As Reported by the Senate State and Local Government and Veterans Affairs Committee

127th General Assembly Regular Session 2007-2008

Sub. S. B. No. 268

Senator Seitz

Cosponsors: Senators Niehaus, Gardner, Schuler, Schuring, Cates, Fedor, Roberts

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

what supplies and services are purchased by or for state agencies.	81
Whenever the department of administrative services makes any	82
change or addition to the lists of supplies and services that it	83
determines to purchase for state agencies, it shall provide a list	84
to the agencies of the changes or additions and indicate when the	85
department will be prepared to furnish each item listed. Except	86
for the requirements of division (B) of section 125.11 of the	87
Revised Code, sections 125.04 to 125.08 and 125.09 to 125.15 of	88
the Revised Code do not apply to or affect the educational	89
institutions of the state. The department shall not include the	90
bureau of workers' compensation in the lists of supplies,	91
equipment, and services purchased and furnished by the department.	92

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

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- (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 1109.60 of the Revised Code. 111

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(2) Subject to division (C) of this section, the department 112 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 of the cost it incurs by permitting political subdivisions, county boards of elections, private fire companies, and private, nonprofit emergency medical service organizations to participate

in contracts pursuant to this division. The department may require 144 such entities to file a report with the department, as often as it 145 finds necessary, stating how many such contracts the entities 146 participated in within a specified period of time, and any other 147 information the department requires. 148

- (3) Purchases made by a political subdivision or a county
 board of elections under this division are exempt from any
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 competitive selection procedures otherwise required by law. No
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 political subdivision shall make any purchase under this division
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 when bids have been received for such purchase by the subdivision,
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 unless such purchase can be made upon the same terms, conditions,
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 and specifications at a lower price under this division.
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- (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 $\frac{(A)(B)}{(B)}(1)$ of section 9.48 of the Revised Code. 173
 - (D) This section does not apply to supplies or services

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required by the legislative or judicial branches, the capitol 176 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

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another county or contracting authority of another county, or a	239
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

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coverage and cost of the policies, contracts, or plans as the	270
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

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placed on a special notification list to be kept by the	331
contracting authority, by sending the contracting authority that	332
name and address. The contracting authority shall send notice to	333
all persons listed on the special notification list. Notices shall	334
state the deadline and place for submitting proposals. The	335
contracting authority shall mail the notices at least six weeks	336
prior to the deadline set by the contracting authority for	337
submitting proposals. Every five years the contracting authority	338
may review this list and remove any person from the list after	339
mailing the person notification of that action.	340
Any contracting authority that negotiates a contract under	341
division (F) of this section shall request proposals and	342
renegotiate with issuers in accordance with that division at least	343
every three years from the date of the signing of such a contract.	344
Any consultant employed pursuant to division (F) of this	345
section and any real estate appraiser employed pursuant to	346
division (I) of this section shall disclose any fees or	347
compensation received from any source in connection with that	348
employment.	349
Sec. 307.862. (A) When a county contracting authority uses	350
competitive sealed proposals pursuant to section 307.86 of the	351
Revised Code, the county contracting authority shall do all of the	352
<pre>following:</pre>	353
(1) Develop factors and criteria to evaluate each proposal,	354
specify the relative importance of each factor or criterion in	355
writing, and describe the evaluation procedures the contracting	356
authority shall follow when awarding a contract to an offeror.	357
(2) Solicit competitive sealed proposals through a request	358
for proposals;	359
(3) Include, at a minimum, all of the information described	360

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in division (B) of this section in the request for proposals;	361
(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

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of the following information in the contracting authority's	391
request for proposals:	392
(1) The name and address of the department, office,	393
institution, board, or commission that is requesting to purchase	394
supplies, services, or both;	395
(2) Instructions for offerors to follow when submitting	396
proposals;	397
(3) Instructions governing communications between an offeror	398
and the contracting authority, including, but not limited to, the	399
name, title, and telephone number of the person to whom questions	400
concerning the request for proposals should be directed;	401
(4) A description of the scope of work that the contracting	402
authority requests an offeror to perform or supplies the	403
contracting authority plans to purchase;	404
(5) To the extent possible, a description of the performance	405
criteria the contracting authority shall require an offeror to	406
satisfy, including but not limited to, the quantity of the	407
supplies, services, or both, to be purchased; the requirements the	408
contracting authority shall follow for inspection and acceptance	409
of the supplies, services, or both; and the delivery schedule for	410
each such supply or service;	411
(6) The factors and criteria the contracting authority shall	412
consider in evaluating proposals received;	413
(7) Any terms and conditions that the contracting authority	414
is required by law to include in the contract the contracting	415
authority awards, including any requirement for a bond and the	416
amount required for that bond;	417
(8) The date and time by which, and the place to which an	418
offeror must deliver the offeror's proposal to the contracting	419
authority in order to be considered for the contract;	420

