




## Opportunities for Ohioans with Disabilities

Title:	<b>Purchasing</b>
Policy #:	<b>40-FIN-01</b>
Subsequent Procedures	40-FIN-01-01 General Purchasing Requirements 40-FIN-01-02 Payment Card 40-FIN-01-03 Formal Competitive Process for Purchasing 40-FIN-01-04 Information Technology Purchases 40-FIN-01-05 Purchasing for Hosting Meetings and Other Events 40-FIN-01-06 Vocational Rehabilitation Purchases 40-FIN-01-07 Fuel Card Purchases
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### I. AUTHORITY

This policy, and if necessary subsequent procedures, are issued in compliance with Ohio Revised Code (ORC) §3304.15 and §3304.16 which establishes the power and authority of the Opportunities for Ohioans with Disabilities (OOD) and its Executive Director to develop all necessary rules, policy and procedure in furtherance of its statutory duties.

### II. PURPOSE

The purpose of this policy is to provide guidelines for ensuring uniform purchasing requirements that provide maximum competition, fair and equitable treatment and, in the case of applicants and eligible individuals, informed choice in accordance with appropriate federal (e.g., Code of Federal Regulations [CFR]) and state law (i.e., Ohio Revised Code [ORC], Ohio Administrative Code [OAC]), Governor directives and executive orders, other governing agency (e.g., DAS, OBM) policy or guidance, and/or Director expectations.

### III. APPLICABILITY

This procedure applies to all OOD employees and contractors who are involved in making a purchase for OOD.

#### IV. DEFINITIONS

Applicant – an individual who submits an application for vocational rehabilitation services in accordance with 34 CFR 361.41(b)(2) or an individual for independent living services (IL) or independent living older blind (ILOB) in accordance with OOD policies and procedures.

Asset – includes inventory items and personal property, including sensitive property.

Authorization – an AWARE generated documented permission, with a specified time range and dollar amount, to provide specific supplies or services for a specific applicant or eligible individual.

AWARE (Accessible Web-Based Activity and Reporting Environment) - an electronic VR case management system which houses an individual's confidential information and data.

Blanket Release and Permit – DAS prior approval which allows agencies to purchase certain supplies or services, which normally would require DAS issuance of a Release and Permit, during a fiscal year or biennium which would normally require a single Release and Permit.

Contracted Resource – a non-employee performing a service pursuant to a contract, with the exception of individuals working for vendors awarded projects pursuant to a competitive selection process as defined by ORC 125.01(I) or pursuant to cooperative purchasing authority provided in ORC 125.02(E), or as a staff augmentation resource.

Controlling Board – a seven-member body consisting of three (3) members of the Ohio House of Representatives, three (3) members of the Ohio Senate, and chaired by the Director of the Office of Budget and Management (OBM) or the Director's designee who are authorized by law to make certain necessary budget adjustments and approve specified agency purchases or exceptions from other required purchasing processes.

Cumulative Annual Threshold – an amount established by OBM that limits the amount an agency can purchase directly from a single supplier in any state fiscal year unless Release and Permit is received from DAS, OPS and Controlling Board approval is obtained.

Department of Administrative Services (DAS) – the administrative organization with legal authority to provide oversight and leadership for most state procurement activities.

Direct Purchase Authority – authority granted to state agencies by DAS, OPS to make certain routine purchases under their own authority without using a DAS contract though still using competitive bidding and sound evaluation practices and procedures.

Electronic Data Interchange (EDI) – an electronic invoicing and payment method for established suppliers who have been pre-approved through the Office of Budget and Management.

Eligible Individual – an applicant for: 1) vocational rehabilitation services who meets the eligibility requirements under 34 CFR 361.42(a); 2) IL services who meets the eligibility under 34 CFR 364.40; or 3) ILOB services who meets the eligibility requirements under 34 CFR 367.5.

Emergency Purchase – an immediate purchase needed to address an emergency situation that creates all of the following: (1) a threat to public health, safety or welfare (2) an immediate and serious need for supplies or services that cannot be met through normal procurement methods required by law; and (3) a serious threat of harm to the functioning of state government, the preservation or protection of property, or the health or safety of any person.

