|  |  |
| --- | --- |
| **@ODOT347Color** | **Purchasing Guidance VII Taking Prices Lower Than On-Contract** |
| Ohio Department of Transportation |

The Department contracts with vendors for many different supplies and services and the contractual mechanisms to secure these supplies and services can be just as varied. But when the Department commits to purchase by formally executing a contract, the terms and conditions of that contract generally remain in force regardless of whether a subsequent vendor can provide a lower price.

It had been the past practice of the Department to dictate this rule from Central Office, but not enforce it when budget-constrained Districts found lower or better prices for goods or services.

This Guidance is being issued to provide some consistent rules for District Purchasing Professionals to follow regarding lower prices being offered from vendors for on-contract items.

**On-ODOT Contract Vendor Lower Price Offers:**

District Purchasing Professionals may accept lower prices from vendors on ODOT contracts. Any deviation from contract pricing should be documented with the purchase order.

**On-DAS Contract Vendor Lower Price Offers:**

District Purchasing Professionals may accept lower prices from vendors on DAS contracts. Any deviation from contract pricing should be documented with the purchase order.

**On-DAS State Term Schedule Offers:**

DAS State Term Schedules are not mandatory contracts. Thus, Purchasing Professionals may use them as a baseline to receive/ evaluate quotes or use them if there are no other vendors that can reasonably meet the required item specification.

**Off-Contract and MAC Vendor Lower Price Offers:**

If the subject goods or service is provided on a Multiple Award Contract, and if it is valued at under $500.00, then the Purchasing Professional can take a lower or better price from a vendor off the MAC contract. However, employees are encouraged not to go looking for better prices as the MACs are still competitively bid contract to which the Department has some level of commitment. Any deviation from contract pricing should be documented with the purchase order.

If the contract is not MAC but some other existing ODOT or DAS contract for a good or service, accepting lower prices from a vendor who is off-contract should be discouraged. However, if the Purchasing Professional determines that there is an opportunity for significant savings, they should coordinate with Central Office Purchasing to attempt to obtain the lower price. The lower price should be conveyed to the on-contract vendor. The on-contract vendor must be given the opportunity to meet the lower and better price. If they refuse or are unable to match the lower or better price, then, with assistance from Central Office the contract can be cancelled or suspended, and the purchase may be made off-contract.