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(9) A list of any documents that the contracting authority	421
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
<u>information:</u>	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

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(12) Any additional information the contracting authority	452
considers necessary for its purposes in determining to whom to	453
award the contract.	454
(C) In order to ensure fair and impartial evaluation,	455
proposals and any documents or other records related to a	456
subsequent negotiation for a final contract that would otherwise	457
be available for public inspection and copying under section	458
149.43 of the Revised Code shall not be available until after the	459
award of the contract.	460
(D) An offeror may withdraw the offeror's proposal at any	461
time prior to the award of a contract. A contracting authority may	462
terminate negotiations with an offeror at any time during the	463
negotiation process if the offeror fails to provide the necessary	464
information for negotiations in a timely manner or fails to	465
negotiate in good faith. If the contracting authority terminates	466
negotiations with an offeror, the contracting authority shall	467
negotiate with the offeror whose proposal is ranked the next most	468
advantageous to the county according to the factors and criteria	469
developed pursuant to division (A)(1) of this section.	470
(E) A county contracting authority may award a contract to	471
the offeror whose proposal is determined to be the most	472
advantageous to the county, taking into consideration the	473
evaluation factors and criteria developed pursuant to division	474
(A)(1) of this section and set forth in the request for proposals.	475
A contracting authority may award a contract in whole or in part	476
to one or more offerors. The contracting authority shall include a	477
written statement in the contract file stating the basis on which	478
the award is made.	479
The contracting authority shall send a written notice to the	480
offeror to whom it wishes to award the contract and shall make	481
that notice available to the public. Within a reasonable time	482
period after the award is made, the contracting authority shall	483

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notify all other offerors that the contract has been awarded to	484
another offeror.	485
(F) A contracting authority may cancel or reissue a request	486
for proposals if any of the following apply:	487
(1) The supplies or services offered through all of the	488
proposals submitted to the contracting authority are not in	489
compliance with the requirements, specifications, and terms and	490
conditions set forth in the request for proposals;	491
(2) The prices submitted by the offerors are excessive	492
compared to existing market conditions or exceed the available	493
funds of the contracting authority;	494
(3) The contracting authority determines that award of a	495
contract would not be in the best interest of the county.	496
(G) A county contracting authority shall not use competitive	497
sealed proposals for contracts for construction, design,	498
demolition, alteration, repair, or reconstruction of a building,	499
highway, drainage system, water system, road, street, alley,	500
sewer, ditch, sewage disposal plant, waterworks, and all other	501
structures or works of any nature by a county contracting	502
authority.	503
Sec. 3313.46. (A) In addition to any other law governing the	504
bidding for contracts by the board of education of any school	505
district, when any such board determines to build, repair,	506
enlarge, improve, or demolish any school building, the cost of	507
which will exceed twenty-five thousand dollars, except in cases of	508
urgent necessity, or for the security and protection of school	509
property, and except as otherwise provided in division (D) of	510
section 713.23 and in section 125.04 of the Revised Code, all of	511
the following shall apply:	512
(1) The board shall cause to be prepared the plans,	513

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specifications, and related information as required in divisions	514
(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

(4) Each bid shall contain the name of every person
interested therein. Each bid shall meet the requirements of
section 153.54 of the Revised Code.
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in the advertisement for the bids.

- (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.
- (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.
- (9) When there is reason to believe there is collusion or
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 combination among the bidders, or any number of them, the bids of
 those concerned therein shall be rejected.
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 - (B) Division (A) of this section does not apply to the board 575

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of education of any school district in any of the following	576
situations:	577
(1) The acquisition of educational materials used in	578
teaching.	579
(2) If the board determines and declares by resolution	580
adopted by two-thirds of all its members that any item is	581
available and can be acquired only from a single source.	582
(3) If the board declares by resolution adopted by two-thirds	583
of all its members that division (A) of this section does not	584
apply to any installation, modification, or remodeling involved in	585
any energy conservation measure undertaken through an installment	586
payment contract under section 3313.372 of the Revised Code or	587
undertaken pursuant to division (G) of section 133.06 of the	588
Revised Code.	589
(4) The acquisition of computer software for instructional	590
purposes and computer hardware for instructional purposes pursuant	591
to division (B)(4) of section 3313.37 of the Revised Code.	592
(C) No resolution adopted pursuant to division (B)(2) or (3)	593
of this section shall have any effect on whether sections 153.12	594
to 153.14 and 153.54 of the Revised Code apply to the board of	595
education of any school district with regard to any item.	596
Section 2. That existing sections 9.48, 125.04, 307.86, and	597
3313.46 of the Revised Code are hereby repealed.	598