



DAS Contracts

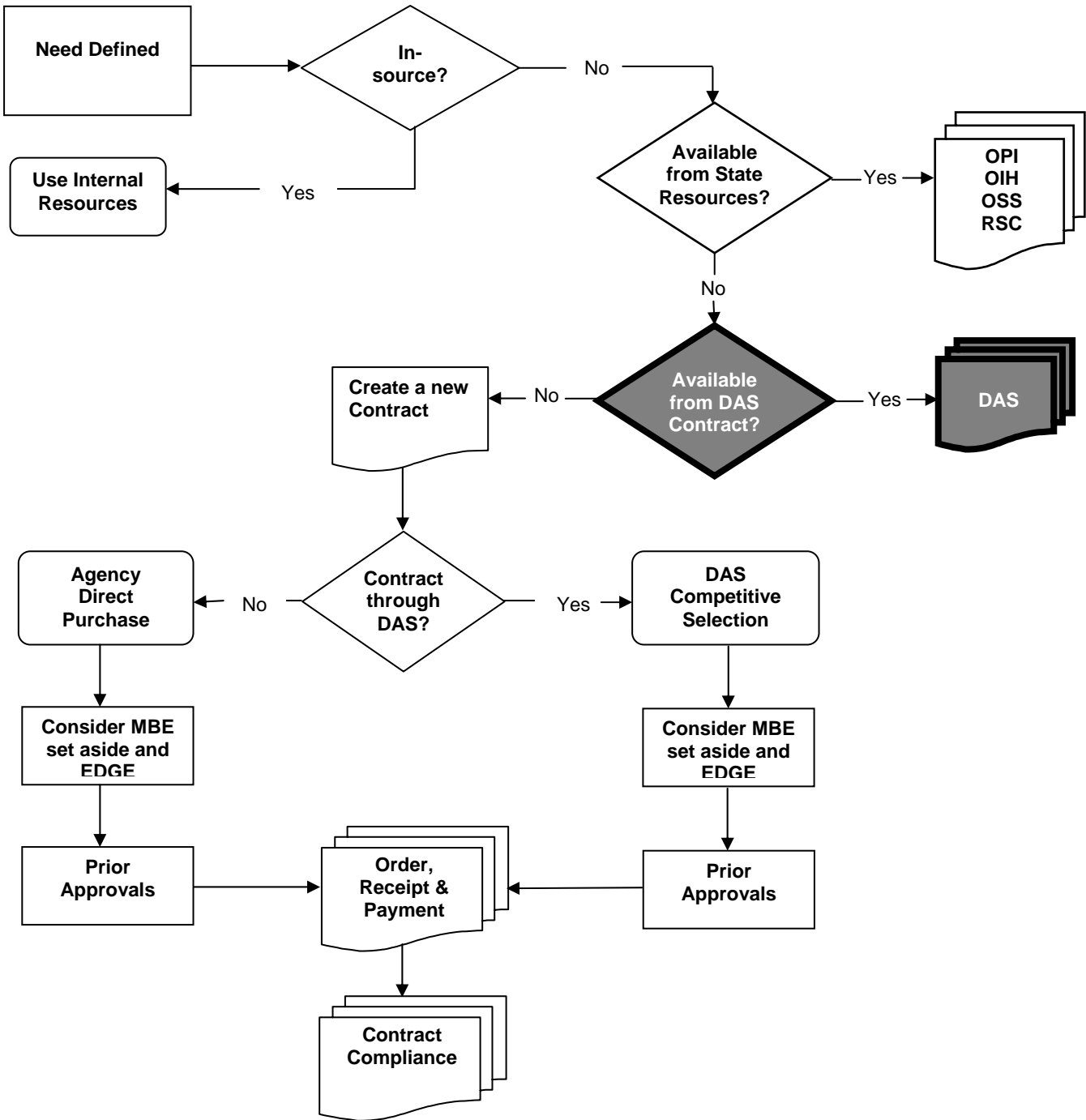
Chapter

3



3.0 Overview

You have now determined that the need is not available from any of the required state resources and have obtained necessary waivers to consider other methods of procurement. Unless your agency is exempt from DAS procurement, you must now consider making the purchase from existing DAS term contracts. This Chapter will discuss these term contracts and when you must purchase from the contract.



