## As Passed by the Senate

# 127th General Assembly Regular Session 2007-2008

Sub. S. B. No. 268

#### **Senator Seitz**

Cosponsors: Senators Niehaus, Gardner, Schuler, Schuring, Cates, Fedor, Roberts, Buehrer, Harris, Kearney, Mumper, Spada, Wilson

### A BILL

То	amend sections 9.48, 125.04, 307.86, and 3313.46	1
	and to enact section 307.862 of the Revised Code	2
	to allow a county contracting authority to use	3
	competitive sealed proposals instead of	4
	competitive sealed bidding when doing so would be	5
	advantageous to the county, to extend the current	6
	county and township joint purchasing authority to	7
	other political subdivisions, and to authorize	8
	boards of education to forgo the second newspaper	9
	publication of bid advertisement in lieu of an	10
	internet web site posting.	11

#### BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 9.48, 125.04, 307.86, and 3313.46 be	12
amended and section 307.862 of the Revised Code be enacted to read	13
as follows:	14
Sec. 9.48. (A) As used in this section, "political	15
subdivision" has the same meaning as in section 2744.01 of the	16
Revised Code.	17
(B) A <del>county or township</del> political subdivision may do any of	18

the following:

(1) Permit one or more other counties or townships political

subdivisions to participate in contracts into which it has entered

for the acquisition of equipment, materials, supplies, or

services, and may charge such participating counties or townships

political subdivisions a reasonable fee to cover any additional

costs incurred as a result of their participation;

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- (2) Participate in a joint purchasing program operated by or
  through a national or state association of political subdivisions
  in which the purchasing county or township political subdivision
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  is eligible for membership.
- (3) Participate in contract offerings from the federal 30 government that are available to a county or township political 31 subdivision including, but not limited to, contract offerings from 32 the general services administration. 33

(B)(C) Acquisition by a county or township political 34 subdivision of equipment, material, supplies, or services, through 35 participation in a contract of another county or township 36 political subdivision or participation in an association program 37 under division  $\frac{(A)(B)}{(B)}(1)$  or (2) of this section, is exempt from 38 any competitive selection requirements otherwise required by law, 39 if the contract in which it is participating was awarded pursuant 40 to a publicly solicited request for a proposal or a competitive 41 selection procedure of another political subdivision within this 42 state or in another state. Acquisition by a county or township 43 political subdivision of equipment, materials, supplies, or 44 services pursuant to division  $\frac{(A)(B)}{(B)}(3)$  of this section is exempt 45 from any competitive selection requirements otherwise required by 46 law. No county or township political subdivision shall acquire 47 equipment, materials, supplies, or services by participating in a 48 contract under this section if it has received bids for such 49 acquisition, unless its participation enables it to make the 50

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acquisition upon the same terms, conditions, and specifications at	51
a lower price.	52
(C)(D) A county or township political subdivision that is	53
eligible to participate in a joint purchasing program operated by	54
or through a national or state association of political	55
subdivisions in which the purchasing <del>county or township</del> <u>political</u>	56
subdivision is eligible for membership may purchase supplies or	57
services from another party, including another political	58
subdivision, instead of through participation in contracts	59
authorized by division $\frac{(A)(B)}{(2)}$ of this section if the county or	60
township political subdivision can purchase those supplies or	61
services from the other party upon equivalent terms, conditions,	62
and specifications but at a lower price than it can through those	63
contracts. Purchases that a <del>county or township</del> <u>political</u>	64
subdivision makes under this division are exempt from any	65
competitive selection procedures otherwise required by law. A	66
county or township political subdivision that makes any purchase	67
under this division shall maintain sufficient information	68
regarding the purchase to verify that the county or township it	69
satisfied the conditions for making a purchase under this	70
division. Nothing in this division restricts any action taken by a	71
county or township political subdivision as authorized by division	72
$\frac{(A)(B)}{(B)}(1)$ of this section.	73
(E) The authorization granted to a municipal corporation	74
under this section shall be in addition to, and not in derogation	75
of, the powers and authority granted by state law, the Ohio	76
Constitution, and the provisions of a municipal charter,	77
ordinance, or resolution.	78

Sec. 125.04. (A) Except as provided in division (D) of this

section, the department of administrative services shall determine

what supplies and services are purchased by or for state agencies.

