

THE HOUSE OF REPRESENTATIVES
Wednesday, April 8, 2009

Committee Substitute for
ENGROSSED
Senate Bill No. 551

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 551 - By: MYERS
of the Senate and DEWITT of the House.

An Act relating to state government; exempting certain Department of Environmental Quality contracts from certain requirements of the Public Competitive Bidding Act of 1974; exempting certain Department of Environmental Quality contracts from certain requirements of the Public Building Construction and Planning Act; amending 74 O.S. 2001, Section 85.12, as last amended by Section 77, Chapter 1, O.S.L. 2007 (74 O.S. Supp. 2008, Section 85.12), which relates to acquisitions excluded from The Oklahoma Central Purchasing Act; adding an exclusion for certain Department of Environmental Quality contracts; amending 74 O.S. 2001, Section 840-2.16, as amended by Section 1, Chapter 207, O.S.L. 2007 (74 O.S. Supp. 2008, Section 840-2.16), which relates to minimum annualized salary; modifying exceptions for certain salary adjustments; providing for codification; providing an effective date; and declaring an emergency.

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 103.6 of Title 61, unless there is created a duplication in numbering,
3 reads as follows:

4 For purposes of the provisions of the Public Competitive Bidding Act of 1974,
5 contracts not exceeding One Hundred Thousand Dollars (\$100,000.00) entered into by
6 the Department of Environmental Quality for engineering services to assist qualifying

1 small municipalities or rural water or sewer districts with engineering reports or plans
2 and specifications needed for construction or repairs to achieve compliance with federal
3 and state public water supply or wastewater laws and regulations shall not be considered
4 public construction contracts and shall not be required to be open for competitive
5 bidding.

6 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 204.1 of Title 61, unless there is created a duplication in numbering,
8 reads as follows:

9 For purposes of the provisions of the Public Building Construction and Planning
10 Act, contracts not exceeding One Hundred Thousand Dollars (\$100,000.00) entered into
11 by the Department of Environmental Quality for engineering services to assist qualifying
12 small municipalities or rural water or sewer districts with engineering reports or plans
13 and specifications needed for construction or repairs to achieve compliance with federal
14 and state public water supply or wastewater laws and regulations shall not be considered
15 construction projects and shall not be subject to the requirements of the act.

16 SECTION 3. AMENDATORY 74 O.S. 2001, Section 85.12, as last amended by
17 Section 77, Chapter 1, O.S.L. 2007 (74 O.S. Supp. 2008, Section 85.12), is amended to
18 read as follows:

19 Section 85.12 A. The provisions of this section shall not be construed to affect any
20 law relating to fiscal or accounting procedure except as they may be directly in conflict
21 herewith; and all claims, warrants, and bonds shall be examined, inspected, and
22 approved as now provided by law.

1 B. Except as otherwise provided by this section, the acquisitions specified in this
2 subsection shall be made in compliance with Section 85.39 of this title but are not subject
3 to other provisions of The Oklahoma Central Purchasing Act:

4 1. Food and other products produced by state institutions and agencies;

5 2. The printing or duplication of publications or forms of whatsoever kind or
6 character by state agencies if the work is performed upon their own equipment by their
7 own employees. Pursuant to this paragraph, the state agency may only use equipment
8 owned or leased by the agency and may only utilize that equipment for printing services
9 required by the agency in performing duties imposed upon the agency or functions
10 authorized to be performed by the agency. Any use of the equipment by the agency
11 pursuant to an agreement or contract with any other entity resulting in delivery of
12 intermediate or finished products to the entity purchasing or using the products shall be
13 subject to the provisions of The Oklahoma Central Purchasing Act;

14 3. Department of Transportation and Transportation Commission contractual
15 services or right-of-way purchases; contracts awarded pursuant to bids let by the
16 Transportation Commission for the maintenance or construction of streets, roads,
17 highways, bridges, underpasses, or any other transportation facilities under the control
18 of the Department of Transportation, the acquisitions of equipment or materials accruing
19 to the Department of Transportation required in Federal-Aid contracts; and contracts for
20 public service type announcements initiated by the Department of Transportation; but
21 not contractual services for advertising or public relations or employment services;

1 4. Utility services where rates therefor are regulated by a state or federal
2 regulatory commission, or by municipal ordinance, or by an Indian Tribal Council for use
3 by the Department of Corrections only;

4 5. Acquisitions by the University Hospitals Authority. The Authority shall develop
5 standards for the acquisition of products and services and may elect to utilize the
6 Purchasing Division. The standards shall foster economy and short response time and
7 shall include appropriate safeguards and record-keeping requirements to ensure
8 appropriate competition and economical and efficient purchasing;