3.1 DAS Contracting Offices

The Ohio Revised Code (ORC) authorizes DAS to oversee and/or make purchases of supplies, services and construction for use by most state agencies. Law does provide exemptions from DAS procurement authority for some organizations under certain conditions. These exempted agencies will be discussed later in this Chapter. For agencies not exempted, the ORC requires that DAS receive next consideration on various supplies, services and construction.

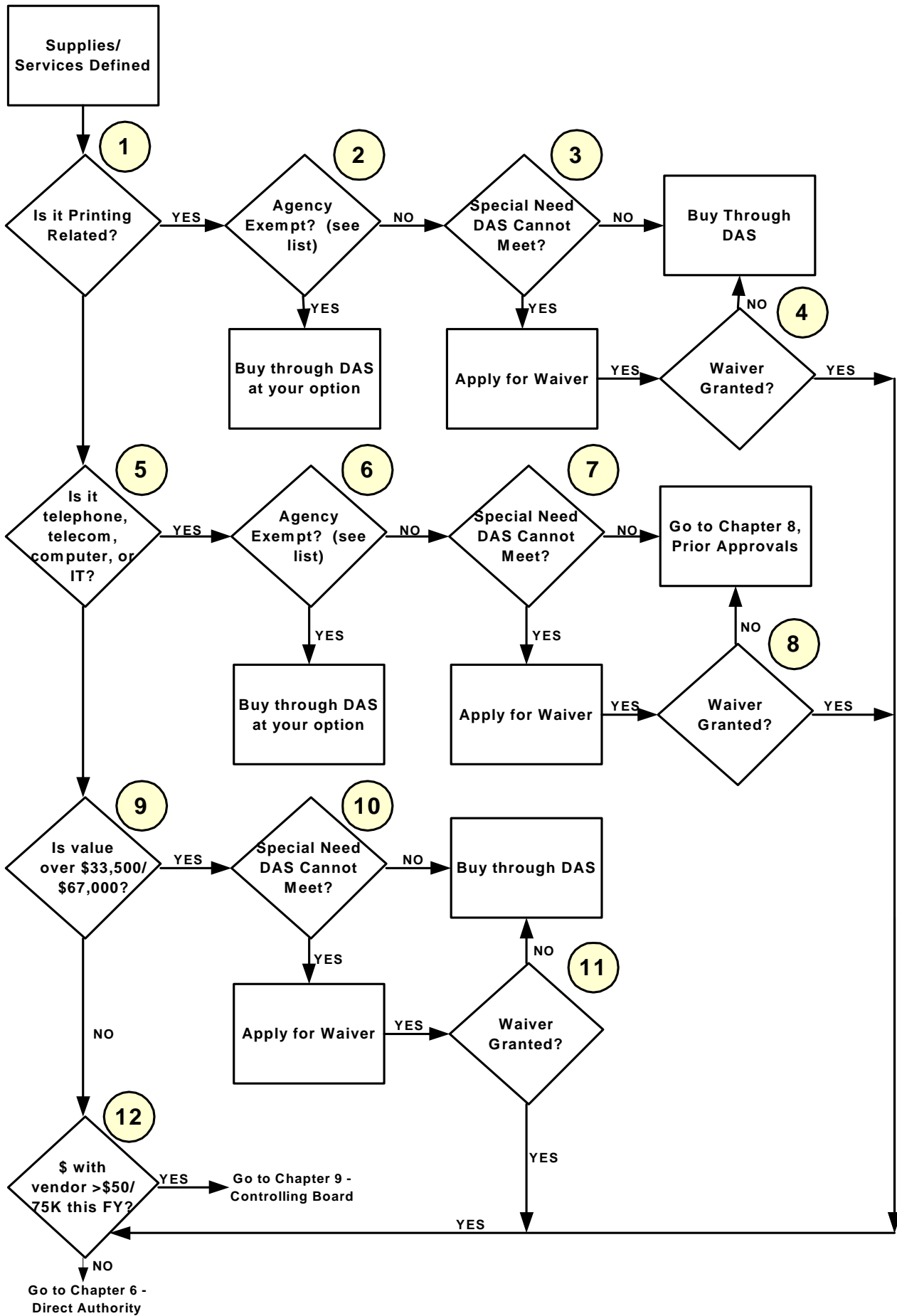
DAS is comprised of four major procurement divisions: State Printing & Mail Services, Office of Information Technology, Office of the State Architect and State Purchasing. These divisions maintain contracts for a variety of supplies and services to include, but not limited to: printing and mailing services, computers and software, food, medical supplies, consulting services, janitorial and housekeeping services, vehicles, copiers, maintenance and many more product and service areas.

