



Department of
Administrative Services

State of Ohio

Procurement Manual

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Chapter 1 – Introduction

1.1 About this Manual

1.1.1 Purpose, Audience and Use

The State of Ohio Procurement Manual is an authoritative source for guidance on the application of consistent and sound business practices by State of Ohio executive branch agencies, boards, and commissions (collectively referred to as “State Agencies”) to acquire supplies and services.

This manual supplants neither statutory or administrative requirements established, respectively, by the Ohio Revised Code (i.e., state laws) and Ohio Administrative Code (i.e., state administrative rules), nor any DAS-issued State of Ohio Administrative Policies governing purchasing.

Standardized, Ohio-specific terminology and acronyms are used in the manual. The first occurrence of a defined term or acronym is in ***bold italics*** and is hyperlinked to the “Glossary and Acronyms” section of the manual. Terms for which there are acronyms are fully defined in their first occurrence (e.g., Agency Purchasing Officers (APO); Request to Purchase (RTP); Invitation to Bid (ITB); etc.), but thereafter are referenced only by their acronym (e.g. APO; RTP; ITB; etc.). Also, some terms with the same meaning are used interchangeably – most notably “purchase” and “procure” (and their derivations, “purchasing,” “procuring,” and so forth).

Although it is a public-facing document, the manual’s primary audience is ***Agency Procurement Officers (APO)*** and all other agency-level personnel interested or engaged in the State’s procurement activities. Also, other state-level government organizations – specifically, those exempted from the authority granted to the Department of Administrative Services (DAS) by [Ohio Revised Code \(R.C.\) 125.02](#) – are strongly encouraged to leverage this guide as a best practice.

Throughout the manual, links to important information (i.e., revised and administrative codes, DAS procurement policies, forms, lists, terms, etc.) have been incorporated. These links provide readers with the most current and relevant information regarding Ohio’s procurement processes. Additionally, best practices and information requiring particular attention are identified with one of these icons:



Recommended procurement best practice.



Important information.

1.1.2 Ownership, Accessibility, and Revisions

The Procurement Manual is owned by the DAS **Office of Procurement Services (DAS OPS)** and the most current version is publicly accessible at <https://procure.ohio.gov>.

The manual will be reviewed and a new version will be released at least once each calendar year. The first version released during a calendar year is identified as “Version 1.0,” with subsequent versions being identified as “2.0”, “3.0”, etc. The version number and its publication date are included on the manual’s cover page and in the document’s footer. Unless otherwise noted, the effective date of the Procurement Manual is its stated publication date.

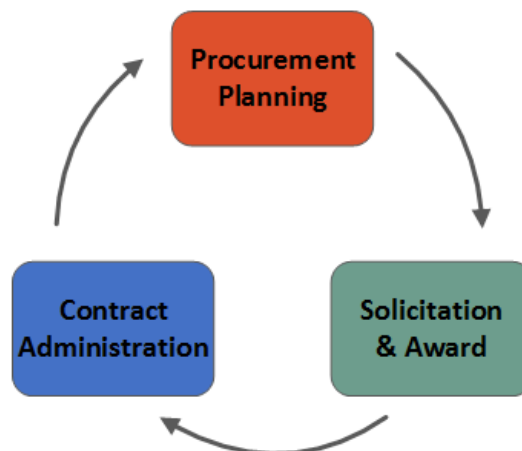
In advance of releasing updates, DAS OPS will formally announce manual revisions and provide a summary of updates to State Agencies via their respective APOs and Chief Financial Officers (CFOs). Previous versions of the Procurement Manual will be archived in accordance with State of Ohio record retention policies. Archived versions of the manual may be requested by contacting the DAS OPS Support Desk at either (614) 466-5090 or <https://procure.ohio.gov/proc/submitCommentsQuestions.asp>.

1.2 What is procurement?

Procurement is the practice of purchasing **products**, **supplies**, and **services**. Procurement is not simply the act of competitively acquiring products, supplies, and services, but is a lifecycle activity that begins with identifying a need, completing a **purchase**, and ending with closeout of a contract.

The Ohio Procurement Lifecycle (Figure 1-1) organizes the procurement process into a series of steps from the time the state entity first identifies needed supplies or services through contract award and administration.

Figure 1-1: The Ohio Procurement Lifecycle



1.3 Ohio's Procurement Structure

Procurement of general and information technology (IT) supplies and services in the State of Ohio is primarily governed by [R.C. 125](#); and [Ohio Administrative Code \(OAC\) 123:5-1](#). However, Executive Orders, which are issued by the Governor, can also establish procurement requirements. There are five different procurement methods available to a purchasing agency under [R.C. 125](#): direct purchases, which agencies exercise through their [Direct Purchase Authority \(DPA\)](#); [competitive sealed bidding](#); [competitive sealed proposals](#); [reverse auctions](#); and emergency purchases.

The State of Ohio has a center-led procurement structure, with DAS OPS as the central procurement authority. DAS OPS is responsible for overseeing and establishing contracts for general and information technology (IT) supplies and services. OPS also has the lead role in:

1. Identifying and executing strategic procurement opportunities for the State.
2. Supporting State Agencies with the DPA afforded them by [R.C. 125.05](#).
3. Conducting review and approval of IT supplies and services through an [IT Release and Permit](#) process.
4. Collaborating with other State Agencies to plan, procure and manage requirements exceeding their direct purchase authority.
5. Providing guidance and training to the agencies on policy and procedures related to procurement of supplies and services.



DAS OPS does not have the authority to establish contracts for the agencies, boards, institutions, and government branches listed in [R.C. 125.02 \(A\)\(1\) – \(6\)](#).

1.4 Ethical and Professional Conduct

State of Ohio employees involved in the procurement of supplies and services have a responsibility to uphold Ohio procurement laws, rules, executive orders, directives, and policies, and act in good faith to serve the best interests of the State of Ohio and its taxpayers.

All state employees engaged in procurement activities must conduct all procurement activities in a manner above reproach, with complete impartiality, and without preferential treatment.



It is the State of Ohio's policy that all procurements are conducted in a fair, open, and transparent manner.

To avoid any perception of or actual impropriety and maintain the public's trust, state employees are required to perform their daily activities in a professional and responsible manner. They may not take any action in matters that definitely and directly affect themselves, their family members or business associates. When confronted with a conflict of interest, state employees must completely abstain or recuse themselves from making decisions about or taking any actions that would influence how the matter is resolved.

State employees engaged in procurement activities are responsible for understanding and adhering to Ohio Ethics law governed by [R.C. 102](#), along with any executive orders and Ohio Administrative Policies pertaining to ethical conduct. Employees failing to do so will be subject to any penalties set forth by law, as well as potential disciplinary action up to and including termination of employment.

Chapter 2 – Procurement Planning

Procurement planning begins with identifying what is needed, when it is needed, how much it may cost, and how much of it is needed. This process is initiated by the purchasing State Agency. Although not all inclusive, a list of questions to ask to identify the need include:

1. What types of supplies or services are being requested?
2. What is the time frame for providing the supplies or services to meet the need?
3. Will the supplies or services be required beyond this purchase? If so, how often?
4. Is there a possibility that other agencies have the same or similar need?
5. What is the estimated dollar value of the required supplies or services?

After these questions are answered, the next steps are determining the most appropriate procurement method and evaluating procurement considerations that may affect how the procurement is conducted.



Involving DAS OPS in new procurements as early as possible reduces the potential for unnecessary delays in drafting specifications and determining the best method to complete the purchase.



Unless an emergency purchase is needed ([Section 2.3](#)), procurement options must be considered in this order: requisite procurement programs ([Section 2.1.1](#)); state contracts ([Section 2.1.2](#)); direct purchase authority ([Section 2.1.3](#)); and competitive purchases ([Section 2.2](#)).

2.1 Purchasing Methods

2.1.1 Requisite Procurement Programs

Before considering any other supplier, [R.C. 125.035](#) requires State Agencies to determine if Ohio's first and second requisite procurement programs provide the supplies or services that are being purchased. (As their names imply, by statute, first requisite procurement programs receive first preference for fulfilling the need and, if they are unable, second requisites are considered.) State Agencies are responsible for either working directly with the applicable requisite programs or submitting a Request to Purchase (RTP) to DAS OPS to determine if any have the capability of meeting the need. The RTP form can be accessed at: <http://apps.das.ohio.gov/requesttopurchase/requestform.aspx>.



*With the exception of services being requested under the [Third Party Administrator for Facility Maintenance, Repair, and Minor Construction Projects](#) contract (#CSP905815), State Agencies are not required to submit a RTP to DAS OPS for review by the requisite procurement programs if the needed general supplies or services either are available through a state contract, or are covered by a **non-IT Blanket Release and Permit** (see [Section 2.1.3.1](#)).*



For purchases potentially valued at \$25,000 or more, [OAC 123:5-1-17](#) requires State Agencies to submit a RTP to DAS OPS to determine if the supplies or services are available from any of the requisite procurement programs.

If one of the requisite procurement programs can fulfill the State Agency's procurement need, the agency is required to make the purchase from that program, regardless of the purchase amount. However, if the requisite procurement programs cannot fulfill the procurement need, DAS OPS can provide the requesting State Agency with a requisite program waiver.



*Requisite procurement program purchases can be made without dollar limitations or use of a bid process, and they are not factored into a State Agency's **cumulative annual spend** threshold.*

2.1.1.1 First Requisite Procurement Programs

a. Ohio Penal Industries

Ohio Penal Industries (OPI), a division of the Department of Rehabilitation and Correction (ODRC), teaches life skills and provides work-training programs for inmates housed at the various prison facilities. [R.C. 5147.07](#) requires State Agencies to purchase through OPI if OPI can meet their needs. In the event of an emergency or a special need, OPI may grant an agency a waiver to purchase the supplies or services elsewhere.

OPI items are encumbered in the **Ohio Administrative Knowledge System (OAKS)**. When entering the requisition, high level item descriptions are selected from the OAKS catalog, then purchase orders are forwarded to OPI via one of the following methods:

1. Mail: Ohio Penal Industries (OPI) Design Center, 1221 McKinley Avenue, Columbus, OH 43222
2. Fax: 614-752-0303
3. OPI website (A log-in is required. For access, email a request to opi.sales@odrc.state.oh.us)

To request a waiver to purchase items from another source that are produced by OPI, the State Agency's First Approver in the purchasing workflow adds the ad hoc approver of GRP_OPI. The requisition must include the following information:

1. The product to be purchased from another source, its price and the OPI equivalent or similar item.
2. Justification stating the reason for waiver. (For example, a doctor's prescription; weight limit to match existing products previously purchased from another source; etc.)

Upon receipt of the waiver request (requisition), OPI reviews the request and approves or denies the requisition within five business days.



OPI does not approve waiver requests for similarly produced items, for items that can be delivered within a shorter time frame than by OPI, or based solely on price.

For more information, contact OPI at:

Telephone: (800) 237-3454

Email: opi.sales@odrc.state.oh.us

<http://www.opi.ohio.gov/opi/oos/welcomemenu.aspx>

b. Community Rehabilitation Program

[R.C. 125.60](#) to [125.6012](#) and [OAC 123:5-3-1](#) to [123:5-3-12](#) requires that State Agencies purchase from a **Community Rehabilitation Program (CRP)** supplier capable of meeting its needs. CRP suppliers are nonprofit organizations that employ Ohioans with work-limiting disabilities. CRP contracts provide Ohioans with work-limiting disabilities with much-needed job opportunities.

State Agencies can determine whether a supply/service is available for purchase from a CRP by:

1. Searching for CRP contracts. (A link to current CRP contracts is at: <http://www.das.ohio.gov/Divisions/General-Services/Procurement-Services/Community-Rehabilitation-Programs>;
2. Checking the CRP Supplier Product and Services List, available at: <http://das.ohio.gov/Portals/0/DASDivisions/GeneralServices/Procurement/pdf/CRP%20Procurement%20List%2011.1.16.pdf>; or
3. Contacting DAS OPS.

In the event of an emergency, special need, or if a CRP supplier's pricing is higher than fair market value, the agency may request a waiver from DAS OPS to purchase the needed items from a non-CRP source.

For more information, contact:

Office of Procurement from Community Rehabilitation Programs

4200 Surface Road

Columbus, Ohio, 43228

E-mail: dasgsd.opcrp@das.ohio.gov

<http://das.ohio.gov/Divisions/GeneralServices/ProcurementServices/CommunityRehabilitationPrograms.aspx>

2.1.1.2 Second Requisite Procurement Programs

a. Opportunities for Ohioans with Disabilities

Opportunities for Ohioans with Disabilities (OOD) provides services to individuals with severe disabilities to achieve their goal of employment. OOD works with partners in business, education and non-profit organizations to facilitate customized employment plans for Ohioans with disabilities.

OOD's Bureau of Services for the Visually Impaired (BSVI), which is enabled by [R.C. 3304.28](#) to [3304.33](#), administers the Business Enterprise Program (BEP), which assists people who are blind or have a visual impairment by creating employment in food service areas. BEP provides Ohioans with opportunities to operate cafeterias, snack bars, convenience stores and vending locations throughout the state.

Whenever a State Agency – excluding ODRC and the Department of Youth Services (DYS) – determines a need for vending or concession services in their facility, they must first contact OOD to determine if such services can be provided through the Business Enterprise Program. If OOD determines that the potential exists, provisions are made to install and operate the vending

facility within the agency. However, if OOD determines that it is not practicable to operate a vending facility, the agency is granted a waiver to procure their needs from other sources.

For more information, contact:

Opportunities for Ohioans with Disabilities
150 E. Campus View Blvd.
Columbus, OH 43235-4604
Telephone: 1-800-282-4536
<http://ood.ohio.gov/>

b. Office of Information Technology

The Office of Information Technology (OIT), as established in [R.C. 125.18](#), delivers information technology (IT) and telecommunication services to the State of Ohio agencies, boards and commissions. OIT is responsible for operating and maintaining IT and telecommunication hardware devices, as well as the related software. OIT service offerings allow State Agencies, boards and commissions to use technology for information processing, sharing and storing. For more information, please refer to the [State of Ohio IT Service Catalog](#).

For assistance related to OIT service offerings, contact the Customer Service Center at CSC@ohio.gov or visit the IT Enterprise Services portal to place an order at <http://itenterprise.ohio.gov>.

IT Procurements
30 E. Broad St., 39th Floor
Columbus, Ohio 43215
Telephone: 614-466-6930
<http://das.ohio.gov/Divisions/InformationTechnology.aspx>

c. Office of State Printing and Mail Services

The Office of State Printing and Mail Services (SPMS) processes or produces printing projects for State Agencies. Pursuant to [R.C. 125.035](#), all state government organizations are required to forward their printing needs through State Printing except for the General Assembly; the Ohio Arts Council; the Capitol Square Review and Advisory Board; and state-supported institutions of higher education.

SPMS offers paper and a wide variety of printed supplies from term contracts and one-time bids. Delivery of products varies from same day to a few weeks for large or complex orders. SPMS also provides records management, reprographics management and invoice verification and payment services of procured printing jobs.

