



State of Ohio Administrative Policy

Purchasing Procedures

No:

Procurement
PM-01

Effective:

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Issued By:

Robert Blair, Director

1. Purpose

The purpose of this policy is to provide general purchasing guidance to assist state agencies, boards, and commissions ("**State Agencies**") superintended by the Department of Administrative Services (DAS) with exercising appropriate purchasing authority.

A glossary of terms found in this policy is located in Appendix A - Definitions. The first occurrence of a defined term is in **bold italics**.

2. Policy

DAS is the State's central procurement authority for general and information technology (IT) supplies and services and is responsible for establishing contracts used by State Agencies to procure such supplies and services. It is the State of Ohio's policy that all procurements will be conducted in a fair, open, and transparent manner. State Agencies are governed by the following requirements.

- 2.1. **Requisite Procurement Programs:** Law and administrative rule require that State Agencies must **purchase** from certain state resources, also known as requisite procurement programs, prior to making the purchase from another source. Before making any purchase, State Agencies must comply with Ohio Revised Code (R.C.) 125.035 and 125.05 and Ohio Administrative Code (OAC) 123:5-1-17 and work directly with the applicable requisite procurement program or submit a **request to purchase** at <http://apps.das.ohio.gov/requesttopurchase/requestform.aspx> for purchases of **supplies** or **services** potentially valued at \$25,000 or more to determine if the supplies or services

are available from any of the following requisite procurement programs, in the order they are listed:

- 2.1.1. **Ohio Penal Industries** (OPI), within the Department of Rehabilitation and Correction (DRC) as prescribed in R.C. 5147.07.
- 2.1.2. **Community Rehabilitation Programs** administered by DAS under R.C. 125.601 to 125.6012.
- 2.1.3. **Business Enterprise Program** at the Opportunities for Ohioans with Disabilities agency as prescribed in R.C. 3304.28 to 3304.33.
- 2.1.4. **Office of Information Technology** (OIT) at DAS as established in R.C. 125.18.
- 2.1.5. **Office of State Printing and Mail Services** at DAS as prescribed in R.C. chapter 125.
- 2.1.6. **Ohio Pharmacy Services** (formerly Office of Support Services) at the Department of Mental Health and Addiction Services as prescribed in R.C. 5119.44.
- 2.1.7. **Ohio Facilities Construction Commission** (OFCC) established in R.C. 123.20.
 - 2.1.7.1. Projects involving construction, improvements, and alterations to public works (“construction”) that are estimated to cost \$215,000 or more, or projects involving professional design services, as defined in R.C. 153.65, estimated to cost more than \$50,000, must be reviewed by OFCC to determine whether R.C. Chapter 153 applies to the purchase, requiring OFCC to administer the project. OFCC may authorize a State Agency to locally administer a project with a total estimated project cost of less than \$1.5 million at the request of the State Agency. The project will not be eligible for Minority Business Enterprise (MBE) set aside; however, the Encouraging Diversity, Growth, and Equity (EDGE) program applies.
 - 2.1.7.2. If OFCC determines that a project with a total estimated project cost of \$215,000 or more is not subject to R.C. Chapter 153, the project must follow R.C. Chapter 125 and it will be eligible for MBE set aside. (Note that projects under \$215,000 do not qualify for MBE set aside if the project involves “construction”.)

If one of the requisite procurement programs can fulfill a State Agency’s procurement need, State Agencies are required to make the purchase from that program regardless of the purchase amount. If the requisite procurement programs cannot fulfill the procurement need, DAS will provide the requesting State Agency with a **waiver** from the use of the programs. State Agencies may purchase from the requisite procurement programs without dollar limitation, and purchases made from these programs are not counted against a State Agency’s cumulative annual **Controlling Board** threshold as discussed in section 2.4 of this policy. For more information on the requisite procurement

programs, and details on how to submit applicable requests to purchase to DAS, consult the *State of Ohio Procurement Handbook for Supplies and Services*.