This Chapter will provide instruction in making purchases of printing, data and telecommunications and various types of supplies and services. Guidance for construction needs will be discussed in Chapter 11.

Twelve questions

The determination of procurement authority can be reduced to twelve questions that are summarized below and in the corresponding flow chart. This chart should help determine **who** creates the contract.

No.	Questions	If yes ...	If no ...
1	Is it printing-related?	Go to 2	Go to 5
2	Is your agency exempt (see list)?	Buy through DAS at your option	Go to 3
3	Special need DAS cannot meet?	Apply for waiver, go to 4	Buy through DAS
4	DAS waiver granted?	Go to 12	Buy through DAS
5	Is it telephone, telecom, computer or IT?	Go to 6	Go to 9
6	Is your agency exempt (see list)?	Buy through OIT at your option	Go to 7
7	Special need OIT cannot meet?	Apply for waiver, go to 8	Go to Chapter 8
8	OIT waiver granted?	Go to 12	Go to Chapter 8
9	Is the value over \$33,500/\$67,000 threshold?	Go to 10	Go to 12
10	Special need that DAS cannot meet?	Apply for waiver, go to 11	Buy through DAS
11	DAS waiver granted?	Go to 12	Buy through DAS
12	\$ with vendor >\$50/75K this fiscal year?	Go to Cont. Bd. (Chapter 8)	Go to Chapter 6



3.2 Requirements Contracts

To assist agencies in meeting their needs, DAS maintains a number of requirements contracts for many types of supplies and services. Requirements contracts are term contracts that are effective for an extended period of time, usually one to three years. Agencies may purchase any dollar amount from a requirements contract without the need for any further competitive process, providing that approved funds are available to cover the purchase.

DAS maintains several categories of term contracts. Some term contracts are mandatory. Some give the agency the option of purchasing from the contract or using another method, such as direct purchase authority. The types of mandatory requirements contracts are listed in section 3.2.1. Other optional term contracts are listed in sections 3.2.2 and 3.2.3.