9 6. Contracts for custom harvesting by the Department of Corrections for the
10 Department or its institutions;

11 7. Contracts with private prison contractors which are subject to the contracting
12 procedures of Section 561 of Title 57 of the Oklahoma Statutes;

13 8. Acquisitions by the Oklahoma Municipal Power Authority;

14 9. Acquisitions by the Grand River Dam Authority;

15 10. Acquisitions by rural water, sewer, gas, or solid waste management districts
16 created pursuant to the Rural Water, Sewer, Gas and Solid Waste Management Districts
17 Act;

18 11. Acquisitions by the Oklahoma Ordnance Works Authority, the Northeast
19 Oklahoma Public Facilities Authority, or the Midwestern Oklahoma Development
20 Authority;

21 12. Contracts entered into by the Oklahoma Industrial Finance Authority for the
22 services of an appraiser or for acquisition of insurance when the Authority's Board of

1 Directors determines that an emergency exists, and contracts for the services of legal
2 counsel when approved by the Attorney General;

3 13. Expenditure of monies appropriated to the State Board of Education for Local
4 and State Supported Financial Support of Public Schools, except monies allocated
5 therefrom for the Administrative and Support Functions of the State Department of
6 Education;

7 14. Expenditure of monies appropriated to the State Department of Rehabilitation
8 Services for educational programs or educational materials for the Oklahoma School for
9 the Blind and the Oklahoma School for the Deaf;

10 15. Contracts entered into by the Oklahoma Department of Career and Technology
11 Education for the development, revision, or updating of vocational curriculum materials,
12 and contracts entered into by the Oklahoma Department of Career and Technology
13 Education for training and supportive services that address the needs of new or
14 expanding industries;

15 16. Contracts entered into by the Oklahoma Center for the Advancement of Science
16 and Technology for professional services;

17 17. Contracts entered into by the Oklahoma Department of Commerce pursuant to
18 the provisions of Section 5066.4 of this title;

19 18. Acquisitions made by the Oklahoma Historical Society from monies used to
20 administer the White Hair Memorial;

21 19. Acquisitions available to an agency through a General Services Administration
22 (GSA) contract or other federal contract if the acquisition is on current statewide contract

1 and the terms of the GSA or other federal contract, as determined by the State
2 Purchasing Director, are more favorable to the agency than the terms of a statewide
3 contract for the same products;

4 20. Purchases of pharmaceuticals available through a multistate or
5 multigovernmental contract if such pharmaceuticals are or have been on state contract
6 within the last fiscal year, and the terms of such contract are more favorable to the state
7 or agency than the terms of a state contract for the same products, as determined by the
8 State Purchasing Director. The state entity designated by law, as specified in Section
9 1010.3 of Title 56 of the Oklahoma Statutes, shall participate in the purchase of
10 pharmaceuticals available through such contracts;

11 21. Contracts for managed health care services entered into by the state entity
12 designated by law or the Department of Human Services, as specified in paragraph 1 of
13 subsection A of Section 1010.3 of Title 56 of the Oklahoma Statutes;

14 22. Acquisitions by the Forestry Service of the Oklahoma Department of
15 Agriculture, Food, and Forestry as authorized by the federal General Services
16 Administration through a General Services Administration contract or other federal
17 contract if the acquisitions are not on current statewide contract or the terms of the
18 federal contract are more favorable to the agency than the terms of a statewide contract
19 for the same products;

20 23. Acquisitions of clothing for clients of the Department of Human Services and
21 acquisitions of food for group homes operated by the Department of Human Services;

22 24. Acquisitions by the Oklahoma Energy Resources Board;

1 25. Acquisitions of clothing for juveniles in the custody of the Office of Juvenile
2 Affairs and acquisitions of food for group homes operated by the Office of Juvenile
3 Affairs;

4 26. State contracts for flexible benefits plans pursuant to the Oklahoma State
5 Employees Benefits Act, Section 1361 et seq. of this title;

6 27. Acquisitions by the Department of Securities to investigate, initiate, or pursue
7 administrative, civil, or criminal proceedings involving potential violations of the acts
8 under the Department's jurisdiction;

9 28. Acquisitions by the Native America Cultural and Educational Authority and
10 acquisitions by the Oklahoma Department of Commerce to assist the Native American
11 Cultural and Educational Authority pursuant to Section 5017 of this title;

12 29. Acquisitions for resale in and through canteens operated pursuant to Section
13 537 of Title 57 of the Oklahoma Statutes;