Currently four State Printing copy centers are located in Columbus at these locations:

Rhodes Tower at 30 E. Broad Street, 29th Floor 614-644-8555
William Green at 30 W. Spring Street, B-2 Level 614-995-2011

Hilltop Copy Center at 1980 W. Broad Street..... 614-728-2983
Lazarus at 50 W. Town Street, Suite FSL..... 614-644-6385

To place an order:

- Step 1: Prepare a [Printing Request Order](http://das.ohio.gov/Portals/0/DASDivisions/GeneralServices/SPMS/pdf/ADM0515%20%28R062014%29.pdf), which is available at: <http://das.ohio.gov/Portals/0/DASDivisions/GeneralServices/SPMS/pdf/ADM0515%20%28R062014%29.pdf>. Once the form is completed, in the upper right-hand corner of the document, choose [Click to Submit]. Include camera-ready copy, film (negatives), electronic media or a previous sample.
- Step 2: Nothing is entered in OAKS for in-house jobs. The job is completed, delivered, and agency is billed by an Intra-State Transfer Voucher (ISTV).
- Step 3: State Printing enters a requisition in OAKS for commercial jobs using agency requestor name. Agency approves in OAKS.

Purchases of reprographic equipment require approval from State Printing.

For more information, contact:

State Printing and Mail Services
4200 Surface Road
Columbus, OH 43228-1395
Telephone: (614) 644-7550
Fax: (614) 644-5799
<http://das.ohio.gov/printing>

d. Ohio Pharmacy Services Center

The Ohio Department of Mental Health and Addiction Services (MHAS), Ohio Pharmacy Services was established by [R.C. 5119.44](#) to provide supplies and services to state and local governments and community organizations. The Departments of Mental Health & Addiction Services, Rehabilitation & Correction, Youth Services, Health, and Developmental Disabilities, Community Mental Health Boards & Agencies, Ohio Free Clinics and Halfway Houses are among the customers who currently purchase from one or more of the three Ohio Pharmacy Services Operations.

Ohio's Pharmacy Service Center (OPSC) provides bulk medications, over-the-counter medications, and medical, laboratory, and office supplies to its customers. Bulk pharmaceuticals purchased by licensed pharmacies are delivered by the OPSC transportation division. Drug Information services, including responses to medication questions and the provision of literature search material, medication safety notices, and OhioMHAS peer reviewed quarterly newsletters are also provided as a service for OPSC clients. The Drug Information Pharmacist is a major contributor/member to the ODRC, State Regional Psychiatric Hospitals, and Interdepartmental Pharmacy and Therapeutics committees.

Central Pharmacy Inpatient provides comprehensive pharmaceutical services and patient labeled prescriptions and contingency stock to residents of Ohio facilities (adult/youth correctional facilities, community-based correctional facilities, jails, etc.). Delivery of medications from one centralized location is provided Monday – Friday, except State holidays.

Central Pharmacy Outpatient provides antipsychotic medications to patients of community mental health centers in all 88 Ohio counties. Central Pharmacy Outpatient also provides medications to those being released from ODRC facilities. Medications are dispensed in prescription bottles and patient labeled or in the manufacturer's original packing (liquids, inhalers, injections, etc.) with patient labeling.

All agencies are eligible to purchase through OPSC according to [R.C. 5119.44](#). Services offered through each of the OPSC operations and complete product catalogues are available upon request.

For more information, contact:

Ohio Pharmacy Services
2150 W. Broad Street
Columbus, OH 43223-1200
Telephone: (614) 752-0116
Fax: (614) 752-0102
<http://mha.ohio.gov/pharmacy>

e. Ohio Facilities Construction Commission

As established in [R.C. 123.20](#), the Ohio Facilities Construction Commission (OFCC) guides capital projects for State Agencies, state-supported universities and community colleges, including Ohio's comprehensive public K-12 school construction and renovation program. OFCC also manages the State's cultural facilities, community school classroom facilities, and lead plumbing fixture replacement grant programs.

OFCC sets uniform rules, procedures, and standardized documents and is responsible for construction delivery methods, construction documents, and process and procedures. It also has the authority to approve, award, and administer design, construction, and other specialty contracts.

Additional information about this second requisite program can be found in [Section 2.3.3](#).

2.1.2 State Contracts

If the procurement need cannot be fulfilled by any of the requisite procurement programs, State Agencies need to determine if any existing DAS-established contracts (i.e., **state contracts**), are in place providing the needed supplies or services.

DAS has established state contracts for a variety of supplies or services, all of which have been awarded through either **competitive selection** or a waiver of competitive selection granted by the State of Ohio **Controlling Board**. Purchases that are made from and

reference a state contract as the purchase authority are not counted against a State Agency's cumulative annual Controlling Board threshold.

There are a variety of state contract types, which are either mandatory or optional use. These contracts' terms and conditions are pre-established and have been agreed upon by both DAS and the supplier(s). State Agencies must use mandatory contracts to procure the supplies or services available on those contracts. If a mandatory contract's supplier (or suppliers) is unable to fulfill the needs of the State Agency, DAS OPS may grant a waiver to the State Agency to make the purchase from another source. The State Agency must not proceed with the purchase from another source until DAS has approved the waiver.



Failure to make purchases from mandatory contracts may place the State in breach of contract. Questions concerning mandatory or optional use contracts are to be directed to either the purchasing State Agency's APO or DAS OPS.



Whether a specific state contract is mandatory or optional is designated on Page 1 of the contract. Any questions concerning if a contract is mandatory or optional can also be directed to the purchasing State Agency's APO or DAS OPS.

2.1.2.1 One-Time Bids

One-time bids (OTB) are for a definite quantity, definite delivery procurement of non-IT supplies and services. Standard **Invitations to Bid (ITB)** are used for bidding indefinite quantity term contracts such as **general distribution contracts (GDCs)**, **group purchasing contracts (GPCs)**, **multiple award contracts (MACs)**, **limited distribution contracts (LDCs)**, and **agency specific contracts (ASCs)**.

Additional information about one-time bids can be found in [Section 3.4.3.1](#).

2.1.2.2 Contract Types

a. General Distribution Contracts (GDC) and Group Purchasing Contracts (GPC)

GDCs and GPCs contain IT and non-IT supplies and services used by all State Agencies (e.g., vehicles, gasoline, clothing, security guards, waste removal, IT hardware, software, etc.). A list of current GDCs and GPCs can be found at <https://procure.ohio.gov/proc/currentContracts.asp>. In the Contract Type field drop-down, select "GDC" (GPCs are also included in this selection), further refine the search criteria (if necessary), then click [Search].

b. Limited Distribution Contracts

LDCs address specific non-IT needs (e.g., elevator maintenance, laundry services) of agencies specifically named in the contracts. Only those state agencies named on an LDC may make purchases from them. A list of current LDCs can be found at <https://procure.ohio.gov/proc/currentContracts.asp>. In the Contract Type field drop-down, select "LDC," further refine the search criteria (if necessary), then click [Search].

c. Agency Specific Contracts

Agency specific contracts address the specific non-IT needs of a single agency (e.g., training services, call center services, food services). Only the state agency named on an ASC may make purchases from it. Current ASCs can be found at <https://procure.ohio.gov/proc/currentContracts.asp>. In the Index Number field, type in the first three letters of the applicable agency business unit, then click [Search].

d. Multiple Award Contracts

Multiple award contracts are made with more than one supplier for the same or similar types of supplies or services. All state agencies may make purchases from MACs. A list of current MACs can be found at <https://procure.ohio.gov/proc/currentContracts.asp>. In the Contract Type field drop-down, select "MAC," further refine the search criteria (if necessary), then click [Search].



Prices listed in MACs are considered "not-to-exceed" prices. State Agencies are encouraged to negotiate prices downward as often as possible. State Agencies not receiving favorable pricing should contact DAS OPS for assistance.



Unless otherwise directed by DAS OPS, for purchases referencing non-STS MACs having multiple suppliers capable of providing the needed supplies or services, State Agencies must solicit quotes in the manner prescribed in [Sections 3.1](#) and [3.2](#).

e. Master Maintenance Agreements

A Master Maintenance Agreement is 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.

A list of current master maintenance agreements can be found at <https://procure.ohio.gov/proc/currentContracts.asp>. In the Contract Type field drop-down, select "Master Maintenance Agreements (MMA)," further refine the search criteria (if necessary), then click [Search].



Prices listed in MMAs are considered "not-to-exceed" prices. State Agencies are encouraged to negotiate prices downward as often as possible. State Agencies not receiving favorable pricing should contact DAS OPS for assistance.

f. State Term Schedule Contracts

A number of DAS contracts have been designated as **State Term Schedule (STS)** contracts because they are based upon **General Services Administration (GSA)** pricing or a manufacturer's most-favored customer

pricing schedule for a similarly situated customer. All state agencies may make purchases from STS contracts.



When shopping from an STS, State Agencies must compare the offerings of multiple manufacturers or their named distributors on similar items, request quotations, and negotiate the most favorable pricing possible. In particular, for non-IT contracts, discounts may be obtained for major purchases exceeding the maximum order limitation, or MOL. (The MOL is specified on page 2 of all non-IT STS contracts. IT contracts do not have MOLs.)



State Agencies must check that quotes have valid expiration dates, the quotes have not expired; and Release and Permit requests have quotes referencing the STS.



Prices listed in STS contracts are “not-to-exceed” prices. State Agencies are encouraged to negotiate prices downward as often as possible. For STS contracts, State Agencies must contact DAS for assistance with securing additional discounts.

All purchases referencing STS contracts as the purchase authority require the receipt of three or more quotes. State Agencies must obtain three or more quotes or proposals, not just solicit them. A “no response” or “no bid” is not considered to be receipt of a valid quote. Suppliers providing quotes do not have to be STS contract suppliers; however, State Agencies are encouraged to exhaust all STS supplier quote options before seeking quotes from non-STS suppliers.



Purchases made with a State Payment Card (Pcard) or debit voucher transaction are not subject to the requirement.



If the supplier selected does not hold an STS, then the State Agencies cannot reference the STS. Instead, the purchases are made directly and are subject to Controlling Board thresholds.

If fewer than three quotes or proposals are obtained, State Agencies must secure Controlling Board approval of a waiver for “no competitive opportunity” prior to issuing a purchase order. State Agencies shall maintain written justification that includes documentation of:

1. The efforts made to find other responsive contractors and a determination that none were found; and
2. How a determination was made that the anticipated cost would be fair and reasonable and a description of the basis on which the award was made (e.g., low price, best-value, etc.); and
3. Any other facts supporting the selection process.



When State Agencies are completing purchases that are continuations of previously procured supplies or services, provided that Agency had obtained three or more quotes when the original procurement occurred no additional approval or solicitation of quotes is necessary prior to creating a new purchase order.

To create a purchase order referencing an STS contract without obtaining three or more quotes, a Controlling Board waiver for “no competitive

opportunity” must first be obtained. However, during a fiscal year, State Agencies may use their direct purchase authority to make purchases up to \$49,999.99 from STS contract suppliers without referencing the STS contract as the purchase authority. (Additional information regarding direct purchase authority can be found in [Section 2.1.3.](#)) Such purchases will appear under “Other Encumbered Amount” (or “Other Vouchered Amount”) on the OAKS Controlling Board Threshold inquiry.

When an award is not made to the supplier offering the lowest price, State Agencies must provide written justification for that selection. Written justification should include a description of:

1. How it was determined that the anticipated cost was fair and reasonable; and
2. The basis on which the award was made (e.g., best-value).

DAS provides a quarterly report of each State Agency’s use of STS to the Controlling Board. (The quarterly report is also publicly posted at <https://procure.ohio.gov>.) To fulfill this reporting requirement, State Agencies complete one of two STS Contract Purchase Forms in the OAKS FIN eProcurement module, which are:

1. STS Contract Purchase – Requisition Form
2. STS Contract Purchase – Interface PO Form



State Agencies must complete the appropriate STS Contract Purchase Form in OAKS for all purchases referencing STS as the purchase authority. OAKS will not stop transactions using STS as the purchase authority; therefore, agencies are responsible for the completion of the appropriate form at the time the transaction occurs. Requisitions requiring the Office of Budget and Management’s (OBM) approval must have the appropriate form completed at the time of submission for approval or it will not be approved.

For additional information, a series of STS guidance documents, including Frequently Asked Questions, can be found at <https://procure.ohio.gov/proc/viewWhatsNewAnnouncements.asp#248>. Also, a current STS contracts list is available at <https://procure.ohio.gov/proc/currentContracts.asp>. In the Contract Type field drop-down, select “STS,” further refine the search criteria (if necessary), then click [Search].

2.1.3 Direct Purchase Authority

If a purchasing need cannot be met by either a requisite procurement program ([Section 2.1.1](#)) or a state contract ([Section 2.1.2](#)), the State Agency may be able to use the DPA granted it by [R.C. 125.02](#). Direct purchase authority enables State Agencies to purchase supplies or services without using either a requisite program or State Contract, and within established procurement-related laws, rules, policies, and spending thresholds ([Section 2.1.3.2](#)).



When using direct purchase authority, State Agencies shall procure supplies or services in a competitive manner when multiple suppliers exist in the market and the need is not specialized or unique.



State agencies should establish processes insuring clear lines of authority and promoting a separation between the ability to request contract actions and those who have final authority to authorize and/or approve the requested contract actions.

2.1.3.1 Release and Permit

DAS authority to grant a Release and Permit is contained in [R.C. 125.05](#) and [OAC 123:5-1-03](#). DAS OPS issues Release and Permits for both general (i.e., non-IT) and IT supplies and services. A Release and Permit authorizes a State Agency to seek Controlling Board approval or to make purchases that DAS cannot make. Whenever DAS OPS grants a Release and Permit, the agency must purchase supplies or services in a competitive manner (except in the case of sole- or single-source procurements) and with Controlling Board approval (unless the Controlling Board determines that its approval is not required or it grants a waiver of competitive selection).



State Agencies must not proceed with purchases of \$50,000 or more until DAS has granted a Release and Permit.



Agencies must enter their DAS-assigned Release and Permit number in the appropriate field when entering their requisition in OAKS. A copy of the approved Release and Permit, including any supporting documentation provided, will be retained by DAS.



Agencies are cautioned against investing significant time in obtaining quotes and/or finalizing any contractual agreement with a supplier under the assumption that DAS will issue a Release and Permit. Agencies should also avoid submitting Release and Permit requests citing an expedited need for DAS to grant the Release and Permit (i.e., trying to meet a Controlling Board deadline for submission).

[R.C. 125.18](#) requires purchases of IT supplies and services to be approved by DAS OPS. State Agencies must use an IT Release and Permit to purchase:

1. Deliverables-based IT Services (DBITS) projects;
2. IT staff augmentation services;
3. IT equipment and licensing from enterprise standards-based contracts (e.g., ERP, IT service management, document management, desktops, laptops, remote location servers, etc.);
4. Telecommunications supplies or services with a per unit cost of \$1,000 or more;
5. 3rd party hosting or cloud-based solutions (XaaS);
6. Microsoft licenses;
7. Infrastructure equipment (e.g., storage, virtual servers, VoIP, routers, switches, etc.); or
8. Any other enterprise standard, policy, or initiative established by DAS.



Requests must be submitted through the telecommunications ordering system (ServiceNow; <https://stateofohio.service-now.com/>) for purchases of telecommunication supplies or services with a per unit cost of less than \$1,000.



Requests must be submitted through the [IT Release and Permit System](#) for purchases of IT supplies or services).