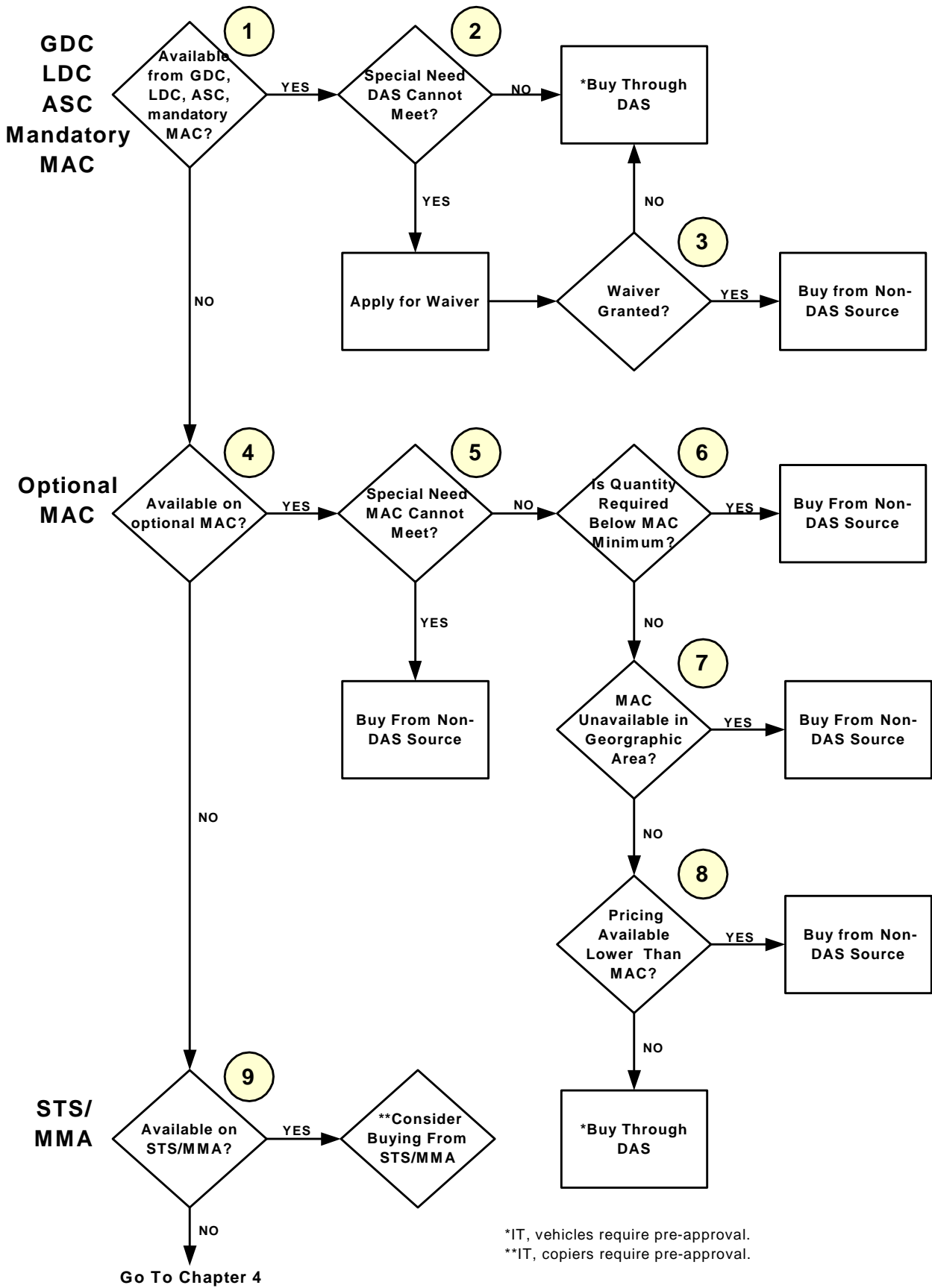
Nine questions

For simplicity, the process can be reduced to nine questions that are summarized below and in the corresponding flow chart.

No.	Questions	If yes ...	If no ...
1	Available on GDC, LDC, ASC, mandatory MAC?	Go to 2	Go to 4
2	Special need DAS cannot meet?	Apply for waiver, go to 3	Buy through DAS*
3	DAS waiver granted?	Buy from non-DAS source	Buy through DAS*
4	Available on optional MAC?	Go to 5	Go to 9
5	Urgent needs that MAC cannot meet?	Buy from non-DAS source	Go to 6
6	Is quantity required below MAC minimum?	Buy from non-DAS source	Go to 7
7	MAC unavailable in your geographic area?	Buy from non-DAS source	Go to 8
8	Pricing available that is lower than MAC?	Buy from non-DAS source	Buy through DAS*
9	Available on STS or MMA?	Consider buying from STS or MMA**	Go to Chapter 4

* Telecom, IT-related items and vehicles require pre-approval. See Chapter 8.

**Telecom, IT-related items and copiers require pre-approval. See Chapter 8.



3.2.1 Mandatory Term Contracts

The following types of requirements contracts are awarded to a single contractor per specific item. These mandatory contracts have been awarded under the premise that all state agencies that purchase these supplies or services will purchase from the designated contractors. Failure to make purchases from these contracts may place the state in breach of contract. The types of contracts are distinguished by their availability to agencies.

➤ General Distribution Contracts (GDC's)

- Contain popular items utilized by many agencies
- Available to all agencies
- Examples: vehicles, gasoline, cut size paper, clothing

Agencies may find GDC's on the State Procurement web site by following this path:

www.ohio.gov/procure (State Procurement home page)

Select "Current Contracts"

Under "Search by Contract Type," use right down arrow to select "GDC"

On "Search for GDC" page, further refine your search, or click on "Search" to view all contracts.

➤ Limited Distribution Contracts (LDC's)

- Address specific needs of multiple named agencies
- Available to only named agencies
- ♦ Examples: trash removal, housekeeping, food service

Agencies may find LDC's on the State Procurement web site by following this path:

www.ohio.gov/procure (State Procurement home page)

Select "Current Contracts"

Under "Search by Contract Type," use right down arrow to select "LDC"

On "Search for LDC" page, further refine your search, or click on "Search" to view all contracts.