Encouraging Diversity, Growth, & Equity (EDGE) – a State of Ohio purchasing program that sets a spending goal to assist small socially and economically disadvantaged business enterprise owned and controlled by citizens who are Ohio residents.

Fee Schedule – established rates of payment for various statewide vocational rehabilitation services.

Formal Competitive Process – a process, via a Request for Proposal (RFP) or Request for Quotation (RFQ) used by OOD for direct authority purchases as allowed and/or required by Department of Administrative Services (DAS) directives, policies, and procedures and within OOD policies and procedures.

Legal Agreement – a document which may include the following; contract, grant, memorandum of understanding, interagency agreement, cooperative agreement, or any amendment of such document, in which OOD is a signatory.

Master Maintenance Agreement (MMA) – an optional contract available for maintenance and service of equipment that is no longer covered under a manufacturer's warranty.

Minority Business Enterprise (MBE) – a business enterprise owned and controlled by a United States citizen and resident of the State of Ohio belonging to one (1) of the following ethnic groups: African American, Asian, Hispanic, or Native American.

MBE Set-Aside – purchases identified at the start of each fiscal year that will be “set aside” for (i.e., solicited from) MBE-certified supplier exclusively to meet the agency's requirement to spend at least 15% of eligible purchases (as defined by DAS) with such suppliers.

Office of Budget and Management (OBM) – a cabinet-level agency within the executive branch of the Ohio state government that is responsible for providing financial management, fiscal research and policy analysis to help ensure the responsible use of state resources.

Office of Information Technology (OIT) – a division of the Department of Administrative Services that delivers statewide information technology and telecommunication services to state agencies, boards and commissions as well as policy and standards development, lifecycle investment planning and privacy and security management.

Office of Procurement Services (OPS) – a division of the Department of Administrative Services who is the procurement authority for the State of Ohio responsible for overseeing and establishing contracts for general and IT supplies and services.

Ohio Administrative Knowledge System (OAKS) Financials (FIN) – system used by State of Ohio employees to manage purchasing, general ledger, accounts receivable, accounts payable, eProcurement, and budget and planning.

Payment Card (Pcard) – a method for both the ordering and payment of certain supplies and services as defined by DAS.

Purchase Order (PO) – a document created in OAKS FIN that represents a written agreement which details the items/services to be purchased and serves to encumber the necessary funds to support non-payment card purchases and must be completed for purchases greater than \$500.

Release & Permit (R&P) – a waiver issued by DAS, OPS which allows a state agency to seek Controlling Board approval or to make purchases, through its Direct Purchase Authority, that DAS has determined is not possible or advantageous for DAS to make.

Request for Proposal (RFP) – a formal competitive process for soliciting proposals from suppliers which may include selection criteria factors (e.g., experience, history of performance) to be scored in order to offer the opportunity to enter into a legal agreement that is not solely based on cost.

Request to Purchase (RTP) – for the purposes of this policy/procedure, an OOD form used to submit a request to OOD's Division of Fiscal Management (DFM), Finance for the purchase of a non-case service supply or service.

Request for Quote (RFQ) – a formal competitive process used to solicit quotes from potential suppliers where cost is the primary factor to offer the opportunity for award based on the lowest, most responsive and responsible bid and may or may not result in a legal agreement with OOD.

Responsible – relates to the capability of the supplier to actually provide the supplies or perform the services that are being sought including, but not limited to; experience, financial condition, conduct and performance on other contracts, facilities, management skills, and the ability to execute the purchase properly.

Responsive – when a bidder's response is in line with bid specifications in all material respects and contains no irregularities or deviations from the specifications which would affect price, quality, quantity or delivery terms.

Staff Augmentation – use of non-employees (i.e., contracted resources) to supplement the state workforce in special circumstances (e.g., the need for a specialized skill set, to fill gaps during the posting/selection process, project-based work when the duration is insufficient to justify hiring a state employee).

State Contract – a mandatory or optional contract established by DAS, OPS, through competitive selection or a waiver of competitive selection granted by the Controlling Board for the purchase of supplies or services.

