



TED STRICKLAND
GOVERNOR
STATE OF OHIO

Executive Order 2010-09S

Banning the Expenditure of Public Funds for Offshore Services

1. **Ohio's Economic Vitality Necessitates Constant Vigilance in State Job Creation Efforts.** State officials and employees must at all times remain passionately focused on initiatives that will create and retain jobs in the United States in general and in Ohio, in particular, and must do so especially during Ohio's continuing efforts to recover from the recent global recession.
2. **No Public Funds Should be Spent on Services Provided Offshore.** Allowing public funds to pay for offshore services undermines economic development objectives and any such offshore services carry unacceptable quality and security risks.
 - a. **The Purchase of Offshore Services with Public Funds Undermines Economic Development and Other Job Creation and Retention Objectives.** The expenditure of public funds for services provided offshore deprives Ohioans and other Americans critical employment opportunities. It also undermines efforts to attract businesses to Ohio and retain them in Ohio, initiatives in which the State has invested heavily.
 - b. **The Purchase of Offshore Services Has Unacceptable Business Consequences.** The use of offshore service providers could pose unacceptable data security, and thus privacy and identity theft risks. There are pervasive service delivery problems with offshore providers, including dissatisfaction with the quality of their services and with the fact that services are being provided offshore. It is difficult and expensive to detect illegal activity and contract violations and to pursue legal recourse for poor performance or data security

violations. The State's use of offshore service providers ill-serves the people of Ohio who are the primary consumers of the services provided by the State.

3. **Ohio's Policy Has Been – and Must Continue To Be – That Public Funds Should Not Be Spent on Services Provided Offshore.** Throughout my Administration, procurement procedures have been in place that restrict the purchase of offshore services. Despite these requirements, federal stimulus funds were recently used to purchase services from a domestic company which ultimately provided some of those services offshore. This incident was unacceptable and has caused me, through this Order, to redouble my commitment to ensure that public funds are not expended for offshore services.
4. **Additional Steps Will Ensure that Public Funds Are Not Spent on Services Provided Offshore.** In order to ensure that the State of Ohio makes no expenditures for services provided offshore, I hereby order the following:
 - a. No Cabinet Agency, Board or Commission (Executive Agency) shall enter into any contract which uses any funds within its control to purchase services which will be provided outside the United States. This Order applies to all funds in the custody of an Executive Agency, be they from state, federal, philanthropic or private sources. It applies to all purchases of service made directly by an Executive Agency and services provided by sub-contractors of those providing services purchased by an Executive Agency.
 - b. This Executive Order will be personally provided, by the Director, Chair or other chief executive official of each Executive Agency, to the Chief Procurement Officer or other individual at that entity responsible for contracts for services.
 - c. The Department of Administrative Services, through Ohio's Chief Procurement Officer (OCPO), shall have in place, by August 31, 2010, procedures to ensure all of the following:
 - i. All agency procurement officers, or the person with equivalent duties at each Executive Agency (APOs), have standard language in all Executive Agency contracts which:
 - (a) Reflect this Order's prohibition on the purchase of offshore services.
 - (b) Require service providers or prospective service providers to:

- (i) Affirm that they understand and will abide by the requirements of this Order.
 - (ii) Disclose the location(s) where all services will be performed by any contractor or subcontractor.
 - (iii) Disclose the locations(s) where any state data associated with any of the services they are providing, or seek to provide, will be accessed, tested, maintained, backed-up or stored.
 - (iv) Disclose any shift in the location of any services being provided by the contractor or any subcontractor.
 - (v) Disclose the principal location of business for the contractor and all subcontractors who are supplying services to the state under the proposed contract.
- ii. All APOs are ensuring that all quotations, statements of work, and other such proposals for services affirm this Order's prohibition on the purchase of offshore services and include all of this Order's disclosure requirements.
 - (a) Any such proposal for services lacking the affirmation and disclosure requirements of this Order will not be considered.
 - (b) Any such proposal where the performance of services is proposed to be provided at a location outside the United States by the contractor or any sub-contractor, will not be considered.
 - iii. All procurement manuals, directives, policies, and procedures reflect the requirements of this Order.
 - iv. All APOs have adequate training which addresses the terms of this Order.
5. **Exceptions.** Nothing in this Order is intended to contradict any state or federal law. In addition, this Order does not apply to:
- a. Services necessary to support the efforts of the Department of Development Global Markets Division to attract jobs and business to the State of Ohio, including incidental services for the support of trade missions, payment of international staff, and services necessary for the operation of international offices.
 - b. Academic, instructional, educational, research or other services necessary to support the international missions of Ohio's public colleges and universities.