➤ Agency Specific Contracts (ASC's)

- Address specific needs of a given agency
- Available to a single agency
- Examples: elevator maintenance, laundry services

Agencies may find contracts specific to their agency on the State Procurement web site by following this path:

www.ohio.gov/procure (State Procurement home page)

Select "Find It Fast"

Under Step 2, type in three-digit agency CAS code

Click on "Find It Fast"

3.2.2 Optional Contracts

DAS maintains a number of optional supply and service contracts known as State Term Schedules (STS's) and Master Maintenance Agreements (MMA's). These schedules and agreements are price solicitations that include multiple suppliers for similar types of supplies or services. All agencies may purchase any dollar amount from a STS or MMA, provided that approved funds are available to cover the purchase.

➤ GSA-based STS's

Many STS contracts are based upon the federal government's Supply Schedule Contract Program, administered by the General Services Administration (GSA). These are known as **GSA-based STS's**. Contractors under the federal program have met rigorous qualification criteria in order to supply goods and services to the federal government under pricing, terms, and conditions negotiated in advance. The federal schedule does not obligate the federal government to purchase any goods or services, but is a convenient way to do so should the federal agency choose.

State term schedules operate in a manner very similar to federal schedule contracts. The federal schedules frequently offer goods and services that may be of interest to state agencies, so it is often in the state's best interest to rely upon these federal GSA schedules as the basis for its state term schedules. The state does not participate directly in federal GSA contracts, but rather uses them as a foundation and template, inserting some additional terms and conditions favorable to the state of Ohio.

When shopping from a STS, agencies are encouraged to compare the offerings of multiple manufacturers or their named distributors on similar items. There are occasions where the agency may be able to obtain better pricing under the terms of the STS and agencies are encouraged to do so. In particular, discounts may be obtained for major purchases exceeding the maximum order limitation (MOL). DAS will assist the agency in securing additional discounts for these purchases. Depending upon the size of the purchase, DAS may recommend issuance of a special bid to take advantage of potential lower pricing due to market conditions.

➤ **Non-GSA based STS's**

Other STS's are not based upon GSA, but rather on most favored pricing for customers who are similarly situated as the state of Ohio. Such contracts are known as **non-GSA based STS's**, or State and Local Government contracts (S&LG's).

As with other STS's, agencies are encouraged to compare the offerings of multiple manufacturers or their named distributors on similar items. Agencies are encouraged to request quotations and/or negotiate to obtain the most favorable pricing on these schedules. In particular, discounts may be obtained for major purchases exceeding the maximum order limitation (MOL). DAS will assist the agency in securing additional discounts for these purchases. Depending upon the size of the purchase, DAS may recommend issuance of a special bid to take advantage of potential lower pricing due to market conditions.

Agencies may find STS's on the State Procurement web site by following this path:

www.ohio.gov/procure (State Procurement home page)

Select "Current Contracts"

Under "Search by Contract Type," use right down arrow to select "STS"

On "Search for STS" page, further refine your search, or click on "Search" to view all contracts.

The web search function does not distinguish between GSA and non-GSA based STSs. One can determine this by opening the document itself. For non-IT STSs, the distinction can be found in the title on page one of the contract document. For IT-based STSs, the distinction can be found by viewing the terms and conditions.

➤ **Master Maintenance Agreements (MMA's)**

A Master Maintenance Agreement (MMA) is an optional contract available for maintenance and service of equipment that is no longer covered under a manufacturer's warranty. MMA's are available for computer hardware, software, copiers, vending machines, and other equipment. Services may include remedial maintenance calls and preventative maintenance inspections. MMA's are not to be used to furnish consumables, relocate equipment, or repair damage due to intentional abuse by the customer. Other limitations and exclusions apply.

Agencies may find MMA's on the State Procurement web site by following this path:

www.ohio.gov/procure (State Procurement home page)

Select "Current Contracts"

Under "Search by Contract Type," use right down arrow to select "MMA"

On "Search for MMA" page, further refine your search, or click on "Search" to view all contracts.

When using a STS or MMA, agencies should avoid directing significant amounts of business to a limited number of vendors or suppliers. As stated previously, agencies are encouraged to compare prices and use competition whenever possible.

