

Portions of Ohio Construction Reform in HB 153 now active

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The Ohio Legislature, in House Bill 153 (HB 153), significantly changed our century-old public bidding requirements. Some of those changes include increasing the bidding and prevailing wage thresholds and adding new contracting rights for cities and villages. The new bidding and prevailing wage thresholds are now in effect. The new contracting rights appear to be headed for an early 2012 rollout.

Prevailing wage threshold changes

The major change in the prevailing wage thresholds is the creation of four prevailing wage categories instead of two. The thresholds for the non-road projects are now much higher.

1. New construction (non-road): \$125,000;
2. Reconstruction (non-road): \$38,000;

3. New roads, streets, alleys, sewers, ditches and other works connected to road or bridge construction: \$78,258; and
4. Reconstruction of roads, streets, alleys, sewers, ditches and other works connected to road or bridge construction: \$23,447.

Statutory bidding thresholds

HB 153 also changed the bidding thresholds for statutory villages without an administrator. The remaining bidding thresholds remain unchanged.

1. Villages without an administrator (RC 731.14): \$50,000;
2. Villages with an administrator (RC 731.141): still \$25,000;
3. Cities (RC 735.05): still \$25,000; and
4. Charters (with the right language): set your own threshold.

The big changes from HB 153 in construction manager at risk, design build and general contracting powers for municipalities are not yet in effect. The proposed bonding rules, which are one of the prerequisites for the changes to go live, have been circulated for comment. It appears that the remaining changes

necessary to activate these provisions of HB 153 are on schedule for late 2011/early 2012. We will update you as things progress.

For more information about HB 153 or other public bidding questions, please contact Rod Davisson at 614.462.2229 or rdavisson@szd.com or any member of SZD's Public Law Practice Group.

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