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Nothing in this division precludes the bureau from entering 94 into a contract with the department for the department to perform 95 services relative to supplies, equipment, and services contained 96 in this division for the bureau. 97

- (B)(1) As used in this division:
- (a) "Emergency medical service organization" has the same 99 meaning as in section 4765.01 of the Revised Code. 100
- (b) "Political subdivision" means any county, township, 101 municipal corporation, school district, conservancy district, 102 township park district, park district created under Chapter 1545. 103 of the Revised Code, regional transit authority, regional airport 104 authority, regional water and sewer district, or port authority. 105 "Political subdivision" also includes any other political 106 subdivision described in the Revised Code that has been approved 107 by the department to participate in the department's contracts 108 under this division. 109
- (c) "Private fire company" has the same meaning as in section 9.60 of the Revised Code.
  - (2) Subject to division (C) of this section, the department

of administrative services may permit a political subdivision,	113
county board of elections, private fire company, or private,	114
nonprofit emergency medical service organization to participate in	115
contracts into which the department has entered for the purchase	116
of supplies and services. The department may charge the entity a	117
reasonable fee to cover the administrative costs the department	118
incurs as a result of participation by the entity in such a	119
purchase contract.	120

A political subdivision desiring to participate in such 121 purchase contracts shall file with the department a certified copy 122 of an ordinance or resolution of the legislative authority or 123 governing board of the political subdivision. The resolution or 124 ordinance shall request that the political subdivision be 125 authorized to participate in such contracts and shall agree that 126 the political subdivision will be bound by such terms and 127 conditions as the department prescribes and that it will directly 128 pay the vendor under each purchase contract. A board of elections 129 desiring to participate in such purchase contracts shall file with 130 the purchasing authority a written request for inclusion in the 131 program. A private fire company or private, nonprofit emergency 132 medical service organization desiring to participate in such 133 purchase contracts shall file with the department a written 134 request for inclusion in the program signed by the chief officer 135 of the company or organization. A request for inclusion shall 136 include an agreement to be bound by such terms and conditions as 137 the department prescribes and to make direct payments to the 138 vendor under each purchase contract. 139

The department shall include in its annual report an estimate 140 of the cost it incurs by permitting political subdivisions, county 141 boards of elections, private fire companies, and private, 142 nonprofit emergency medical service organizations to participate 143 in contracts pursuant to this division. The department may require 144

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such entities to file a report with the department, as often as it

finds necessary, stating how many such contracts the entities

participated in within a specified period of time, and any other

information the department requires.

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- (3) Purchases made by a political subdivision or a county board of elections under this division are exempt from any competitive selection procedures otherwise required by law. No political subdivision shall make any purchase under this division when bids have been received for such purchase by the subdivision, unless such purchase can be made upon the same terms, conditions, and specifications at a lower price under this division.
- (C) A political subdivision as defined in division (B) of 156 this section or a county board of elections may purchase supplies 157 or services from another party, including a political subdivision, 158 instead of through participation in contracts described in 159 division (B) of this section if the political subdivision or 160 county board of elections can purchase those supplies or services 161 from the other party upon equivalent terms, conditions, and 162 specifications but at a lower price than it can through those 163 contracts. Purchases that a political subdivision or county board 164 of elections makes under this division are exempt from any 165 competitive selection procedures otherwise required by law. A 166 political subdivision or county board of elections that makes any 167 purchase under this division shall maintain sufficient information 168 regarding the purchase to verify that the political subdivision or 169 county board of elections satisfied the conditions for making a 170 purchase under this division. Nothing in this division restricts 171 any action taken by a county or township as authorized by division 172 (A)(B)(1) of section 9.48 of the Revised Code. 173
- (D) This section does not apply to supplies or services required by the legislative or judicial branches, the capitol

