

TO: Members of the State of Ohio House of Representatives Committee on State and Local Government
FROM: Bill Otto, Government Relations Associate
DATE: April 9, 2024
RE: House Bill 145

MEMORANDUM OF SUPPORT

Thank you for considering House Bill 145, a bill providing further clarity for the state's local government and school district joint purchasing authority. Thank you as well for the opportunity to present proponent testimony on this important piece of legislation. Having served over 2,000 local governments and school districts with joint purchasing contracts in recent years, Sourcewell remains steadfast in our support for the legislation given the savings and efficiencies it provides Ohio local governments and school districts.

Joint purchasing has long been a legal and compliant procurement practice in Ohio, this remains true today. Under current statute, joint purchasing is authorized for the procurement of equipment, materials, supplies, or services. And use of joint purchasing is used to great success.

As required under law, Sourcewell joint purchasing contracts follow a competitive, government procurement process like any other government contract. This includes the preparation of solicitation specifications, online and in print publication of the solicitation advertisement, public opening of bids, objective scoring and tabulation of responses, and the result is a government purchasing contract awarded by a publicly elected board. As such, joint purchasing is recognized by the American Bar Association and the National Institute of Government Procurement as a best practice.

The local governments and school districts that use joint purchasing contracts enjoy a time and money savings and can have purchases and projects completed faster and more efficiently. These contracts are available to them at no fee, and they enjoy significant dollar savings by benefitting from economies of scale while maintaining established compliance laws and rules.

One of the most important features of House Bill 145 is that it fosters greater competition in the marketplace and gives local governments and school districts more contracting opportunities than they would otherwise have. For industry—those that sell to local governments—joint purchasing streamlines the procurement process and provides suppliers and contractors expedited access to more work. In addition to the over 2,000 users of joint purchasing in Ohio, 34 suppliers and contractors are based in Ohio. These are local businesses in Akron, Alliance, Ashland, Avon, Bedford, Brecksville, Brooklyn, Cedarville, Cincinnati, Columbus, Coventry Township, Dayton, Dublin, Grove City, Lakewood, Louisville, Marietta, Mason, Medina, Mentor, New Philadelphia, North Olmsted, Seven Hills, Sharonville, South Euclid, Sunbury, Swanton, Valley City, Van Wert, West Chester, Westlake, Wickliffe, Willoughby, and Wilmington—companies here all hold these contracts and are able to serve their local governments and school districts with compliant purchasing contracts that extend a significant savings to the purchasing agency.

Of note, a recent Attorney General opinion (2024 Op. Att'y Gen. 2024-003) concluded the joint purchasing statute, while not being inclusive of construction, does include services. Specifically, services such as installation, repair, upgrade, replacement, and maintenance. House Bill 145, as amended, provides clarity in Ohio Revised Code § 9.48, and aligns the statute with the findings of the Attorney General.

In the past the committee has heard testimony speaking to the use of joint purchasing for construction. The bill before the committee satisfies all the concerns raised previously, as it provides clarity that the joint purchasing authority does not mean construction while maintaining it does include services.

House Bill 145 provides another option, does not create a mandate, fosters local businesses, and makes certain all procurement tools are available to local governments and school districts, allowing them to make the best possible purchases for their projects. All the while saving time and money.

Again, on behalf of the over 2,000 units of government in Ohio and the 34 suppliers and contractors in Ohio that Sourcewell works with, thank you again for your consideration of House Bill 145.