For approved requests, a pre-approval number is assigned and entered in OAKS by DAS OPS, which notifies the State Agency of the pre-approval and any necessary information required to prepare a purchase order.

Certain types of purchases may exceed direct purchase authority thresholds ([Section 2.1.3.2](#)), but are not required to be purchased through DAS since DAS OPS has determined that it is not possible or advantageous for it to make purchases. In these cases, DAS OPS issues Blanket Release and Permits for general (i.e., non-IT) Supplies and Services, and for IT Supplies and Services.



Blanket Release and Permits do not waive the necessity for any additional reviews or approvals as required by law or other DAS policies.



A Blanket Release and Permit for General Supplies and Services is issued bi-annually. The current Blanket Release and Permit is available at: <https://procure.ohio.gov/proc/viewWhatsNewAnnouncements.asp>



A Blanket Release and Permit is issued annually for IT supplies or services costing less than \$25,000 per request.

Blanket Release and Permit items are categorized by OBM expense account code. The Blanket Release and Permit should be used on all requisitions utilizing these expense accounts. If Controlling Board approval is required due to an agency exceeding its cumulative annual Controlling Board threshold for a particular supplier, the agency must include the expense codes for the supplies or services being purchased and the Blanket Release and Permit Number on the Controlling Board request. Controlling Board staff will verify this information prior to scheduling any request. Additional Release and Permits are not required from DAS OPS; however, for expense account codes not listed, Release and Permit approvals are necessary from DAS.

2.1.3.2 Purchasing Thresholds



Purchases of like items cannot be split to avoid purchasing thresholds.



Regardless of what is being purchased, if it appears that a threshold may be exceeded, DAS OPS should be involved in the initial stages of preparing purchase requests to allow sufficient time to determine if the purchase can be made by DAS.

a. Purchases Less than \$50,000

If a direct purchase totals less than \$50,000 with a particular supplier and will not cause the state agency's cumulative annual Controlling Board threshold to be exceeded State Agencies may either work with DAS or utilize their direct purchase authority to make the purchase.



State Agencies are not required to seek Controlling Board approval for these purchases, unless the funding source requires such approval (e.g., release of capital funds) or Controlling Board approval is otherwise required by law.

Although State Agencies are given this flexibility, there are constraints; specifically, State Agencies must:

1. Comply with [R.C. 125.035\(A\)-\(E\)](#), which concerns requisite procurement programs (see [Section 2.1.1](#)); and
2. Adopt written procedures assuring that the agency meets statutory requirements, and those established by State of Ohio Administrative Policy, “Purchasing Procedures” ([PM-01](#)).

b. Purchases of \$50,000 or More

DAS OPS is responsible for awarding contracts on behalf of State Agencies for general supplies and services costing \$50,000 or more. State Agencies are required to submit a RTP to DAS OPS when the cost of supplies or services totals \$50,000 or more.



State Agencies are required to submit a RTP to DAS OPS when the cost of general (i.e., non-IT) supplies or services totals \$50,000 or more. For IT purchases, requests must be submitted through the [IT Release and Permit System](#).

After evaluating the request, if DAS OPS determines it is not practicable or advantageous for it to make the purchase, the requesting State Agency may be granted a Release and Permit and delegated the authority to make the purchase.



Although given a release and permit to use their direct purchase authority, State Agencies are required to seek Controlling Board approval before making the purchase. (See [Section 2.2.5](#) for additional information.)

If a direct purchase of supplies or services totals less than \$50,000 but causes the State Agency’s cumulative annual spend with one supplier to be \$50,000 or more, the State Agency is required to seek approval from the Controlling Board prior to making the purchase, unless the purchase is otherwise exempt from Controlling Board approval. A release and permit must be obtained from DAS OPS to facilitate the Controlling Board approval process.

The Controlling Board has the authority to waive competitive selection or approve direct purchases. Agencies must seek Controlling Board approval when the cumulative annual Controlling Board threshold will be exceeded and the purchase was not made through DAS (i.e. via competitive selection or another non-competitively selected DAS contract) ([Section 2.1.4](#)).



If State Agencies find themselves frequently using direct purchase or Controlling Board authorities for routine, repeated purchases, the State Agency shall contact DAS, share spend data, and communicate the need to potentially establish a state contract.

2.2 Competitive Purchases

When the amount of an agency’s direct purchase is expected to be \$50,000 or more, State Agencies are required to submit a RTP to DAS OPS. If DAS OPS determines that it is not possible or advantageous for it to make the purchase, a Release and Permit will be given to the State Agency to use its direct purchase authority, following the provisions described in [Section 2.1.3](#). However, if DAS OPS does determine that it is possible or advantageous for it to make the purchase, the

procurement process of issuing an ITB or **Request for Proposal (RFP)**, or conducting a reverse auction, will be initiated. For additional information on the process of setting up a contract through DAS, refer to [Chapter 3](#).

2.3 Emergency Purchases

Occasionally, unplanned procurements must be made either due to an **emergency** or as a result of a **state procurement emergency**. These situations may require the expedited purchase of supplies or services, making it impractical to follow standard procurement policies and procedures.



Emergency purchases are governed by State of Ohio Administrative Policy “Emergency Purchasing Procedures” ([PM-02](#)).



State Agencies are required to limit purchases of supplies and services to only those necessary to respond to the emergency or state procurement emergency.



Purchases made by State Agencies under a suspension of the purchasing and contracting requirements contained within [R.C. 125](#) and/or [R.C. 153](#) are exempt from the procurement requirements prescribed by [R.C. 127.16](#).



*Situations involving an injury or obstruction to any public works of the state are considered a **public exigency**, as opposed to a state procurement emergency. Public exigencies require the involvement of the Ohio Facilities Construction Commission (OFCC) and involve different processes than those explained above that can be found in [R.C. 123.10](#). State Agencies encountering these situations should contact OFCC.*

a. Preparing for an Emergency or a State Procurement Emergency

As part of its preparedness planning efforts, State Agencies should:

1. Identify supplies and/or services that could be needed or may potentially be exhausted during an emergency or state procurement emergency.
2. Understand what current state contracts are available from DAS. If a current state contract may be of assistance during an emergency or state procurement emergency, State Agencies should ensure they are familiar with the contract and how to contact the supplier when necessary.
3. Be aware if there are no current state contracts available for a potential procurement need. In this case, State Agencies should evaluate the need for a state contract and work with DAS OPS to determine if one can be established.

b. During an Emergency

Upon a request to the Governor or the President of the United States for the declaration of an emergency, the Director of Public Safety or the Executive Director of the Emergency Management Agency shall concurrently submit a request to DAS to suspend the purchasing and contracting requirements contained within [R.C. 125](#) and any requirement of [R.C. 153](#) that would otherwise apply to the State Agency. The request submitted to DAS shall include this information:

1. State Agencies for which the purchasing and contracting requirements should be suspended, due to their participation in **response** and **recovery** activities;
2. Details of the emergency; and
3. A description of the supplies or services to be purchased.



Requests to suspend purchasing and contracting requirements during an emergency are addressed to the DAS Director, but are submitted to the DAS Chief Procurement Officer (CPO).

The DAS CPO reviews the request and, when a determination is made to either approve or deny the suspension, the Director of DAS or the Director's designee informs the requestor(s). If the suspension is approved, the Director of DAS or the designee, pursuant to [R.C. 125.061\(D\)](#), notifies the Director of the Office of Budget and Management (OBM) and the Controlling Board of the action being taken.

Upon approval of the request to suspend purchasing and contracting requirements, the State Agencies granted a suspension may acquire the necessary supplies or services. State Agencies shall obtain an eControlling Board Waiver number from the OBM State Accounting Manager of Financial Services and include the number in the Request to Purchase submitted to DAS OPS. State Agencies shall obtain a Release and Permit from DAS under [R.C. 125.035](#) and comply with [PM-01](#) to fulfill needs through normal procurement methods whenever practical.

c. During a State Procurement Emergency

In accordance with the director or administrative head of the State Agency where the state procurement emergency exists shall submit a request to DAS to suspend the purchasing and contracting requirements contained in [R.C. 125](#). The request shall include the following information:

1. Details of the state procurement emergency, including a description of the immediacy of the state procurement emergency;
2. A description of the supplies and/or services needed that cannot be acquired through normal procurement methods in a timely manner.



Requests to suspend purchasing and contracting requirements during an emergency are addressed to the DAS Director, but are submitted to the DAS Chief Procurement Officer (CPO).

The DAS CPO reviews the request and, when a determination is made to either approve or deny the suspension, the Director of DAS or the Director's designee informs the requestor(s). If the suspension is approved, the Director of DAS or designee, pursuant to [R.C. 125.061\(D\)](#), notifies the Director of OBM and the Controlling Board of the action being taken.

Upon approval of the request to suspend the purchasing and contracting requirements, the State Agencies granted a suspension may acquire the necessary supplies or services. State Agencies shall obtain an eControlling Board Waiver number from the OBM State Accounting Manager of Financial Services and include the number in the Request to Purchase submitted to DAS OPS. State Agencies shall obtain a Release and Permit from DAS under [R.C. 125.035](#) and comply with [PM-01](#) to fulfill needs through normal procurement methods whenever practical.

d. After an Emergency or State Procurement Emergency

State Agencies making purchases under a suspension of the purchasing and contracting requirements contained within [R.C. 125](#) and/or [R.C. 153](#) must file a report with the President of the Controlling Board within 90 days after the declaration or state procurement emergency expires in lieu of submission of a Controlling Board Request. The report shall describe all purchases made by the State Agency pursuant to the suspension of the purchasing and

contracting requirements (i.e., all purchases made to resolve the emergency or state procurement emergency). The report shall be in the same format as shown in [PM-02](#).

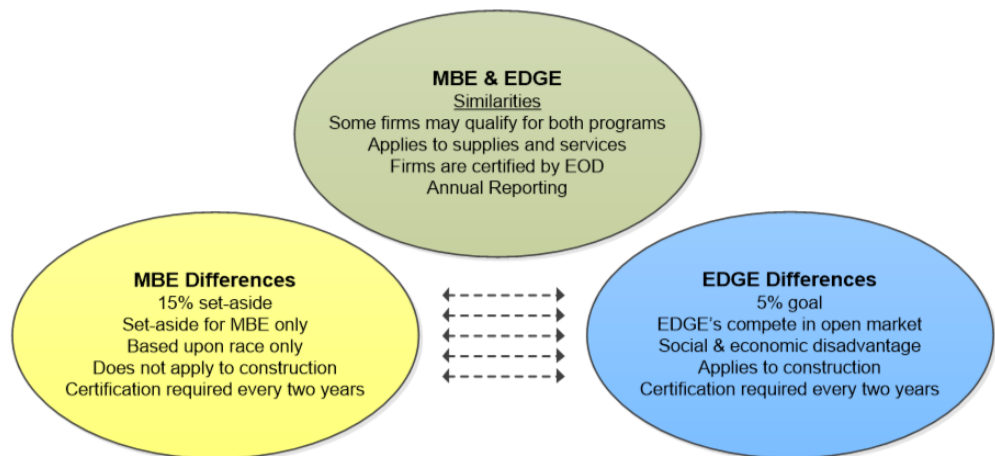
2.4 Procurement Considerations

2.4.1 Preference Programs

2.4.1.1 MBE and EDGE

The **Minority Business Enterprise (MBE)** and **Encouraging Diversity, Growth and Equity (EDGE)** programs enable consideration of certain social and economic factors when making purchases and establishing contracts. These programs have both similarities and differences as outlined in Figure 2-1.

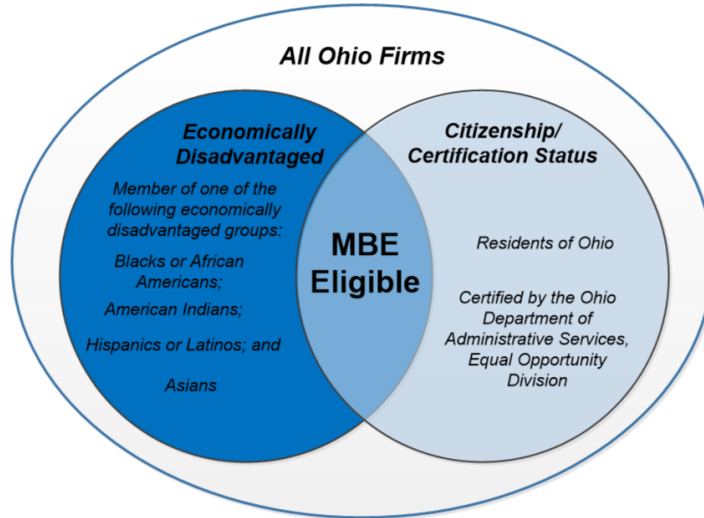
Figure 2-1: MBE & EDGE Similarities and Differences



As shown in Figure 2-2, a MBE is an individual, partnership, corporation, or joint venture of any kind owned and controlled by United States citizens who are:

1. Residents of Ohio;
2. Members of an identified economically disadvantaged group (i.e., black or African-American; Native American; Hispanic or Latino; or Asian); and
3. Certified as an MBE by the DAS Equal Opportunity Division (DAS EOD).
4. All State Agencies are required to make purchases with an aggregate value equaling approximately 15% of the eligible total supplies and services purchased for the current fiscal year, for set-aside competition by MBE suppliers. (A “set-aside” is a purchase selected for restricted competition among certified MBE’s only.) To reach the 15% goal, agencies may purchase from MBE set-aside contracts awarded by DAS, and/or agencies may set aside their own procurements using their direct purchase authority.

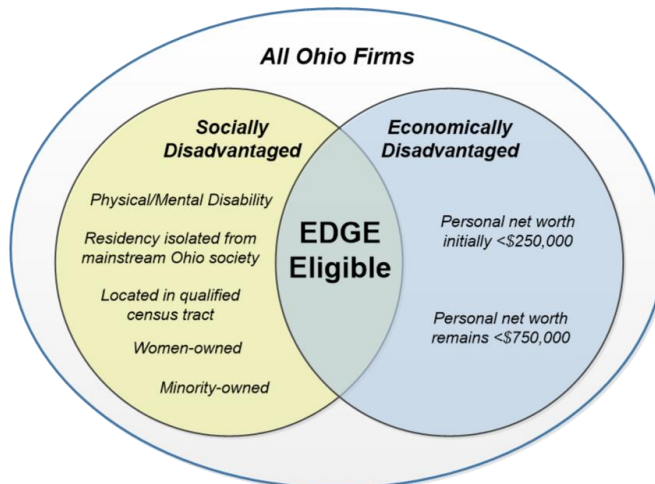
Figure 2-2: MBE Qualification Requirements



Encouraging Diversity, Growth and Equity (EDGE) is a business assistance program designed to assist certified socially and economically disadvantaged businesses in Ohio. The legal authority for the program is [R.C. 123.152](#) and Executive Order 2008-13S.

EDGE establishes goals for State Agencies, state universities, boards and commissions in awarding contracts. The program applies to procurements of supplies and services, professional services, information technology services, and construction, architecture and engineering. (Figure 2-3 provides an overview of the qualification requirements for EDGE.)

Figure 2-3: EDGE Qualification Requirements



As shown in Figure 2-3, an EDGE participant is an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by United States citizens who are:

1. Residents of Ohio;
2. Members of one of the identified economically disadvantaged groups;
3. Members of one of the identified socially disadvantaged groups; and
4. Certified by the Ohio Department of Administrative Services, Equal Opportunity Division.