14 30. Acquisitions by the Oklahoma Boll Weevil Eradication Organization for
15 employment and personnel services, and for acquiring sprayers, blowers, traps, and
16 attractants related to the eradication of boll weevils in this state or as part of a national
17 or regional boll weevil eradication program;

18 31. Contracts entered into by the Oklahoma Indigent Defense System for expert
19 services pursuant to the provisions of subsection D of Section 1355.4 of Title 22 of the
20 Oklahoma Statutes;

21 32. Acquisitions by the Oklahoma Correctional Industries and the Agri-Services
22 programs of the Department of Corrections of raw materials, component parts and other

1 products, any equipment excluding vehicles, and any services excluding computer
2 consultant services used to produce goods or services for resale and for the production of
3 agricultural products;

4 33. Contracts entered into by the Department of Human Services for provision of
5 supported living services to members of the plaintiff class in Homeward Bound, Inc., et.
6 al., v. The Hissom Memorial Center, et. al., Case Number 85-C-437-E, United States
7 District Court for the Northern District of Oklahoma; ~~and~~

8 34. Contracts negotiated by the Office of Juvenile Affairs with designated Youth
9 Services Agencies and the Oklahoma Association of Youth Services, or another
10 Oklahoma nonprofit corporation whose membership consists solely of Youth Services
11 Agencies and of whom at least a majority of Youth Services Agencies are members,
12 pursuant to the provisions of Section 7302-3.6a of Title 10 of the Oklahoma Statutes; and

13 35. Contracts not to exceed One Hundred Thousand Dollars (\$100,000.00) entered
14 into by the Department of Environmental Quality for engineering services to assist
15 qualifying small municipalities or rural water or sewer districts with engineering reports
16 or plans and specifications needed for construction or repairs to achieve compliance with
17 federal and state public water supply or wastewater laws and regulations.

18 C. Pursuant to the terms of a contract the State Purchasing Director enters into or
19 awards, a state agency, common school, municipality, rural fire protection district,
20 county officer, or any program contract, purchase, acquisition or expenditure that is not
21 subject to the provisions of The Oklahoma Central Purchasing Act, may, unless acting
22 pursuant to a contract with the state that specifies otherwise, make use of statewide

1 contracts and the services of the Purchasing Division and the State Purchasing Director.
2 Any political subdivision or rural fire protection district may designate the State
3 Purchasing Director as its agent for any acquisition from a statewide contract or
4 otherwise available to the state.

5 D. The State Purchasing Director shall make periodic audits of the purchasing
6 procedures of the Oklahoma Ordnance Works Authority, the Northeast Oklahoma Public
7 Facilities Authority, the University Hospitals Authority, and the Midwestern Oklahoma
8 Development Authority to ensure that the procedures are being followed.

9 SECTION 4. AMENDATORY 74 O.S. 2001, Section 840-2.16, as amended by
10 Section 1, Chapter 207, O.S.L. 2007 (74 O.S. Supp. 2008, Section 840-2.16), is amended to
11 read as follows:

12 Section 840-2.16 Except as otherwise provided by law, any classified, unclassified
13 or exempt employee of the state, excluding members of boards and commissions,
14 institutions under the administrative authority of the Oklahoma State Regents for
15 Higher Education, employees of public school districts and elected officials, on July 1 of
16 each year, earning less than the amount established in the Federal Poverty Guidelines
17 for a three-person household, issued each year in the Federal Register by the United
18 States Department of Health and Human Services, shall receive the necessary grade or
19 salary adjustment to provide for a minimum annualized salary equal to the amount
20 established in the Federal Poverty Guidelines for a three-person household, issued each
21 year in the Federal Register by the United States Department of Health and Human
22 Services. Any classified, unclassified or exempt employee of the state, excluding

1 members of boards and commissions, institutions under the administrative authority of
2 the Oklahoma State Regents for Higher Education, employees of public school districts
3 and elected officials, employed after July 1, 2007, shall receive a minimum annualized
4 salary equal to the amount established in the Federal Poverty Guidelines for a three-
5 person household, issued each year in the Federal Register by the United States
6 Department of Health and Human Services. This section shall not apply to those
7 persons employed pursuant to paragraph 8 and paragraph 12 of subsection A of Section
8 840-5.5 and Section 2241 of this title or those persons employed pursuant to Section 1.6a
9 of Title 53 of the Oklahoma Statutes.

10 SECTION 5. Section 4 of this act shall become effective July 1, 2009.

11 SECTION 6. It being immediately necessary for the preservation of the public
12 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
13 this act shall take effect and be in full force from and after its passage and approval.

14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
15 dated 04-07-09 - DO PASS, As Amended.