3.2.3 Other Requirements Contracts

Multiple Award Contracts (MAC's) are contracts that include more than one supplier for same or comparable supplies or services. MAC's may be either mandatory or optional. Agencies should check the contract language

to verify whether use of a particular MAC is mandatory or optional. Mandatory MAC's, such as MAC043 for office supplies, have been awarded under the premise that all state agencies, that purchase these supplies or services, will purchase from one of the designated contractors, although the state offers no assurance of minimum quantities to any single MAC contractor.

The two types of MAC's are distinguished by their waiver procedures. Unless stated otherwise in the contract, MAC's are optional use contracts.

Mandatory Multiple Award Contract (specifically stated as mandatory):

- Lists multiple suppliers for similar types of supplies or services
- Agencies may purchase from any of the listed sources
- Available to all agencies
- All exceptions require a waiver
- Example: office supplies

Optional Multiple Award Contract (all MAC's unless otherwise noted):

- Lists multiple suppliers for similar types of supplies or services
- Agencies may purchase from any of the listed sources
- Available to all agencies
- Contains some exceptions that do not require a waiver
- Examples: firemen's protective clothing, eyeglasses, cameras & accessories

Optional MAC's do not require a waiver for the following exceptions:

1. Urgent requirements: when the ordering agency requires delivery of the supplies or services prior to the times stated in the MAC, the agency shall require the contractor, by mail (if time permits) or telephone (confirmed in writing), to state the best delivery that can be met to satisfy the needs of the agency. If the contractor is unable to provide accelerated delivery, the agency may procure the required supplies or services from another source.
2. Small requirements: when the contract includes a minimum order limitation, agencies are not required to make the purchase from the contractor for needs below this limit. The contractor is not required to accept an order for less than the minimum order limitation from the agency. However, if the contractor accepts an order of less than the minimum order limitation, the contractor is obligated to perform according to all terms and conditions of the contract.
3. Geographic area: when the contract defines geographic areas of coverage, the agency shall place orders with contractors serving the geographical areas in which the agency is located. If the agency is located outside of the geographical area, the agency is not required to use the MAC.
4. Lower pricing: when an agency finds that identical supplies or services to those included in the MAC are available from another source at a price lower than that of the MAC, the agency may procure the supplies or services pursuant to their direct procurement authority. When comparing the supplies and services listed in the MAC with other sources, the agency shall consider warranties, transportation costs, delivery terms and any other related items to insure a fair cost comparison is being made to the items listed in the MAC.

When ordering from all MAC's, the agency should compare pricing from all listed contractors for the required supplies or services. MAC prices should be considered not-to-exceed figures, and agencies may negotiate and accept better prices than those listed on the MAC if available.

Agencies may find MACs on the State Procurement web site by following this path:

www.ohio.gov/procure (State Procurement home page)

Select "Current Contracts"

Under "Search by Contract Type," use right down arrow to select "MAC"

On "Search for MAC" page, further refine your search, or click on "Search" to view all contracts

3.3 DAS Office of State Printing and Mail Services

The Office of State Printing and Mail Services processes or produces printing orders for the executive branch of state government. All state government organizations are required to forward their printing needs through State Printing except the following:

- ◆ General Assembly;
- ◆ Ohio Arts Council;
- ◆ Capitol Square Review and Advisory Board;
- ◆ Bureau of Workers' Compensation;
- ◆ State-supported institutions of higher education.

State Printing purchases paper and a wide variety of printed goods from term contracts, one-time bids, and informal price quotations. Delivery of products varies from same day to a few weeks for large or complex orders. State Printing also provides forms management, design services, reprographics management and invoice verification and payment services. Seven State Printing copy centers are located in Columbus at these locations:

❖ Rhodes Tower at 30 E. Broad Street, 29th Floor.....	614-644-8555
❖ Riffe Center at 77 S. High Street, 19th Floor	614-728-2680
❖ Department of Natural Resources at 2045 Morris Road, Building I.....	614-728-6807
❖ Department of Education at 25 S. Front Street, B-1 level.....	614-955-9950
❖ Attorney General's Office at 150 E. Gay Street, 25 th Floor.....	614-387-2894
❖ Department of Job & Family Services at 255 E. Main Street.....	614-387-2893
❖ DAS General Services at 4200 Surface Road.....	614-644-6385

