

**AUDITOR OF STATE BULLETIN 99-010**

**June 9, 1999**

TO: ALL COUNTY AUDITORS  
ALL COUNTY ADMINISTRATORS  
ALL COUNTY TREASURERS  
ALL COUNTY COMMISSIONERS  
ALL TOWNSHIP CLERKS  
ALL TOWNSHIP ADMINISTRATORS  
ALL TOWNSHIP TRUSTEES  
ALL CITY AUDITOR/FINANCE DIRECTOR/TREASURERS  
ALL CITY LEGISLATIVE AUTHORITIES  
ALL VILLAGE ADMINISTRATORS  
ALL VILLAGE CLERK/TREASURER/FINANCE DIRECTORS  
ALL VILLAGE LEGISLATIVE AUTHORITIES  
ALL OHIO WATERSHED CONSERVANCY DISTRICTS  
ALL PARK DISTRICTS  
ALL TRANSIT AUTHORITY BOARDS  
ALL REGIONAL AIRPORT AUTHORITIES  
ALL REGIONAL WATER AND SEWER DISTRICTS  
ALL PORT AUTHORITIES  
ALL SCHOOL DISTRICT TREASURERS  
ALL EDUCATIONAL SERVICE CENTERS/BOARDS OF EDUCATION/  
SCHOOL BOARD PRESIDENTS  
ALL INDEPENDENT PUBLIC ACCOUNTANTS

SUBJECT: INCREASE IN MUNICIPAL COMPETITIVE BIDDING THRESHOLD  
AND CHANGES TO THE OHIO COOPERATIVE PURCHASING  
PROGRAM

The purpose of this bulletin is to inform you of changes to several Ohio Revised Code sections regarding the competitive bidding process for municipalities. It also contains information regarding changes to the Ohio Cooperative Purchasing Program and its affect on municipalities and other political subdivisions.

H.B. 204 (122<sup>nd</sup> General Assembly) amended Ohio Rev. Code §§ 731.14, 731.141 and 735.05 to increase the competitive bidding threshold from \$10,000 to \$15,000. These changes took effect March 30, 1999, the effective date of H.B. 204. Ohio Rev. Code § 731.14 pertains to those villages that do not employ a village administrator, while Ohio Rev. Code § 731.141 applies to those villages that do. Ohio Rev. Code § 735.05 addresses contracts made by a city's director of public service. Please note that all other requirements in these sections pertaining to the bidding process remain the same, only the dollar amount was increased. Also, if the municipality

is chartered and sets forth its own competitive bidding procedures within the charter, then those procedures are the ones that should be followed. The changes stated above will also affect townships and joint fire districts. Under Ohio Rev. Code § 505.42, if a board of township trustees or, in the case of a joint fire district, the board of fire district trustees, enter into a contract for fire fighting equipment, they are subject to Ohio Rev. Code §§ 731.14 - 731.16. Therefore, the increased competitive bidding threshold would apply to them.

Recently enacted H.B. 204 also made changes to Ohio Rev. Code § 125.04 which addresses the Department of Administrative Services Cooperative Purchasing Program (also known as “state purchasing” or the “state coop. program”). Ohio Rev. Code § 125.04(B) sets forth the “political subdivisions” that may participate in this program and this includes counties, townships, municipalities, school districts, conservancy districts, township park districts, park districts created under Ohio Rev. Code Chapter 1545, regional transit authorities, regional airport authorities, regional water and sewer districts, port authorities, or any other political subdivision described in the Revised Code that has been approved by the department to participate in the department’s contracts. Beginning March 30, 1999, political subdivisions participating in this program will be able to purchase supplies or services from another party, including another political subdivision, instead of through a contract that the Department of Administrative Services (DAS) has entered into on behalf of the political subdivision, if the political subdivision can prove that it can purchase those same supplies or services from the other party upon equivalent conditions and specifications but at a lower price. If so, the political subdivision does not have to competitively bid those supplies or services. The political subdivision will need to document that it did indeed receive a lower price for the supplies or services and that the conditions or specifications were the same as those received by the DAS.

If you have any questions regarding this bulletin, please contact the Legal Division at 614-752-8683 or 1-800-282-0370.