State Term Schedule (STS) – contracts established by DAS, OPS that lists multiple suppliers that may be used to make purchases.

Supplier – any person, partnership, corporation, association, organization, state agency or other party who sells, leases, or otherwise provides supplies or services to OOD or to individuals with disabilities as authorized by OOD pursuant to a written or oral contract (e.g. legal agreement, purchase order, authorization).

Supply – goods or equipment.

## **V. POLICY**

### **A. General**

1. OOD does not discriminate against a supplier because of race, color, religion, national origin/ancestry, disability, age (40 years or older), sexual orientation, gender or sex, military status and/or genetic information or in any other manner prohibited by law. Favoritism in the selection or use of a supplier resulting from considerations unrelated to cost, quality, or other criteria outlined in this policy is prohibited.
2. In addition to this policy, refer to subsequent procedures issued in conjunction with this policy, for specific direction.

3. "Legal Agreements" (70-CM-01) shall be followed for any purchase which requires a written contract.
4. The purchase of various assets, depending on their value or type (e.g., \$1000 value, any item sensitive in nature) must be inventoried. Refer to Asset Management (40-FAC-02) for guidance.
5. The majority of the requirements in this policy refer to non-case services purchases.
  - a. Specific direction for case service purchases, including AWARE requirements, is provided in "Vocational Rehabilitation Purchases" (40-FIN-01-06). If additional direction is required, contact the Division of Fiscal Management (DFM), Finance.
6. MBE/EDGE
  - a. OOD is required to set aside 15% of total eligible administrative purchases for Minority Business Enterprise (MBE) suppliers each state fiscal year.
    - i. In order for OOD purchases to qualify as an "MBE set-a-side", competition must only be opened to MBE-certified suppliers.
      - a) The competition can be through the formal bidding process or through the solicitation of quotes as long as the requests are sent to MBE-certified suppliers only.
    - ii. DFM, Finance shall work with appropriate OOD staff to identify potential purchases for the upcoming fiscal year which can be set-a-side for submission to MBE suppliers only.
    - iii. The 15% set-aside requirement does not apply to case service purchases for Vocational Rehabilitation (VR) or Division of Disability Determination (DDD) Social Security Administration medical costs. However, this exemption does not preclude using MBE suppliers for said purchases.
  - b. OOD is also required to make a good faith effort to utilize socially and economically disadvantaged owned and controlled (Encouraging Diversity, Growth and Equity [EDGE]) companies based on a certain percentage, as established by DAS, of all eligible expenditures.
    - i. Eligible purchases made from an EDGE-certified supplier counts toward the goal set by DAS (as of the effective date of this policy is 5%).
      - a) Bidding is not limited to EDGE-only suppliers.
  - c. The purchasing requirements in this policy and subsequent procedures must still be adhered to when making purchases from the MBE or EDGE programs.
  - d. Prior to making any purchase, the purchaser should consult with DFM, Finance Manager, or designee, to consider whether an MBE or EDGE supplier can supply the needed supply or service. MBE and EDGE-certified suppliers can be found via the following link: <http://eodreporting.oit.ohio.gov/searchEODReporting.aspx>

## 7. Restricted Suppliers

- a. OOD is prohibited from awarding contracts to a supplier who appears on any suspension and debarment list. Employees are required to check all state and federal debarment lists located at <https://procure.ohio.gov/proc/debarment.asp> prior to making a purchase.

## 8. Buy Ohio and Buy American

- a. ORC 125.09 and 125.11 and OAC 123:5-1-06 enable OOD to give preference to supplier bids containing products produced in Ohio or a border state, or the United States. Suppliers may be selected for contract award even if they exceed prices offered in bids from suppliers not in Ohio, a border state, or American products so long as it no more than 5% and 6% respectively.

