



SB 23 Proponent Testimony
Craig M. Rushing, Director of Government Relations
Trane Technologies
Ohio Senate Government Oversight Committee
Chair Kristina Roegner
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Chair Roegner, Vice Chair Antani, Ranking Member Hicks-Hudson and members of the committee, my name is Craig Rushing, and I am the Director of Government Relations for Trane Technologies.

Trane Technologies is a global company redefining what's possible for a more sustainable future. Through our innovative mix of climate control products and services, we serve industrial, commercial, residential, and government customers throughout the world. In Ohio, our heating, ventilation, and air-conditioning (HVAC) and related energy conservation products and services provide customers with the best possible combination of comfort, utility, efficiency, energy conservation and control to meet their most demanding applications. More than 400 Ohio residents choose to work on our team.

We thank the committee for the opportunity to share our perspective on SB 23 introduced by Senator George Lang. We believe this legislation will provide more clarity and certainty to state and local government customers wishing to use joint purchasing programs to procure products and services such as the ones offered by Trane. We respectfully ask for your support for this important legislation.

For many years, Ohio state and local government customers of Trane have successfully utilized joint purchasing programs, sometimes called cooperative purchasing contracts, to source products and related services. This type of procurement appeals greatly to these customers as it satisfies state and federal requirements for competitive bidding in a time-efficient and cost-effective manner. Competitive bidding has already been conducted by another public entity under these programs, and the award is extended to other jurisdictions and/or local governments. Generally, the competitive procurement laws of the originating state and of the State of Ohio, as well as the rules governing the procuring local government, would need to be met for such local government to utilize the cooperative purchasing contract for its procurement needs.

School districts, county governments, and other public customers save time and taxpayer dollars by procuring their goods and services utilizing bulk discounts on terms at least as good



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as their peers seeking similar products and services. Cooperative purchasing has proven to be an *open, transparent, competitive* public procurement process. It's been considered a "best practice" for government procurement officials by the National Institute for Government Procurement and recognized by the American Bar Association in its Model Procurement Code.

Unfortunately, an opinion issued by the Attorney General in August 2019 has created confusion and uncertainty around this efficient procurement tool with respect to certain goods and services, including the type of goods and services provided by Trane, and resulted in a decline in the use of cooperative purchasing. This has added time and expense for Ohio taxpayers who need their schools and government buildings to be in good working order.

Although Trane's HVAC products and related energy conservation products and services are *not* construction, we support the legislation to clarify that Ohio governmental authorities seeking to procure equipment, materials, supplies, or services such as the products and services provided by Trane using cooperative purchasing programs have full legal authority to do so under the Ohio procurement laws. Specifically adding construction services to the cooperative purchasing authority should eliminate any confusion, ambiguity, and unnecessary legal expenses for procurement decision makers in Ohio.

From Trane's perspective, the legislation puts a valuable tool back into the hands of state and local governments, as well as school districts. Those school districts would be able to spend more time on addressing the needs of students and teachers, rather than unnecessarily devoting additional time and scarce resources to procurement. It makes sense to improve clarity on procurement now, as some of the federal pandemic relief funds available to school districts and local governments for critical infrastructure and health and safety upgrades have an expiration date. It would be a missed opportunity for Ohio taxpayers to allow confusion and uncertainty over procurement procedures delay such critical infrastructure upgrades making Ohio's schools more efficient, resilient, and healthier or forego the opportunity altogether for being untimely.

Chair Roegner and members of the committee, thank you for allowing me to testify on this issue. We respectfully ask for your support for this important legislation.