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S.B. 23
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 23's Bill Analysis](#)

Version: As Reported by Senate Government Oversight

Primary Sponsor: Sen. Lang

Local Impact Statement Procedure Required: No

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Highlights

- The bill allows a political subdivision to participate in contracts for construction services entered into by another political subdivision. Participation in joint construction contracts may include cost benefits including lower prices for labor, material, or the reduction of administrative costs.

Detailed Analysis

The bill allows a political subdivision to participate in contracts for construction services entered into by another political subdivision. Under current law, a political subdivision may permit another political subdivision to participate in a contract that it entered for the acquisition of equipment, material, supplies, or services. A 2019 opinion of the Ohio Attorney General concluded that the term “services” in current law does not include construction services. Prior to this opinion, political subdivisions often contracted jointly for construction services. The bill therefore restores the opportunity for political subdivisions to take advantage of cost savings that may be present in these joint contracts for construction services.

Presumably, political subdivisions would only participate in these contracts if doing so reduces the overall cost of a construction project or makes project delivery more efficient. Under a joint contracting scenario for construction services, savings may be realized via lower prices for labor, materials, or reduced administrative costs. It is difficult, however, to quantify any savings as overall costs vary considerably depending on the particulars of a given construction project.