## 9. Tax Exempt Status

- a. Purchasers shall inform suppliers that OOD is exempt from paying Ohio sales tax. The tax exemption certificate entitled "Blanket Cert of Tax Exemption OOD" can be found at the following link:  
<https://theinsider.ood.ohio.gov/Fiscal/Pages/FinanceDocumentsAllDocs.aspx>

10. If a supplier refuses to exempt OOD from paying Ohio sales tax, the purchaser shall contact DFM, Finance Manager.

## 11. Ethical Practices

- a. Any OOD employee or contractor involved with making a purchase for OOD shall:
  - i. uphold Ohio procurement laws, rules, executive orders, directives and policies, and act in good faith to serve in the best interests of the State of Ohio and its taxpayers;
  - ii. avoid any perception of or actual impropriety in making said purchases;
  - iii. not take any action in purchases that definitely and directly affect themselves, their family members or business associates;
  - iv. when confronted with a conflict of interest, abstain or recuse themselves from making decisions about or taking actions that would influence how the matter is resolved;
  - v. ensure complete impartiality, without preferential treatment;
  - vi. understand and adhere to the Ohio Ethics Law governed by ORC 102, along with any executive orders and Ohio Administrative policies pertaining to ethical conduct.

## 12. Rehabilitation Services Administration (RSA) Prior Approval

- a. Certain purchases require RSA prior approval (refer to "Federal Prior Approval Requests and Tracking" [40-FIN-07] for guidance).

## B. OOD Purchasing Oversight

1. The Division of Fiscal Management (DFM) shall be responsible for ensuring that employees and contractors adhere to purchasing guidance and direction outlined in this policy and subsequent procedures by reviewing purchases prior to or after the fact.

## C. Procurement Requirements

### 1. Requisite Procurement Programs

- a. Per ORC125.035, OOD shall give first consideration to certain requisite procurement programs (herein referred to as “requisite program”), as listed in order below, when making non-case service purchases.
  - i. Ohio Penal Industries (OPI);
  - ii. Community Rehabilitation Programs (CRP);
  - iii. Department of Administrative Services (DAS), Office of Information Technology (OIT); and
  - iv. DAS, Office of State Printing and Mail Services
- b. Purchases from these entities are not subject to the purchasing threshold of \$50,000 and therefore do not require Release and Permit from DAS, Office of Procurement Services (OPS) or Controlling Board Approval.
  - i. However per OAC 123:5-1-17, if OOD anticipates an expenditure to reach, or exceed, \$25,000, DFM, Finance must submit the purchase request to DAS, OPS.
- c. If the requisite program cannot fulfill the purchase, a waiver shall be issued to OOD in order for other types of purchasing to be considered.
- d. Refer to “General Purchasing Requirements” (40-FIN-01-01) for additional direction and information related to these programs.

### 2. State Contracts

- a. If a non-case service purchase is not available from or cannot be fulfilled by any of the requisite programs listed in Section C.1., OOD shall determine if any existing DAS-established contracts, as detailed below, are in place providing the needed supplies or services.
- b. State contracts may be mandatory or optional which is indicated on the first page of the contract. All contracts are available via the following link: <https://procure.ohio.gov/proc/currentContracts.asp>
  - i. Mandatory contracts (e.g., GDC) are established by DAS, OPS to enable OOD to quickly procure supplies or services without any further competitive process or solicitation of quotes and must be utilized for a purchase if applicable.
    - a) Mandatory contract purchases do not count against OOD’s cumulative annual threshold of \$50,000 for spending (i.e., don’t require Release and Permit by DAS, OPS nor Controlling Board approval).
  - ii. Optional contracts (e.g., STS) are established by DAS, OPS and normally have multiple suppliers for similar types of services and do not have to be utilized by OOD.
    - a) As long as an optional contract can be referenced on the purchase (as defined by DAS,OPS), the purchase doesn’t count against OOD’s cumulative annual threshold for spending.