State Agencies are not required to submit a request to purchase to DAS for review by the requisite procurement programs if the needed general supplies or services are:

- available on **state contract** as described in section 2.2 of this policy; or
- covered by a **non-IT blanket release and permit**, which serves as a **non-IT release and permit** for all purchases of certain types of general supplies and services (and is categorized by Office of Budget and Management (OBM) expense account code).

2.2. **State Contracts:** Prior to making a purchase, soliciting quotes, seeking Controlling Board approval, or working with DAS to establish a contract, State Agencies shall check with DAS to determine if a state contract already exists for the supplies or services being sought. DAS has established state contracts through **competitive selection** or a waiver of competitive selection from the Controlling Board for a variety of supplies and services to enable State Agencies to fulfill their procurement needs. 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.

2.2.1. **Mandatory Contracts:** In some cases, a state contract may be deemed as mandatory by DAS, meaning that State Agencies must use those contracts to procure the supplies or services available on those contracts. State Agencies should refer to the contract language or consult the **Office of Procurement Services** (OPS) to determine which contracts are mandatory.

If a contract supplier is unable to fulfill the needs of the State Agency, DAS may grant a waiver to the State Agency to purchase the need from another source. The State Agency must not proceed with the purchase from another source until DAS has approved the waiver.

2.2.2. **Optional Contracts:** In addition to mandatory contracts, DAS also establishes state contracts that State Agencies may choose to use.

2.2.3. **Multiple Award Contracts:** DAS may award mandatory or optional contracts to more than one supplier. For purchases referencing multiple award contracts (that are not **state term schedules**) where multiple suppliers are capable of providing the needed supplies or services, unless otherwise directed by DAS, State Agencies shall solicit quotes in the same manner as explained in section 2.6.1 and 2.6.2 of this policy.

2.2.4. **State Term Schedules:**

2.2.4.1. **Quoting Requirements:** For purchases referencing state term schedule contracts (STS) as the purchase authority, State Agencies shall obtain a minimum of three quotes or proposals. A "no response" or "no bid" does not constitute receipt of a valid quote or proposal. State Agencies are

encouraged to exhaust all STS supplier quote options before seeking quotes from other suppliers. However, the suppliers providing quotes or proposals do not have to be listed on an STS; that is, State Agencies may fulfill this requirement by obtaining quotes or proposals from non-STs suppliers in addition to those who hold an STS.

If the supplier selected does not hold an STS, then the State Agency shall not reference the STS. The State Agency shall make the purchase directly and the purchase will be subject to the Controlling Board requirements referenced in section 2.4 of this policy.

When the State Agency does not award to the supplier offering the lowest price, the State Agency shall provide written justification for that selection. Written justification should include 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 (e.g., best-value).

If the State Agency obtains fewer than three quotes or proposals, the State Agency must secure Controlling Board approval of a waiver for “no competitive opportunity” prior to issuing a purchase order. Purchases made with a State Payment Card (Pcard) or debit voucher transaction are not subject to this requirement. State Agencies shall maintain written justification that includes documentation of:

- the efforts made to find other responsive STS contractors and a determination that none were found; and
- 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
- any other facts supporting the selection process.

2.2.4.2. **Continuations of Previously Procured Supplies and Services:** If a State Agency previously obtained three or more quotes or proposals when the original procurement occurred, then it is not necessary for the agency to repeat the process of obtaining three quotes or proposals prior to creating a new purchase order. Similarly, when the State Agency obtained fewer than three quotes or proposals during the original procurement but obtained Controlling Board approval of a waiver for “no competitive opportunity”, no additional approval or solicitation is necessary. A purchase will be considered a continuation of a previously procured supply or service only if:

- there was an original stated term, and it is within the original stated term of the purchase (including renewals); or
- it is reasonably related to the original project, scope of work, task, job, or effort.