square review and advisory board, the adjutant general, to	177
supplies or services purchased by a state agency directly as	178
provided in division (A) or (E) of section 125.05 of the Revised	179
Code, to purchases of supplies or services for the emergency	180
management agency as provided in section 125.023 of the Revised	181
Code, or to purchases of supplies or services for the department	182
of rehabilitation and correction in its operation of the program	183
for the employment of prisoners established under section 5145.16	184
of the Revised Code that shall be made pursuant to rules adopted	185
by the director of administrative services and the director of	186
rehabilitation and correction in accordance with Chapter 119. of	187
the Revised Code. The rules may provide for the exemption of the	188
program for the employment of prisoners from the requirements of	189
division (A) of this section.	190

Sec. 307.86. Anything to be purchased, leased, leased with an 191 option or agreement to purchase, or constructed, including, but 192 not limited to, any product, structure, construction, 193 reconstruction, improvement, maintenance, repair, or service, 194 except the services of an accountant, architect, attorney at law, 195 physician, professional engineer, construction project manager, 196 consultant, surveyor, or appraiser, by or on behalf of the county 197 or contracting authority, as defined in section 307.92 of the 198 Revised Code, at a cost in excess of twenty-five thousand dollars, 199 except as otherwise provided in division (D) of section 713.23 and 200 in sections 125.04, 125.60 to 125.6012, 307.022, 307.041, 307.861, 201 339.05, 340.03, 340.033, 4115.31 to 4115.35, 5119.16, 5513.01, 202 5543.19, 5713.01, and 6137.05 of the Revised Code, shall be 203 obtained through competitive bidding. However, competitive bidding 204 is not required when any of the following applies: 205

(A) The board of county commissioners, by a unanimous vote of
 its members, makes a determination that a real and present
 emergency exists, and that determination and the reasons for it

board of education, township, or municipal corporation.	240
(D) The purchase is made by a county department of job and	241
family services under section 329.04 of the Revised Code and	242
consists of family services duties or workforce development	243
activities or is made by a county board of mental retardation and	244
developmental disabilities under section 5126.05 of the Revised	245
Code and consists of program services, such as direct and	246
ancillary client services, child care, case management services,	247
residential services, and family resource services.	248
(E) The purchase consists of criminal justice services,	249
social services programs, family services, or workforce	250
development activities by the board of county commissioners from	251
nonprofit corporations or associations under programs funded by	252
the federal government or by state grants.	253
(F) The purchase consists of any form of an insurance policy	254
or contract authorized to be issued under Title XXXIX of the	255
Revised Code or any form of health care plan authorized to be	256
issued under Chapter 1751. of the Revised Code, or any combination	257
of such policies, contracts, or plans that the contracting	258
authority is authorized to purchase, and the contracting authority	259
does all of the following:	260
(1) Determines that compliance with the requirements of this	261
section would increase, rather than decrease, the cost of the	262
purchase;	263
(2) Employs a competent consultant to assist the contracting	264
authority in procuring appropriate coverages at the best and	265
lowest prices;	266
(3) Requests issuers of the policies, contracts, or plans to	267
submit proposals to the contracting authority, in a form	268
prescribed by the contracting authority, setting forth the	269

coverage and cost of the policies, contracts, or plans as the

contracting authority desires to purchase;	271
(4) Negotiates with the issuers for the purpose of purchasing	272
the policies, contracts, or plans at the best and lowest price	273
reasonably possible.	274
(G) The purchase consists of computer hardware, software, or	275
consulting services that are necessary to implement a computerized	276
case management automation project administered by the Ohio	277
prosecuting attorneys association and funded by a grant from the	278
federal government.	279
(H) Child care services are purchased for provision to county	280
employees.	281
(I)(1) Property, including land, buildings, and other real	282
property, is leased for offices, storage, parking, or other	283
purposes, and all of the following apply:	284
(a) The contracting authority is authorized by the Revised	285
Code to lease the property.	286
(b) The contracting authority develops requests for proposals	287
for leasing the property, specifying the criteria that will be	288
considered prior to leasing the property, including the desired	289
size and geographic location of the property.	290
(c) The contracting authority receives responses from	291
prospective lessors with property meeting the criteria specified	292
in the requests for proposals by giving notice in a manner	293
substantially similar to the procedures established for giving	294
notice under section 307.87 of the Revised Code.	295
(d) The contracting authority negotiates with the prospective	296
lessors to obtain a lease at the best and lowest price reasonably	297
possible considering the fair market value of the property and any	298
relocation and operational costs that may be incurred during the	299
period the lease is in effect.	300

