## Sub. H. B. No. 23 As Passed by the Senate

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| In line 2 of the title, delete ", 723.53"                       | 1  |
|---|----|
| In line 24, delete ", 723.53"                                   | 2  |
| In line 62, delete " <u>by or</u> "; delete " <u>as</u> "       | 3  |
| In line 63, delete "applicable,"                                | 4  |
| In line 85, delete "by or"                                      | 5  |
| In line 94, delete "by or"                                      | 6  |
| Delete lines 385 through 450                                    | 7  |
| After line 450, insert:   | 8  |
| "Sec. 723.52. Before letting or making any contract for         | 9  |
| the construction, reconstruction, widening, resurfacing, or     | 10 |
| repair of a street or other public way, the director of public  | 11 |
| service in a city, or the legislative authority in a village,   | 12 |
| shall make an estimate of the cost of such work using the force | 13 |

Legislative Service Commission



account project assessment form developed by the auditor of

state under section 117.16 of the Revised Code. In municipal

corporations having an engineer, or an officer having a different title but the duties and functions of an engineer, the estimate shall be made by the engineer or other officer. Where the total estimated cost of any such work is <a href="thirty-seventy">thirty-seventy</a> thousand dollars or less, the proper officers may proceed by force account.

Where the total estimated cost of any such work exceeds thirty seventy thousand dollars, the proper officers of the municipal corporation shall be required to invite and receive competitive bids for furnishing all the labor, materials, and equipment and doing the work, after newspaper advertisement as provided by law. The officers shall consider and may reject such bids. If the bids are rejected, the officers may order the work done by force account or direct labor. When such bids are received, considered, and rejected, and the work done by force account or direct labor, such work shall be performed in compliance with the plans and specifications upon which the bids were based. It shall be unlawful to divide a street or connecting streets into separate sections for the purpose of defeating this section and section 723.53 of the Revised Code.

On the first day of July of every odd numbered year beginning in 20212024, the threshold amount established in this section shall increase by an amount not to exceed the lesser of three—five per cent, or the percentage amount of any increase in the department of transportation's construction cost index as annualized and totaled for the prior two—calendar years year. The director of transportation shall notify each appropriate engineer or other officer of the increased amount.

"Street," as used in such sections, includes portions of connecting streets on which the same or similar construction,

| reconstruction, widening, resurfacing, or repair is planned or | 46 |
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| projected."  | 47 |
| Delete lines 451 through 477                                   | 48 |
| Delete lines 3081 through 3171                                 | 49 |
| After line 3171, insert:                                       | 50 |

"Sec. 5543.19. (A) The county engineer may, when authorized by the board of county commissioners and not required by this section or other law to use competitive bidding, employ such laborers and vehicles, use such county employees and property, lease such implements and tools, and purchase such materials as are necessary in the construction, reconstruction, improvement, maintenance, or repair of roads by force account.

In determining whether construction or reconstruction, including widening and resurfacing, of roads may be undertaken by force account, the county engineer shall first cause to be made an estimate of the cost of such work using the force account project assessment form developed by the auditor of state under section 117.16 of the Revised Code. When the total estimated cost of the work exceeds thirty seventy thousand dollars per mile, the county commissioners shall invite and receive competitive bids for furnishing all the labor, materials, and equipment necessary to complete the work in accordance with sections 307.86 to 307.92 of the Revised Code.

(B) The county engineer may, when authorized by the board of county commissioners and not required by this section or other law to use competitive bidding, employ such laborers and vehicles, use such county employees and property, lease such implements and tools, and purchase such materials as are necessary in the construction, reconstruction, improvement,

maintenance, or repair of bridges and culverts by force account.

In determining whether such construction, reconstruction, improvement, maintenance, or repair of bridges or culverts may be undertaken by force account, the county engineer shall first cause to be made an estimate of the cost of such work using the force account project assessment form. When the total estimated cost of the work exceeds one—two hundred thirty—three thousand dollars, the board of county commissioners shall invite and receive competitive bids for furnishing all the labor, materials, and equipment necessary to complete the work, in accordance with sections 307.86 to 307.92 of the Revised Code. The county engineer shall obtain the approval required by section 5543.02 of the Revised Code.

- (C) On the first day of July of every odd-numbered-year beginning in 20212024, the threshold amounts established in this section shall increase by an amount not to exceed the lesser of three-five per cent, or the percentage amount of any increase in the department of transportation's construction cost index as annualized and totaled for the prior two-calendar yearsyear. The director of transportation shall notify each appropriate county engineer of the increased amount.
- (D) "Force account," as used in this section means that the county engineer will act as contractor, using labor employed by the engineer using material and equipment either owned by the county or leased or purchased in compliance with sections 307.86 to 307.92 of the Revised Code and excludes subcontracting any part of such work unless done pursuant to sections 307.86 to 307.92 of the Revised Code.