Purchases made with a Pcard are not subject to this requirement.

2.2.4.3. **Direct Purchases:** In accordance with section 2.3 of this policy, a State Agency may also use direct purchase authority to make purchases from suppliers listed on an STS without referencing the STS as the purchase authority. Such purchases will count towards the State Agency's Controlling Board Threshold explained in section 2.4 of this policy.

2.2.5. **State Contract Pricing:** If prices are listed on state contracts such as state term schedules, *master maintenance agreements*, or multiple award contracts, they may be considered as not-to-exceed prices. State Agencies are encouraged to negotiate pricing downward. Should a State Agency find that it is not receiving favorable pricing, the State Agency should contact DAS to seek assistance.

2.3. **Direct Purchase Thresholds:** Once a State Agency has determined that the requisite procurement programs and state contracts cannot fulfill the procurement need, a State Agency may use direct purchase authority if the procurement will not exceed the thresholds explained in section 2.4 of this policy. State Agencies shall not split purchases of like items to avoid purchasing thresholds. When a purchase is for less than the thresholds listed in section 2.4 of this policy, State Agencies may use their direct purchase authority and shall comply with all other provisions of this policy.

Regardless of what is being purchased, if it appears that the thresholds explained in this section may be exceeded, State Agencies should involve DAS in the initial stages of preparing their purchase request to allow DAS sufficient time to determine if the purchase can be made through DAS.

DAS awards contracts for general and IT supplies and services costing \$50,000 or more on behalf of State Agencies. State Agencies are required to make purchases costing \$50,000 or more through DAS. When a purchase exceeds this \$50,000 threshold and DAS determines it is not practicable or advantageous to make the purchase through DAS, the State Agency will be granted a release and permit and delegated authority to make the purchase.

2.3.1. **General Supplies and Services:** For purchases of general supplies or services exceeding \$50,000, a request to purchase shall be submitted at <http://apps.das.ohio.gov/requesttopurchase/requestform.aspx>.

OPS also issues a biennial non-IT blanket release and permit, which serves as a release and permit for all purchases of certain types of general supplies and services, categorized by OBM expense account code. Similar to an individual non-IT release and permit, OPS issues a non-IT blanket release and permit when it determines that it is not practicable or advantageous for OPS to make such purchases. State Agencies making purchases of general supplies or services that are identified in a non-IT release and permit or non-IT blanket release and permit are subject to the thresholds identified in section 2.4 of this policy and shall list

the non-IT release and permit or non-IT blanket release and permit number provided by OPS on the Controlling Board request (if applicable) and the requisition. The current non-IT blanket release and permit is available on the State of Ohio procurement website at <https://procure.ohio.gov/proc/viewWhatsNewAnnouncements.asp>.

2.3.2. **Information Technology Supplies and Services:** Pursuant to R.C. 125.18, purchases of IT supplies and services by State Agencies require OPS approval. State Agencies must request an individual **IT release and permit** to purchase the following:

- Deliverables-based IT Services (DBITS) projects;
- IT staff augmentation services;
- IT equipment and licensing from enterprise standards-based contracts (e.g., ERP, IT service management, document management, desktops, laptops, etc.), which includes the OIT Service Catalog at <http://www.das.ohio.gov/Divisions/InformationTechnology/StateofOhioITServiceCatalog.aspx>;
- Telecommunications supplies or services with a per unit cost of \$1,000 or more;
- 3rd party hosting or cloud-based solutions (XaaS);
- Licenses associated with an enterprise consolidation initiative (e.g., Microsoft licenses);
- Infrastructure equipment (e.g., storage, servers, VoIP, routers, switches, etc.); or
- Any other supplies and services governed by an enterprise standard, policy, or initiative established by DAS.

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

For purchases of IT supplies or services exceeding \$24,999, a request shall be submitted through the IT Release and Permit System at <https://itrelease.ohio.gov/Default.aspx>.