To demonstrate social disadvantage, individuals have at least one objective distinguishing feature that has significantly inhibited their business success, such as:

1. Race
2. Ethnic origin
3. Gender
4. Physical/mental disability
5. Long-term residency in an environment isolated from mainstream Ohio society
6. Located in a qualified census tract, or
7. Other objective relevant reason(s).

To demonstrate economic disadvantage, the personal net worth of each owner must not exceed:

1. \$250,000 at program entry, and
2. \$750,000 during program participation.

The principle behind EDGE is matching contractor availability with utilization. Availability means that a supplier is ready, willing, and able to perform the specified work. An example of an available supplier is one that bids on a state contract and has not been disqualified during the bid process. Utilization means that the state has contracted with the supplier to perform the specified work. By tracking both availability and utilization of EDGE participants, the state can determine whether these participants are obtaining a proportionate share of state contracts, and whether disparities exist.

To the extent that any agency of the State is authorized to make purchases, the agency shall establish procurement goals based on a percentage level of participation tied to some measure of percentage of contractor availability and eligible expenditures.

All of the following are possible ways that can help State Agencies meet their goal:

1. Purchasing from an EDGE supplier on a DAS contract;
2. Awarding an open market contract to an EDGE supplier with no preferences;
3. For purchases under the direct agency authority threshold, soliciting bids exclusively from EDGE suppliers;
4. Using an EDGE preference within a Request for Proposal (RFP) issued by the agency.

EDGE is not a set-aside program, unlike MBE. Agencies are not required to set-aside certain contracts for EDGE participants only. Regardless of the procurement process used, any state business activity with an EDGE counts as utilization.

In the event that a particular contract requires EDGE subcontractor participation, responding suppliers may request relief from the EDGE requirement if no EDGE suppliers are available.

EDGE waivers are reviewed and processed by the agency awarding the contract, according to standard guidelines. The standard documentation for processing an EDGE waiver is the good faith effort log, which is to be included with the supplier's bid or proposal. The good faith effort log demonstrates that the contractor has performed due diligence in attempting to secure EDGE participation for the contract. The contractor should record any contacts with EDGE's on the log. The agency will review the documentation and render a waiver decision. The agency may request the assistance of the DAS EOD office to determine good faith.



All State Agencies are required to meet a 15% MBE set-aside per fiscal year.



The DAS Director annually determines a percentage that each agency is required to award to EDGE participants.



State Agencies can achieve MBE and EDGE goals by: using their direct purchase authority; contracting with qualifying suppliers; contractually requiring suppliers to utilize qualifying MBE or EDGE suppliers; or using existing State MBE or EDGE contracts.

a. Reporting

Agencies are required to submit to EOD a combined MBE/EDGE Projection Plan. EOD provides agencies with quarterly and annual reports relative to expenditures with both programs.

Agencies are required to report MBE expenditures to EOD on a quarterly and annual basis.

One point often confused is the distinction between MBE set aside and MBE participation. In a set aside bid, competition is restricted exclusively to certified MBEs. Should an agency award a contract to a certified MBE through an open market solicitation, resulting purchases with that certified MBE are reported to EOD as MBE participation, not as set aside.

When verified by the agency, any MBE participation spending may be included in a separate section of EOD's statewide report but cannot be part of the report's statutory set aside achievement section, since competition was not limited to certified MBE firms. Any spending with Ohio minority-owned firms may become a part of the report's appendix, and reported as good faith efforts. For more information on MBE reporting, refer to the EOD web site at <http://www.das.ohio.gov/Divisions/Equal-Opportunity>.

b. Additional Information

A list of current State MBE and EDGE Contracts can be found at: <https://procure.ohio.gov/proc/currentContracts.asp>. In the Contract Type field

dropdown, select either “Set Aside (MBE) Contracts” or “EDGE,” further refine the search criteria (if necessary), then click [Search].

For additional information on the MBE and EDGE programs, contact DAS EOD at 614-466-8380 or visit:

<http://das.ohio.gov/Divisions/EqualOpportunity.aspx>.

2.4.1.2 Veteran-Friendly Business Enterprise Program

The ***Veteran-Friendly Business Enterprise (VBE)*** program provides preference or bonus points to certified companies competing for State contracts, including eligible construction services. The legal authority for the program is [R.C. 9.318](#), while its administrative rules are found in [OAC 123:5-1-01](#) and [123:5-1-16](#).

The VBE program applies to all state agencies' purchases made by bid or proposal under [R.C. 125](#). The VBE program allows for:

1. Prices on bids submitted by veteran-friendly businesses to exceed those prices on bids submitted by businesses not certified as veteran-friendly by up to five percent and still be eligible for winning the award; and
2. Scores on proposals submitted by veteran-friendly businesses to be up to five percent lower than the proposal scores submitted by businesses not certified as veteran-friendly and still be eligible for winning the award.

a. Eligibility

To be eligible for certification, the applicant business must meet one of these criteria:

1. At least ten percent of its employees are veterans or on active service.
2. At least fifty-one percent of the applicant business is owned by veterans or persons on active service.
3. If the applicant business is a corporation fifty-one percent of which is not owned by veterans or persons on active service, at least fifty-one percent of the board of directors are veterans or persons on active service.
4. The business is certified by the United States Department of Veterans Affairs as either a Service-Disabled Veteran-Owned Small Business or a Veteran-Owned Small Business, and the owner(s) of the business meets the definition of veteran as defined in [OAC 123:5-1-01\(II\)](#).

b. Certification

Applicants must complete a [Veteran-Friendly Business Enterprise application](#) and provide required, supporting documentation. (A list of the required supporting documents is available at:

[http://www.das.ohio.gov/Portals/0/DASDivisions/EqualOpportunity/pdf/VBE/VBE%20Program%20Supporting%20Document%20Checklist%20\(FINAL\).pdf](http://www.das.ohio.gov/Portals/0/DASDivisions/EqualOpportunity/pdf/VBE/VBE%20Program%20Supporting%20Document%20Checklist%20(FINAL).pdf))

The business applying for certification must provide records verifying veteran status, which demonstrate an owner's or employee's status as a veteran or person on active service. Acceptable records include:

1. United States Department of Defense form 214 (DD-214);
2. United States Department of Defense form 215 (DD-215);

3. United States Uniformed identification card (DD Form 2);
4. United States Department of Veterans Affairs identification card;
5. United States Department of Defense military identification;
6. Ohio driver's license with armed forces logo;
7. National Guard Bureau Form 22 (NGB-22); or
8. Any other official documentation verifying status.

c. Additional Information

For additional information on VBE, contact DAS EOD at 614-466-8380 or visit <http://das.ohio.gov/Divisions/EqualOpportunity.aspx>.

2.4.1.3 Buy Ohio and Buy American

Buy Ohio and Buy American bid preferences are enabled by RC 125.09, RC 125.11, and OAC 123:5-1-06. These preferences permit bids containing products that are produced in Ohio or a border state, or the United States of America, to be selected for contract award even if they exceed prices offered in bids not containing Ohio, border state, or American products by no more than 5% or 6%, respectively. State Agencies should apply these preferences when making purchases under their direct purchase authority, specify which preference(s) will be applied in the solicitation, and request information as to the point of manufacture and the location of the supplier.

2.4.2 Prior Approvals

The Ohio Revised Code places a responsibility upon DAS to superintend purchases of certain types of supplies and services (i.e. computers, software, telecommunications, copiers, and vehicles). DAS is also responsible to make purchases of supplies and services above dollar limits unless DAS determines that it is not practical or advantageous to make the purchase on behalf of the agency. This section explains the procedures an agency must follow when seeking prior approvals.

Certain purchases require review and approval from designated agencies before completing the purchase. The need for prior approval may be triggered by the type of equipment or service, amount of purchase, or deviation from normal procedures. Types of prior approvals include copier approvals, Release and Permits, and Controlling Board approvals.

Prior approval is required prior to any purchase of:

1. Telecommunication services and equipment
2. Enterprise IT Contracting
3. Copy Machines
4. Vehicles

Agencies attach approval requests and supporting documentation to their requisition in OAKS, the document will workflow to the appropriate office for review and approval based on the account.

A Release and Permit is required when an agency anticipates that it will exceed its direct purchase authority threshold and/or cumulative annual threshold. Procedures for requesting a release and permit are included in [Section 2.2.3.3](#).

a. Telecommunication Services and Equipment

Telecommunications and Network Contract Management Services procures voice, data, and video services for state and local government and assists DAS in superintending service providers' contracted services under [R.C. 125.04](#).

Telecommunications services and equipment are requested through ServiceNow, a cloud-based IT Service Management Tool providing internal and external support through an automated service desk work-flow based application.

Additional information on ServiceNow is available at:

<http://das.ohio.gov/Portals/0/DASDivisions/InformationTechnology/IS/Services/IT%20Service%20Mgmt%20Tool.pdf>.

For additional information, contact:

Office of Information Technology – Telecommunications Services

30 East Broad Street, 39th Floor

Columbus, OH 43215

(614) 644-6446

<http://das.ohio.gov/Divisions/InformationTechnology/TelecommunicationsServices/tabid/123/Default.aspx>

b. Enterprise IT Contracting

State Agencies are required to secure prior approval of IT supplies and services purchases from DAS OPS. For information regarding this process, refer to [Section 2.1.3.1](#),

c. Copy Machines

There are four procurement options for State Agencies acquiring office copying machines:

1. Outright purchase.
2. Lease for a period not exceeding 60 months.
3. [Cost-per-copy program](#).

State Agencies participating in the cost-per-copy (CPC) program should select equipment that best meets their needs as to monthly volume, and then complete a [Memorandum of Understanding](#) (MOU) and forward to State Printing. The current CPC contract brochure, and other CPC-related information, can be found on State Printing's website at: <http://www.das.ohio.gov/Divisions/General-Services/State-Printing-and-Mail-Services/Cost-Per-Copy-Program>.

For additional information, contact:

State Printing

4200 Surface Road

Columbus, OH 43228-1395

(614) 466-2418

<http://procure.ohio.gov>

d. Vehicles

Motor vehicles purchased from state term contracts:

1. Agency requestor enters a completed requisition into OAKS attaching all necessary documentation – i.e., [vehicle lease/purchase justification forms \(which can be found at: http://das.ohio.gov/Portals/0/DASDivisions/GeneralServices/FM/pdf/DAS_GSD_FM_Vehicle_Justification.pdf?ver=2011-02-10-150206-510\)](http://das.ohio.gov/Portals/0/DASDivisions/GeneralServices/FM/pdf/DAS_GSD_FM_Vehicle_Justification.pdf?ver=2011-02-10-150206-510), written justifications, etc. The completed requisition will be routed to OFM for approval.
2. If the requested purchase is approved, the Office of Fleet Management (OFM) enters the information into OAKS.
3. If the requested purchase has been disapproved, OFM will request additional information and return the requisition to the agency through OAKS.

Motor vehicles purchased from non-contract suppliers (\$50,000 or more in aggregate):

1. Agency requestor will enter a completed requisition into OAKS along with all necessary documentation (vehicle purchase justification form(s), written justifications, etc.)
2. If the requested purchase is approved, OFM will update the information in OAKS and send notification to OPS.
3. OPS will issue an ITB. After OPS awards the ITB, OFM will be notified via OAKS OPS will enter the order into OAKS with the required codes and approvals.
4. If the requested purchase has been disapproved, OFM will notify the agency and request additional information.

Motor vehicles leased from commercial leasing companies (under \$50,000 in aggregate):

1. Agency requestor enters a completed requisition in OAKS along with all necessary documentation (vehicle lease purchase justification form(s), written justifications, including a copy of the unsigned lease agreement, etc.).
2. If the requested lease is approved, OFM will update information in OAKS and send notification to the agency.
3. If the requested lease has been disapproved, OFM will notify the agency and request additional information.



A lease is considered to be three months or more of aggregate useage from a commerical rental/leasing company. Leases must be submitted to OFM for a pre-approval number. A rental is for less than three months and does not need to be submitted to OFM.

Motor vehicles leased from commercial leasing companies (\$50,000 or more in aggregate):

1. Agency requestor enters completed requisition into OAKS and routes to OFM with all necessary documentation (vehicle lease purchase justification form(s), written justifications, including a copy of the unsigned lease agreement, etc.).
2. If the requested lease is approved, OFM will update in OAKS and route to OPS.
3. OPS will issue the ITB. After the ITB is awarded OPS will notify OFM and enter the order into OAKS with the required codes and approvals.
4. If the requested lease has been disapproved, OFM will notify the agency and request additional information.

For additional information, contact:

Fleet Management
4200 Surface Road
Columbus, OH 43228-1395
(614) 466-6607
800-686-1521

<http://das.ohio.gov/Divisions/GeneralServices/FleetManagement.aspx>

2.4.3 Supplies/Services or Construction

2.4.3.1 Determining if a Project is either Supplies/Services or Construction

At an early stage in the planning process, a State Agency should review its project's scope and budget to determine if the project will require professional design services in any dollar amount. Professional design services can include, but are not limited to, professional architectural and engineering (A/E) design, surveying, and specialty consulting services.



In cases where the project requires professional design services of any kind and in any dollar amount, [R.C. 153](#) applies.

The Decision Flow Chart (Figure 2-4) illustrates the steps in determining a project's appropriate procurement/administration path.

If an agency cannot determine if its project's scope and budget will require professional design services, as described in [Section 2.2.3.2](#), it shall submit an RTP through the DAS Requisite System for OFCC to evaluate and determine whether [R.C. 153](#) applies. OFCC may contact the agency directly with questions to assist in the determination. If it is determined that [R.C. 153](#) applies, all procurement activities related to the project shall be conducted according to this statute.