- c. The various types of State contracts are listed below.
  - i. General Distribution Contracts (GDC) and General Purchasing Contracts (GPC) – contracts which contain IT and non-IT supplies and services.
  - ii. Limited Distribution Contracts (LDC) – contracts which address specific non-IT needs.
  - iii. Agency Specific Contracts (ASC) – contracts which addresses the specific non-IT needs of a single agency and can only be used by the agency listed on the contract.
  - iv. Master Maintenance Agreements (MMA) – contracts which are for the maintenance and service (e.g., remedial maintenance calls, preventative maintenance) of equipment that is no longer covered under a manufacturer's warranty. These contracts are not for consumables, to relocate equipment or to repair damage due to intentional abuse by users.
    - a) Prices in a MMA are considered "not-to-exceed" prices. Encouragement is given to negotiate prices downward as often as possible. DFM, Finance is available for assistance.
  - v. State Term Schedules (STS) – contracts available for OOD's use for various supplies and services however these contracts must meet certain additional requirements before they can be referenced on a purchase.
- d. Refer to "General Purchasing Requirements" (40-FIN-01-01) for additional direction in making any of these purchases.

### 3. VR Fee Schedules

- a. VR Fee Schedules shall be used for purchases for vocational rehabilitation (VR) case services.
- b. If supplies or services are not found on the VR Fee Schedules, guidance in this policy and direction in "General Purchasing Requirements" (40-FIN-01-01) and "Vocational Rehabilitation Purchases" (40-FIN-01-06) shall be followed.
- c. Refer to "Fee Schedules" (80-VR-10) and "Dental, Medical and Psychological Services" (80-VR-10-01) for additional guidance and direction.

### 4. DAS Prior Approval

- a. Per ORC, DAS, OPS is responsible for prior approval and procurement of certain types of supplies and services and issuance of Release and Permits if they determine it is not possible nor advantageous to the State for DAS to make the purchase.
  - i. A Release and Permit authorizes OOD to:
    - a) make a purchase using their Direct Purchase Authority (DPA) (see Section C.5.); and
    - b) if the purchase will cause OOD to reach or exceed their cumulative annual threshold of \$50,000, seek Controlling Board approval.



- b. DAS Prior Approval is required for all copy machines and vehicles and for IT supplies and services, no matter the amount.
  - i. Purchases for copiers and vehicles must be submitted to DAS, OPS prior to making the purchase.
  - ii. All purchases of IT supplies and services require prior approval (i.e., Release and Permit) by DAS, OPS.
    - a) At the beginning of a State fiscal year, DAS, OPS normally issues a “Blanket” Release and Permit for IT supplies and services, costing less than \$25,000 per request purchase.
      - 1) This blanket may be used for IT supply and service purchases less than \$25,000 unless it is for any of the following items which requires submission to DAS, OIT for approval:
        - 1.1 deliverables-based IT services (DBITS) projects;
        - 1.2 IT staff augmentation services (i.e., temp services);
        - 1.3 IT equipment and licensing from enterprise standards-based contracts (e.g., ERP, IT service management, document management, desktops, laptops, remote location servers);
        - 1.4 telecommunications supplies or services with a per unit cost of \$1,000 or more;
        - 1.5 3<sup>rd</sup> party hosting or cloud-based solutions (XaaS);
        - 1.6 Microsoft licenses;
        - 1.7 infrastructure equipment (e.g., storage, virtual servers, VoIP, routers, switches); or
        - 1.8 any other enterprise standard, policy or initiative established by DAS.
    - b) Once DAS, OPS receives a request for an IT supply or service, they shall determine whether they want to make the purchase or if they determine it is not possible or advantageous to the State to do so, issue a Release and Permit so OOD may make the purchase with its DPA.
    - c) Refer to “Information Technology Purchases” (40-FIN-01-04) for specific direction on the purchase of IT supplies and services.
- c. Prior Approval for Purchases of General (i.e., non-IT) Supplies and Services
  - i. Any single purchase which reaches or exceeds \$25,000 must be submitted to DFM, Finance for submission to DAS, OPS for them to provide verification that no requisite program can provide the item(s).

