COLUMBUS (Jan. 28, 2019) — Today Matthew Damschroder, newly appointed director of the Ohio Department of Administrative Services (DAS), announced that the agency has issued a revised statewide procurement policy and conducted the first training session on the enhanced policy for procurement and fiscal staff of state agencies. DAS also has notified Stonyhurst Consulting and three consultants of the state’s intent to debar the vendor and consultants from participating in any state contract for colluding to restrain competition and violating ethical conduct standards.

The new procurement policy (PM-01 Purchasing Procedures) for state agencies becomes effective February 1. The policy revisions are a result of an extensive, multiyear effort that included guidance and feedback from state agency purchasing officers, chief financial officers and legal counsels. DAS also received input from the Ohio Inspector General (IG), the Ohio Controlling Board and the Auditor of State.

“The new policy is the result of extensive effort by the DAS procurement team with input from end users, policy makers and stakeholders. We’re confident that the policy and accompanying manual provide clear guidance and sets a high bar for fairness, open competition and transparency in all competitive procurements,” Damschroder said.

As a result of these efforts, complemented by the additional input, the procurement policy includes the following key improvements, among others:

- A first-ever definitions section including explanations of “sole source” and “single source,” a specific response to recent IG reports.
- Clarification that state agencies must obtain (not just solicit) a minimum of three quotes or proposals when referencing state term schedule (STS) contracts as the purchasing authority.
- Clarification that a “no response” or “no bid” does not constitute receipt of a valid quote or proposal. If three quotes or proposals cannot be obtained, the state agency must secure Controlling Board approval of a waiver for “no competitive opportunity” prior to issuing a purchase order.
- Clearer expectations for making STS vendor selections based on lowest cost or best value. When making an award based on best value, state agencies must provide written justification that includes a description of 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.

- Requirements for when state agencies are making direct purchases that the evaluation of vendors includes consideration of past relevant project and technical experience, performance, quality control and pricing.

An online course on the procurement policy will be available to future employees and as a refresher for current staff.

DAS today also notified Stonyhurst Consulting, LLC, two of its associates and a non-affiliated consultant of the state’s intent to debar the vendor and the three consultants for colluding to restrain competition and violating ethical conduct standards. Ohio law (ORC §125.25) allows the director of Administrative Services to debar a vendor or consultant from consideration for contract awards upon a finding of reasonable belief that grounds exist in accordance with the law. Stonyhurst’s remaining associate, and a project manager who was not named in the investigation and is not subject to debarment, were removed from state assignments as of Dec. 21 and Jan. 11, respectively. Assignments of the other consultants had previously concluded.

“The findings of the investigation conducted by the Inspector General (IG) clearly indicated that a violation of law and ethical standards had occurred. In my first days of Governor DeWine’s administration, DAS moved quickly to take appropriate action,” Damschroder said. “We will not tolerate unlawful or unethical behavior.”

Upon notification of the proposed debarment, a vendor may request a hearing to be conducted in accordance with Chapter 119 of the Revised Code. If the vendor does not request a hearing, the director shall issue the debarment decision without the hearing. The director may determine the length of the debarment period and may rescind a debarment at any time. During the debarment period, a vendor is not eligible to participate in any state contract.

The IG issued an investigative report on Dec. 13, 2018, to the Ohio Department of Administrative Services and the Ohio Bureau of Workers’ Compensation. In his report, the IG called for a review of Stonyhurst Consulting and three individuals to determine if any action, including debarment, was warranted. Upon review of the facts, the director of DAS has determined that action is warranted, and today the vendor and the three individuals were notified of the state’s intent to debar. The vendor associated with one of the three individuals, Advocate Solutions, was not recommended for debarment by the IG. Director Damschroder did, however, send a letter to Advocate Solutions reminding it of the vendor’s ethical obligations under state contracting laws.

There currently are two vendors/consultants who are debarred by DAS and ineligible to participate in any state contract.

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