

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Sub. H.B. 204 DATE: June 24, 1997
STATUS: As Reported by House State Government SPONSOR: Rep. Wachtmann
LOCAL IMPACT STATEMENT REQUIRED: No — Permissive
CONTENTS: Purchase of supplies and services by political subdivisions outside a DAS contract

State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
General Revenue Fund and other state funds			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential decrease	Potential decrease

- Elimination of the requirement that state printing contracts be executed within Ohio could lower costs in some situations.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Certain Political Subdivisions			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential decrease	Potential decrease

- The bill could result in a reduction in expenditures for political subdivisions that are able to purchase supplies and/or services directly instead of through the Department of Administrative Services' contracts. The savings would probably be minimal.
- Increasing the competitive bidding threshold for certain municipal contracts from \$10,000 to \$15,000 could lower administrative costs involved with competitive bidding requirements.



Detailed Fiscal Analysis

Currently, counties, municipalities, townships, school districts, and other political subdivisions may participate in contracts which the Department of Administrative Services (DAS) has entered for the purchase of supplies and services. For purchases made outside of those contracts, political subdivisions must follow competitive bidding procedures. Under the bill, political subdivisions may purchase supplies and services outside a DAS contract and without complying with competitive selection procedures, if the supplies or services can be purchased at a lower rate than is available through such a contract. The bill could result in a reduction of expenditures to those political subdivisions that are able to make purchases at a lower rate than is available through a DAS contract.

This bill also eliminates the requirement that state printing contracts be executed within Ohio, thus could lower costs for the state. According to a spokesperson from DAS, during a recent two-year period, 14 printing jobs were not awarded to the lowest bidder because of the in-state requirement. For these 14 jobs, if DAS had accepted the lowest bids, the state would have saved a total of \$972,400.

□ *LBO staff: Leslie Little, Budget/Policy Analyst*

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