



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

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GOVERNOR

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EXECUTIVE DIRECTIVE
No. 2015-1

DATE: January 27, 2015

TO: All Executive Branch Departments and Agencies

FROM: Governor Rick Snyder 

RE: Procurement Realignment

It is essential to the reinvention of state government that Michigan manages taxpayer dollars effectively and efficiently by making sound decisions in the procurement of goods and services. Pursuant to 1984 PA 431, the Department of Technology, Management and Budget (DTMB) is charged with providing for centralized administrative services such as procurement services. An assessment of the state's procurement functions was conducted. The findings identified gaps in the current processes and opportunities for improvement. To address the findings, Michigan must identify clear and aligned procurement objectives, coordinate procurement operations across state departments, develop an integrated skills team, use effectively the state's collective buying power, and continue to maintain transparency. This effort will require that all state of Michigan departments and agencies performing procurement functions work together to implement the actions to address the identified gaps in current process and opportunities for improvement.

Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power in the Governor. Section 8, Article V of the Michigan Constitution places each principal department under the supervision of the Governor. Pursuant to these provisions of the Michigan Constitution, I direct the following:

The Chief Procurement Officer within DTMB has the responsibility, in partnership with and in support of department and agency business needs, goals, and mission, to identify and carry out the state of Michigan's procurement laws, rules and regulations, objectives, policy, processes, procedures, training and other programs necessary to effectively and efficiently transact business as required under 1984 PA 431.

The director for each principal department and agency with personnel that perform procurement functions pursuant to 1984 PA 431 must immediately coordinate

with the Department of Technology, Management, and Budget, Chief Procurement Officer to facilitate the administration of the requirements under this Directive.

The director of each principal department and agency must identify a senior-level purchasing position (hereinafter referred to as "Procurement Executive" position) to be accountable both to the department or agency (responsible for the employment relationship with the Procurement Executive—a "solid-line" reporting relationship) and to the Chief Procurement Officer (responsible for directing statewide procurement operations—a "dotted-line" reporting relationship).

The Procurement Executive for each principal department and agency shall be responsible for performing all of the following roles:

- Serving as a liaison between the Chief Procurement Officer and the director of the principal department and agency on procurement matters and issues potentially impacting (i) the operations and objectives of the Chief Procurement Officer, (ii) the operations and objectives of the principal department or agency, (iii) other state operations and objectives, and (iv) the wellbeing of Michigan residents;
- Supporting the procurement needs and requirements of the principal department or agency and the procurement aligned objectives of the Chief Procurement Officer;
- Ensuring that the principal department or agency effectively executes the statewide procurement aligned objectives;
- Recruiting, selecting, and training department or agency personnel to perform procurement functions in accordance with the guidelines provided by the Chief Procurement Officer and participating in the establishment and execution of enterprise-wide recruitment, selection and training guidelines for state personnel performing procurement functions; and
- Serving as a member of a Procurement Executive team and attending the meetings as required.

For the purpose of formally implementing the relationship between the Procurement Executive and the Chief Procurement Officer, DTMB and each principal department and agency performing procurement functions will enter into a standardized memorandum of understanding. The standardized MOU will:

- (1) define the nature of the "dotted-line" reporting relationship of the Procurement Executive to the Chief Procurement Office;
- (2) establish the roles and responsibilities of the Procurement Executive; and

(3) establish the working relationship of the department or agency director, and the Chief Procurement Officer in procurement matters to facilitate the enterprise-wide administration of procurement operations.

This directive is not binding on the Department of State or the Department of Attorney General. But to promote the goal of making sound decisions in the procurement of goods and services, and in recognition of DTMB's lead role in procurement matters under 1984 PA 431, these departments are encouraged to work in partnership with the Chief Procurement Officer in the manner set forth in this directive and to voluntarily agree to enter into and abide by the terms aforementioned standardized MOU.