



Ohio Office of Information Technology
Bob Taft, *Governor*
Mary F. Carroll, *Director/ State Chief Information Officer*

Office of the Director
30 E. Broad Street, 39th Floor
Columbus, Ohio 43215

614.644.6446 voice
614.644.9382 fax
www.oit.ohio.gov

INFORMATION TECHNOLOGY PROCUREMENT

The Ohio Revised Code Section 125.18 and 125.021 places the responsibility for the centralized procurement of information technology products and services with the Office of Information Technology. The Investment and Governance Division is the specific area within the Office of Information Technology accountable for information technology procurements. State agencies must follow the Office of Information Technology information technology procurement process. A "state agency" for this purpose is defined by O.R.C. to be every organized body, office, or agency established by Ohio laws for the exercise of any function of state government, other than any state supported institution of higher education, the office of the auditor of state, treasurer of state, secretary of state, or attorney general, the public employees retirement system, the Ohio police and fire pension fund, the state teachers retirement system, the school employees retirement system, the state highway patrol retirement system, the general assembly or any legislative agency, or the courts or any judicial agency. Additionally, O.R.C. Section 125.021 excludes the Bureau of Workers Compensation and the Industrial Commission from the Office of Information Technology superintendence.

The following information technology procurement methods are available: Direct Authority, State Term Schedule and Master Maintenance Agreements, Controlling Board Request, Competitive Sealed Bid, and Competitive Sealed Proposal.

Direct Authority

A state agency may use their Direct Authority to make information technology purchases for individual purchases less than \$25,000. The Office of Information Technology provides each state agency a "blanket" direct authority spending amount each fiscal year. The agency uses this "blanket" spending for individual purchases of less than \$25,000 with the accumulative direct authority remaining below the "blanket" amount. Another parameter of Direct Authority spending is the use of State Term Schedule and Master Maintenance Agreements or the need to appear before the Controlling Board (see the following paragraphs).

State Term Schedule and Master Maintenance Agreements

The Office of Information Technology has found it advantageous to enter into State Term Schedules and Master Maintenance Agreements with various information technology vendors. These type of agreements are usually based upon a vendor's federal General Services Administration agreement, but may be based upon best commercial pricing if the vendor does not hold a General Services Administration agreement. The State Term Schedules and Master Maintenance Agreements included established contract terms and conditions as well as the maximum cost to the state from the vendor for specific products or personal services categories. When the Office of Information Technology determines it is not advantageous to the state for a given procurement to be conducted through one of our competitive procurement vehicles, the Office of Information Technology will issue a Release and Permit to the agency to make the procurement from a State Term Schedule or Master Maintenance Agreement if one exists.

However, agencies are expected to obtain quotes from multiple vendors holding a State Term Schedule. Master Maintenance Agreements are most often between the State and the manufacturer of a product so multiple vendor quotations may not be possible. These types of procurements may exceed the \$25,000 Direct Authority limits.

Controlling Board Approval

There are several scenarios under which an agency will need to appear before the Controlling Board to purchase information technology products or services. One deciding factor is if the product or services is contained in the vendors State Term Schedule. Information Technology procurements not conducted through the Office of Information Technology Competitive Sealed Bids or Competitive Sealed Proposals and which are not from a vendor's State Term Schedule or Master Maintenance Agreement, have an accumulative limit of spending per fiscal year per agency of \$50,000. Once this limit is reached, the agency must appear before the Controlling Board for additional purchases with that vendor.

A second reason for a Controlling Board appearance is when the Office of Information Technology has provided an agency a Release and Permit to conduct their own competitive procurement process. A subsequent paragraph explains when this occurs. If an agency conducts their competitive procurement process, the agency must appear before the Controlling Board for approval to award the contract.

The third reason an agency must appear before the Controlling Board is for a "sole source" information technology procurement when the vendor does not hold a State Term Schedule nor Master Maintenance Agreement. The Office of Information Technology grants the agency a Release and Permit to seek Controlling Board approval of the purchase under this circumstance.

Competitive Sealed Bid

Competitive Sealed Bids are often referred to as Invitations to Bid. Competitive Sealed Bids for information technology procurements are normally released by the Office of Information Technology on behalf of an agency. The basic concept is a Competitive Sealed Bid is issued for commodity type products. A contract may be awarded to one vendor or to multiple vendors depending upon the type of procurement. Since the procurement is for a commodity type of product, the contract award is based upon the lowest cost once a vendor's proposal is deemed to have met all criteria of the invitation to bid.

Competitive Sealed Proposal

Competitive Sealed Proposals are often called Request for Proposals. This information technology procurement is similar to a Competitive Sealed Bid. The differences include the procurement is not for a commodity product and cost alone is not the deciding factor for the contract award. The Competitive Sealed Proposal process provides a mechanism for the State to award a contract to a higher cost offeror based upon obtaining greater value. Criteria such as experience, past performance, the vendor's ability to meet specific State business requirements, etc. are a part of the evaluation process to determine the best vendor to provide the information technology products and services for a given procurement.

Should you have questions regarding the information technology procurement options, please feel free to contact the Office of Information Technology, Investment and Governance Division at (614) 995-1057.