- ii. The purchase of general (i.e., non-IT) supplies and services require DAS prior approval (i.e., Release and Permit) once a single purchase reaches or exceeds \$50,000 or when a purchase will cause OOD to reach or exceed the allowable cumulative annual threshold of \$50,000 for spending with a single supplier in a state fiscal year.
  - a) DAS, OPS normally, at the beginning of a biennium, issues a "Blanket" Release and Permit for general supplies and services which OOD may use to make purchases, however, this does not eliminate the need for OOD to seek Controlling Board approval when the \$50,000 cumulative annual threshold with a single supplier is reached (or will be exceeded).
  - b) If the purchase is for an item not listed in the Blanket Release and Permit, a separate Release and Permit shall be requested by DFM, Finance.
    - 1) If DAS determines that it is not advantageous for them to make the purchase, they will issue a Release and Permit to OOD to make the purchase.

#### 5. Direct Purchase Authority (DPA)

- a. If a non-case service purchase cannot be fulfilled through a requisite program or a mandatory State contract or an optional use State contract is not OOD's choice for making the purchase, OOD may use their DPA to purchase directly from a supplier as long as other criteria previously stated in this section does not apply (e.g., DAS release and permit is not required, Controlling Board is not required). In addition, the items listed below must be followed.
  - i. Splitting a purchase (i.e., breaking the purchase into two (2) or more transactions to avoid limits) is not allowed to circumvent competitive bidding.
  - ii. Avoid directing business to a limited number of suppliers (i.e., using the same suppliers over and over). The comparison of prices and use of competition shall be used whenever possible.
  - iii. Clear definition of the supply or service needed (i.e., provide specifications) shall be completed prior to obtaining the required quotes to ensure fair competition (i.e., ensuring the supplier clearly understands the need prior to providing the quote so the purchaser can compare "apples to apples").
  - iv. The purchase must be competitively bid or a valid justification for not soliciting quotes must be provided.
    - a) Award of a competitively bid purchase is normally to the lowest, most responsive and responsible supplier unless there is selection criteria established.
    - b) If OOD wishes to use selection criteria (e.g., experience, performance) a "Request for Proposal" must be issued. Refer to "Formal Competitive Process for Purchasing" (40-FIN-01-03).
    - c) Two (2) options for not soliciting quotes are provided below.

- 1) Single source which means the purchase will be made from one (1) selected supplier even though there are other competitive sources (i.e., suppliers) that may provide similar supplies or services and the selection is based on strategic factors (e.g., continuity of services, standardization, specialized capabilities, warranty).
- 2) Sole source which means the purchase is from a unique supplier which can be substantiated because a requirement involves a supply or service provided by only one (1) supplier or contractor having exclusive rights (e.g., rights to data, patent or copy rights).
  - 2.1 Requests for single or sole source need to include written justification and document the following:
    - 2.11 the efforts made to find other responsive suppliers and how it was determined that none were found;
    - 2.12 how it was determined that the anticipated cost would be fair and reasonable;
    - 2.13 OOD's history with the supplier; and
    - 2.14 any other facts supporting the selection process.
- 3) Other options for when obtaining quotes may not be necessary:
  - 3.1 purchases from other state agencies and state-supported schools (e.g., OSU); and
  - 3.2 emergency purchases (refer to Section C. 7).
- 4) A written, detailed justification shall be submitted, via email, to the DFM, Finance Manager or designee, at [ood.purchasing@ood.ohio.gov](mailto:ood.purchasing@ood.ohio.gov) for review and approval prior to the purchase of any supply or service without soliciting quotes.

b. OOD Purchasing Requirements

- i. Prior to the purchase of any supply or service, reference shall be made to the "Usage of the Request to Purchase (RTP) Form" (40-FIN-01.A) to determine if a RTP is required to be submitted to DFM, Finance.
- a) If applicable, a "Request to Purchase" (40-FIN-01.B) shall be completed and submitted, via email, to [OOD.Purchasing@ood.ohio.gov](mailto:OOD.Purchasing@ood.ohio.gov) .
  - 1) If the RTP is for contracted resources (e.g., personal services, temp services) DFM, Finance may require the requestor to complete a "Contractor Analysis and Acquisition" form (40-FIN-01.F).
  - 2) DFM, Finance shall research the necessary purchasing requirements to determine the appropriate purchasing method.