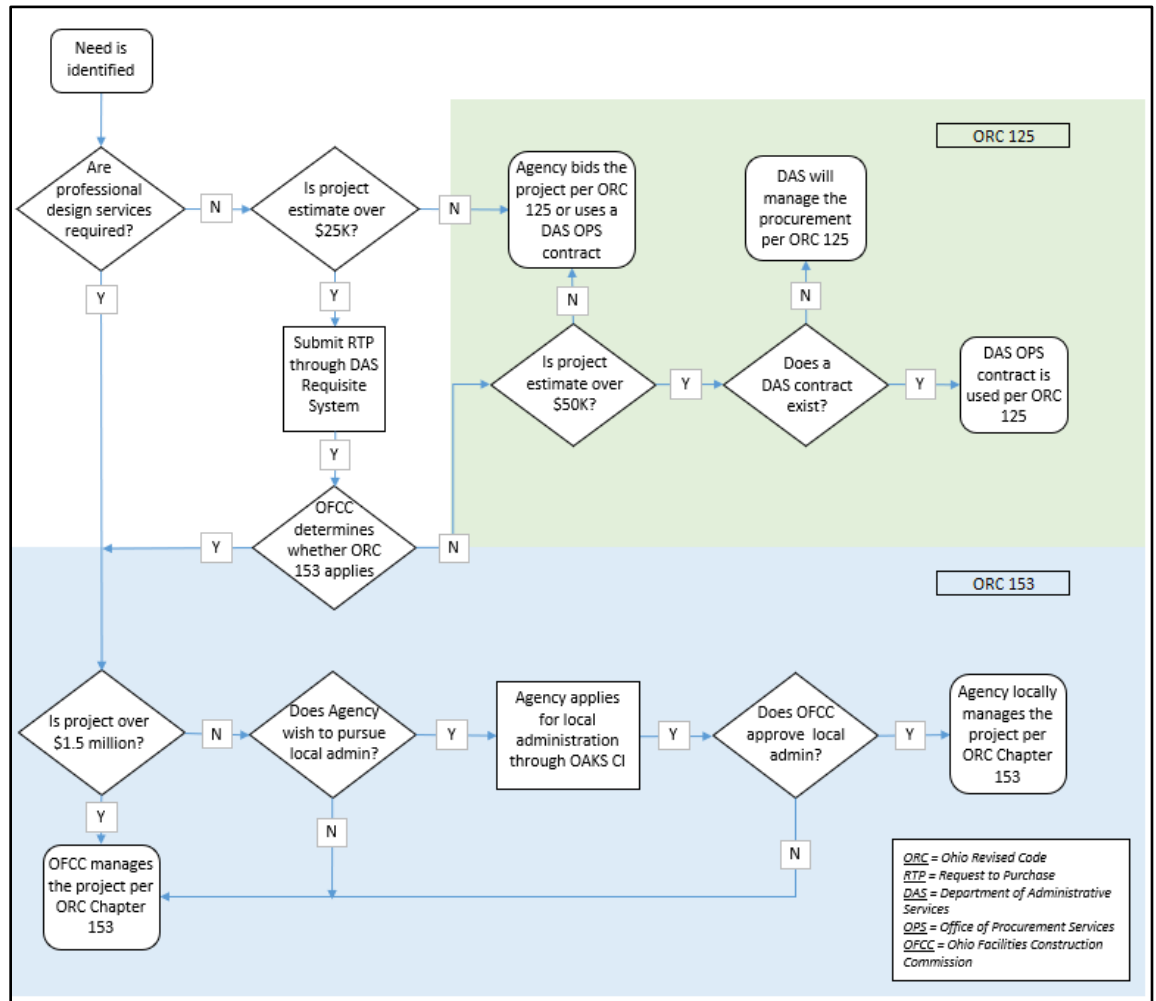
Once the determination is made that [R.C. 153](#) applies, an agency shall submit a request for local administration to OFCC through OAKS CI, which is the state's electronic capital improvement project system. If the project has a total estimated project cost of \$1.5 million or more, OFCC will administer the project. For projects with a total estimated project cost less than \$1.5 million, OFCC may authorize local administration through [R.C. 123.211](#).



If local administration is granted, the agency must follow [R.C. 153](#); therefore a contract issued by DAS/OPS for repair or maintenance services may not be used to administer the project. The project will not be eligible for MBE set aside; however, the EDGE program applies.

If a state agency or OFCC determines that the work, in any dollar amount, is maintenance or repair (supplies/services), the agency shall procure all activities related to the project in accordance with [R.C. 125](#), and it may choose to utilize a contract issued by DAS OPS for repair or maintenance services.

Figure 2-4: Decision Flow Chart



In cases where procurement is conducted in accordance with [R.C. 125](#), the project may be eligible for MBE set aside.

2.4.3.2 Prevailing Wages

For construction and some repair work, agencies must give consideration to the requirements for payment of prevailing wage ([R.C. 4115.03 – 4115.16](#)) by the contractor. When DAS OPS establishes a contract on behalf of the agency, the agency must maintain the copies of the contractor’s payroll records to ensure such wages are paid.

2.4.3.3 Additional Resources

a. Laws for Supplies/Services and Construction

1. Supplies/Services
[R.C. 125.01 – 125.111](#); [125.19](#)
[OAC 123:5-1-01 – 123:5-1-10](#)
2. Construction
[R.C. 153.01 – 153.60](#)

3. Public Buildings

R.C. 123.01 – 123.031

OAC 4101:1 (Ohio Building Code)

OAC 4101:2 (Ohio Mechanical Code)

OAC 4101:3 (Ohio Plumbing Code)

OAC 4101:4 (Ohio Boiler and Pressure Vessel Rules)

OAC 4101:5 (Elevator Code)

OAC 4101:6 (Bedding and Upholstered Furniture Inspection)

OAC 4101:7 (Certification of Building Departments, Building Department Personnel, Local Boards of Building Appeals, and Fire System Designers)

OAC 4101:8 (Residential Code of Ohio)

b. Important Web sites

1. Ohio Facilities Construction Commission: ofcc.ohio.gov

2. Ohio Department of Commerce Division of Industrial Compliance:
com.ohio.gov/dico/default.aspx

3. Office of Procurement Services: ohio.gov/procure

For additional information, contact:

Ohio Facilities Construction Commission
30 West Spring Street, 4th Floor
Columbus, Ohio 43215
Telephone: (614) 466-6290
info@ofcc.ohio.gov

Chapter 3 – Solicitation and Award

After identifying the procurement need and considering available options described in [Chapter 2](#), a determination can be made about how to proceed with the procurement. Specifically, purchasing State Agencies either:

1. Proceed with buying supplies and services by using a requisite program, an existing State contract, or their direct purchase authority; or
2. Work with DAS OPS to create, solicit, and award a new contract.



Supplies and services shall be procured in a competitive manner when multiple suppliers exist in the market and the need is not specialized or unique.



State agencies should establish processes insuring clear lines of authority and promoting a separation between the ability to request contract actions and those who authorize and/or approve the requested contract actions.

State Agencies should exercise due diligence when purchasing supplies and services to ensure public funds are used appropriately. Further, awards should be made to the lowest responsive and responsible bidder, as defined in [R.C. 9.312](#). (See [Section 3.2.3.1](#) for additional information on selecting responsive and responsible bidders.) State Agencies should also maintain written records describing the selection process and the evaluations that were conducted. Such documentation shall contain the basis on which the award was made.



If it is not possible or advantageous to award to the lowest responsive and responsible bidder, a supplier may be selected using a RFP or similar process and award to the Offeror whose proposal is determined to be the most advantageous to the State.



In addition to the offered solution, Agencies should consider multiple other items when evaluating suppliers' proposals, including, but not limited to, a supplier's past corporate experience; relevant project, and technical experience; performance; quality control; and pricing.

3.1 Purchases of \$2,500 or Less

For purchases of common supplies or services with a value of \$2,500 or less made using direct purchase authority or an optional state contract with multiple suppliers that is not an STS, the State Agency should solicit from multiple (i.e., two or more) suppliers. State Agencies may adopt a written policy for purchases of \$2,500 or less when it is not cost-effective or practical to solicit multiple quotes. This policy should require written approval by an authorized representative prior to making the purchase.

3.2 Purchases Exceeding \$2,500

For purchases of common supplies or services made with direct purchase authority or an optional state contract with multiple suppliers that is not an STS with a value of more than \$2,500, the State Agency shall solicit from multiple (i.e., two or more) suppliers, unless a single-source or sole-source procurement is being made (see the following section).



[Executive Order 2008-12S](#) requires solicitations for supplies and services with an estimated total value of more than \$25,000 to be posted on the State of Ohio procurement website at <https://procure.ohio.gov/proc/index.asp>.



[R.C. 125.112\(B\)](#) requires DAS to maintain a single, searchable, publicly-available website providing information on each state contract award.

3.3 Sole and Single-Source Procurements

If a procurement need cannot be fulfilled in a competitive manner, it may be possible to conduct or request a **sole-source** or **single-source** procurement. If the procurement causes the thresholds described in [Section 2.1.3.2](#) to be exceeded, a RTP must be submitted to DAS OPS at <http://apps.das.ohio.gov/requesttopurchase/requestform.aspx> (for general supplies and services) or <https://itrelease.ohio.gov/> (for IT supplies and services). Requests need to include written justification for the sole-source or single-source procurement and document:

1. The efforts made to find other responsive suppliers and a determination that none were found; and
2. How a determination was made that the anticipated cost would be fair and reasonable;
3. The Agency's history with the supplier; and
4. Any other facts supporting the selection process.

3.4 Creating a New Contract through DAS OPS

One of the first steps taken to create a new contract through DAS is submitting a request to DAS OPS. The RTP for general supplies and services can be found at <http://apps.das.ohio.gov/requesttopurchase/requestform.aspx>, while a request for IT supplies and services is at <https://itrelease.ohio.gov/>. After receiving and reviewing the request, DAS OPS contacts the submitting State Agency to discuss the purchasing need and mutually determine the approach for developing the solicitation, which begins with establishing a procurement team.

3.4.1 Establish the Procurement Team

Once the purchasing agency has determined and prioritized the need, the next step is to identify who will make the procurement a reality. After receiving the RTP, a DAS OPS analyst is assigned to oversee the project and work with the purchasing State Agency to establish a Procurement Team. This team is comprised of subject matter experts who have an interest in the needed supplies or services. The Procurement Team is responsible for developing a procurement strategy, which drives the effective execution and administration of the purchase through the remainder of the procurement lifecycle.

In developing the strategy, the Procurement Team meets to discuss a number of key topics, including, but not limited to:

1. Scope

2. Business, Functional and/or Technical Requirements
3. Specifications
4. Procurement Methods
5. Estimated Schedule, Cost and Budget
6. Anticipated Benefits
7. Performance Measures
8. Use of [Preference Programs](#)
9. Key Considerations
10. Constraints and Risks

3.4.2 Developing a Solicitation

a. Scope

The DAS OPS analyst and the Procurement Team work together to determine scope by consulting with identified stakeholders as well as reviewing the State Agency's historical purchases or usage of the identified supplies or services. Defining a procurement's scope is a matter of understanding and validating why the supplies or services are necessary (the justification), what features/functions are required (the product scope), and how much work needs to be done to be able to accomplish the desired end result (the project scope). Securing a solid justification and clearly defined product and project scope is imperative; otherwise, not only will successfully procuring supplies or services be difficult (if not impossible), but also risks such as increased costs, schedule delays, and reduced quality are very real possibilities.

Once defined, the procurement's scope needs to be agreed upon by the Procurement Team, the purchasing State Agency, and DAS OPS. All changes to the proposed scope, the procurement's final scope, and all agreements are documented and included in the contract file by the DAS OPS analyst for future reference.

b. Time

A frequent question is how long it takes to create a new contract. When a new contract is completed depends upon a variety of factors, some anticipated (e.g., staff availability; holidays; procurement method) and others not (e.g., legislative or program changes; loss of funding; weather emergencies).

With respect to procurement methods, this is a "known" factor once scope is established. DAS contracts are often created through either an ITB (competitive sealed bid), an RFP (competitive sealed proposal), or a reverse auction. For planning purposes, respectively, lead times for each are 60, 90, and 75 days. These timelines are based on historical experience; however, they can vary depending on the various factors affecting the procurement.

c. Quality

1. Define business requirements

Business requirements are those essential features and functions that must be met by the purchased supplies or services. The process of defining business requirements begins with the purchasing State Agency, which documents its needs in the RTP submitted to DAS OPS. Subsequently, the DAS OPS analyst reviews the

RTP, discusses the requirements as needed with the purchasing State Agency, and then uses them to provide the framework for meetings with and decisions made by the Procurement Team.

Examples of the types of questions to be asked throughout the process of defining business requirements include, but are not limited to:

- Who/what area is impacted by this procurement?
- What are the key functions the needed supplies/services must meet?
- What factors will impact this purchase?
- What is the expected/approved budget?
- When are the supplies/services needed?
- Where will supplies be delivered and/or services performed?
- Why are the supplies/services needed?
- How must services be provided?
- Are there key approvals which are necessary and who must provide this approval?
- Are there specific quality or quantity needs to consider?
- Are there any specific requirements, licenses, certifications, etc., required?



Identify detailed business, technical, and functional requirements prior to beginning to perform market research. Doing so facilitates this process and results in more specific, actionable findings.

2. Develop detailed specifications/statements of work

Specifications provide detailed descriptions of the features and functions of a supply or service an agency seeks to procure, as well as a description of what a supplier must offer to be considered for an award. Specifications determine and control the minimum quality level of the:

- Supply or service;
- Amount of competition;
- Suitability of the supply or service for the job to be done; and
- Method of evaluation used in making an award and determining the best-value proposal for the purchase.

It is important to consider what type of specifications best describe the need. There are three basic types of specifications – design, performance, and combination – one of which will be selected for the procurement. (Refer to [OAC Section 123:5-1-10](#) for additional information.)

(a) Design Specifications

Design specifications set the requirements for the supply to be purchased by detailing the characteristics of the item. To fully describe the need, design specifications may be very lengthy. Care must be taken to insure that required features have been adequately referenced. Should a feature be overlooked, it may not be possible to do an objective evaluation of offers. Design specifications also should not be written so tightly that they unintentionally or unfairly preclude any suppliers from offering their supplies or services.

(b) Performance Specifications

A more widely used specification is the performance specification. These specifications describe the capabilities of the supplies or services or performance requirements and deliverables. This provides more flexibility in considering other types of supplies or services.

(c) Combination Specifications

The third type of specification is a combination of design and performance specifications. This type of specification provides a basic description of the need and includes performance requirements. Other types of specifications include brand name or equal, qualified products lists, and samples.

Regardless of the type, specifications need to:

(a) Be SMART

- Specific – clearly states what is required
- Measurable – confirms when the goal/need has been met
- Achievable – can be done and is technically possible
- Realistic – is reasonable and not cost prohibitive
- Timely – achievable within an acceptable timeframe

(b) Possess these characteristics:

- Simple: Unnecessary detail is avoided, but sufficient information is provided to ensure that requirements satisfy their intended purpose.
- Clear: Terminology that is understandable to the purchasing State Agency, DAS OPS, and potential Offerors is used. To eliminate confusion, correct spelling and appropriate sentence structure is used, and legalese, specialized language, and jargon is avoided.
- Accurate: Units of measure compatible with any industry standards for the supply or service is used. Other requirements, such as quantities or packing/shipping requirements, are specified. Approximate values (e.g., for weight, dimensions, volume, etc.) can be used if they enable the procurement to meet its intended purpose. However, if an approximation is used, an acceptable margin of error needs to be established and specified in the solicitation (e.g., “The unit shall produce an oxygen concentration of approximately 93%, $\pm 3\%$.”).
- Competitive: Whenever possible (specifically, when developing an ITB), at least two suppliers capable of fulfilling the need must be identified. Regardless of the procurement method, any “extras” that could reduce or eliminate competition and/or increase costs are avoided.
- Flexible: Specifications need to be flexible so consideration can be afforded to any offers proposing alternatives providing greater performance at equal or less cost.

d. Perform Market Research

Once the need has been identified, the process of market research begins. The goal of market research is not to perform an exhaustive review of supply sources (which may

not be feasible or practical); rather, it is to identify potential sources capable of providing the needed supplies or services.



Performing market research is essential to developing a solicitation that is not biased in favor of a single supplier or reduces the pool of suppliers capable of fulfilling the purchasing need.

The DAS OPS analyst is responsible for performing market research and, in turn, providing findings to the Procurement Team. Questions considered in conducting market research include, but are not limited to:

- Is the supply or service currently under contract, either at an agency or state level?
- Who are the major suppliers that tend to supply the needed supply or service?
- Are there choices of suppliers in the market?
- How do local peers contract for the supply or service?
- How do other government agencies contract for the supply or service?
- Are there other consortium contracts for the supply or service?
- Do other agencies share the same needs?



