



TED STRICKLAND
GOVERNOR
STATE OF OHIO

Executive Order 2008 – 12S

Enhancing the State’s Procurement Process through the Establishment of “Think Ohio First” and other Procurement Best Practices

- 1. Ohio’s State Agencies Are Major Purchasers of Supplies and Services.** Collectively, various entities of the State’s government purchase billions of dollars of supplies and services annually that facilitate the State’s ability to provide needed services to Ohioans. The Office of Procurement Services, within the Ohio Department of Administrative Services (ODAS), is the purchasing arm of state government and is responsible for establishing contracts for those myriad supplies and services in a cost-effective manner.
- 2. Coordination of State Purchasing Can Bring Cost Savings.** While the majority of Ohio’s cabinet agencies, boards and commissions (collectively the “State Agencies”) purchase supplies and services through a coordinated effort that is managed by ODAS, there are still some State Agencies that procure supplies and services independent of the State’s cooperative effort to minimize its spending and maximize its savings. If these independent purchases were coordinated through the State’s larger procurement system, and other procurement best practices were adopted, the State could realize substantial savings.
- 3. Appointment of Procurement Officers.** In order to ensure that the State Agencies are coordinating their state purchasing through the Office of Procurement Services and are making the most financially prudent purchase decisions, I hereby order the Director of ODAS to appoint an Ohio Chief Procurement Officer (OCPO), who will oversee the coordination of all of the State’s procurement efforts. I also hereby order each State Agency to appoint a Procurement Officer (Agency Procurement

Officers) who will be report to the OCPO regarding each State Agency's procurement activities in order to facilitate efficient purchasing functions. The Director of ODAS will report to me on the status of hiring the OCPO every three months, beginning September 25, 2008, until the OCPO is selected. All Agency Procurement Officers shall be appointed by no later than July 25, 2008.

4. **Duties of the OCPO and State Agency Procurement Officers.** The OCPO and Agency Procurement Officers will also be responsible for ensuring that the State is undertaking procurement best practices by:

- a. Creating a center-led supply organization across state government;
- b. Maximizing state government's purchasing power by leveraging its spending;
- c. Applying a consistent strategic sourcing process that will allow the State to standardize its purchasing process in order to obtain the best prices for services and supplies;
- d. Attracting, developing, and retaining a talented corps of supply management professionals;
- e. Setting annual targets to determine whether the State is making progress towards its procurement performance goals by reporting results and applying a strict and consistent process for determining real cost savings;
- f. Maximizing use of information technology for procurement to reduce processing time, reduce transactional cost and increase supplier leverage;
- g. Implementing, to the extent possible, the detailed best practices recommendations of the Advantage Ohio Procurement Reform Working Group analyzing our state procurement practices; and
- h. Accomplishing the above objectives without compromising product quality, customer service, or supplier diversity objectives.

5. **Additional Responsibilities of Agency Procurement Officers.** In addition to the foregoing responsibilities, State Agency Procurement Officers will also be responsible for:

- a. serving as the entity's procurement contact;

- b. communicating needs for supplies and services to the state Chief Procurement Officer;
 - c. ensuring that procurement personnel are properly certified and trained;
 - d. maximizing competition and minimizing waivers of competitive selection;
 - e. implementing the “Think Ohio First” procurement practices described in Paragraph Seven of this Order;
 - f. coordinating with the Chief Ethics Officers to ensure that all contracts are awarded according to applicable Ohio ethics laws and Executive Order 2007-01S;
 - g. paying vendors promptly and taking advantage of prompt payment discounts;
 - h. disseminating best practice information to individuals involved in procurement; and
 - i. producing and verifying data and reports as requested.
6. **Collaboration with the Chancellor to Identify Opportunities to Coordinate Purchases.** I further order the Chancellor of the University System of Ohio to work collaboratively with the CPO to identify opportunities for coordination of purchasing among the University System entities and other State Agencies.
7. **Creation of a State Procurement Web Portal.** An essential element of ensuring the orderly distribution of information regarding the procurement process is the development of a centralized point of communication that is available not only to vendors, but to the State Agencies and other stakeholders in the procurement process. As such, I hereby order ODAS to undertake the work necessary to establish the Ohio Business Gateway as the State’s central web portal for procurement by April 1, 2009. I further order all State Agencies that purchase supplies or services to post all state contract opportunities exceeding \$25,000, and all of their current contracts exceeding \$25,000, on the Ohio Business Gateway procurement portal, within ninety (90) days of its establishment.

