

S.B. 260
Testimony of Dan Listug
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Ohio Senate Local Government and Elections Committee
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Chair Gavarone, Vice Chair O'Brien, Ranking Member Maharath, and Members of the Committee, my name is Dan Listug, and I am the Legal and Government Relations Manager of Sourcewell, a Minnesota-based joint purchasing organization serving government agencies in Ohio and across the country.

Thank you again for the opportunity to speak on SB 260, which clarifies the scope of the joint purchasing law. I appreciate the opportunity to support Sen. Lang's bill and to address several misrepresentations about joint purchasing.

Ohio public agencies have been using joint purchasing since 1997. Last year alone over 1,300 agencies in Ohio made a purchase through a Sourcewell contract, including 450 school districts, 800 municipalities, and 86 counties.

Public agencies use joint purchasing because the contracts are competitively awarded, it saves time, resources, and taxpayer money. Sen. Lang's bill makes clear joint purchasing includes construction services. When applied to these types of services, joint purchasing promotes access to local contractors, transparent competitive pricing, and quicker project completion.

The key element that makes joint purchasing work is competition. Under current law, every joint purchasing contract must be awarded by a public agency following a competitive procurement process. SB 260 applies this same standard for construction services. The law places no limitation on location of the awarding agency.

Opponents have suggested the bill is bad for Ohio agencies because it expands joint purchasing contracts to those awarded outside the state. I believe the opposite to be true. SB 260 fosters competition and encourages local governments to access the most competitive contracts available- regardless of source. Under this bill, Ohio agencies have the ability and option to use the most beneficial contracts available, driving competition among suppliers' serving government agencies.

Additionally, from Sourcewell's perspective I'd like to address issues raised about both the type of organizations and the process used in awarding joint purchasing contracts.

Sourcewell is a public agency created under the laws of Minnesota, akin to an education service agency in Ohio, specifically to provide joint purchasing services. We are not a for-profit company and do not charge any fees to public agencies. Administrative fees are paid by suppliers pursuant to contract.

Regarding process, Sourcewell offers unit price joint purchasing contracts competitively bid within Ohio. Only contractors who maintain a physical location within Ohio are eligible to submit bids. The most recent bids were published in accordance with revised code requirements in the Dayton Daily News, Cincinnati Enquirer, The Columbus Dispatch, The Plain Dealer, and the Toledo Blade newspapers. 49 Ohio contractors expressed interest and 17 Ohio contractors submitted bids for these contract opportunities.

These contracts are intended specifically for Ohio contractors, following a transparent competitive selection process resulting in public contracts subject to all requirements of the Ohio Revised Code.

The determination of whether a joint purchasing contract is appropriate for a specific project is the duty of a purchasing agency in accordance with the ORC, local policies, and the appropriate discretion of local elected officials. Local governments must exercise due diligence to ensure proper use of public dollars for construction services. To suggest that process lends itself to abuse is an insult to both the purchasing agencies charged with stewardship of public dollars and contractors serving their local communities.

This bill provides Ohio public agencies with the the ability to access contracts with transparent and competitive pricing for both supplies and labor needed to complete projects. The result will be more public projects for Ohio contractors and faster, cheaper project completion for Ohio public agencies.

Chair Gavarone and Members, thank you again for the opportunity to provide testimony in support behalf of SB 260.