AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
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# Ohio Administrative Code

## Rule 122:15-3-05 Joint venture.

Effective: October 9, 2020

(A) Two or more businesses may request certification as an MBE, EDGE, or WBE-certified joint venture (JV):

(1) one of the businesses must be an Ohio-certified business partnering or otherwise agreeing to join with another business or businesses for the purpose of seeking a contract award;

(2) the business relationship must benefit all parties to the JV;

(3) the eligible owner(s) of the Ohio-certified business must control the JV's day-to-day operations, management decisions, policies, and have ultimate control over the management and operations of the JV including (but not limited to) finances. Generally, performance limited to only office management, administration, or bookkeeping functions unrelated to the principal business activities of the business is insufficient to demonstrate control;

(4) the Ohio-certified business must have an interest in the capital, assets, and profits and losses of the JV at least proportionate to its capital investment in the JV, but not less than fifty-one percent for an MBE or WBE-certified JV (not less than thirty percent for an EDGE-certified JV). The contributions of capital used to acquire ownership shall be "real and substantial" going beyond pro forma ownership and derived from individually and independently owned resources;

(5) the JV is a for-profit entity and is not required to be in business for one year prior to submission of the Joint Venture Agreement; and

(6) the JV must have its own separate federal tax identification number and do business under a name that includes the letters "JV" at the end of the name.

(B) All JV members must sign a Joint Venture Agreement prior to review by DAS/EOD, which includes the following:

(1) name of the individual(s) who have the power of attorney to act for and bind all of the JV members;

(2) mailing address and street address of the JV;

(3) Internal Revenue Service issued tax identification number for the JV;

(4) proof of bond or insurance, (if required) that binds the JV members jointly and severally;

(5) name of project and contract number, if known;

(6) location of contract or project, if known;

(7) bid date of contract or project, if known;

(8) type of contract or project, if known;

(9) description of work to be performed by each member of the JV;

(10) percentage of the contract or project to be subcontracted, if any, and actual work being done by subcontractor(s) or goods and services to be performed or bought;

(11) approximate date contract will begin if successful bidder and approximate completion date;

(12) type of equipment to be used or the goods and services to be supplied and/or performed by each JV member;

(13) work composition by expertise or trade of each JV member;

(14) equipment to be used that is owned or leased by the Ohio-certified business;

(15) equipment to be used that is owned or leased by the other business(es) in the JV;

(16) name of business(es) from which JV will lease equipment;

(17) amount of contribution provided by each JV member;

(18) narrative description of the business relationship of each member of the JV, including how management, business and operational decision making will occur, the work composition of each member, the work to be performed by each member, and the source and use of shared resources and business equipment; and

(19) any other items Ohio Department of Administrative Services, Equal Opportunity Division (DAS/EOD) considers necessary.

(C) To facilitate prompt certification, the Joint Venture Agreement may be submitted and approved prior to the issuance of a state bid or request for proposal. The Coordinator can delay the activation date of the JV certification until a contract has been awarded.

(1) The JV certification is only for one year.

(2) If the JV is awarded a contract based on the approved Joint Venture Agreement and the contract will exceed one-year duration, the JV must submit its Joint Venture Agreement to DAS/EOD each year for re-certification.

(3) If a JV certification is approved and the JV is not awarded a contract, the Joint Venture Agreement can be revised and submitted for reapproval to meet a new contracting opportunity.

(D) If any material change occurs that affects the Joint Venture Agreement as originally approved by the Coordinator, then the JV members will provide DAS/EOD with the information detailing the material change within thirty business days of the change for DAS/EOD's review, decision, and approval or disapproval. Failure to provide the change(s) to the Joint Venture Agreement to DAS/EOD may be cause to revoke the certification.