8. **Transfer of Information Procurement Functions.** In an effort to facilitate the creation of the web portal for procurement services, I order the State Chief Information Officer to transition the information technology procurement functions currently performed within the Office of Information Technology to the OCPO by no later than July 25, 2008.
9. **The State Must Have a Tangible Method of Identifying Actual Savings that Are Achieved through Procurement Best Practices.** To the extent that strategic sourcing contracts provide State Agencies with lower costs for supplies and services, the State must ensure that these lower contract costs translate into real savings at the state level. Consequently, I hereby order the OCPO and the Office of Budget and Management (OBM) to work collaboratively to identify any savings that are achieved through the State's more streamlined procurement process and to summarize those savings in a report that will be submitted to the Director of ODAS on a quarterly basis, beginning April 15, 2009.
10. **Implementation of "Think Ohio First" Procurement Practices.** The purchase of supplies and services from Ohio companies promotes economic development and stability within the State by stimulating trade and industry growth while providing jobs to Ohioans. The State is committed to making purchases from Ohio companies when the opportunities arise and are appropriate based on the State's needs and will work to ensure that Ohio companies are given the opportunity to compete for state procurement business. Accordingly, I hereby order all State Agencies to implement and adhere to the following "Think Ohio First" practices when contemplating what supplies and services are needed by the State and what vendors could fulfill those needs. In implementing "Think Ohio First" strategies, the State will undertake the following initiatives:
 - a. **Inclusion of Ohio Companies in the Procurement Process.** State Agencies should proactively search for Ohio companies to fulfill their supplies and services needs. Ohio companies should be included on solicitation lists for purchases that require informal vendor quotes, to the extent that Ohio companies exist in a particular business area.
 - b. **Utilization of State Procurement Programs Benefitting Ohioans.** State governmental entities should adhere to procurement practices that maximize the volume of purchases that are made through the following "Think Ohio First" programs presently benefiting Ohioans:
 - i. Encouraging Diversity, Growth and Equity ("EDGE"), which requires agencies to make good faith efforts to do business with Ohio companies that are socially and economically disadvantaged;

- ii. Minority Business Enterprise (“MBE”), which directs business to minority-owned Ohio companies;
 - iii. Office of Procurement from Community Rehabilitation Programs (“OPCRP”), which directs business to Ohio companies that employ people with work-limiting disabilities;
 - iv. Rehabilitation Services Commission, Bureau of Services for the Visually Impaired (“BSVI”), which directs business to Ohio companies that employ people with visual impairments;
 - v. Ohio Penal Industries (“OPI”), which provides employment opportunities for Ohioans in correctional institutions that focus on providing skills through practical training;
 - vi. The Small Business Development Center, within the Ohio Department of Development, which serves women business owners by providing them with information on procurement and marketing, as well as a directory of businesses owned by women according to industry and location;
 - vii. Buy Ohio, which requires agencies to apply a price preference to Ohio companies under certain conditions.
- c. **Accountability for Utilizing “Think Ohio First” Programs.** In order to ensure that the State is actively engaging Ohio businesses in the State’s procurement process, inclusion and utilization of existing State programs that maximize the volume of purchases that benefit Ohio businesses will be an element of a scorecard that will be developed by ODAS.
- d. **Coordination of State Resources to Facilitate “Think Ohio First.”** State agencies with primary responsibility for the above “Think Ohio First” programs should coordinate efforts to educate other State Agencies, regarding opportunities available through these programs.
11. **Tracking “Think Ohio First” Purchasing.** In order for “Think Ohio First” to succeed, accurate data must be compiled about companies doing business with the State. Accordingly, I hereby order ODAS to use its information technology resources to create a purchasing scorecard to measure and track the portion of overall purchases that state governmental entities make from Ohio businesses. ODAS should ensure that this scorecard is created by January 1, 2009, updated quarterly

thereafter and posted on the Ohio Business Gateway procurement web portal.

12. **Annual Review of “Think Ohio First” Programs.** Ohio should ensure that contracts issued under “Think Ohio First” programs that alter the normal competitive bidding process provide measurable and intended socio-economic benefits for Ohioans, while also providing quality supplies and services to the State. Accordingly, I hereby order ODAS, the Ohio Rehabilitative Services Commission, and the Ohio Department of Rehabilitation and Correction to review annually their “Think Ohio First” programs to assess whether those programs are meeting socio-economic goals and agency expectations in the areas of quality assurance, responsiveness, and value. This review shall occur beginning June 30, 2008, and every June 30 thereafter, and each agency shall provide a report detailing its results to the State Chief Procurement Officer by October 1 of each year. This report shall also be sent to the Controlling Board President and its members.
13. I signed this Executive Order on June 25, 2008 in Columbus, Ohio and it will not expire unless it is rescinded.

Ted Strickland, Governor

ATTEST:

Jennifer Brunner, Secretary of State