Although it is important to consider any specific knowledge that the DAS OPS analyst and the Procurement Team may have of sources capable of meeting the need, to effectively perform market research, actively seek out and discover additional information from other resources (e.g., other State Agencies, trade publications, product literature, etc.)

As potential sources of supply are identified, the DAS OPS analyst may contact potential suppliers directly to request information. The analyst's contact with potential suppliers may occur informally, such as by telephone or email, or a more formal method such as a **Request for Information (RFI)**, may be used.

1. Request for Information

A RFI is used to request information from suppliers who have specific or specialized knowledge about an industry or the needed supplies or services. RFIs are most often used when additional information is needed to prepare a definitive purchase description or when informal discussions with suppliers have not been productive.



RFIs are not a procurement method, just one for information gathering. Therefore, it neither satisfies competitive selection requirements nor does it include a pricing component.

The RFI should detail the objective of the procurement and include a:

- Description of the information requested of suppliers;
- Method for receiving the requested information;
- Description of initial specifications or statements of work, along with a request that they be reviewed and feedback provided;
- Statement that the response will be used to provide the purchasing agency with recommendations that will serve to accomplish the work required by the procurement;
- Statement that the purchasing agency reserves the right to incorporate in a solicitation, if issued, any recommendations presented in the response to the RFI;

- Statement that information received will be publicly available; and
- Statement that neither the purchasing agency nor the supplier responding has any obligation under the request for information.



While an RFI can be useful, it should only be used when truly seeking input from the supplier community for the solicitation. If the analyst does not intend to incorporate the information and/or feedback received, then the RFI method should not be utilized.



Suppliers are not required to respond to a RFI. Non-response does not prohibit suppliers from responding to any competitive solicitation resulting from a RFI.

2. Pre-Solicitation Conference

A pre-solicitation conference is an event that can be used to present a planned current or future procurement to a group of supplier community members. These conferences are optional and, as the name implies, are done prior to a solicitation's release.

Pre-solicitation conference goals may include:

- Ensuring collaboration between the agency and suppliers.
- Incorporating supplier comments into the solicitation development process.
- Communicating program requirements and schedule.
- Gaining a better understanding of recent industry or market developments.
- Providing updates to suppliers on future program developments and acquisitions.

Pre-solicitation conferences afford advantages both to the State of Ohio and suppliers since this is an opportunity to provide a detailed overview of the procurement need and receive feedback (and, subsequently, make any adjustments to the solicitation before it's released). There are no specific time limits (they can last a few hours or even few days) or formats (they can be face-to-face, conducted by webinar, or held using other means). Whether to hold a conference, and, if so, its duration and venue, are determined by the complexity of the procurement.

3.4.3 Procurement Methods

The choice of procurement method is a critical decision when purchasing a supply or service. While in some cases Ohio law dictates which method must be used, other circumstances allow for discretion by DAS OPS and the purchasing State Agency.

3.4.3.1 Competitive Sealed Bidding

Competitive Sealed Bidding, which is often referred to as the Invitation to Bid or ITB process, is enabled by [R.C. 125.07](#) and is formal and price-based. When conducting competitive sealed bid procurements responses are referred to as bids, and respondents are referred to as *bid*ders.

For DAS-issued contracts, ITBs are used when:

- Requirements can be described in finite and specific detail.
- The contract will be awarded to the lowest responsive and responsible Bidder;

- Competition is readily available; and,
- There is no need to hold negotiations with Bidders.

a. Develop the ITB

Once the DAS OPS analyst and the Procurement Team have developed and secured approval of the needed supply's or service's specifications, they are incorporated in the ITB. A standard ITB contains the following sections:

1. Instructions to Bidders. This section covers the time and location for submission of bids. It describes the process used in answering bidder questions, how to get DAS announcements regarding the ITB, and information about amendments to the ITB.
2. Contract Terms and Conditions. This section contains the general legal provisions that will govern the contract. Additions or deviations from these general provisions are contained in the Special Terms and Conditions section, discussed below.
3. General Overview. This section describes the nature of the supplies or services the State seeks under the ITB.
4. Certified Statements. By signing the bid form, a bidder certifies the information contained in the bid is accurate and complete, including several specific statements. For example, suppliers must certify they qualify for an in-state preference, they have not submitted their bid in collusion with another bidder, and they have not been subject to government action within the last seven years.
5. Special Terms and Conditions. This section contains special and specific legal provisions that will govern the contract, based upon the specific scope of work.
6. Specifications. This section gives a detailed description of what the selected bidder must provide the State under the contract.
7. Cost Summary. This is the section all bidders must use to clearly identify all costs the State will have to pay for the supplies or services delivered.
8. Attachments: This section is optional. However, when used, attachments are included to provide either additional information supporting the preceding sections, or relevant detail not covered elsewhere in the ITB.



Use the standard template and corresponding guidance document located at <https://procure.ohio.gov/apo/AgencyProcTools.asp> to develop the ITB.

b. Advertise the ITB

Once the ITB is completed and approved, DAS OPS publicly advertises it to potential bidders to maximize competition. The ITB is advertised in several ways:

1. The OAKS Supplier Module contains information for suppliers registered to receive notifications of bid opportunities for specific types of supplies or services. Suppliers register by selecting the UNSPSC commodity codes associated with the supplies or services they provide. When the code(s) for the bid opportunity match(es) the code(s) selected by the supplier, the DAS OPS Bid Desk notifies the supplier via e-mail.
2. Other suppliers identified while developing the solicitation capable of meeting the need, but who are not included in the database, are also notified via e-mail.
3. Opportunities are posted on the State Procurement website at: <https://procure.ohio.gov/proc/searchProcOpps.asp>.
4. Depending on the procurement, in addition to e-mail and posting the opportunity on the State Procurement website, DAS OPS and the purchasing State Agency may also choose to advertise through state-wide newspapers, county-wide publications, or industry specific periodicals.

Typically, an ITB is advertised for approximately three weeks; however, DAS OPS and the purchasing agency may agree to advertise for a shorter or longer period.

c. Pre-Bid Conference

ITB's may include a pre-bid conference if the Purchasing Team believes it will be of value. Pre-bid conferences must be specified in the ITB, including date, time and location of the event. Typically, attendance by prospective Bidders is non-mandatory; however, if mandatory attendance is a requirement to submit a bid, it must be clearly and prominently stated in the ITB and solicitation notice.



It is suggested that pre-bid conferences are held at least 15 days prior to the required date for submission of bids. Doing so provides adequate time not only to make any necessary changes to the ITB, but also for Bidders to incorporate information learned at the conference into their responses.

d. Inquiries

While the ITB is advertised, prospective suppliers cannot contact any state employees regarding the opportunity. Instead, as directed in the ITB, their questions must be submitted electronically within the inquiry period specified. Answers to all questions received within the inquiry period are publicly posted on the State Procurement website.

Occasionally, inquiries may require an ITB to be modified. In these instances, DAS OPS issues an addendum detailing the changes. It is the responsibility of prospective suppliers to keep current on any addenda and consider these changes in their bid submission.



Modifying the ITB does not necessarily extend either its advertisement or inquiry periods. Extension of these periods is jointly determined by DAS OPS and the purchasing agency.

e. One-Time Bids

When requesting a one-time bid, the purchasing agency enters a requisition in OAKS. The requisition should specify “STATE PURCHASING” as the vendor and contain the following information:

- (a) In the justification field:
 - The agency contact person and phone number;
 - A statement indicating whether the agency desires to treat the purchase as an MBE set-aside; and
 - Any additional supplier information, including names, addresses, contact person(s); telephone numbers, and e-mail addresses.
- (b) Estimated costs.
- (c) Ship to/Bill to addresses.
- (d) Proper commodity code(s).
- (e) Complete specifications (copies of catalog pages may be attached).
- (f) Prevailing wage statements, if assembly (construction) is required as part of the purchase.



To avoid processing delays, prior to submitting the requisition, include as much information as possible for each of these items. Additionally, requests for sole source or brand/model-specific procurements can add to processing times.

After receiving all procuring State Agency approvals, the requisition is routed to DAS OPS, which reviews it and works with the purchasing agency to make any necessary modifications (especially to specifications, so they are neither vague nor overly restrictive). Once finalized, the specifications are written in a bid format and notices are then sent to registered suppliers as explained above.



For OTBs, a Purchase Order is used as the contract. Upon award, DAS updates the requisition in OAKS with the awarded supplier and the established price for the supplies or services being purchased. Once OAKS sources the requisition to a Purchase Order, it is sent to the purchasing State Agency and the supplier.

f. Receive Bids

Upon receipt, all bids received by DAS are time stamped but not opened; instead, they are stored securely until the opening date and time stated in the ITB. Bid openings are done publicly at the DAS Bid Desk, located at Surface Road in Columbus, by the DAS OPS analyst and at least one witness.



[R.C. 125.10](#) requires a representative of the Auditor of State to be present at and to certify all ITB openings. An ITB is not valid unless it is certified.



Unsigned bids cannot be signed after the bid is opened, even if the supplier is present at the bid opening.



A Bidder may correct a mistake in a bid prior to it being opened by giving written notice to DAS concerning their intent to withdraw the bid for modification. Changes in a bid after opening are acceptable if the change is made to correct a minor error that does not affect price, quantity, quality, delivery, or contractual conditions. Corrections to a bid that may be necessary due to a mathematical mistake are also acceptable.

g. Bid Evaluation

Bid responses are evaluated to determine Bidders' compliance with all specifications and their ability to provide the needed supply or service. During the evaluation period, Bidders cannot contact any state employee regarding the bid opportunity. However, if necessary, the DAS OPS analyst may contact a Bidder if any portion of the bid needs to be clarified.



If bid responses' proposed costs exceed the purchasing agency's planned budget, the DAS OPS analyst works with the agency to determine if an award should be made, or if the ITB rebid or cancelled.

h. Responsive and Responsible

[R.C. 125.11](#) and [OAC 123:5-1-07\(J\)](#) mandate that contracts may be awarded only to responsive and responsible Bidders.

Responsiveness relates to the bid or proposal itself. A responsive bid or proposal is one that complies with the solicitation in all acceptability and material respects and contains no material defects. A material defect is one that affects price, quality, quantity, or delivery terms. A good rule of thumb is that deficiencies affecting responsiveness may not be corrected.



Bidders are considered responsive if their bids conform with the solicitation's form or content requirements.

Some examples of defects that may result in a finding of being not responsive are when the bid:

- Arrives after the date and time set for opening.
- Does not meet the minimum specifications for the supply or service.
- Does not conform to the solicitation's terms and conditions.
- Is submitted without pricing, with pricing qualified (i.e., pricing is not firm, but based on certain criteria being met/not met), or pricing is for less than the required quantity of purchase.
- Cannot meet the delivery schedule required in the solicitation.

Responsible relates to the capability of the supplier to actually perform the work or provide the supplies or services the State is seeking. Responsibility

may include a supplier's ability to secure bonding, obtain insurance, or hire sufficient staff. Matters of responsibility may sometimes be addressed or corrected before contract award.



Bidders are considered responsible if they can demonstrate their ability to perform the required work.

The following factors that State Agencies need to consider when determining if a bidder is responsible are established by [R.C. 9.312](#) are:

- Experience;
- Financial condition;
- Conduct and performance on previous contracts;
- Facilities;
- Management skills;
- Ability to execute the contract properly.

While responsiveness is objective and easy to determine, responsibility is more subjective. Decisions regarding responsibility warrant due diligence on the part of the DAS OPS analyst. If the procurement analyst determines that the lowest responsive Bidder is believed to be not responsible the analyst will work with the agency and DAS legal counsel to determine the best means of moving forward.

i. Preference Programs

When evaluating bids, DAS OPS and State Agencies must consider if Bidders are eligible for either the Veteran Friendly Business Enterprise or Buy Ohio and Buy American preference programs. Respectively, information concerning these programs can be found in [Section 2.4.1.2](#) and [Section 2.4.1.3](#).

j. Contract Award

After bids have been evaluated by the DAS OPS analyst and the purchasing State Agency, the DAS OPS analyst completes and submits a Recommendation for Award. This recommendation must be for the lowest responsive and responsible Bidder. Once the recommendation is approved, the Bidder who best meets this criteria is awarded a contract.

3.4.3.2 Competitive Sealed Proposals

Competitive sealed proposals are often referred to as Requests for Proposals or RFPs. Responses are referred to as **proposals** and respondents are referred to as **offerors**. This is a value-based process in which an award is made to the offeror whose proposal is determined to be most advantageous to the State, taking into consideration factors such as price and the evaluation criteria set forth in the RFP.



Per [R.C. 125.071](#), a Competitive Sealed Proposal is used when an ITB is neither possible nor advantageous.

Competitive sealed proposals are used when:

- The primary consideration in determining award may not be price.
- The specifications for the supplies or services cannot be sufficiently described in an ITB.
- Discussions may need to be conducted with offerors concerning technical and/or price aspects of their proposals.
- Offerors may need to be afforded the opportunity to revise their proposals, including price.
- An award may need to be based upon a comparative evaluation of price, quality, and other contractual factors to determine which proposal is the most advantageous to the State.

a. Develop the RFP

Detailed specifications or a statement of work agreed upon by DAS OPS and the State Agency are incorporated into the RFP. This information will be used by offerors to adequately assess the necessary work, potential costs, time requirements, and the conditions impacting the provision of supplies or services.

For non-IT RFPs, additional information is required and is used to evaluate proposals that are submitted. This includes, but is not limited to, education, training, licensure, references, past projects, and certifications.

For IT RFPs, state agencies may be asked to complete an IT Pre-Procurement Information form, which allows them to describe their procurement requirements for a project. This form provides IT Procurement with the ability to assess and determine the procurement method and other related decisions of the project.

b. Advertise the RFP

The purpose of a solicitation is to obtain supplies and services providing the state with the best-value. To accomplish this, the solicitation is advertised to the largest possible number of potential bidders to ensure the greatest level of competition.

Once the RFP is completed and approved, to maximize competition, DAS OPS publicly advertises it to potential offerors. RFPs are advertised in several ways:

1. The OAKS Supplier Module contains information for suppliers registered to receive notifications of bid opportunities for specific types of supplies or services. Suppliers register by selecting the UNSPSC commodity codes associated with the supplies or services they provide. When the code(s) for the bid opportunity match(es) the code(s) selected by the supplier, the DAS OPS Bid Desk notifies the supplier via e-mail.
2. Other suppliers identified while developing the solicitation capable of meeting the need, but who are not included in the database, are also notified via e-mail.
3. Opportunities are posted on the State Procurement website at: <https://procure.ohio.gov/proc/searchProcOpps.asp>.

4. Depending on the procurement, in addition to e-mail and posting the opportunity on the State Procurement website, DAS OPS and the purchasing State Agency may also choose to advertise through state-wide newspapers, county-wide publications, industry specific periodicals, mail, or fax.

While the RFP is advertised, prospective suppliers cannot contact any state employees regarding the opportunity. Instead, as directed in the RFP, their questions must be submitted electronically within a specified inquiry period. Answers to all questions received within the inquiry period are publicly posted on the State Procurement website at <https://procure.ohio.gov/>.