(2) The contracting authority may use the services of a real	301
estate appraiser to obtain advice, consultations, or other	302
recommendations regarding the lease of property under this	303
division.	304
(J) The purchase is made pursuant to section 5139.34 or	305
sections 5139.41 to 5139.46 of the Revised Code and is of programs	306
or services that provide case management, treatment, or prevention	307
services to any felony or misdemeanant delinquent, unruly youth,	308
or status offender under the supervision of the juvenile court,	309
including, but not limited to, community residential care, day	310
treatment, services to children in their home, or electronic	311
monitoring.	312
(K) The purchase is made by a public children services agency	313
pursuant to section 307.92 or 5153.16 of the Revised Code and	314
consists of family services, programs, or ancillary services that	315
provide case management, prevention, or treatment services for	316
children at risk of being or alleged to be abused, neglected, or	317
dependent children.	318
(L) The purchase is to obtain the services of emergency	319
medical service organizations under a contract made by the board	320
of county commissioners pursuant to section 307.05 of the Revised	321
Code with a joint emergency medical services district.	322
(M) The county contracting authority determines that the use	323
of competitive sealed proposals would be advantageous to the	324
county and the contracting authority complies with section 307.862	325
of the Revised Code.	326
Any issuer of policies, contracts, or plans listed in	327
division (F) of this section and any prospective lessor under	328
division (I) of this section may have the issuer's or prospective	329
lessor's name and address, or the name and address of an agent,	330

placed on a special notification list to be kept by the

(3) Include, at a minimum, all of the information described

in division (B) of this section in the request for proposals;

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for proposals;

(4) Give notice of the request for proposals in the same	362
manner that notice must be given for competitive bidding pursuant	363
to section 307.87 of the Revised Code;	364
(5) Open proposals that the contracting authority receives in	365
a manner that prevents the disclosure of contents of competing	366
offers to competing offerors;	367
(6) Rank each proposal using the factors and criteria the	368
contracting authority develops pursuant to division (A)(1) of this	369
section;	370
(7) If necessary, conduct discussions with offerors for the	371
purpose of ensuring full understanding of, and responsiveness to,	372
the requirements specified in the request for proposals, and	373
accord fair and equal treatment with respect to any opportunity	374
for discussion with offerors to provide any clarification,	375
correction, or revision of proposals;	376
(8) If the contracting authority determines that discussions	377
described in division (A)(7) of this section are necessary, avoid	378
disclosing any information derived from proposals submitted by	379
competing offerors during those discussions;	380
(9) Negotiate with the offeror who submits the proposal that	381
the contracting authority determines is the most advantageous to	382
the county based on the rankings performed by the contracting	383
authority pursuant to division (A)(6) of this section and	384
including any adjustment to those rankings based on discussions	385
conducted pursuant to division (A)(7) of this section;	386
(10) Conduct negotiations with only one offeror at a time;	387
(11) Except as provided in division (F) of this section,	388
award a contract in accordance with division (E) of this section.	389
(B) A contracting authority shall include, at a minimum, all	390
of the following information in the contracting authority's	391