To place an order with State Printing:

- Step 1:** Prepare an unencumbered Print Order (ADM-0515) for copy center orders. Include camera-ready copy, film (negatives), electronic media or a previous sample.
- Step 2:** Prepare an encumbered Print Order for commercially produced printing orders. If you do not know whether a job is an in-house or commercial order, contact your State Printing specialist.
- Step 3:** Agencies enter the Print Order (ADM-0515) into CAS, creating the encumbrance. After the document is accepted, the agency forwards the forms to State Printing. State Printing will accomplish modifications and cancellations to the Print Order as necessary.

Purchases of certain types of reprographic equipment require **pre-approval** from State Printing. For more on pre-approvals, see Chapter 8.

For more information, contact:

State Printing and Mail Services
4200 Surface Road
Columbus, OH 43228-1395
Telephone: (614) 644-7550
Fax: (614) 644-5799

www.state.oh.us/das/gsd/prt/prt.html

Legal Reference: ORC §125.31 through 125.76, 125.91 through 125.98, 149.13

3.4 Office of Information Technology, Investment and Governance Division, Acquisition Management

The Office of Information Technology (OIT) is authorized to make contracts for, operate, and superintend telephone, telecommunication, computer services, and some professional services for state agencies. The following organizations are exempted from this authority:

- ◆ Adjutant General;
- ◆ General Assembly;

- ◆ Bureau of Workers' Compensation;
- ◆ Institutions administered by boards of trustees.

The Office of Acquisition Management issues contracts for computing and telecommunication products and services. The State Procurement web site allows complete electronic transmission of State requirements (both RFPs and ITBs), receipt of inquiries from vendors, posting of responses and amendments, and support to other agencies through posting of bid term contracts and State Term Schedules. The web site is fully functional for all data processing and telecommunications RFPs and ITBs.

Purchases of telecommunications equipment, data processing equipment or services, and software require **pre-approvals**. For more on pre-approvals, see Chapter 8.

Should circumstances warrant an exception to the above DAS authority, agencies may apply for a waiver known as a **Release and Permit (R&P)**. For more on R&P's, see Chapter 8.

Legal Reference: ORC Chapter 125; OAC 123:5-1-08

3.5 DAS Office of State Purchasing

The DAS Office of State Purchasing serves as the centralized procurement authority for the purchase of supplies and services used by most state agencies. Procurement Services includes State Purchasing, the Competitive Sealed Proposal (CSP) Office, and Cooperative Purchasing (Co-op).

In addition to exemption for offices of the statewide elected officials listed in section 1.1, the following organizations are exempted from this authority:

- ◆ Legislative branch;
- ◆ Judicial branch;
- ◆ Boards of elections;
- ◆ Capitol Square Review and Advisory Board;
- ◆ Adjutant General;
- ◆ Emergency Management Agency under a declared emergency;
- ◆ Department of Rehabilitation and Correction Ohio Penal Industries;
- ◆ Bureau of Workers' Compensation.

State agencies not listed above may be exempt from DAS authority if the amount of the purchase does not exceed the direct purchase threshold. Effective through January 31, 2005, the direct purchase threshold is \$33,500 for supplies and \$67,000 for services purchased from a vendor within a fiscal year. For purchases below this threshold, agencies may contract through DAS or create their own contract. For more on direct purchase authority, see Chapter 6.

Purchases of facsimile equipment, copiers, duplicators, and vehicles require **pre-approvals**. For more on pre-approvals, see Chapter 8.

Should circumstances warrant an exception to the above DAS authority, agencies may apply for a waiver known as a **Release and Permit (R&P)**. For more on R&P's, see Chapter 8.

Questions & Answers

Q: How does an agency purchase printing from OPI?

A: All orders for Ohio Penal Industries must be directed to State Printing with a Printing Project Order (ADM-0515). See Appendix 3 for a sample form.

Q: How long will it take to get my order?

A: Copy center orders are usually delivered in three days or less. Commercial work usually takes two to six weeks for production depending on the complexity of the project. Some commercial work can be produced within a few days. However, the general rule is the shorter the production time, the higher the cost.

Q: Can I get a waiver to “go direct” for printing needs?