For purchases of IT supplies or services less than \$25,000 per request, OIT establishes and issues an annual **IT blanket release and permit** to each State Agency for such purchases. Similar to an individual IT release and permit, OPS issues an IT blanket release and permit when it determines that it is not

practicable or advantageous for OPS to make such purchases. State Agencies making purchases of IT supplies or services using the IT blanket release and permit are subject to the thresholds identified in section 2.4 of this policy.

- 2.4. **Controlling Board Threshold:** If a purchase of supplies or services is not made through DAS and will cause the State Agency's cumulative annual spend with one supplier to be \$50,000 or more, the State Agency must seek approval from the Controlling Board prior to making the purchase, unless the purchase is otherwise exempt from Controlling Board approval. Cumulative annual spend includes the total of all disbursements and outstanding encumbrances with the supplier in a fiscal year.

If the purchase, when combined with the cumulative annual spend, is less than \$50,000 for a particular supplier, the State Agency will not be required to seek approval from the Controlling Board unless the funding source requires such approval (e.g., release of capital funds) or Controlling Board approval is otherwise required pursuant to law.

For more information about when Controlling Board approval is required, refer to the Controlling Board Manual, available at <https://ecb.ohio.gov/Public/Manual.aspx>.

- 2.5. **Required Approvals:** Information Technology, Printed Supplies and Multi-Functional Print Devices, and Vehicles require review and approval by DAS prior to the State Agency making the purchase, unless exempted by OBM's expense account codes. When making purchases of this nature, and before issuing a purchase order and/or entering into any agreement with a supplier, contact the appropriate office listed below as soon as possible:

2.5.1. Information Technology – refer to section 2.3.2 of this policy or contact:
EITC_Policy@das.ohio.gov

2.5.2. Printed Supplies and Multi-Functional Print Devices (e.g., copiers, printers) –
DAS Office of State Printing and Mail Services: James.Hoover@das.ohio.gov

2.5.3. Vehicles – DAS Office of Fleet Management: DASFLEET@das.ohio.gov

- 2.6. **Agency Solicitations and Awards:** When procuring needed supplies or services from a source other than a requisite procurement program or a state contract, State Agencies shall do so in a **competitive manner** when multiple suppliers exist in the market and the need is not specialized or unique (see section 2.6.5). State Agencies should also establish processes which ensure clear lines of authority and promote a separation between the ability to request contract actions and those who have final authority to authorize and/or approve the requested contract actions. The guidelines below are intended to ensure that State Agencies obtain the best value and encourage competition.

Additionally, State Agencies should exercise due diligence when purchasing supplies and services to ensure public funds are used appropriately. 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.

- 2.6.1. 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 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 practicable to solicit multiple quotes. This policy should require written approval by an authorized representative prior to making the purchase.

For purchases of common supplies or services made with direct purchase authority or an optional state contract 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 the State Agency is making a purchase pursuant to section 2.6.5 of this policy. Solicitations for supplies and services with an estimated total value of more than \$25,000 shall be posted on the State of Ohio procurement website at <https://procure.ohio.gov//proc/index.asp>, as provided in the directive at the following link: <https://procure.ohio.gov/pdf/ExecutiveOrder2008-12S.pdf>.

- 2.6.2. State Agencies are encouraged to award to the lowest **responsive** and **responsible** bidder, as defined in R.C. 9.312.

However, when a State Agency determines that it is not possible or not advantageous to the State to award to the lowest responsive and responsible bidder, the State Agency may select a supplier using a request for proposal 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. For more guidance on creating written contracts, see <http://finsource.ohio.gov/>.