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incorporates by reference in the request for proposals, provided	422
that the contracting authority specifies in the request for	423
proposals that the documents are readily available to all offerors	424
and the location where an offeror may obtain those documents;	425
(10) A statement that includes all of the following	426
<pre>information:</pre>	427
(a) That the contracting authority reserves the right to	428
reject any proposal in which the offeror takes exception to the	429
terms and conditions of the request for proposals; fails to meet	430
the terms and conditions of the request for proposals, including	431
but not limited to, the standards, specifications, and	432
requirements specified in the request for proposals; or submits	433
prices that the contracting authority considers to be excessive,	434
compared to existing market conditions, or determines exceed the	435
available funds of the contracting authority;	436
(b) That the contracting authority reserves the right to	437
reject, in whole or in part, any proposal that the county	438
contracting authority has determined, using the factors and	439
criteria the contracting authority develops pursuant to division	440
(A)(1) of this section, would not be in the best interest of the	441
county;	442
(c) That the contracting authority may conduct discussions	443
with offerors who submit proposals for the purpose of	444
clarifications or corrections regarding a proposal to ensure full	445
understanding of, and responsiveness to, the requirements	446
specified in the request for proposals.	447
(11) Information concerning any potential partial or multiple	448
party awards that the contracting authority may include in the	449
contract, and a description of the supplies, services, or both	450
that may be subject to a partial award or multiple awards;	451
(12) Any additional information the contracting authority	452

notify all other offerors that the contract has been awarded to

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specifications, and related information as required in divisions

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(A), (B), and (D) of section 153.01 of the Revised Code unless the	515
board determines that other information is sufficient to inform	516
any bidders of the board's requirements. However, if the board	517
determines that such other information is sufficient for bidding a	518
project, the board shall not engage in the construction of any	519
such project involving the practice of professional engineering,	520
professional surveying, or architecture, for which plans,	521
specifications, and estimates have not been made by, and the	522
construction thereof inspected by, a licensed professional	523
engineer, licensed professional surveyor, or registered architect.	524
(2) The board shall advertise for bids once each week for a	525
period of at least not less than two consecutive weeks in a	526
newspaper of general circulation in the district prior to before	527
the date specified by the board for receiving bids. The board may	528
also cause notice to be inserted in trade papers or other	529
publications designated by it or to be distributed by electronic	530
means, including posting the notice on the board's internet web	531
site. If the board posts the notice on its web site, it may	532
eliminate the second notice otherwise required to be published in	533
a newspaper of general circulation within the school district,	534
provided that the first notice published in such newspaper meets	535
all of the following requirements:	536
(a) It is published at least two weeks before the opening of	537
bids.	538
(b) It includes a statement that the notice is posted on the	539
board of education's internet web site.	540
(c) It includes the internet address of the board's internet	541
web site.	542
(d) It includes instructions describing how the notice may be	543
accessed on the board's internet web site.	544
(3) Unless the board extends the time for the opening of bids	545

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they shall be opened at the time and place specified by the board	546
in the advertisement for the bids.	547
(4) Each bid shall contain the name of every person	548
interested therein. Each bid shall meet the requirements of	549
section 153.54 of the Revised Code.	550
(5) When both labor and materials are embraced in the work	551
bid for, the board may require that each be separately stated in	552
the bid, with the price thereof, or may require that bids be	553
submitted without such separation.	554
(6) None but the lowest responsible bid shall be accepted.	555
The board may reject all the bids, or accept any bid for both	556
labor and material for such improvement or repair, which is the	557
lowest in the aggregate. In all other respects, the award of	558
contracts for improvement or repair, but not for purchases made	559
under section 3327.08 of the Revised Code, shall be pursuant to	560
section 153.12 of the Revised Code.	561
(7) The contract shall be between the board and the bidders.	562
The board shall pay the contract price for the work pursuant to	563
sections 153.13 and 153.14 of the Revised Code. The board shall	564
approve and retain the estimates referred to in section 153.13 of	565
the Revised Code and make them available to the auditor of state	566
upon request.	567
(8) When two or more bids are equal, in the whole, or in any	568
part thereof, and are lower than any others, either may be	569
accepted, but in no case shall the work be divided between such	570
bidders.	571
(9) When there is reason to believe there is collusion or	572
combination among the bidders, or any number of them, the bids of	573
those concerned therein shall be rejected.	574

(B) Division (A) of this section does not apply to the board

of education of any school district in any of the following

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