6. I signed this Executive Order on August 6, 2010 in Columbus, Ohio and it will not expire unless rescinded.



Ted Strickland, Governor



ATTEST:

Jennifer Brunner, Secretary of State

STANDARD AFFIRMATION AND DISCLOSURE FORM FOR GRANTS

EXECUTIVE ORDER 2010-09S

Banning the Expenditure of Public Funds on Offshore Services

APPLICANT/GRANTEE AFFIRMATION AND DISCLOSURE

By the signature affixed to this Affirmation and Disclosure, the grant applicant or Grantee identified below affirms, understands and will abide by the requirements of Executive Order 2010-09S issued by Ohio Governor Ted Strickland. The Executive Order is attached and is available at the following website: (<http://www.governor.ohio.gov/Default.aspx?tabid=1495>).

The grant applicant or Grantee, as the case may be, acknowledges that for purposes of the Executive Order grant funding provided to support a project or program of the applicant/Grantee is equivalent to a purchase of services by the State; “services” in the context of a grant means services that implement the project or program of the applicant/Grantee to the extent that such services are paid for or reimbursed with grant funds provided by the State or with match or cost share specifically required by the State as a condition to disbursement of the grant funds; investments by the Grantee in the project or program from non-State sources of funding other than amounts claimed as specifically required match or cost share are not subject to the Executive Order; the Grantee is equivalent to a “contractor,” as that term is used in the Executive Order; and subgrantees, if any, and contractors of the Grantee are equivalent to “subcontractors,” as that term is used in the Executive Order.

The applicant/Grantee affirms that the applicant/Grantee and any of its contractors and subgrantees shall perform no services outside of the United States to implement the grant-supported project or program which will be paid for or reimbursed with grant funds or which will be counted as match or cost share specifically required as a condition to disbursement of the grant funds.

The applicant/Grantee shall provide all the name(s) and location(s) where services will be performed in the spaces provided below or by attachment. Failure to provide this information as part of the response will deem an applicant not responsive and no further consideration will be given to the applicant’s grant proposal. If the applicant/Grantee will not be using subgrantees or contractors, indicate “Not Applicable” in the appropriate spaces. If the applicant/Grantee will not be storing, accessing, testing, maintaining or backing-up state data, indicate “Not Applicable” in item 3.

1. Principal location of business of applicant/Grantee:

(Address)

(City, State, Zip)

Name/Principal location of business of subgrantee(s) and contractor(s):

(Name)

(Address, City, State, Zip)

(Name)

(Address, City, State, Zip)

2. Location where services will be performed by applicant/Grantee:

(Address)

(City, State, Zip)

Name/Location where services will be performed by subgrantee(s) and contractor(s):

(Name)

(Address, City, State, Zip)

(Name)

(Address, City, State, Zip)

3. Location where state data will be stored, accessed, tested, maintained or backed-up, by applicant/Grantee:

(Address)

(Address, City, State, Zip)

Name/Location(s) where state data will be stored, accessed, tested, maintained or backed-up by subgrantees and contractor(s):

(Name)

(Address, City, State, Zip)

4. Location where services to be performed will be changed or shifted by applicant/Grantee:

(Address)

(Address, City, State, Zip)

Name/Location(s) where services will be changed or shifted to be performed by subgrantee(s) and contractor(s):

(Name)

(Address, City, State, Zip)

RFP/Award:

Applicant: _____

Signature of _____

Authorized _____

Representative: _____

Name: _____

Title: _____

Date: _____