- 2.6.3. The State Agency should maintain records describing the competitive manner and the evaluation that was conducted. Such documentation shall contain the basis on which the award was made.
- 2.6.4. Pursuant to R.C. 125.112, State Agencies shall post information on state awards, as defined in R.C. 125.112 (A) (3), to the State of Ohio procurement website at <https://procure.ohio.gov//proc/index.asp>. R.C. 125.112 (A) (3) considers the total value of the award, as opposed to the annual value.
- 2.6.5. In the event that a State Agency determines it is not possible to fulfill a procurement need via a competitive manner, a State Agency may be able to conduct or request a **sole-source** or **single-source procurement**. If such a procurement will cause the State Agency to exceed the thresholds explained in section 2.3 of this policy, the State Agency shall submit a request to purchase at

<http://apps.das.ohio.gov/requesttopurchase/requestform.aspx> or request an IT release and permit at <https://itrelease.ohio.gov/> that includes justification for the sole-source or single-source procurement to DAS. Written justification shall include documentation of:

- the efforts made to find other responsive suppliers and a determination that none were found; and
- how a determination was made that the anticipated cost would be fair and reasonable;
- the agency's history with the supplier; and
- any other facts supporting the selection process.

DAS will review the request and provide a response indicating the decision to approve or deny the request. Such purchases will still be subject to the thresholds and requirements of section 2.4 of this policy.

- 2.7. **Ohio Certified Minority Business Enterprise (MBE) Set-Aside Competition:** Pursuant to R.C. 125.081, State Agencies shall set aside a number of purchases, the aggregate value of which equals approximately 15 percent of the total ***eligible purchases*** (as determined by the Equal Opportunity Division (EOD)) for the current fiscal year for competition by Ohio-certified MBEs only. When conducting MBE set-aside solicitations to make a purchase, State Agencies shall document the sheltered solicitation process, solicit quotes from only Ohio-certified MBEs, and mark vouchers in OAKS as MBE Set-Aside in order to receive set-aside credit. Also, State Agencies shall monitor their set-aside expenditures quarterly and adjust their projection plans submitted to EOD as necessary, in order to meet the 15 percent set-aside requirement. State Agency purchases from contracts that have been set-aside, partially set-aside, or contain an embedded MBE set-aside count towards the 15 percent requirement.

It is important for State Agencies to evaluate the impact of their set-aside selections. For each contract to be an MBE set-aside, consider the following:

- 2.7.1. An entire supplies/services category should not repeatedly be selected year after year for set-aside (e.g., all of the contracts for the purchase of shoes, etc.). Consider various categories of supplies/services and then alternate setting them aside.
- 2.7.2. The length of time that a contract has been set-aside and/or held by an incumbent supplier. Consider limiting the amount of renewals on a contract in order to provide multiple suppliers with an opportunity to compete for opportunities to do business with the State.
- 2.7.3. Contracts or purchases may be able to be split into smaller contracts or multiple contracts in order to allow small businesses to compete. This section is not

intended to supersede section 2.3 of this policy, in which State Agencies are prohibited from splitting purchases to avoid the thresholds explained in that section.

- 2.7.4. Prior to deciding whether a procurement will be set-aside, check the State Agency's progress against its MBE projection plan for the current fiscal year. Modifications to the projection plan may be necessary to meet the 15 percent requirement, meaning that unplanned procurements or procurements that had been planned for the open market may need to be set-aside.

For further guidance on the MBE program, contact EOD at eod@das.ohio.gov.

- 2.8. **Ohio Certified Encouraging Diversity, Growth, and Equity (EDGE) Purchases:** Pursuant to R.C. 123.152, State Agencies are required to participate in a business assistance program called EDGE. The requirement is to award a percent (as annually determined by the Director of DAS and communicated to agencies by EOD) of all contracts/purchases for supplies, services, construction, architecture and engineering, and professional services to EDGE participants.

