

SHORT TITLE: Central Purchasing Act and Risk Management Program;
adding a definition; providing insurance coverage for certain
buildings; effective date.

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

SENATE BILL NO. 794

By: Littlefield

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 1991, Sections 85.2, as amended by Section 6, Chapter 250, O.S.L. 1992 and 85.34A, as amended by Section 4, Chapter 44, O.S.L. 1992 (74 O.S. Supp. 1993, Sections 85.2 and 85.34A), which relate to the Central Purchasing Act and the Risk Management Program; adding a definition; providing for insurance coverage for certain buildings; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 74 O.S. 1991, Section 85.2, as amended by Section 6, Chapter 250, O.S.L. 1992 (74 O.S. Supp. 1993, Section 85.2), is amended to read as follows:

Section 85.2 As used in the Oklahoma Central Purchasing Act ~~the following terms, in addition to their usual definitions, shall have the meanings ascribed to them in this section,~~ unless the context otherwise requires:

1. "State agency" or "agency" includes any office, officer, bureau, board, counsel, court, commission, institution, unit, division, body or house of the executive or judicial branches of the state government, whether elected or appointed, excluding only municipalities, counties and other governmental subdivisions of the state;

2. "Business entity" includes individuals, partnerships, business trusts, cooperatives, associates, corporations or any other firm, group or concern which functions as a separate entity for business purposes;

3. "Acquisition" includes all types of purchases and rentals, whether bought or leased by contract or otherwise, and includes every means by which a state agency obtains for its use any materials, supplies, service or equipment covered by this act, except those specifically excluded in this act;

4. "Materials" or "supplies" includes all property except real property acquired by a state agency for its use or consumption, except equipment;

5. "Equipment" means all personal property acquired by a state agency for its use which is in the nature of a tool, device or machine and shall be deemed to include all personal property used or consumed by a state agency and not included within the category of materials and supplies;

6. "Governmental entity" means any unit of local or state government including, but not limited to, any county, city or town;

7. "Item" or "product" means some quantity or kind of such supplies, materials and equipment;

~~7.~~ 8. "Services" or "contractual services" includes any type of personal or professional service, employment or undertaking, including such services as utilities, pest control, maintenance and repairs, except the employment of regular officers and employees by a state agency or such extra seasonal help as is authorized by law and is regularly used;

~~8.~~ 9. "Purchasing director" includes any employee or agent of the State Purchasing Director, acting within the scope of his authority;

~~9.~~ 10. "Sole source contract" means a contract specified by the provisions of Section 89 of this title;

~~10.~~ 11. "Professional services" means services which are predominantly mental or intellectual in character, rather than physical or manual and which do not involve the supplying of products. Professional services include those services requiring special, usually advanced education and skill;

~~11.~~ 12. "Nonprofessional services" means services which are predominantly physical or manual in character and may involve the supplying of products;

~~12.~~ 13. "Open market contract" means a contract for the one-time acquisition of a particular item over Two Thousand Five Hundred Dollars (\$2,500.00); and

~~13.~~ 14. "Statewide contract" means a contract for the purchase of items used or needed on a continual or regular basis by state agencies.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 85.34A, as amended by Section 4, Chapter 44, O.S.L. 1992 (74 O.S. Supp. 1993, Section 85.34A), is amended to read as follows:

Section 85.34A A. The Risk Management Administrator, pursuant to the provisions of this section and Section 85.34 of this title, may obtain or provide insurance coverage for any vehicle, vessel, or aircraft ~~or building~~ used for or in fire fighting or services provided by the districts, departments and services specified in subsection ~~C~~ D of this section and may obtain or provide indemnity coverage for any board member, official, employee or volunteer of any entity specified in subsection ~~C~~ D of this section for any errors and omissions or liability risks arising from the performance of their official duties pursuant to law.

B. The Risk Management Administrator, pursuant to the provisions of this section and Section 85.34 of this title, may obtain or provide insurance coverage for any building used for or in fire fighting or services specified in subsection D of this section; provided, the Risk Management Administrator may also obtain or

provide insurance coverage for city halls, police departments, water departments, or other governmental entities which are housed in the same building as a fire department, district, or service.

C. The Risk Management Administrator is authorized to determine eligibility criteria for participation in the Risk Management Program by such districts, departments and services or for such member, officer, employee or volunteer. In addition, the Risk Management Administrator is authorized to establish equipment and safety standards for the vehicles, vessels, aircraft or buildings to be covered by the Risk Management Program.

~~C.~~ D. The Risk Management Administrator may obtain or provide the insurance coverage authorized by subsection A of this section for:

1. Fire protection districts organized and operated pursuant to the provisions of Sections 901.1 through 901.29 of Title 19 of the Oklahoma Statutes;

2. Volunteer or full-time fire departments established pursuant to Section 592 of Title 18 of the Oklahoma Statutes;

3. Municipal fire departments organized and operated pursuant to the provisions of Sections 29-101 through 29-108, and Sections 29-201 through 29-205 of Title 11 of the Oklahoma Statutes;

4. Fire protection services established pursuant to the provisions of Section 351 of Title 19 of the Oklahoma Statutes; and

5. Rural fire coordinators employed by substate planning districts acting pursuant to rural fire defense programs.

~~D.~~ E. The governing authorities of such fire departments, fire protection districts and fire protection services shall be required to make payments for such insurance coverage as provided by Section 85.37 of Title 74 of the Oklahoma Statutes.

~~E.~~ F. Requests for the insurance or indemnity coverage provided pursuant to the provisions of this section shall be submitted in writing to the Risk Management Administrator by the fire

departments, fire protection districts or fire protection services specified in subsection € D of this section. Those fire departments, fire protection districts or fire protection services meeting eligibility criteria shall be approved for participation in the Risk Management Program by the Risk Management Administrator if the member, officer, employee or volunteer, and the vehicles, vessels, aircraft and buildings used by districts, services or departments meet the equipment and safety standards and eligibility requirements established by the Risk Management Administrator.

~~F.~~ G. Any insurance or indemnity coverage shall be obtained or provided solely from funds available in the shared risk pool authorized by Section 85.34b of this title. Any coverage limits shall be based on the liquidity of the shared risk pool resulting from the annual payments made pursuant to Section 85.37 of this title and any interest accrued thereon, after deduction of such sums as may be necessary to pay all overhead and administrative expenses associated with administering the pool.

~~G.~~ H. Any limited indemnity coverage provided for errors and omissions pursuant to the provisions of this subsection shall only cover errors or omissions made by a board member, official, employee or volunteer of any entity specified in subsection € D of this section occurring after the effective date of this act.

~~H.~~ I. The State of Oklahoma is not liable, directly or indirectly, for the errors and omissions of any board member, official, employee or volunteer of any entity specified in subsection € D of this section in the performance of his official duties pursuant to law. The State of Oklahoma is not liable, directly or indirectly, for the negligence of any entity specified in subsection € D of this section.

~~I.~~ J. In providing risk management services for any entity specified by subsection € D of this section or any such board member, official, employee or volunteer of such entity, it is the

intention of the Legislature to provide coverage solely to the extent of assets in the shared risk pool created by Section 85.34b of this title.

SECTION 3. This act shall become effective September 1, 1994.

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