- b) If an RTP is not required, or when an RTP is required, and all purchasing requirements have been met (per this policy and any appropriate subsequent procedure) a "Purchase Order Request" (40-FIN-01.C) shall be completed (unless the purchase can be made via the payment card). Refer to "Payment Card (40-FIN-01-02) for specific direction.
          - 1) The request, along with documentation of quotes (or a justification for not obtaining quotes) shall be submitted to DFM, Finance via email at [OOD.Finance@ood.ohio.gov](mailto:OOD.Finance@ood.ohio.gov) in order for a purchase order to be created.
  - ii. For non-case services purchases, OOD requires competitive selection as described below.
    - a) Purchases which are \$500 or less - solicitation and documentation of at least two (2) verbal quotes which may be obtained via internet, phone or email.
      - 1) Verbal quotes must be documented including the names of suppliers, date contacted and the price quoted.
      - 2) Internet searches may be printed to show suppliers and prices. If no date is shown, write it on the printed copy.
    - b) Purchases which exceed \$500
      - 1) If the purchase doesn't require completion of a RTP, (i.e., the award will be made based on the lowest, most responsive and responsible bid) the requestor shall solicit and make every attempt to obtain at least three (3) written quotes using the "Request for Written Quote" form (40-FIN-01.E).
      - 2) If DFM, Finance, in conjunction with the purchaser, determines that a more formal, competitive process (other than three [3] written quotes) should be used to make a purchase, refer to "Formal Competitive Process for Purchasing (40-FIN-01-03). A formalized process would be either by:
        - 1.1 Request for Quote (RFQ); or
        - 1.2 Request for Proposal (RFP).
    - c) For a single, purchase that is \$25,000 or above, a formal, competitive process must be used. Refer to "Formal Competitive Process for Purchasing (40-FIN-01-03)
  - c. Refer to "General Purchasing Requirements" (40-FIN-01-01) for additional direction.
6. Written Contracts for Purchases
  - a. A written contract (i.e., legal agreement) is required for any purchase which is \$2,500.00 or more unless exempted (refer to Section b. below). A State of Ohio purchase order (PO) alone does not constitute a written contract.
    - i. If the purchase is for personal services, a written contract shall be required for any purchase which is \$500.00 or more.
  - b. Exemptions to a Written Contract

i. Personal Service Contracts

- a) The Director, or designee, must approve any exemption to a personal services contract. If the contract exceeds \$2,500.00, a waiver must also be completed. Refer to Section C.6.b.ii.c)1) below.

ii. Exemptions for all other contracts are as follows:

- a) a purchase that references an account code exempted by OBM (refer to the OAKS FIN Account Code Table); or
- b) a purchase being made through an existing State contract established by DAS as long as the applicable contract can be referenced as the “contract authority” on the PO; or
- c) a purchase that, after consultation, the Chief Legal Counsel and the Chief Financial Officer (CFO) agree that a written contract is not necessary.
  - 1) If agreed, and the purchase is \$2,500 or more, a waiver must be completed. A waiver may be a:
    - 1.1 one-time waiver (i.e., “Written Contracts Policy Waiver” which is an OBM form); or
    - 1.2 a fiscal year blanket waiver (i.e., memo form).

c. Contracts on OOD Templates

- i. The RTP and all required quotations or RFQs and RFPs with responses shall be attached to contracts when submitting for the legal agreement approval process. Refer to “Legal Agreements” (70-CM-01) for guidance.
- ii. If an RTP was not required per the “Usage of the Request to Purchase Form” (40-FIN-01.A), prior to forwarding to the Division of Legal Services (DLS), all written contracts (i.e., legal agreements), with attached quotations or other required documents, shall be submitted to DFM, via [OOD.purchasing@ood.ohio.gov](mailto:OOD.purchasing@ood.ohio.gov) to ensure all purchasing requirements have been met.

d. Non-OOD Contracts

- i. Pursuant to State law and the Attorney General Office’s opinions, State Agencies are not permitted to agree to certain terms and conditions and therefore if it is anticipated that a purchase is to be made from an entity that may require OOD to accept their contract (e.g., a hotel, conference facility), refer to “Non-allowable Contract Terms and Conditions” (40-FIN-01.D) which should be shared with the entity.
  - a) In the above document, the non-allowable term and condition “Cancellation” may be allowed as long as, initially, every attempt is made with the supplier to remove the language.
    - 1) If the entity will not remove the language, the conversation concerning removal must be documented and attached to the contract when sent through the internal review process.