EDGE further requires every State Agency, within the constraints of statutory authority and as otherwise provided by law, to:

- 2.8.1. Take appropriate steps to foster, support, and encourage the participation of underutilized businesses and encourage such businesses to compete for construction contracts and the procurement of supplies and services by including a participation goal for construction contracts and requests for proposals when subcontractors are used.
- 2.8.2. When procuring supplies and services, construction, architecture and engineering, and professional services, via a competitive manner, the contract-letting State Agency shall determine whether EDGE participation is feasible for the procurement based upon EDGE availability. When it is feasible, an EDGE participation goal set in accordance with OAC 123:2-16-08 shall be included in the solicitation. Each proposal evaluation process shall include evaluation of EDGE participation, and each contract shall specify the EDGE goal for subcontracts awarded to and supplies and services purchased from EDGE business enterprises in order to meet the agency's overall EDGE goal, in accordance with OAC 123:2-1-09 (A).
- 2.8.3. Examine internal State Agency procurement policies, procedures, and practices and remove those elements that adversely impact economically and socially disadvantaged businesses, as described in R.C. 123.152.

- 2.8.4. Examine and eliminate all unnecessary barriers to equitable participation, including, but not limited to, the following items: bonding and licensing requirements, excessive experience requirements, massive procurements (unbundling contracts when practicable), use of proprietary specifications, and other non-essential procurement-related requirements.
- 2.8.5. Set a goal, which meets or exceeds the goal annually set by the Director of DAS, of eligible direct expenditures in the areas of construction, architecture/engineering, professional services, and supplies and services that is awarded to EDGE program participants.
- 2.8.6. Provide EOD with quarterly reports and annual projection plans on EDGE utilization using templates provided annually by EOD. State Agencies should note that quarterly reports are generated by EOD on their behalf.

2.9. **Preferences:**

- 2.9.1. Pursuant to R.C. 9.318 (B), State Agencies shall use procedures established by DAS to give preference to each certified **veteran-friendly business enterprise** that submits a bid or proposal for supplies or services. These procedures are prescribed in OAC 123:5-1-16.
- 2.9.2. For purchases not made through DAS, State Agencies should apply the bid preferences explained in R.C. 125.09 (C) (1) and (2), R.C. 125.11 (B), and OAC 123:5-1-06, 07, 09, and 14. State Agencies should use criteria and procedures prescribed by DAS to give preference to supplies produced or manufactured in the United States and/or in Ohio. If applying this preference, the State Agency must specify which preference(s) will be applied in the solicitation and should request information as to the point of manufacture and location of the supplier.

2.10. **Methods of Procurement and Payment:** Unless otherwise noted, the requirements contained in this policy shall be followed regardless of the payment method.

Use of a Pcard may or may not be allowed depending on what is being purchased. If purchasing from a state contract, State Agencies shall check the contract prior to making the purchase to identify acceptable forms of payment. For additional guidance on the Pcard program, refer to <http://finsource.ohio.gov/>.

2.11. **Authorization of Purchases:** If a State Agency proceeds with a purchase prior to receiving the appropriate authorization, the person at the State Agency who authorized the purchase may be held personally liable for the purchase pursuant to R.C. 3.12 or R.C. 127.16.

2.12. **Agency Purchasing Procedures:** In accordance with R.C. 125.05 (A), State Agencies shall adopt written procedures consistent with the procedures listed in this policy and use those procedures when making direct purchases costing less than \$50,000. These procedures shall also be applied when the agency is making purchases through DAS (which includes purchasing from state contracts).

For purchases costing more than \$50,000 and in accordance with OAC 123:5-1-03 (B), State Agencies must make the purchase in a competitive manner unless otherwise exempt. State Agencies should also adopt written procedures consistent with the procedures listed in this policy and use those procedures when making purchases costing more than \$50,000.

This policy supersedes any previously issued directive or policy and will remain effective until canceled or superseded.

3. Authority

R.C. 9.312, 9.318, 125.01 – 125.11, 125.18, 125.31- 125.45, 125.60 – 125.612, 125.76, 125.832, 127.16

OAC 123:5-1-01 – 123:5-1-17, 123:6-1-09

Executive Order 2008-12S

4. Revision History

Date	Description of Change
09/01/2008	Original policy, published as GS-D-12.
02/01/2019	Reformatted, revised and republished.
02/01/2020	Scheduled policy review.

