



Opportunity Knocks: State and Local Procurement

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In 2001, the U.S. declared war on terrorism and federal defense procurement increased dramatically. News soon spread about billion dollar defense contracts, and the subsequent coverage elevated federal procurement to celebrity status. State and local procurement opportunities on the other hand, though profitable, became less note-worthy in the media and in the minds of business professionals nationwide.

Despite the prominence of federal procurement, recent budget issues and draw-downs from the war in Iraq may leave fewer federal opportunities. While federal procurement has basked in the limelight, it is important to remember that state and local procurement opportunities have always been lucrative and will continue to be profitable and worthwhile long after defense spending decreases.

Contrary to ongoing reports about shrinking state budgets, state spending has actually increased over the past three years. Accordingly, total state expenditures hovered at \$1.56 trillion in 2009, \$1.62 trillion in 2010, and an estimated \$1.69 trillion in 2011. Growth may be slower than in years past, but that does not mean the coffers are empty. Stringent budget requirements now provide an added advantage to those organizations that provide exceptional goods and services at competitive prices. Thus, despite a gloomy economy, state budgets have myriad procurement opportunities.

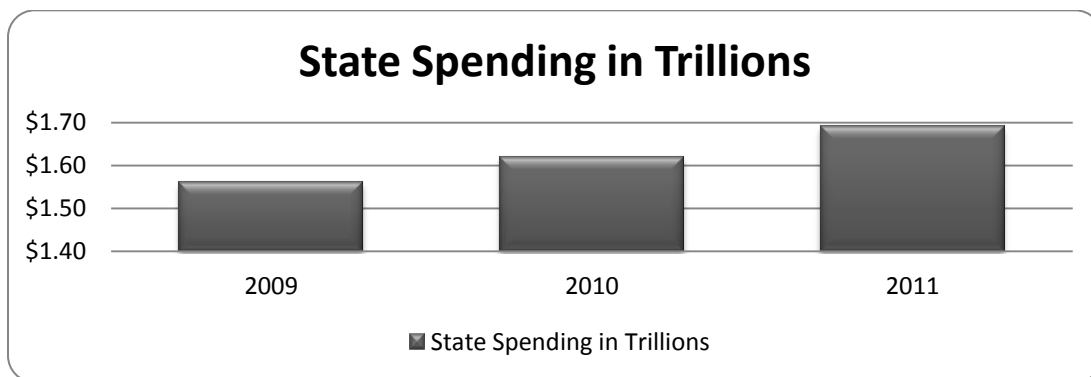


Chart 1 Source: National Association of State Budget Officers (NASBO)

Most businesses, whether providing transportation, IT support, security, or nutrition, can unearth valuable opportunities in the state and local arena. An excellent way to determine where your business fits is to review annual state budget projections. A prime example of these forecasts can be found on the National Association of State Budget Officers (NASBO) website. NASBO, a leading state budget resource, recently released the Total State Expenditure Report from fiscal year 2009 to fiscal year 2011. Please see the chart below to view 2011 Total State Spending by Function.

2011 Total State Spending by Function

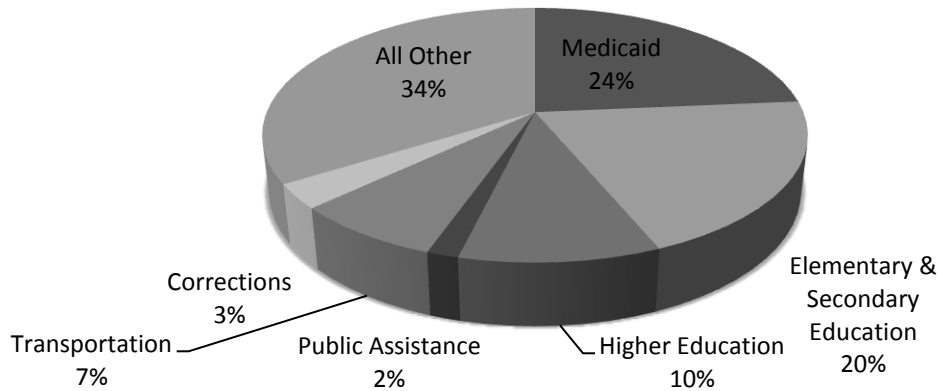


Chart 2 Source: National Association of State Budget Officers

Another method to identify state opportunities is to analyze each state's needs; not what it wants, but what it needs. Understand each state's unique requirements. Some will match your business model better than others. For example, companies specializing in providing health care services may want to focus on states with large aging populations such as Florida and California. Similarly, organizations looking to provide services to corrections facilities may look to states with a high inmate population.

Identifying opportunities using the legislative and regulatory process is another technique used to secure state and local procurement. Though not all procurements require this kind of support, when the stakes are high, it makes sense to employ lobbying professionals to educate key legislators and executive branch officials about your particular solution. The more advocates you have on hand to support your solution, the greater the likelihood that your organization, assuming laws, policies and RFP requirements are followed, will achieve a winning result. Additionally, having more time to advocate a solution will improve your ability to shape a state or local RFP to fit your organization's core strengths.

MultiState Associates has over 27 years of experience providing state and local government procurement lobbying and would be happy to schedule an informational meeting to help you determine whether your business is a candidate. MultiState can also help you to:

- Research political agendas and public policy trends for issues relevant to business and sales executives;
- Analyze and track legislation affecting programs that will lead to major procurements;
- Explain procurement processes and track the process from conception through the RFP development, RFI, RFP publication, proposals, award, negotiation, protest and recompute;
- Evaluate elected and appointed government officials' willingness to budget and appropriate the financial investment required to implement the public policy including payments to vendors;



- Assist your company in entering government markets and influencing purchasers;
- Strategize with clients to select other firms with whom to partner (prime, subcontractor and minority/small businesses) and facilitate those personal introductions;
- Profile government agencies and executives and facilitate relationships with elected officials and political appointees;
- Obtain political approval of sole source no-bid procurements;
- Validate that there really is a fair opportunity, as well as political support for a sale, prior to the vendor's investment of resources; and
- Advise vendors on political contributions and attend events with them or on their behalf.

While this article is by no means comprehensive, numerous websites are available to assist you with locating state and local procurement opportunities. We suggest:

- www.rfpdb.com
- www.governmentbids.com
- www.bidnet.com
- www.findrfp.com
- www.bidsync.com
- www.onvia.com
- www.input.com

Lastly, always remember to follow state procurement laws, as laws can differ dramatically from state to state. For example, some states classify procurement sales professionals as lobbyists. Be sure to appropriately register if that is the case.

Who we are:

MultiState Associates Inc. is the nation's leading full-service state and local government relations firm, offering in-state lobbying and monitoring, assistance with government procurements, lobbying compliance management, 50 state legislative and regulatory reporting, local alert services, and research.

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