

MEMORANDUM

To: Chief Information Officers, Chief Fiscal Officers, and Agency Procurement Officers of State Agencies, Boards, and Commissions

FROM: Eric Glenn, Administrator, Enterprise IT Contracting
Kelly Sanders, Chief Procurement Officer

DATE: June 16, 2017

SUBJECT: State Term Schedule Guidance #1

This is the first of several State Term Schedule Guidance documents that DAS will issue to provide information about enhanced transparency measures and associated reporting requirements related to agencies' use of state term schedule contracts.

DAS recently informed agencies that on June 12, 2017, the Controlling Board approved requests that permit agencies to continue to reference several types of state contracts established by DAS for expenditures in excess of \$49,999.99 in FY 2018 and 2019. This Controlling Board approval came with some conditions that affect use of state term schedule (STS) contracts.

In general, these new conditions are designed to ensure transparency around agencies' efforts to use a competitive process – namely, receipt of three quotes. As described below and illustrated in an attached table, agencies will need to seek Controlling Board approval in order to use an STS contract in FY 2018 when they obtain or have previously obtained fewer than three quotes.

These requirements apply to all FY 2018 purchase orders referencing STS contracts, even FY 2018 purchase orders that have already been created in OAKS.

A. State Term Schedule Use

All purchases referencing STS contracts require the receipt of at least three quotes. This means that the agency must obtain at least three quotes, not just solicit them. A “no response” or “no bid” is not considered to be receipt of a valid quote for this process. The suppliers providing quotes do not have to be STS contract suppliers. If an agency would like to create an FY 2018 purchase order referencing an STS contract without obtaining at least three quotes, then the agency must obtain a Controlling Board waiver of competitive selection prior to creating a purchase order.

B. Continuations

Some agencies will have situations in which they wish to renew or continue an effort from FY 2017 by creating an FY 2018 purchase order referencing an STS contract. In these cases, if the agency had previously obtained three or more quotes when the original procurement occurred, then it is not necessary for the agency to repeat the process of obtaining three quotes prior to creating the FY 2018 purchase order. However, if the agency did not originally obtain three quotes when the initial procurement occurred, then the agency can pause the ongoing effort in order to conduct a request for quotes or other similar competitive process to obtain a minimum of three quotes. Alternatively, the

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agency can seek a Controlling Board waiver of competitive selection or contact a DAS procurement representative to explore other procurement options.

C. Direct Authority

As noted above, purchases referencing STS contracts require the receipt of at least three quotes. However, agencies may continue to use their direct procurement authority to make purchases from STS contract suppliers up to \$49,999.99 per supplier without referencing the STS contract. Such purchases will appear under “Other Encumbered Amount” (or “Other Vouchered Amount”) on the OAKS Controlling Board Threshold inquiry.

D. Controlling Board

The first Controlling Board meeting of FY 2018 will take place July 10, 2017. Submission materials are due to OBM by June 20, 2017. If an agency has an urgent need for a purchase that requires Controlling Board approval and the supply or service must be in place by July 1, then the agency can issue a short term purchase order for up to \$49,999.99 and seek Controlling Board approval for the full amount of the intended purchase on July 10. The agency must ensure that the short term purchase order will not exceed the direct authority requirements as noted in this guidance.

If an agency cannot meet the Controlling Board deadlines for submission but has an urgent request for July 10, please contact your OBM budget analyst and either Eric Glenn (for IT-related purchases) at Eric.Glenn@das.ohio.gov or Kelly Sanders (non-IT purchases) at Kelly.Sanders@das.ohio.gov to discuss.

Please direct any questions about this information to Eric Glenn and Kelly Sanders (contact information noted above). DAS will issue additional communications to provide guidance on compliance with new reporting requirements, use of a new STS requisition form in OAKS, posting of bid opportunities and awards, as well as when to consider rebidding an opportunity.

Attachment: Guidelines for Purchasing from a State Term Schedule Contract Supplier

Guidelines for Purchasing from a State Term Schedule Contract Supplier				
If the purchase amount will be...	...and with this purchase, the agency's cumulative annual spending with this supplier under direct procurement authority will be...	...and the purchase will reference the STS contract...	...and the agency has obtained 3 or more quotes...	...then take these actions.*
\$49,999.99 or less	\$49,999.99 or less	No	Yes	Create PO
			No	Create PO
		Yes	Yes	Complete STS requisition form** and create PO
			No	Obtain CB waiver, complete STS requisition form**, and create PO
	\$50,000 or more	No	Yes	Obtain CB waiver and create PO
			No	Obtain CB waiver and create PO
		Yes	Yes	Complete STS requisition form** and create PO
			No	Obtain CB waiver, complete STS requisition form**, and create PO
\$50,000 or more	No	Yes	Obtain CB waiver and create PO	
		No	Obtain CB waiver and create PO	
	Yes	Yes	Complete STS requisition form** and create PO	
		No	Obtain CB waiver, complete STS requisition form**, and create PO	
				<p>*Additional requirements may be applicable, such as the need for a Release & Permit or compliance with internal agency policies.</p> <p>** The STS requisition form is currently in development and will be the subject of a future STS Guidance.</p>

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