- 2) There must be a justifiable reason for cancelling the contract as the Director or CFO must seek approval from OBM in order to pay the fee. The request for OBM's approval shall include:

- 2.1 date(s) of the event;
- 2.2 dollar amount of the cancellation fee;
- 2.3 a copy of the original negotiation to remove the cancellation fee;
- 2.4 description of the circumstances which lead to the cancellation;
- 2.5 steps taken to prevent the cancellation; and
- 2.6 if applicable, any credit voucher issued.

## 7. Emergency Purchases

- a. Occasionally, unplanned purchases may have to be made either due to an emergency situation or as the result of a state procurement emergency.
  - i. The Governor, President of the United State, Director of Public Safety or Executive Director of the Emergency Management Agency may request DAS suspend purchasing and contracting requirements during a period when congress has declared or proclaimed an emergency.
  - ii. During a state procurement emergency the Director of OOD shall submit a request to DAS to suspend purchasing and contracting requirements. If approved by DAS, the agency may make the necessary purchases.
  - iii. Failure to properly plan a purchase is not considered an emergency.

## D. Procurement Methods

1. State of Ohio Payment Card (Pcard) may be used for purchases which meet requirements in "Payment Card" (40-FIN-01-02).
2. Purchase Order (PO) – a document required for the purchase of a non-case services supply or service that reaches or exceeds \$500 and payment is not being paid by a State of Ohio Pcard or debit voucher.
  - a. No services shall be delivered or supplies received until a PO is issued by DFM, Finance.
3. Authorization – a document issued through AWARE that is required for all case service purchases (refer to "Vocational Rehabilitation Purchases" [40-FIN-01-06] for direction).
4. Debit Vouchers – an authorized payment for non-case service purchases of \$2,500 or less that is not associated with any purchase order.
5. Electronic Data Interchange (EDI) – an electronic invoicing and payment method established with the supplier who has been pre-approved through the Office of Budget and Management (OBM).
6. Direct Bill – a supplier may agree to send an invoice to OOD without requiring a purchase order in advance. This method is generally reserved for hotels, registration fees, and other expenses that would require an employee to pay out-of-pocket and seek reimbursement (refer to "Purchasing for Hosting Meetings and Other Events" [40-FIN-01-05] for direction).

## E. Documenting Receipt of Purchases

1. Upon receipt of supplies purchased, an individual, who has not been involved in the purchasing process, shall receive and review the order by reconciling the packing slip with the items received, verifying that the supplies were, in fact, received as ordered.
  - a. The reconciliation shall include:
    - i. verifying the packing slip indicates all of the items received;
    - ii. verifying that the supplies received were actually ordered (i.e., comparing to PO);
    - iii. signing and dating the packing slip; and
    - iv. upon receipt of the invoice, attaching the packing slip and referring to “Accounts Payable” (40-FIN-02) for guidance and direction on processing the invoice.

## F. Violation

An employee who violates this policy may be subject to discipline up to and including removal.

## FORMS AND ATTACHMENTS

- 40-FIN-01.A – Usage of the Request to Purchase Form
- 40-FIN-01.B – Request to Purchase
- 40-FIN-01.C – Purchase Order Request
- 40-FIN-01.D – Non-allowable Contract Terms and Conditions
- 40-FIN-01.E – Request for Written Quote
- 40-FIN-01.F – Contractor Analysis and Acquisition Form

## RESOURCES

- 70-CM-01 Legal Agreements
- 40-FAC-02 Asset Management
- 80-VR-10 Fee Schedules
- 80-VR-10-01 Dental, Medical and Psychological Fee Schedules

## REVIEW

It is the responsibility of the Deputy Director, or designee, to review this policy, on or before, the date listed in the header and if applicable, make any necessary revisions. The Deputy Director, or designee, shall document the review as required in “Policy and Procedure Process” (10-ADM-01).