Occasionally, inquiries may require a RFP to be modified. In these instances, DAS OPS issues an addendum detailing the changes. It is the responsibility of prospective suppliers to keep current on any addenda and consider these changes in their bid submission.



Modifying the RFP does not necessarily extend either its advertisement or inquiry periods. Extension of these periods is jointly determined by DAS OPS and the purchasing agency.

c. Proposal Conference

RFP's may include a proposal conference if the Purchasing Team believes it will be of value. Proposal conferences must be specified in the RFP, including date, time and location of the event. Mandatory attendance by prospective offerors may also be required; however, if mandatory attendance is a requirement to submit a response it must be clearly and prominently stated in the RFP and solicitation notice.



Proposal conferences should be held at least 15 days prior to the required date for submission of proposals. Doing so provides adequate time not only to make any necessary changes to the RFP, but also for offerors to incorporate information learned at the conference into their responses.

d. Receive Proposals

Upon receipt, all proposals received by DAS are time stamped but not opened; instead, they are stored securely until the due date and time stated in the RFP. Openings are done publicly at the DAS Bid Desk, located at Surface Road in Columbus, by the DAS OPS analyst and at least one witness.



R.C. 125.10 requires a representative of the Auditor of State to be present at and to certify all RFP openings. A RFP is not valid unless it is certified.

All proposals are certified as received on time by the Auditor of State's representative. Any proposals arriving after the due date and time are considered late and are not opened or evaluated. In order to ensure a fair and impartial evaluation, proposals are not available for public inspection until after the contract is signed by all parties.

e. Evaluate Proposals

Following receipt of RFP responses, the DAS OPS procurement analyst examines each proposal for general conformity with the requirements and the terms of the procurement and may determine which proposals meet the Mandatory Requirements (if applicable) and are able to be further evaluated. The DAS OPS analyst may present the mandatory requirements to the evaluation committee for review. For those proposals determined acceptable for evaluation, the technical proposals will be provided to the evaluation committee. Once the technical evaluation is completed and the proposal meets the minimum requirements, it moves forward in the next phase of the evaluation, which includes review of cost proposals.

The evaluation team usually consists of members from both DAS and the agency. The team also may include outside consultants and other people with special expertise or with a particular interest in the outcome of the project, such as the agency's own clients or constituents.

DAS will facilitate the evaluation team meetings, working with the agency. The DAS OPS analyst schedules an initial evaluation team meeting where evaluators chosen to evaluate the RFP are given a brief overview of the RFP evaluation process and provided copies of the technical proposals. An additional evaluation team meeting to score the proposals is scheduled after adequate time is allowed for evaluators to review the proposals.

During the evaluation phase, suppliers may not initiate any communication with the evaluation team. However, DAS may initiate discussions with suppliers in order to further assess their responsiveness. Suppliers may be required to provide a written clarification of specific items in its response. Evaluators may not discuss the evaluation process or reveal to offerors any information or tentative conclusions on the relative merits of proposals during this phase.

The evaluation team uses both the evaluation criteria and process defined in the RFP to recommend an award. Evaluators first review the technical proposals individually, and then meet as a group with the DAS OPS analyst to discuss their evaluations and agree upon the proposals' scores. The evaluators are also provided with the Offeror's cost proposals for discussion and scoring. The technical and cost proposals' scores are tabulated and a consensus score for each proposal is determined. The consensus scores are used as the basis for awarding the contract.

f. Negotiations

Negotiations are an exchange of information to promote understanding of the agency's requirements and an Offeror's proposal, and to facilitate arriving at a contract that will be the best-value to the State, taking into consideration the evaluation factors set forth in the RFP. Although negotiations are allowed in these types of procurements, they are not required and proposals may be accepted after evaluation without further negotiation.

g. Best and Final Offers

A Best and Final Offer (BAFO) is used to request final cost proposals from the offerors after negotiations are completed.



A BAFO is a tool to ensure that all offerors are accorded fair and equal treatment with respect to any opportunity for negotiations and revisions of proposals. It is also an excellent tool to help procuring agencies avoid potential protests.

When the need for a BAFO arises, the DAS OPS analyst provides a written BAFO document to the offerors:

1. Describing the specific clarification, change or cost proposal request.
2. Stating a date and time to submit responses.
3. Informing them that if they do not submit a notice of withdrawal or another best and final offer, their immediate previous offer will be construed as their best and final offer.

After best and final offers are received, final evaluations are conducted.

h. Contract Award

Once the evaluation committee has completed its final evaluation and has made a recommendation for award, the DAS OPS analyst and purchasing State Agency document the determination of award, which is another crucial step in helping prevent protests.

Once the evaluation team has determined the award, DAS OPS documents the final agreement in writing in a contract and notifies all offerors of the outcome. DAS OPS also notifies the purchasing State Agency that they may process a purchase order for the selected supplier. Once the purchase order is provided to the supplier, the supplier may begin providing the supplies or services being contracted for.

3.4.3.3 Reverse Auctions

A reverse auction is a purchasing process in which Offerors submit competing bids to sell services or supplies in an open environment via the internet. Reverse auction is a competitive selection process authorized under [R.C. 125.072](#). DAS may conduct reverse auctions at its discretion when it is determined to be advantageous to the state. The auction itself is an invitation-only, timed event that is open to bidders who have been pre-qualified.

3.4.4 Terms and Conditions

Terms and conditions are a part of every contract issued by DAS. Terms and conditions serve to protect the interests of both the State and the supplier. Standard terms and conditions for non-IT ITBs can be found at:

https://procure.ohio.gov/PTcond/StandardT_Crev010118.pdf.



Agencies are encouraged to adopt the most current DAS terms and conditions for inclusion in their direct purchases.

Chapter 4 – Contract Administration

During the Contract Administration phase of the procurement lifecycle, contracts are monitored to assure terms and conditions are being met, supplier invoices are correct, performance measures are being met, and payments to suppliers are being made in a timely manner. Contract administration is not the responsibility of a single individual; instead, it is a team effort between State Agencies' program and procurement staff and DAS OPS.

Although managing a contract is a team effort, particular roles and responsibilities are assigned to State Agencies and DAS OPS. Specifically, the DAS OPS analyst is the primary person handling the contract's daily administration, while the purchasing State Agency ensures the contract's requirements are being met and the supplier is in compliance with the contract's provisions. When issues cannot be readily resolved, or if a contract needs to be changed for any reason (e.g., due to legislative mandates, revised program objectives, renewals, etc.), the agency and the analyst work together to formally execute a change to the contract.

4.1 What is a Contract?

A contract is an agreement between two or more parties that creates an obligation to do (or not do) a particular thing (or things). Six elements are needed for a contract to exist and be legally binding. If any one of the six elements is missing, a contract not only may be legally unenforceable, but also it may not even exist.

1. **Offer and Acceptance:** Simply stated, one party (the "offeror") offers to provide something (e.g., supplies or services) to another party (the "offeree"). Certain terms and conditions are attached to what is being provided, which the offeree can accept – or not. The offeree's acceptance demonstrates a willingness to be bound by the offer's terms and conditions.
2. **Capacity:** The parties are of legal age, sound mind, and not under influence of drugs or alcohol.
3. **Consideration:** Anything of value promised from one party to the other for performance under the contract (e.g., the state promises money to suppliers in exchange for their promise to provide supplies or services).
4. **Legality of Purpose:** To be valid and enforceable, a contract must comply with federal, state, and local laws, and public policy.
5. **Mutuality of Obligation:** All parties to an agreement must be obligated or none of the parties are obligated. Furthermore, all parties must supply consideration to the others.
6. **Definiteness:** The important or material terms of an agreement must be specifically expressed for the agreement to be enforceable. Important terms include, but are not limited to, subject matter, price, payment terms, quantity, quality, duration and the scope of work to be done.

4.2 Contract Administration Plan

A Contract Administration Plan (CAP) defines how the contract will be administered. It provides a mechanism to reconcile the various contract documents and the order of precedence into a

management tool that can be used to focus and govern implementation activities. The plan varies in response to complexity, risk, and scope depending on the requirements of each contract.



In many cases, CAPs should only be developed for high-risk or highly complex procurements.

The frame of the plan should focus on the “who, what, when, where, and how” of the administration of the contract. CAPs generally address a common set of topics, with particular emphasis on process, output and outcome. In government contract administration, there may be less emphasis on the “process” the contractor uses to achieve the goals of the contract than of the achievement of the expected outputs and outcomes.

While CAPs generally share a similar structure, the inclusion of each topic into the CAP should be chosen based on necessity rather than out of formality. CAP topics may include:

1. Description
2. Period of performance/delivery dates
3. Roles and Responsibilities
4. Schedules and meetings
5. Data and deliverables
6. Inspection and acceptance
7. Critical milestones
8. Critical path items
9. Personnel requirements
10. Testing
11. Warranty provisions
12. Watch list items
13. Special terms and conditions

4.3 Contract Monitoring

Contract monitoring is the process of identifying and tracking key aspects of the contract to ensure active administration of the contract to successful completion, maximizing performance and minimizing risks in the process. The steps for effective contract monitoring include:

1. Gathering the contract and all pertinent contract documents.
2. Deciding what to monitor.
3. Deciding how it will be monitored.
4. Deciding who will monitor.
5. Gathering information/data.
6. Analyzing information/data.
7. Acting in cases of non-compliance.



The preceding steps can be used to build a repetitive process for actively monitoring and managing the contract.

Maintaining good relations with a supplier is as important as getting the best price and/or best-value. A good State-supplier relationship is a partnership that should be viewed as a win-win situation over the long run. The State’s public image can be a valuable asset. A supplier who is treated equitably and professionally is likely to communicate its positive experiences with an agency and the State to other businesses.

Some basic guidelines for encouraging successful supplier relations include:

1. Knowing the contract. If the contract's requirements are not known, then the contract holder/supplier relationship cannot be successfully managed.
2. Setting expectations early so everyone knows what is expected.
3. Being fair, honest and ethical.
4. Being reasonable.
5. Treating the supplier as a partner.
6. Building relationships.
7. Communicating regularly.
8. Documenting everything.
9. Paying invoices timely and in accordance with the contract's terms and conditions.

4.4 Contract Compliance

A contract is awarded with the expectation that both the supplier and the State of Ohio have entered into the agreement in good faith, and both parties will perform their respective duties and obligations in accordance with the contract specifications, terms and conditions, and at the stated price. Occasionally, situations arise when the supplier does not perform and the agency may suffer damages as a result. Typical non-performance issues include, but are not limited to:

1. Missing a scheduled delivery date and time.
2. Providing items not a part of the contract.
3. Providing inferior merchandise.
4. Unauthorized substitutions.
5. Unauthorized alteration of the contract pricing.
6. Damaged shipments.
7. Unauthorized use of sub-contractors.
8. Unauthorized assignment of the contract to another entity.
9. Inadequate staffing levels.
10. Unqualified workers.
11. Late worker arrivals or no-shows.

State Agencies have several remedies available to resolve non-performance issues with suppliers. The agency should refer to the contract terms and conditions to view these remedies. It is important to note that the State Agency and/or DAS OPS cannot exercise these remedies unless the supplier has been provided with an opportunity to cure the deficiency.

When an issue occurs, or is believed to have occurred, the State Agency should review the contract to assure that it includes the requirement(s) the supplier is believed to have met is covered in the contract. If not, the supplier cannot be expected or required to perform outside the scope of the contract. However, when an issue does exist, the State Agency should contact the supplier, discuss the reasons surrounding the default, and establish a date by which the issue needs to be resolved. If the issue cannot be resolved between the State Agency and the supplier, a [Complaint to Vendor](#) form should be used to notify DAS OPS.

4.4.1 Vendor Performance Surveys

State Agencies should first attempt to resolve issues directly with suppliers. Doing so often results in improved relations between the agency and supplier, and does not require engagement by DAS OPS. Although DAS OPS does not need to be involved in these discussions, once the issue is resolved to the State Agency's and the supplier's satisfaction, DAS OPS can be notified by completing a [Vendor Performance Survey](#) form for

documentation purposes, which can be completed and submitted on-line at: <https://procure.ohio.gov/ctv/vendorperformance.asp>.

When the form is received, DAS OPS reviews the issue(s) and retains the form in the supplier's file. If a pattern of noncompliance is identified, DAS OPS contacts the supplier to discuss the situation and attempts to resolve the issues prior to a formal complaint being filed against the supplier. If the supplier continues to not meet the requirements of the contract, DAS OPS may take more formal corrective action up to and including cancellation of the contract and, potentially, debarment of the supplier.

The [Vendor Performance Survey](#) form also serves another important purpose: It can be used to notify DAS OPS of positive performance by the supplier. DAS OPS includes this feedback in the supplier's file, and uses it in decisions to renew existing contracts and may consider it (if applicable) when awarding potential future contracts.

4.4.2 Complaint to Vendor

If an issue cannot be resolved between a State Agency and a supplier, the state agency must notify DAS OPS using a **Complaint to Vendor (CTV)** form, which can be completed and submitted on-line at: <https://procure.ohio.gov/ctv/vendorperformance.asp>.

After receiving a CTV, DAS OPS evaluates the situation and works to resolve the compliance issues on behalf of the State Agency. CTVs may be used by DAS OPS in evaluation of the supplier on future awards. If DAS OPS determines that the past performance of the supplier is unacceptable, it may disqualify the supplier and deny them future awards. Therefore, it is important for the State Agency provide complete and accurate details of non-performance issues.

4.4.3 Suspension and Debarment

[R.C. 125.25](#) enables the DAS Director to suspend or debar a supplier from consideration for contract awards. If the DAS CPO believes that grounds for debarment exist, a written report is submitted to the Director describing the rationale for debarment of the supplier. If the Director determines that debarment is warranted, the supplier is provided with a written notice describing the reason(s) for the debarment. The written notice also informs the supplier of their due process rights, including being able to provide a written response and/or requesting a formal hearing.

For additional information regarding debarments by DAS, refer to [R.C. 125.25](#).

4.5 Receipt of and Payment for Products, Supplies, and Services

State Agencies are responsible for ensuring prompt payments to suppliers conducting business with the State of Ohio. An agency's responsibility to make prompt payment begins with receipt of a proper invoice, as defined by [OAC 126-3-01\(A\)\(4-5\)](#). If an invoice contains a defect or impropriety, R.C. 126.30(B) requires State Agencies to notify the supplier in writing and request a proper invoice within fifteen days of the invoice's receipt.



[OAC 126-3-01\(B\)\(4\)\(b\)](#) describes the actions to take when a defective or improper invoice is received.

If a supplier fails to comply with a contract's delivery terms and conditions, the State Agency is responsible for documenting the issue(s) and working with the supplier to ensure that the terms and conditions are met. If the deficiency impacts payment, be certain to communicate this to the supplier and, on the subsequent invoice, ensure the charges are accurate prior to authorizing payment.

Payment methods for supplies and services include:

1. Vouchers

A Purchase Order (PO) voucher is used for reimbursement when a purchase order is required. A non-PO voucher is used when a disbursement does not require or reference a PO and the total amount vouchered is \$2,500 or less.

2. Payment Card

The payment card (Pcard) is a method for both the ordering and payment of certain supplies and services, regardless of whether the purchase is from a DAS contract. Pcards are designed primarily for small purchases of supplies and services.