A: In rare circumstances, State Printing may grant a waiver for direct purchase. These circumstances usually involve emergency conditions, and are granted on a case-by-case basis.

Q: Does State Printing do printing work on other media besides paper?

A: Yes, State Printing contracts some promotional printing for items such as coffee cups, key chains, and tote bags. Contact your printing specialist for more information.

Q: What are the limitations regarding purchasing copier equipment?

A: State Printing’s approval is required for purchases of black and white copier equipment if the equipment can produce 65 or more impressions per minute. For color machines, State Printing’s pre-approval is required if the equipment can produce 20 or more color copies per minute. For more on pre-approvals, see Chapter 8.

Q: What are the copy limitations on agency walk-up or large production copy equipment?

A: Reproduction services may not exceed five thousand impressions per order and no more than one thousand copies of any item consisting of multiple pages.

Q: How does an agency make a purchase from a term contract?

A: Step 1. Locate item on term contract.

Step 2. Contact supplier to confirm availability of item(s); call DAS if not available.

Step 3. Prepare a Purchase Order (ADM-0523) and enter into CAS (refer to OBM/CAS Manual).

Step 4. Upon approval in CAS, distribute order to supplier.

Q: Does an agency have to use a Purchase Order for all contract purchases?

A: Purchases from DAS competitively bid contracts (GDC’s, LDC’s, ASC’s and MAC’s) in the amount of \$2,500 or less or purchases from a STS of \$1000 or less may be made using the payment card. Purchases of \$1,000 or less may be placed using a Debit Voucher, Payment Card or ORDE unless the contract states otherwise. Most other purchases above \$1,000 must be placed on a Purchase Order (ADM-0523, ORDE). Some agencies have a higher limit; check with your agency’s business office to see if your agency’s limit exceeds \$1,000. See Appendix 3 for a sample form.

Q: Are agencies responsible for freight costs on contract items?

A: Generally, all shipments are F.O.B. Destination with most having freight prepaid by the contractor. Some contracts and many small dollar orders may require that the agency pay freight.

Q: The contract expires soon. May a Purchase Order still be submitted against the contract?

A: Purchase orders must be received by the vendor prior to the expiration date of the contract. Unless the ORDE is for a quarterly purchase, delivery may not exceed thirty (30) days after expiration of the contract. Purchase orders, for other than quarterly deliveries, will be rejected by CAS after the expiration date.

Q: May an agency place “confirming orders” with contract vendors?

A: This is not recommended. If for any reason, the order should be denied and product has been received, the person who authorized the purchase may be personally liable to pay for the purchase.

Q: A non-term contract item is being bought from the contract vendor, may it be added to the same Purchase Order?

A: Non-term contract items may **not** be included on the same Purchase Order with term contract items. These must be purchased under your direct purchase authority.

Q: An agency purchases the same non-term contract commodity/service routinely. What are its options?

A: Agencies should contact DAS. If possible, DAS may bid the item and add it to a term contract, or establish a new contract if necessary.

Q: Occasionally our agency receives contract surveys from State Purchasing. Is it necessary to respond to these and what is their purpose?

A: Surveys are issued to customer agencies to determine usage and potential changes to the contract. This information is provided to bidders as part of the Invitation to Bid. These surveys may also be used to determine if an agency procures sufficient quantity to warrant placing items on the contract or to obtain

updated requirements. Failure to respond may result in the agency being eliminated from the contract, inappropriate items being bid or failure to receive competitive pricing.

Q: *May an agency buy a contract item from a non-contract vendor?*

A: If an item is available from the term contract it must be purchased from the contract unless the item is listed on an optional use contract. If an agency fails to utilize the contract, the state could be determined to be in breach of contract and could be held liable to reimburse the contractor. Further, the agency person responsible for making the purchase could be held financially responsible to reimburse the state for the improper purchase. On certain GDC term contracts, it is possible to purchase contract items from a non-contract MBE. Special language will be included in the contract to permit these types of purchases.

Q: *How does an agency obtain copies of term contracts?*

A: Agencies are encouraged to view and/or download contracts directly from the State Procurement website. The address is www.ohio.gov/procure.

Legal reference: ORC § 125.01 through 125.11, 125.17, 125.19; OAC § 123:5-1-01 through 123:5-1-10