5. Inquiries

Direct inquiries about this policy to:

Kelly Sanders, Chief Procurement Officer
Office of Procurement Services
General Services Division
Ohio Department of Administrative Services
4200 Surface Road, Columbus, Ohio 43228

614-752-5259 | Kelly.Sanders@das.ohio.gov

State of Ohio Administrative Policies may be found online at
<http://das.ohio.gov/Divisions/AdministrativeSupport/StateAdministrativePolicy.aspx>

Appendix A - Definitions

- a. Business Enterprise Program. A program through the Opportunities for Ohioans with Disabilities – Bureau of Services for the Visually Impaired (BSVI) that assists people who are blind or have a visual impairment by creating employment in food service areas. This provides Ohioans with opportunities to operate cafeterias, snack bars, convenience stores, and vending locations.
- b. Community Rehabilitation Program. Ohio's CRP program is administered through the DAS Office of Procurement from Community Rehabilitation Programs (OPCRP). This program consists of non-profit organizations that employ people with work-limiting disabilities and offer supplies and services.
- c. Competitive Manner. As defined in OAC 123:5-1-01, an open and fair process that promotes competition among prospective bidders or offerors. The process should be tailored to the products, supplies and services to be acquired. Depending on the needs of the agency, the process may be an informal or formal solicitation with the goal of achieving the lowest price for the products or services to be acquired or the most advantageous contract for the state of Ohio. Agencies may utilize similar processes for competitive selection as defined in R.C. 125.01.
- d. Competitive Selection. Means any of the following procedures for making purchases: (1) Competitive sealed bidding under R.C. 125.07; (2) Competitive sealed proposals under R.C. 125.071; (3) Reverse auctions under R.C. 125.072.
- e. 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 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 requested exceptions from otherwise required purchasing processes.
- f. EDGE participation goal. As explained in OAC 123:2-16-08, a procurement goal that is annually set by the Director of DAS to encourage State Agencies and state colleges and universities to contract with EDGE-certified businesses.
- g. Eligible purchases. Refers to those purchases which are analyzed to determine whether or not a State Agency has met its 15 percent MBE set-aside requirement. Factors considered to determine whether or not a purchase is included in this calculation are the OBM expense account code referenced by the voucher as well as whether or not the supplier was a sole source.
- h. Master maintenance agreement. Contracts negotiated directly between DAS and a manufacturer or service provider based upon a General Services Administration agreement or a manufacturer's or service provider's most-favored-customer agreement for a similarly-situated customer. The manufacturer or service provider may name any number of authorized distributors, dealers or resellers who will provide maintenance and service of equipment (e.g., hardware, software, copiers, and vending machines) that is no longer

covered under a manufacturer's warranty. Services may include remedial maintenance calls and preventative maintenance inspections.

