

# Mary Taylor, CPA

## Auditor of State

### **Bulletin 2007-001**

**Date Issued:** February 02, 2007

**TO:** Director, Ohio Department of Transportation  
Township Trustees  
Township Clerks  
Township Administrators  
County Auditors  
County Engineers  
County Administrators  
County Commissioners  
All Independent Public Accountants

**FROM:** Mary Taylor, CPA  
Ohio Auditor of State

**SUBJECT:** Force Account Limits – Clarification and Amplification of AOS  
Bulletin 2003-003

#### **Background**

In Auditor of State Bulletin 2003-003, we summarized provisions of Ohio law concerning “force account” projects. The law requires that before undertaking a project by force account, a public entity must estimate the cost of the project. If the total cost exceeds certain statutory limits, which were increased in the law and which vary depending on the type of entity, the project must be subjected to competitive bidding. Otherwise, the project may be conducted by force account without going through competitive bidding. The current limits are as follows:

- **State (5517.02, R.C.):** \$25,000/mile of highway; \$50,000 for bridges, culverts, or traffic control signals.
- **County (5543.19, R.C.):** \$30,000/mile for construction/reconstruction of roads; \$100,000 for bridges or culverts.
- **Township (5575.01, R.C.):** \$15,000/mile for construction/reconstruction of roads; \$45,000 for maintenance or repair.
- **Municipality (723.52, R.C.):** \$30,000 for construction/reconstruction of streets.

## **Applicability of the Limits to Partial-Mile Projects**

More recently, questions have arisen regarding applicability of those limits that are calculated on a per mile basis for projects involving partial miles. For example, a county must bid a project involving construction or reconstruction of a road if it exceeds \$30,000 per mile. However, it is unclear whether the limit for a 1.5 mile project would be \$45,000 (\$30,000 for the first mile, \$15,000 for the partial second mile), or \$60,000 (\$30,000 for each mile – full or partial – of the project).

We determined that it was appropriate to consider the legislative intent separately for projects under one mile and for projects exceeding one mile.

**For projects exceeding one mile**, we determined that the intent of these statutes was to apply the limits proportionally for partial miles. In other words, for the example of the county cited above, the applicable force account limit would be \$45,000.

**For projects less than a mile**, the interpretation above would cause problems. In the example of a county commencing a small road repair project of one-tenth of a mile, a proportional limit would require the county to bid the project if it exceeded \$3,000 (one-tenth of the \$30,000 per mile limit). We did not believe that this was the result intended by the legislature, so for projects of less than a mile, the entire per mile limit (in the case of the county in our example, \$30,000) will apply. In other words, any project that is less than a mile (regardless of distance) is to be treated as if it were a mile and subjected to the entity's corresponding monetary limit.

We recognize that this creates an unusual discrepancy in how the per mile limits are determined, but absent any specific legislative guidance, this approach represents the most practical interpretation of the statute. We have shared this interpretation with leadership in the General Assembly and with the Legislative Service Commission, which has been authorized to conduct a review of the implementation of the recent force account law changes. As such, you may wish to share your experience with these laws with your elected representatives as well.

## **Questions**

Questions regarding this Bulletin may be directed to the Accounting & Auditing Support Section of the Auditor of State's Office at (800) 282-0370.



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