


TO: Agency Procurement Officers

FROM: Kelly M. Sanders, Chief Procurement Officer 

SUBJECT: Requisite Procurement Program

DATE: March 7, 2016

The Fiscal Year 2016-2017 Operating Budget Bill required the Department of Administrative Services (DAS) to develop a requisite procurement review process (see section 125.035 of the Ohio Revised Code (<http://codes.ohio.gov/orc/125.035>)). The purpose of the review process is to ensure that proposed agency purchases are not subject to one of the state's requisite procurement programs: Ohio Penal Industries, Community Rehabilitation Programs, Opportunities for Ohioans with Disabilities, the Office of Information Technology, State Printing and Mail Services, the Office of Support Services at the Department of Mental Health, and the Ohio Facilities Construction Commission. The Office of Procurement Services (OPS) drafted the Administrative Rule and launched a pilot group of four agencies in December to test the process and work through the issues prior to a statewide launch of the program.

Ohio Administrative Code section 123:5-1-17 *First and second requisite procurement program* (<http://codes.ohio.gov/oac/123:5-1-17v1>) was approved by the Joint Committee on Agency Rule Review and became effective February 29, 2016. The rule established a **purchase threshold of \$25,000** and enables the DAS Director or designee to issue a blanket waiver for specific types of purchases thereby exempting such purchases from the review requirements. The blanket waiver may be for any length of time, not to exceed the current biennium.

DAS has determined a blanket waiver shall exempt the following purchases for Fiscal Year 2016 and 2017:

- Purchases that reference a DAS state term contract (except contract CSP905815/GDC-160 – see additional guidance below)
- Purchases covered by Blanket Release and Permits issued by OPS for Fiscal Year 2016 and 2017

Effective immediately, all state agencies wanting to purchase goods or services valued at \$25,000 or more that are not exempted by the blanket waiver shall submit a Request to Purchase (RTP) (<http://apps.das.ohio.gov/requesttopurchase/requestform.aspx>) to DAS. The determination from the requisite review process will be emailed to the requestor.

For purchases that reference the Third Party Administrator for Facility Maintenance, Repair, and Minor Construction Projects (CSP905815/GDC160) contract, the Ohio Facilities Construction Commission (OFCC) has developed the guidance provided below.

At an early stage in the project planning process, State Agencies shall submit their project scope and budget for projects with a total estimated project cost of \$200,000 or more to OFCC utilizing

the DAS RTP system for their review in determining the appropriate procurement path. Projects with a total estimated project cost less than \$200,000 do not require OFCC review.

If OFCC determines that the work is considered to be construction, the following will apply:

- Projects must follow Ohio Revised Code Chapter 153.
- If the project has a total estimated project cost of \$1.5 million or more, OFCC will administer the project.
- OFCC may authorize local administration for projects with a total estimated project cost less than \$1.5 million at the request of the agency.
- The project will not be eligible for MBE set aside; however, the EDGE program applies.

If OFCC determines that the work is considered to be maintenance or repair (supplies/services), the following will apply:

- Projects must follow Ohio Revised Code Chapter 125.
- Agencies may choose to utilize the Third Party Administrator for Facility Maintenance, Repair, and Minor Construction Projects held by IAP Government Services Group (Contract CSP905815/GDC160) issued by DAS. There is no dollar limit on projects under this contract as long as they are determined to be for maintenance or repair.
- Agencies may request a release by DAS for any project estimated to be more than \$50,000. The agency would then go to the Controlling Board for an agency-released competitive opportunity.
- The agency would have to go to the Controlling Board if the project required release of capital funds in any scenario.
- The project will be eligible for MBE set aside.

If you have any questions or concerns regarding the requisite procurement program, please contact me at (614) 752-5259. If you have any questions regarding the OFCC guidance, please contact Jean Stephenson at (614) 995-7162. Thank you.