- i. Ohio Facilities Construction Commission. The Ohio Facilities Construction Commission (OFCC) is responsible for guiding capital projects for state agencies, state-supported universities and community colleges, including Ohio's comprehensive public K-12 school construction and renovation program, and managing the grants process for cultural facilities and school security programs.
- j. Ohio Penal Industries. A Division of the Department of Rehabilitation and Correction (DRC) that employs inmates and teaches work skills while assisting the State of Ohio by providing commonly used supplies.
- k. Office of Information Technology (OIT). The Office of Information Technology at the Department of Administrative Services delivers statewide information technology and telecommunication services to state government agencies, boards and commissions as well as policy and standards development, lifecycle investment planning and privacy and security management.
- l. Office of Procurement Services (OPS). The Office of Procurement Services at the Department of Administrative Services is responsible for procurement of general supplies and services.
- m. Office of State Printing and Mail Services. The Office of State Printing and Mail Services at the Department of Administrative Services offers a full range of commercial procurement services with contract printers throughout the state, records and forms management, mail services, mainframe printing, fulfillment services and a network of copy centers.
- n. Ohio Pharmacy Services. The Department of Mental Health and Addiction Services, Ohio Pharmacy Services (formerly Office of Support Services) provides institutional agencies with various supplies and services. Eligible participants include state facilities, county health departments, community mental health agencies, free clinics, county jails, non-profits, etc.
- o. IT Blanket Release and Permit. Each fiscal year, OPS issues IT blanket release and permits to each State Agency to facilitate the purchase of IT supplies and services under \$25,000 per transaction. The total dollar amount allocated to each State Agency per fiscal year for IT blanket release and permit purchases is based on historical spend data from previous fiscal years. IT supplies and services are identified by OBM's expense account codes. The OBM expense account code will indicate when an IT release and permit is required. OPS may issue guidance limiting the use of the blanket for certain supplies and services.
- p. IT Release and Permit. A required type of prior approval issued by OPS for the purchase of IT supplies and services. OPS issues a unique IT release and permit per purchase request by fiscal year, typically provided for transactions that are equal to or exceed \$25,000. IT supplies and services are identified by OBM's expense account codes. The OBM expense account code will indicate when an IT release and permit is required.

- q. Non-IT Blanket release and permit. A type of release and permit for all purchases of certain types of general supplies and services, which authorizes State Agencies to make such purchases without the involvement of OPS.
- r. Non-IT Release and permit. A required type of prior approval issued by OPS allowing State Agencies to make purchases of general supplies and services that exceed a State Agency's direct purchase authority. OPS issues a non-IT release and permit when it has been determined that it is not possible or advantageous to make the purchase on behalf of the State Agency.
- s. Purchase. As defined in R.C. 125.01, means to buy, rent, lease, lease purchase, or otherwise acquire supplies or services. "Purchase" also 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.
- t. 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.
- u. Responsive. 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.
- v. Services. As defined in R.C. 125.01, means 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.
- w. 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. The mere preference for a supplier, product or service is not a sufficient basis for a single-source procurement. Also see sole-source procurement.
- x. 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.

- y. State Agencies. Includes every DAS superintended organized body, office (including boards and commissions), or agency established by the laws of the State for the exercise of any function of state government. This does not include those bodies, offices, or agencies listed in R.C. 125.02 (A) (1) through (6).
- z. State contract. A contract established by the Department of Administrative Services for the purchase of supplies or services. The contracts are established through competitive selection or made available in conjunction with spending authority granted by a waiver of competitive selection from the Controlling Board for a variety of supplies and services. The contract types in the waiver include: state term schedule contracts, multiple award contracts, master maintenance agreements, master license agreements, master service agreements and master cloud service agreements.
 - aa. State term schedule. Contracts negotiated directly between DAS and a manufacturer or service provider 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, dealers or resellers who will provide the supplies or services to the State Agencies on the manufacturer's or service provider's behalf.
 - bb. Supplies. As defined in R.C. 125.01, means all property, including, but not limited to, equipment, materials, other tangible assets, and insurance, but excluding real property or an interest in real property.
 - cc. Veteran-friendly business enterprise. As defined in R.C. 9.318, a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture that meets veteran employment standards established by the director of administrative services and the director of transportation.
 - dd. Waiver. An exemption that permits a State Agency to not purchase supplies or services from a requisite procurement program or an established mandatory State Contract. For the purposes of the Requisite Procurement Program, the waiver is provided in the form of a release and permit.

Appendix B - Resources

Document Name
<i>State of Ohio Procurement Handbook for Supplies and Services</i> ; Ohio Department of Administrative Services, 2014. http://procure.ohio.gov/pdf/PUR_ProcManual.pdf .
<i>State of Ohio Procurement website</i> : http://procure.ohio.gov/proc/index.asp .