

EHB 1754

THE STATE SENATE
Wednesday, March 30, 2005

ENGROSSED

House Bill No. 1754

ENGROSSED HOUSE BILL NO. 1754 - By: MILLER (Doug) of the House and GARRISON of the Senate.

An Act relating to counties and county officers; amending 19 O.S. 2001, Section 1501, as last amended by Section 4, Chapter 99, O.S.L. 2004 (19 O.S. Supp. 2004, Section 1501), which relates to purchasing procedures; adding the General Services Administration as an entity that may provide certain list; providing for certain bidding procedures; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 19 O.S. 2001, Section 1501, as last amended by Section 4, Chapter 99, O.S.L. 2004 (19 O.S. Supp. 2004, Section 1501), is amended to read as follows:

Section 1501. A. The county purchasing agent:

1. Shall, within the amount of the unencumbered balance, make all purchases that are paid from county funds for the various institutions, departments, officers, and employees of the county, except at public auctions and as otherwise provided for by law;

2. May make purchases for political subdivisions of this state within the county if authorized by appropriate action of the governing board or body of the political subdivision affected;

1 3. Shall make purchases and rental or lease-purchase agreements
2 only after following the bidding procedures as provided for by law,
3 except:

- 4 a. when the purchase does not exceed Ten Thousand Dollars
5 (\$10,000.00). All purchases made pursuant to this
6 subparagraph shall be by a single purchase order.
7 Splitting purchase orders which would result in paying
8 an amount in excess of the limitations specified in
9 this subparagraph is expressly prohibited. Any person
10 convicted of violating the provisions of this
11 subparagraph shall be guilty of a misdemeanor and such
12 person shall forfeit the person's position or office,
13 b. when the total payments of a rental or lease-purchase
14 agreement do not exceed Five Thousand Dollars
15 (\$5,000.00),
16 c. when articles and items are covered by single source
17 contracts,
18 d. service or maintenance contracts on equipment or
19 machinery which are entered into at the time of the
20 purchase of the equipment or machinery,
21 e. purchases made pursuant to a blanket purchase order as
22 provided for in Section 310.8 of Title 62 of the
23 Oklahoma Statutes,

- 1 f. when materials for road or bridge improvements do not
2 exceed Three Dollars (\$3.00) per yard or per ton,
3 g. purchases of fuel if the county purchasing agent
4 obtains telephone quotes from at least three vendors
5 prior to the purchase and the lowest and best quote is
6 selected. Documentation of these quotes shall be
7 recorded in the permanent records of the clerk,
8 h. purchases of tools, apparatus, machinery or equipment
9 from a state agency or a political subdivision of the
10 state as provided for in subsection C of Section 421.1
11 of this title,
12 i. purchases of food for prisoners incarcerated in the
13 county jail; provided, in counties having a population
14 in excess of one hundred thousand (100,000) persons,
15 the county purchasing agent shall follow bidding
16 procedures as provided by law unless the county
17 purchasing agent obtains telephone quotes pursuant to
18 the whole total of food items requisitioned prior to
19 the purchase and the lowest and best quote is
20 selected. Documentation of these quotes shall be
21 recorded in the permanent records of the county clerk,
22 j. when a county solicits bids for the purchase of
23 processed native materials for road and bridge

1 improvements, the county may accept all bids received,
2 with the lowest and best bid from those accepted to be
3 selected at the time of opening of any construction
4 project. The selection of the bid shall be based upon
5 availability, bid price, plus transportation costs,
6 k. when a vendor has been selected as the lowest and best
7 bidder to furnish a particular item or items to the
8 county during a specified time period and in the event
9 the vendor is unable to perform, the purchasing agent
10 may solicit telephone quotes for the item or items
11 needed from the list of qualified bidders and provide
12 for the purchase of the items at the lowest and best
13 quote available,
14 l. when considering the purchase of an item or items from
15 the state bid list as provided by the Department of
16 Central Services or the General Services
17 Administration, if the same exact item is available
18 from a local vendor at or below the price listed on
19 the state bid list or the General Services
20 Administration list, the item may be obtained from the
21 vendor,
22 m. any item or items bid by the Department of Central
23 Services which may be purchased by the county,

1 provided the vendor is willing to supply the item or
2 items to the county at the bid price,
3 n. when a county obtains proceeds from the sale of its
4 property at a public auction, that county may use
5 those proceeds to acquire items previously identified
6 as needed by the county at the same public auction
7 pursuant to subsection D of Section 1505 of this
8 title,
9 o. when an item or items have been competitively bid by a
10 county, or on behalf of a group of contiguous
11 counties, provided:
12 (1) the notice to bidders shall list each county
13 which may participate in the purchase of the item
14 or items being bid,
15 (2) the notice of bid is advertised, as provided by
16 law, in each of the counties which may
17 participate in the purchase of the item or items,
18 (3) all vendors on the list of qualified bidders of
19 each participating county who offer the item or
20 items for sale received notice of the bid
21 request, and
22 (4) the vendor awarded the bid is willing and able to
23 provide the item or items at the bid price,

- 1 p. counties may participate in a nationwide purchasing
2 program sponsored by the national association
3 representing counties, or
- 4 q. when the Governor declares an emergency in a county,
5 the district attorney of that county shall have the
6 authority to temporarily waive competitive bidding
7 procedures for purchases that may expedite a response
8 to the emergency situation. This temporary waiver
9 shall be in addition to any powers exercised pursuant
10 to Section 683.11 of Title 63 of the Oklahoma
11 Statutes.