The term "competitive bids" as used in this section requires competition for the whole contract and in regard to its

| component parts, including labor and materials. Neither plans  |  |
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| nor specifications shall be drawn to favor any manufacturer or |  |
| bidder unless required by the public interest."                |  |
| Delete lines 3172 through 3259                                 |  |

After line 3259, insert:

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"Sec. 5575.01. (A) In the maintenance and repair of 110 roads, the board of township trustees may proceed either by 111 contract or force account, but, unless the exemption specified 112 in division (C) of this section applies, if the board wishes to 113 proceed by force account, it first shall cause the county 114 engineer to complete the force account assessment form developed 115 by the auditor of state under section 117.16 of the Revised 116 Code. Except as otherwise provided in sections 505.08 and 117 505.101 of the Revised Code, when the board proceeds by 118 contract, the contract shall, if the amount involved exceeds 119 forty five one hundred five thousand dollars, be let by the 120 board to the lowest responsible bidder after advertisement for 121 bids once, not later than two weeks, prior to the date fixed for 122 the letting of the contract, in a newspaper of general 123 circulation within the township. If the amount involved is 124 forty-five one hundred five thousand dollars or less, a contract 125 may be let without competitive bidding, or the work may be done 126 by force account. Such a contract shall be performed under the 127 supervision of a member of the board or the township road 128 superintendent. 129

(B) Before undertaking the construction or reconstruction of a township road, the board shall cause to be made by the county engineer an estimate of the cost of the work, which estimate shall include labor, material, freight, fuel, hauling, use of machinery and equipment, and all other items of cost. If

| the board finds it in the best interest of the public, it may,         | 135 |
|--|-----|
| in lieu of constructing the road by contract, proceed to               | 136 |
| construct the road by force account. Except as otherwise               | 137 |
| provided under sections 505.08 and 505.101 of the Revised Code,        | 138 |
| where the total estimated cost of the work exceeds <del>fifteen-</del> | 139 |
| thirty-five thousand dollars per mile, the board shall invite          | 140 |
| and receive competitive bids for furnishing all the labor,             | 141 |
| materials, and equipment and doing the work, as provided in            | 142 |
| section 5575.02 of the Revised Code, and shall consider and            | 143 |
| reject them before ordering the work done by force account. When       | 144 |
| such bids are received, considered, and rejected, and the work         | 145 |
| is done by force account, the work shall be performed in               | 146 |
| compliance with the plans and specifications upon which the bids       | 147 |
| were based.  | 148 |

- (C) Force account assessment forms are not required under 149 division (A) of this section for road maintenance or repair 150 projects of less than fifteen thousand dollars, or under 151 division (B) of this section for road construction or 152 reconstruction projects of less than five thousand dollars per 153 mileone-third of the applicable force account limit. 154
- (D) On the first day of July of every <del>odd-numbered</del>-year 155 beginning in 20212024, the threshold amounts established in 156 divisions (A) and (B) of this section shall increase by an 157 amount not to exceed the lesser of three five per cent, or the 158 percentage amount of any increase in the department of 159 transportation's construction cost index as annualized and 160 totaled for the prior two-calendar yearsyear. The director of 161 transportation shall notify each appropriate county engineer of 162 the increased amount. 163
  - (E) All force account work under this section shall be

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| done under the direction of a member of the board or the | 165 |
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| township road superintendent."                           | 166 |
| In line 4064, delete ", 723.53"                          | 167 |
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The motion was \_\_\_\_\_ agreed to.

| <u>SYNOPSIS</u>   | 168 |
|---|-----|
| Force accounts (LOCCD15)  | 169 |
| R.C. 117.16, 723.52, 723.53, 5543.19, and 5575.01               | 170 |
| Removes the provisions, added by the Senate, that               | 171 |
| authorize a local government (an unchartered municipal          | 172 |
| corporation, county, and township) to establish their own force | 173 |
| account limits for highway and bridge projects.                 | 174 |
| Increases the current law statutory force account limits        | 175 |
| for a local authority (but in amounts that are lower than the   | 176 |
| Senate-passed statutory default limits) as follows:             | 177 |
| 1. From \$30,000 per project to \$70,000 per project for        | 178 |
| road construction, reconstruction, widening, resurfacing, and   | 179 |
| repair for an unchartered municipal corporation (Senate-passed  | 180 |
| version is \$75,840 per project);                               | 181 |
| 2. From \$30,000 per mile to \$70,000 per mile for highway      | 182 |
| construction or reconstruction for a county (Senate-passed      | 183 |
| version is \$78,840 per mile);                                  | 184 |
| 3. From \$100,000 per project to \$233,000 per project for      | 185 |
| bridge and culvert construction or reconstruction for a county  | 186 |
| (Senate-passed version is \$252,800 per project);               | 187 |

| 4. From \$45,000 per project to \$105,000 per project for        | 188 |
|--|-----|
| road maintenance and repair for a township (Senate-passed        | 189 |
| version is \$113,760 per project); and                           | 190 |
| 5. From \$15,000 per mile to \$35,000 per mile for road          | 191 |
| construction and reconstruction for a township (Senate-passed    | 192 |
| version is \$37,920 per mile).                                   | 193 |
| Increases those limits annually, rather than biennially as       | 194 |
| under current law, based on ODOT's construction cost index, with | 195 |
| a 5% cap, rather than the current law 3% cap.                    | 196 |
| Requires ODOT to notify the county engineer or other             | 197 |
| appropriate engineer of the increased amount.                    | 198 |
| Exempts the county engineer from completing the State            | 199 |
| Auditor force account assessment form for township projects that | 200 |
| are less than 1/3 the total force account limit thresholds.      | 201 |