and opportunities.

- [State Contracting Checklist](#)
- [Contract List](#)
- [Quarterly Upcoming Bid List](#)
- [Freedom of Information Act](#)

## Contract Connect Website

Michigan DTMB Department of Technology, Management & Budget

Contract Connect: Your guide to doing business with the State of Michigan

Michigan.gov Home DTMB Home Contact Us Contract Connect Home FAQ

Resources Vendor Gateway State Administrative Board Bid Opportunities Vendor Information Local Government Contact Us

Contract Connect  
Your guide to doing business with the State of Michigan

Welcome to Contract Connect, the State of Michigan's website for procurement. Vendors will find information on contracting opportunities, along with instructions on how to register and bid.

The DTMB-Procurement Contract List includes all of DTMB-Procurement's contracts and is updated weekly. The Quarterly Upcoming Bid List includes all DTMB-Procurement contracts that are scheduled to expire and expected to come back out to bid within approximately the next year.

**Contract Lists**

- [DTMB-Procurement Contract List](#)
- [DTMB-Procurement Quarterly Upcoming Bid List](#)
- [Sign Up via Email to Receive the Quarterly Upcoming Bid List](#)

**Training**

- [Contracting 101 Tutorial Video](#)
- [Contracting 101 Tutorial PowerPoint](#)
- [Design and Construction Contracting 101](#)
- [Elements of a Quality Proposal \(Webcast\)](#)
- [Becoming a State Contractor \(Brochure\)](#)

**Events and Webinars**

- [Event Calendar](#)

MIDEAL

Achievement of Excellence in Procurement



## Contact Information

**Business Development Unit; DTMB-Procurement**

Email: [DTMB-MiContractConnect@michigan.gov](mailto:DTMB-MiContractConnect@michigan.gov)  
 Twitter: @MiProcurement

**Vendor Outreach Coordinator**

Jenni Riehle  
 Phone: 517.335.6633  
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**Disabled & Service Disabled Veteran Outreach**

Genevieve Hayes  
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 Email: [Hayesg2@michigan.gov](mailto:Hayesg2@michigan.gov)




## Contact Information

**DTMB-Design & Construction**

Patrick Mullen  
 Phone: 517.373.0967  
 Email: [BuildMichigan@michigan.gov](mailto:BuildMichigan@michigan.gov)

**DTMB-Real Estate Outreach**

Phone: 517.373.9559  
 Email: [DTMB-RealEstate@michigan.gov](mailto:DTMB-RealEstate@michigan.gov)

**MDOT – Michigan Department of Transportation**

Demetrius Parker  
 Phone: 517.373.4680  
 Website: [www.michigan.gov/mdot](http://www.michigan.gov/mdot)

**MSI – Michigan State Industries**

Cathy Carr  
 Phone: 517.241.6291  
 Email: [CarrC@michigan.gov](mailto:CarrC@michigan.gov)



## Contact Information

<b>PTAC – Procurement Technical Assistance Centers of Michigan</b>
12 Regional PTACs in Michigan
<b>MI-SBTDC – Michigan Small Business &amp; Technology Development Center</b>
State Headquarters Phone: 616.331.7480 Website: <a href="http://www.misbtdc.org">www.misbtdc.org</a>
<b>SBA – Small Business Administration</b>
Michigan District Office Phone: 313.226.6075 Website: <a href="http://www.sba.gov">www.sba.gov</a>
<b>MEDC – Michigan Economic Development Center</b>
Phone: 517.335.9808 Website: <a href="mailto:BusinessConnect@michigan.org">BusinessConnect@michigan.org</a>