12 The purchases shall be paid by attaching properly itemized
13 invoices, as described in Section 1505 of this title, to a purchase
14 order which has been prepared by the county purchasing agent and
15 submitting both to the county clerk for filing, encumbering, and
16 consideration for payment by the board of county commissioners;

17 4. Shall not furnish any supplies, materials, equipment, or
18 other articles, except upon receipt of a requisition signed by a
19 county officer. Written requisitions will not be required for
20 blanket purchase orders as provided for in Section 310.8 of Title 62
21 of the Oklahoma Statutes. Each county officer may designate not
22 more than two employees who also shall be authorized to sign
23 requisitions in the absence of the county officer. A written

1 designation of the employees shall be filed with the county clerk
2 and shall be entered in the minutes of the board of county
3 commissioners;

4 5. Shall make lease or lease-purchase agreements for road
5 machinery and equipment if the county has adequate funds
6 appropriated during any fiscal year for such purpose and only after
7 following the bidding procedures as provided for in Section 1505 of
8 this title. The term of any lease or lease-purchase agreement
9 authorized pursuant to this paragraph may be for any period up to
10 one (1) year, provided, the term shall not extend beyond the end of
11 any fiscal year, with an option to renew such agreement subject to
12 the requirement that adequate funds are appropriated during the
13 fiscal year by the county for such purpose. The State Auditor and
14 Inspector's office shall be notified by the county of the terms and
15 conditions of a lease or lease-purchase agreement authorized
16 pursuant to this paragraph before any such agreement is made by the
17 county purchasing agent; and

18 6. Shall perform such other duties as may be delegated by the
19 appointing authority or as may be provided for by law.

20 B. Each department of county government needing repairs to
21 equipment, machinery or vehicles shall make estimates and
22 requisition a purchase order from the county purchasing agent for
23 repairs not in excess of Two Thousand Five Hundred Dollars

1 (\$2,500.00). Repairs in excess of Two Thousand Five Hundred Dollars
2 (\$2,500.00), shall be submitted on a blanket purchase order as
3 provided in Section 310.8 of Title 62 of the Oklahoma Statutes.

4 SECTION 2. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 1508 of Title 19, unless there
6 is created a duplication in numbering, reads as follows:

7 A. Any county, any public trust of which the county is a
8 beneficiary or any circuit engineering district is authorized to use
9 a reverse auction bidding procedure to obtain bids for the purchase
10 of goods or services of any type or kind. The reverse auction shall
11 be a real-time bidding process taking place at a previously
12 scheduled time and internet location and for a previously
13 established duration, in which multiple suppliers, anonymous to each
14 other, submit bids to provide the goods or services. The reverse
15 auction procedure may be used as an alternative to any state law
16 applicable to the purchase of the goods or services.

17 B. The procedure shall provide:

18 1. A bid opening and bid closure. At the opening date and
19 time, the county, public trust, or circuit engineering district
20 shall begin accepting reverse auction electronic bids. Reverse
21 auction bids shall be accepted until the bid closure, except as
22 provided by paragraph 6 of this subsection, unless the county or
23 public trust determines it is in the best interest of the county or

1 public trust to extend the closing time and notifies the reverse
2 auction bidders of the extended closing time by public announcement
3 at the internet location at least fifteen (15) minutes prior to the
4 original closing time;

5 2. The posting of all reverse auction bids electronically and
6 updating of bids on a real-time basis by the county, public trust,
7 or circuit engineering district;

8 3. The authorization for the county, public trust, or circuit
9 engineering district to require bidders to register before the
10 opening date and time, and, as part of that registration, require
11 bidders to agree to any terms, conditions, or other requirements of
12 the solicitation or applicable acts;

13 4. The authorization for the county, public trust, or circuit
14 engineering district to also require potential bidders to prequalify
15 as bidders and to restrict solicitations to prequalified online and
16 reverse auction bidders;

17 5. The retention of the authority of the county, public trust,
18 or circuit engineering district to determine the criteria that will
19 be used as the basis for making awards; and

20 6. The authorization for the county, public trust, or circuit
21 engineering district to allow it to accept an electronic bid after
22 the specified official closing date and time, in the event the
23 county, public trust, or circuit engineering district determines

1 that a significant error or event occurred that affected the
2 electronic receipt of any reverse auction bid by the county, public
3 trust, or circuit engineering district.

4 C. All bids submitted electronically through the reverse
5 auction bidding process pursuant to this section are subject to the
6 same public disclosure laws that govern bids received pursuant to
7 any other law of this state governing procurement procedures for a
8 county, public trust, or circuit engineering district.

9 D. All remedies available to the county, public trust, or
10 circuit engineering district and suppliers through a bid process
11 pursuant to any other law of this state are also available to the
12 county, public trust, or circuit engineering district reverse
13 auction bidding process.

14 SECTION 3. This act shall become effective November 1, 2005.

15 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated 3-28-05
16 - DO PASS.