

Gordian  
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May 16, 2022

Chairwoman Marilyn S. John  
State and Local Government Committee  
Ohio House of Representatives  
77 South High Street – Floor 13  
Columbus, OH 43215

**RE: Support for House Bill 145**

Dear Chairwoman John & Members of the Committee,

On behalf of Gordian, the nation’s leading provider of construction and facilities data, software, and expertise, I write to express our continued support for House Bill 145, sponsored by Representatives Lampton and Hall, to clarify Ohio political subdivisions’ authority to utilize cooperative purchasing for construction services.

*Intent & Impact*

In August 2019, the Attorney General issued Opinion No. 2019-028 to detail political subdivisions’ authority under R.C. 9.48(B) to utilize certain cooperative purchasing options and restrictions on others. Prior to its issuance, local governments, school districts, and other public entities throughout Ohio routinely accessed cooperatively procured construction services. House Bill 145 remedies the issue identified by the Attorney General in the statute to clarify political subdivisions possess explicit authority to utilize cooperatively procured construction services to save finite taxpayer funds, reduce administrative burden, and expedite project delivery.

Cooperative purchasing agreements, a best practice of the National Institute for Government Procurement, are a highly successful, cost-effective, and efficient procurement method that local governments and public entities in Ohio and across the nation have used for decades. Cooperative contracts are publicly advertised and competitively bid and awarded to ensure that the products and services offered are provided by reliable vendors, competitively priced, and of high quality.

*Opponents’ Allegations*

Opponents of the legislative efforts like House Bill 145 to return Ohio to the status quo push have offered inaccurate information about cooperative purchasing and the impact of the legislation. It was less than four years ago that local governments and public entities in Ohio routinely accessed construction through cooperative purchasing agreements. Despite this recent and extensive history of use by political subdivisions, their arguments are not supported by concrete examples of the alleged pitfalls of cooperatively procured construction they describe.

Those opponents describe cooperative purchasing as an opaque way for political subdivisions to avoid competitive bidding requirements. This is completely incorrect. Cooperative contracts are publicly advertised and adhere to a competitive bidding and selection process. Cooperative solicitations and contracts are fully transparent and readily

available online. Further, unit price contracts allow owners, contractors, and the public to see exactly the tasks, quantities, and associated costs for each completed project. Cooperative purchasing consortiums conduct competitive bidding and award processes for exactly for the purpose of enabling public entities to utilize those contracts. Public entities using cooperative purchasing are not evading the competitive bid process because it has already taken place.

Additionally, opponents groundlessly claim that enacting House Bill 145 and its Senate companion (SB23) would result in a boon for out-of-state contractors. The cooperative Job Order Contracting program that Gordian administers for Sourcewell has 12 active contractors that competitively bid and were awarded a cooperative contract. Nine of those contractors, or 75 percent, are Ohio businesses and include certified Minority Business Enterprises (MBE) and signatories to local labor unions. Several of these Ohio contractors submitted letters of support for Senate Bill 23.

Conclusion

If enacted, this legislation does not mandate that cooperative purchasing be utilized on every construction project. Political subdivisions can and should opt to utilize whatever procurement method best serves their needs and expends taxpayer dollars most appropriately.

Harnessing the efficiencies of cooperatively procured construction is not an experimental endeavor. Ohio can not only rely on the evidence and the facts of its own recent history with this practice but also on the extensive successful track record of cooperatively procured construction utilized across the country for decades to confidently know that ensuring political subdivisions access to it is in the best interests of local governments, taxpayers, and the contracting community.

Thank you for the opportunity to express Gordian's strong support for House Bill 145.

Respectfully,



Tim Keller  
Manager, Government & Regulatory Affairs  
Gordian