

TO: Local Governmental Units & Public Agencies in Michigan

FROM: Sourcing Office

RE: Ability of local governmental units and public agencies in Michigan to utilize Sourcing Office's publicly procured contracts for products and/or services

What is Sourcing Office's legal authority?*

Sourcing Office is an Ohio-based Council of Governments organized under Section 167 of the Ohio Revised Code.

Section 167.01:

That governing bodies of any two or more counties, municipal corporations, townships, special districts, school districts, or other political subdivisions may enter into an agreement with each other, or with the governing bodies of any counties, municipal corporations, townships, special districts, school districts or other political subdivisions of any other state to the extent that laws of such other state permit, for establishment of a regional council consisting of such political subdivisions.

Sourcing Office is a political subdivision and a unit of local government under Ohio law. It is legally empowered to enter into agreements such as the Sourcing Office Affiliate Membership Agreement with political subdivisions and units of local government in any state to the extent permitted by law in that other state.

Section 167.03:

(A) (2) Promote cooperative arrangements and coordinate action among its members, and between its members and other agencies of local or state governments, whether or not within Ohio, and the federal government;

(A) (4) Promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies;

Through this legal authority, Sourcing Office competitively procures contracts for products and/or services in accordance with applicable public sector procurement guidelines. Sourcing Office then makes these already-procured contracts available to its members and affiliates. Local and state governmental agencies within and outside of Ohio and Sourcing Office members and affiliates, including political subdivisions and units of local government in other states, are eligible to utilize Sourcing Office's competitively procured contracts to the extent permitted by law in those other states.

Are public agencies in Michigan authorized to join Sourcing Office and piggyback on Sourcing Office contracts?*

Please review with your legal counsel whether the State of Michigan statutes authorize intergovernmental cooperation between local governmental units and public agencies in Michigan with local governmental units and public agencies in Michigan or in other states, such as Sourcing Office in Ohio, to exercise a power that may be exercised by a Michigan local governmental unit or public agency, such as competitively soliciting bids and requests for proposals for products and services.

**State of Michigan Statutes
Michigan Compiled Laws
Chapter 124 - Municipalities**

124.502 Definitions.
Sec. 2. As used in this act:

**** SOURCING OFFICE DOES NOT GIVE LEGAL OPINIONS**

The legal information provided herein is of a general nature and cannot substitute for the advice of a **licensed legal professional**. This is not intended to be legal advice or a legal opinion. Sourcing Office and its employees are not attorneys and are not responsible for any actions taken based upon the views provided herein. Sourcing Office encourages public agencies in Michigan to have their legal counsel review the applicable statutes to determine their eligibility to join Sourcing Office and utilize the Sourcing Office's competitively procured contracts.

(a) "Interlocal agreement" means an agreement entered into under this act.

(b) "Local governmental unit" means a county, city, village, township, or charter township.

(c) "Province" means a province of Canada.

(d) "Property" means any real or personal property, as described in section 34c of the general property tax act, 1893 PA 206, M.C.L. 211.34c.

(e) "Public agency" means a political subdivision of this state or of another state of the United States or of Canada, including, but not limited to, a state government; a county, city, village, township, charter township, school district, single or multipurpose special district, or single or multipurpose public authority; a provincial government, metropolitan government, borough, or other political subdivision of Canada; an agency of the United States government; or a similar entity of any other states of the United States and of Canada. As used in this subdivision, agency of the United States government includes an Indian tribe recognized by the federal government before 2000 that exercises governmental authority over land within this state, except that this act or any intergovernmental agreement entered into under this act shall not authorize the approval of a class III gaming compact negotiated under the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

(f) "State" means a state of the United States.

124.504 Joint exercise of powers.

Sec. 4. A public agency of this state may exercise jointly with any other public agency of this state, with a public agency of any other state of the United States, with a public agency of Canada, or with any public agency of the United States government any power, privilege, or authority that the agencies share in common and that each might exercise separately.

Please review with your legal counsel whether the interlocal agreement guidelines and joint exercise of powers authority in Michigan apply to local governmental units and public agencies within Michigan and to public agencies in states other than Indiana, to the extent authorized by laws of the other states. As a Council of Governments organized under the Ohio Revised Code, Sourcing Office is considered a political subdivision and a unit of local government in the State of Ohio and would therefore be considered a public agency under Section 124.502 (e) of Michigan State Statutes.

Under Ohio Revised Code and through its Code of Regulations, Sourcing Office is specifically authorized to develop group purchasing programs through a publicly procured competitive solicitation process, establish contracts with winning suppliers, and make those contracts available to local and state governmental agencies within and outside of Ohio such as local governmental units and public agencies in Michigan. These programs achieve improved pricing and contract terms and are made available to Sourcing Office participants across the country to the extent permit by law in each state.

Please review with your legal counsel whether the provisions of Michigan State Statutes, 124.504 Section 4 regarding the joint exercise of powers a) authorizes local governmental units and public agencies in Michigan to empower other governmental entities, such as Sourcing Office, to exercise powers on their behalf, such as conducting competitive solicitation processes and establishing contracts for goods and services, and b) that local governmental units and public agencies in Michigan are authorized to utilize those contracts without conducting their own competitive solicitation process.



Your Partner in Governmental Collaboration

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