Using a Pcard simplifies the acquisition process for State Agencies and lowers overall transaction costs.

The Office of Budget and Management's (OBM) Statewide Payment Card Administrator manages the statewide program and authorizes, in writing, the issuance of Pcards. Each participating State Agency has a Payment Card Administrator to manage its card program. The executive staff of each agency may determine the level of participation in the program and the number of cards issued.

Pcard spending limits are established by OBM and are enforced at the point of purchase. Limitations are established for spending amounts per transaction and per month. Controls limiting usage with certain merchant categories of suppliers are also placed on the payment card (e.g., merchants classified by Visa as gas stations are prohibited).

Additional information about Pcard limits can be found in OBM's State Accounting Fiscal Essentials (SAFE) Manual, located at:

http://finsource.ohio.gov/#mergedProjects/safe_manual/welcome_to_the_safe_manual.htm.)



Limits for most Pcard holders are \$2,500 per transaction, unless otherwise approved by the OBM Payment Card Administrator.



The Payment Card Program does not affect procurement regulations or an agency's internal regulations for purchasing



All purchases made with federal monies must meet requirements set forth by the federal grantor.

3. Electronic Data Interchange

Electronic Data Interchange (EDI) is an electronic invoicing and payment method established with the supplier prior to the ordering process. EDI invoicing and payments are only for suppliers who have been pre-approved through OBM. In OAKS, the ordering process is not done through EDI. When making a purchase for the State using EDI, employees must follow the procedures set forth in the SAFE Manual, found at: http://finsource.ohio.gov/#mergedProjects/safe_manual/welcome_to_the_safe_manual.htm.



If the amount of payment is greater than \$2,500, an encumbering document is required. If the payment is less than \$2,500, the EDI payment can be processed as a non-PO voucher through OAKS.

For additional EDI information, including FAQs, new account forms, agency points of contact, and a list of EDI supplier contacts, refer to OBM's website at: <http://obm.ohio.gov/SectionPages/ElectronicCommerce/default.aspx>.

4. Interstate Transfer Voucher (ISTV)

Interdepartmental purchases follow the OAKS Requisition to PO workflow.

4.6 Contract Closeout

a. Contract Completion

Contracts are complete when all obligations have been met by the parties, including the finalization of all legal, administrative, and managerial tasks.

It is helpful to complete a contract closeout checklist prior to providing final acceptance of the contract. Tasks that support contract completion may include:

1. Verifying that all:
 - Contractual obligations have been completed.
 - Contractor invoices have been submitted and paid (except final invoice).
 - Testing reports have been received and analyzed.
 - Inspections have been completed and accepted.
 - Government-furnished property has been returned.
 - Classified materials, security badges, keys, State property, etc. have been returned and are accounted for.
 - Required contract audits have been completed.
2. Closing subcontracts by the seller.
3. Agreeing that no claims, issues, or unresolved matters exist on the contract.
4. Debriefing with contractor's personnel/management.
5. Completing the contractor's performance evaluation.
6. Signing a formal notice of contract completion.

b. Complete Final Payment

Final payment is not dramatically different than payments that may have been made to the supplier during the life of the contract. Once the supplies or services have been formally

accepted and final payment has been approved and made to the supplier, the contract is complete.



Suppliers' final invoices must not be approved for payment until the supplies or services have been formally accepted and all items on the closeout checklist are complete.

c. Closeout Contract

Contract closeout consists of the procedural and administrative tasks to change the status of a contract from “active” to “complete.” The most common way for a contract to end is when each party performs its obligations according to the terms of the contract, or when the contract term expires.

Contracts for supplies often do not specify an end date. More commonly, obligations under the contract are usually considered to be complete following the delivery and acceptance of the last item(s) required under the contract. Acceptance implies that the items delivered have met the agreed upon standards. Conversely, contracts for the provision of services may specify an end date when all contract deliverables have to be provided by, and the contract ends if the services are satisfactorily completed by the due date.



For all contracts, closure should be completed as soon as possible after all commitments have been met by the parties.

d. Contract Files

State Agencies must retain records necessary to support each purchasing and contracting transaction.



All contracts, regardless of complexity or dollar value, must be properly documented with a complete record of all contracting activities.

In addition to the contract, the contract file should include, but not be limited to these documents, as applicable:

1. Solicitation
2. Technical evaluation
3. Cost/price analysis report
4. Approved or disapproved subcontracting plans;
5. Record of negotiations
6. Financial approval
7. Award, non-award, or disqualification correspondence
8. Legal approval
9. Other supporting documentation (audits, procurement action summaries, winning proposals and revisions, non-winning proposals, supplier's correspondence).
10. Contract administration information (i.e., invoice actions, shipments, cost forecasting, status reports, fee documentation, general correspondence, contract closeout documentation).

e. Record Retention

All documents should be retained in accordance with state and departmental records retention policies. For State policies, see [State of Ohio Records Management](http://www.das.ohio.gov/Divisions/General-Services/State-Printing-and-Mail-Services/Records-Management) found at: <http://www.das.ohio.gov/Divisions/General-Services/State-Printing-and-Mail-Services/Records-Management>.

f. Determination and Recommendation Form

DAS OPS sends a ***Determination and Recommendation (D&R) Form*** to State Agencies in advance of a contract's expiration. The D&R is used to solicit feedback from agencies to determine whether to renew a contract, allow it to expire, begin working on a new solicitation, etc.

g. Performance Surveys

Following an award, DAS OPS emails a performance survey to the State Agency for which DAS completed the competitive solicitation. The purpose of the survey is to gather feedback regarding DAS OPS' performance during the solicitation process.

Definitions and Acronyms

Agency Procurement Officers (APO)

Agency Procurement Officers were established by [Executive Order 2008-12S](#), which required each State Agency to appoint APOs to serve as a primary point of contact for procurements and to facilitate efficient state purchasing functions.

Agency Specific Contract (ASC)

A contract established by the Ohio Department of Administrative Services reflecting the needs of a single State Agency.

Bidders

A person or firm that submits a bid response to an invitation to bid.

Community Rehabilitation Program (CRP)

This program is comprised of non-profit organizations offering products, supplies and services that employ people with work-limiting disabilities. The CRP program is administered through the DAS Office of Procurement from Community Rehabilitation Programs (OPCRP).

Competitive Sealed Bid

A competitive selection process normally used for commodity-oriented, price-sensitive purchases. Competitively sealed b specifies terms and conditions and solicits sealed bids from suppliers based on the criteria. The bids are opened publicly, and a contract is awarded to the bidder whose bid meets or exceeds specifications at lowest cost to the state. An invitation to bid is used to solicit competitive sealed bids and price is the primary factor in awarding contracts.

Competitive Sealed Proposal

A competitive selection process ordinarily used for complex projects demanding high creativity or skill levels. A competitive sealed proposal specifies project terms, conditions, and criteria and awards the contract to the supplier whose proposal provides greatest value to the state and meets or exceeds performance criteria and expectations. A request for proposals is used to solicit competitive sealed proposals and price is not necessarily the primary factor in awarding the contract. Other factors such as experience, performance, etc. can be scored to determine the award. Technology and professional services are areas where requests for proposals are frequently utilized.

Competitive Selection

Means any of the following procedures for making purchases: Competitive sealed bidding under [R.C. 125.07](#); Competitive sealed proposals under [R.C. 125.071](#); Reverse auctions under [R.C. 125.072](#).

Complaint to Vendor (CTV)

A request for assistance in resolving a dispute with a supplier made by an agency to DAS OPA. Complaints can be made only for purchases made from DAS contracts, and the agency will make every attempt to resolve the issue with the supplier prior to engaging DAS. A copy of the complaint will also be forwarded to the supplier.

Controlling Board

A seven-member public body consisting of three members of the Ohio House of Representatives, three members of the Ohio Senate, and chaired by the Director of the Office of Budget and Management or the Director's designee. The Board is authorized by law to make certain necessary budget adjustments and approve specified agency purchases or request exceptions from other required purchasing processes.

Cumulative Annual Spend

Cumulative annual spend includes the total of all disbursements and outstanding encumbrances with the supplier in a fiscal year. State Agencies shall not split purchases of like items to avoid purchasing thresholds.

Determination and Recommendation (D&R) Form

DAS OPS sends this form to State Agencies in advance of a contract's expiration. It is used to solicit feedback from agencies to determine whether to renew a contract, allow it to expire, begin working on a new solicitation, etc.

Direct Purchase Authority (DPA)

The authority by which state agencies may purchase supplies or services under their own authority without using a contract established by the Ohio Department of Administrative Services, though still using competitive bidding and sound evaluation practices and procedures. This authority is granted to agencies by [R.C. 125.02](#).

Encouraging Diversity, Growth, & Equity (EDGE)

A small socially and economically disadvantaged business enterprise owned and controlled by citizens who are Ohio residents. EDGE establishes goals for state agencies, boards, and commissions in awarding contracts to certified EDGE businesses. EDGE applies to procurements of supplies and services, professional services, information technology services, construction and professional design services.

Emergency

As defined in [R.C. 5502.21](#), any period during which the Congress of the United States or a chief executive (e.g., the President of the United States or Governor of Ohio) has declared or proclaimed that an emergency exists.

General Distribution Contract (GDC)

A mandatory, competitively bid term contract with one or more contractor(s) to provide specific supplies or services routinely required by state agencies over an extended period of time. These contracts are made available to all state agencies and generally, all Cooperative Purchasing members.

General Services Administration (GSA)

A United States government agency providing real estate, fleet management, facilities management, surplus property services, procurement, and technology services.

Group Purchasing Contract (GPC)

Any multi-state, national consortium, or other state's contract where the state of Ohio is a participating entity.

Invitation to Bid (ITB)

A process used to solicit competitive sealed bids from suppliers. Also refers to all documents, whether attached or incorporated by reference, utilized for soliciting bids.

IT Release & Permit

A required type of prior approval issued by DAS OPS for the purchase of IT supplies and services.

Limited Distribution Contract (LDC)

A mandatory, competitively bid term contract established with one or more contractor(s) to provide specific supplies or services to specific state agencies. These contracts may be used by only the named agencies.

Master Maintenance Agreement (MMA)

An optional contract available for maintenance and service of equipment (e.g. hardware, software, copiers, vending machines) that is no longer covered under a manufacturer's warranty. Services may include remedial maintenance calls and preventative maintenance inspections.

Master Service Agreement (MSA)

A contract for services only with related service attachments for specific services within the contract. An MSA is usually developed for telecommunication services.

Minority Business Enterprise (MBE)

A business enterprise owned and controlled by a United States citizen and resident of Ohio, belonging to one of the following ethnic groups: African American, Asian, Hispanic, or Native American.

Multiple Award Contract (MAC)

A mandatory term contract established with multiple contractors for the same or similar item(s).

Offerors

The person or firm which submits a proposal in response to a request for proposals.

Office of Procurement Services (DAS OPS)

The DAS Office of Procurement Services is the State of Ohio's center-led procurement authority and is responsible for overseeing and establishing contracts for general and information technology products, supplies, and services.

Ohio Administrative Knowledge System (OAKS)

The enterprise resource planning system used by State of Ohio employees to manage purchasing, general ledger, accounts receivable, accounts payable, eProcurement, and budget and planning.

One-time Bid (OTB)

A competitively bid contract for a definite quantity of supplies or services under a definite delivery schedule.

Products

Materials, manufacturer's supplies, merchandise, goods, wares and foodstuffs.

Proposals

All documents, whether attached or incorporated by reference, supplied by the offeror in response to a request for proposal.

Public Exigency

As defined in [R.C. 123.10](#), an injury or obstruction that occurs in any public works of the state and that materially impairs its immediate use or places in jeopardy property adjacent to it; an immediate danger of such an injury or obstruction; or an injury or obstruction, or an immediate danger of an injury or

obstruction, that occurs in any public works of the state and that materially impairs its immediate use or places in jeopardy property adjacent to it.

Purchase

To buy, rent, lease, lease purchase, or otherwise acquire supplies or services and includes all functions that pertain to the obtaining of supplies or services, including description of requirements, selection and solicitation of sources, preparation and award of contracts, all phases of contract administration, and receipt and acceptance of the supplies and services and payment for them.

Recovery

As defined in [R.C. 5502.21](#), all those activities that occur subsequent to any hazard and that provide emergency assistance from the effects of any such hazard, reduce the probability of further injury, damage, or

Request for Information (RFI)

A process used to gather background information on potential products, supplies or services that may be procured by an agency in the future.

Request for Proposal (RFP)

A process used to solicit competitive sealed proposals from suppliers for more complex goods and services such as information technology systems and services, medical equipment, etc. Also refers to all documents used for soliciting proposals from offerors.

Response

As defined in [R.C. 5502.21](#), all those activities that occur subsequent to any hazard and that provide emergency assistance from the effects of any such hazard, reduce the probability of further injury, damage, or destruction, and are designed or undertaken to speed recovery operations.

Responsible

As explained in [R.C. 9.312](#), criteria that State Agencies may be required to evaluate bidders by when awarding contracts. Factors that shall be considered in order to determine responsibility include the experience of the bidder, the bidder's financial condition, conduct and performance on previous contracts, facilities, management skills, and ability to execute the contract properly.

Responsiveness

As explained in [R.C. 9.312](#), criteria that State Agencies may be required to evaluate bidders by when awarding contracts. Bids shall be considered responsive if the bidder's proposal responds to bid specifications in all material respects and contains no irregularities or deviations from the specifications which would affect the amount of the bid or otherwise give the bidder a competitive advantage.

Reverse Auction

A purchasing process in which qualified bidders competitively submit bids to sell services or supplies in an open environment via the internet. The auction is an invitation-only, timed event in which price is a determining factor.

Services

As defined in [R.C. 125.01](#), the furnishing of labor, time, or effort by a person, not involving the delivery of a specific end product other than a report which, if provided, is merely incidental to the required performance. "Services" does not include services furnished pursuant to employment agreements or collective bargaining agreements.

Single-source procurement

A procurement from one selected supplier, even though there are other suppliers that may provide similar supplies or services. A single-source procurement decision must be justified based on strategic factors, such as continuity of services, standardization, specialized capabilities, warranty, etc., even though other competitive sources may be available.

Sole-source procurement

A procurement from one selected supplier that can be substantiated because a requirement involves a supply or service provided by only one supplier or contractor having exclusive rights (e.g., rights to data, patent or copy rights, proprietary interests, intellectual property, or secret processes) to provide the supply or service. A sole-source procurement differs from a single-source procurement because the supply or service is unique.

State Contract

A contract established by DAS OPS for the purchase of supplies or services.

State Procurement Emergency

As defined in [R.C. 125.061](#), a 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 state 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.

State Term Schedule (STS)

Contracts negotiated directly with a manufacturer or service provider who must agree to terms and conditions prepared by the Department of Administrative Services. Pricing is either based upon General Services Administration pricing schedules or a manufacturer's most favored customer pricing schedule for a similarly situated customer. The manufacturer or service provider may name any number of authorized distributors who will provide the products or services to the agencies on their behalf.

Supplies

All property, including but not limited to equipment, materials, other tangible assets and insurance, but excluding real property or an interest in real property.

Veteran-friendly business enterprise (VBE)

A sole proprietorship, association, partnership, corporation, limited liability company, or joint venture meeting veteran employment standards established by [OAC 123:5-1-01\(JJ\)](#).