

TO: Members of the State of Ohio Senate Committee on Government Oversight
FROM: Bill Otto, Government Relations Associate
DATE: February 28, 2023
RE: Senate Bill 23

MEMORANDUM OF SUPPORT

Sourcewell strongly supports Senate Bill 23, offered by Senator Lang, to increase procurement opportunities for municipalities and school districts by expanding political subdivision joint purchasing authority. Sourcewell is a government joint purchasing organization serving units of government in Ohio and across the country working to ensure efficient stewardship of taxpayer dollars in government procurement.

Senate Bill 23 is an important piece of legislation clarifying authority for local government and school district to utilize joint purchasing contracts for construction and construction services.

Joint purchasing is an established method of government procurement used by state and local governments throughout Ohio since the 1990s. In recent years, over 1,300 agencies in Ohio have used a Sourcewell joint purchasing contract. Joint purchasing allows public agencies to utilize government purchasing contracts competitively solicited and awarded by another public government agency. This procurement tool allows local governments to streamline the procurement process, saving both time and resources. Joint purchasing contracts also aggregate volume, which results in lower prices.

For local governments, this means that procurements can be completed more quickly and at a more beneficial price while maintaining established compliance rules. For business serving local governments, joint purchasing streamlines the purchasing process and provides quicker access to more work for local contractors and suppliers. This often means faster project completion, better access to local contractors, transparent pricing, and quicker completion of projects all done in a compliant manner.

Under current law, joint purchasing contracts are solicited and awarded by public agencies following the successful completion of a local government solicitation process. This bill applies the same standard to construction services. The legislation makes clear that publicly solicited government purchasing contracts awarded by another public agency can be used for these types of services.

This is an important piece of legislation as it encourages competition among industry and ensures local governments have access to the most advantageous procurement means available to them. Sourcewell task order contracts are designed and bid competitively in Ohio for in-state contractors to serve Ohio's cities, counties, and school districts, and are all subject to the requirements prescribed to them in the Ohio Revised Code. Joint purchasing is but an option for local governments. Whether it is appropriate for any given project is the duty of the purchasing agency, but what they've found is joint purchasing allows them to save time and money, meet their requirements, and have projects completed at a cost savings and on time.

Senate Bill 23 clarifies the scope of the long-established joint purchasing law—used for the procurement of goods and services for many years—to include purchases of construction services. This language ensures the best use of public works dollars, helps local contractors earn government business, and saves time and money.