

3 Senate Bill No. 668

4 SENATE BILL NO. 668 - By: Aldridge of the Senate and Banz of the
5 House.

6 An Act relating to counties and county officers; amending 19
7 O.S. 2001, Section 1505, as last amended by Section 5,
8 Chapter 132, O.S.L. 2007 (19 O.S. Supp. 2008, Section 1505),
9 which relates to procedures for requisition; modifying
10 dollar amount for disposal of certain equipment; providing
11 an effective date; and declaring an emergency.

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

13 SECTION 1. AMENDATORY 19 O.S. 2001, Section 1505, as
14 last amended by Section 5, Chapter 132, O.S.L. 2007 (19 O.S. Supp.
15 2008, Section 1505), is amended to read as follows:

16 Section 1505. The following procedures shall be used by
17 counties for the requisition, purchase, lease-purchase, rental, and
18 receipt of supplies, materials, and equipment for the maintenance,
19 operation, and capital expenditures of county government unless
20 otherwise provided for by law.

21 A. The procedure for requisitioning items for county offices
22 shall be as follows:

23 1. The requesting department shall prepare a requisition form
24 in triplicate. The requisition shall contain any specifications for
25 an item as deemed necessary by the requesting department. The form
26 shall be prescribed by the State Auditor and Inspector;

1 2. The requesting department shall retain a copy of the
2 requisition and forward the original requisition and a copy to the
3 county purchasing agent; and

4 3. Upon receipt of the requisition, the county purchasing
5 agent, within two (2) working days, shall begin the bidding and
6 purchasing process as provided for in this section. Nothing in this
7 section shall prohibit the transfer of supplies, materials, or
8 equipment between county departments upon a written agreement
9 between county officers.

10 B. The bid procedure for selecting a vendor for the purchase,
11 lease-purchase, or rental of supplies, materials, and equipment used
12 by a county shall be as follows:

13 1. The county purchasing agent shall request written
14 recommendations from all county officers pertaining to commonly used
15 supplies, materials, and equipment. From such recommendations and
16 available requisition, purchase, or inventory records, the county
17 purchasing agent shall prepare a list of items commonly used by
18 county officers. The county purchasing agent shall request from the
19 Purchasing Division of the Department of Central Services all
20 contracts quoting the price the state is paying for the items. The
21 county purchasing agent shall either request the Purchasing Division
22 of the Department of Central Services to make the purchase for the
23 county or solicit bids for unit prices on the items for periods of

1 not to exceed twelve (12) months in the manner described in
2 paragraph 2 of this subsection. If the county purchasing agent
3 receives a requisition for an item for which the county purchasing
4 agent does not have a current bid, the county purchasing agent shall
5 request from the Purchasing Division of the Department of Central
6 Services all contracts quoting the price the state is paying for the
7 item. The county purchasing agent shall either request the
8 Purchasing Division of the Department of Central Services to make
9 the purchase for the county or solicit bids in the manner described
10 in paragraph 2 of this subsection. Nothing in this paragraph shall
11 prohibit bids from being taken on an item currently on a twelve-
12 month bid list, at any time deemed necessary by the county
13 purchasing agent. Whenever the county purchasing agent deems it
14 necessary to take a bid on an item currently on a twelve-month bid
15 list, the reason for the bid shall be entered into the minutes of
16 the board of county commissioners;

17 2. Bids shall be solicited by mailing a notice to all persons
18 or firms who have made a written request of the county purchasing
19 agent that they be notified of such bid solicitation and to all
20 other persons or firms who might reasonably be expected to submit
21 bids. Notice of solicitation of bids shall also be published one
22 time in a newspaper of general circulation in the county. Notices
23 shall be mailed and published at least ten (10) days prior to the

1 date on which the bids are opened. Proof of the mailing shall be
2 made by the affidavit of the person mailing the request for bids and
3 shall be made a part of the official records of the county
4 purchasing agent. Whenever any prospective supplier or vendor
5 dealing in or listing for sale any particular item or article
6 required to be purchased or acquired by sealed bids fails to enter
7 or offer a sealed bid for three successive bid solicitations, the
8 name of the supplier or vendor may be dropped from the mailing lists
9 of the board of county commissioners;

10 3. The sealed bids received from vendors and the state contract
11 price received from the Purchasing Division of the Department of
12 Central Services shall be given to the county clerk by the county
13 purchasing agent. The county clerk shall forward the sealed bids
14 and state contract price, if any, to the board of county
15 commissioners;

16 4. The board of county commissioners, in an open meeting, shall
17 open the sealed bids and compare them to the state contract price.
18 The board of county commissioners shall select the lowest and best
19 bid based upon the availability of material and transportation cost
20 to the job site within thirty (30) days of the meeting. For any
21 special item not included on the list of commonly used items, the
22 requisitioning official shall review the bids and submit a written
23 recommendation to the board before final approval. The board of

1 county commissioners shall keep a written record of the meeting as
2 required by law, and any time the lowest bid was not considered to
3 be the lowest and best bid, the reason for such conclusion shall be
4 recorded. Whenever the board of county commissioners rejects the
5 written recommendation of the requisitioning official pertaining to
6 a special item, the reasons for the rejection shall be entered in
7 their minutes and stated in a letter to the requisitioning official
8 and county purchasing agent;

9 5. The county purchasing agent shall notify the successful
10 bidders and shall maintain a copy of the notification. The county
11 purchasing agent shall prepare and maintain a vendors list
12 specifying the successful bidders and shall notify each county
13 officer of the list. The county purchasing agent may remove any
14 vendor from such list who refuses to provide goods or services as
15 provided by contract if the removal is authorized by the board of
16 county commissioners. The county purchasing agent may make
17 purchases from the successful bidders for a price at or below the
18 bid price. If a vendor who is the low bidder cannot or will not
19 sell goods or services as required by a county bid contract, the
20 county purchasing agent may purchase from the next low bidder or
21 take quotations as provided in paragraph 6 of this subsection,
22 provided, however, such purchase does not exceed Five Thousand
23 Dollars (\$5,000.00); and

1 6. When bids have been solicited as provided for by law and no
2 bids have been received, the procedure shall be as follows:

- 3 a. the county purchasing agent shall determine if
4 potential vendors are willing to commit to a firm
5 price for a reduced period of time, and, if such is
6 the case, the bid procedure described in this
7 subsection shall be followed, or
8 b. if vendors are not willing to commit to a firm price
9 for a reduced period, the purchasing agent shall
10 solicit and record at least three quotes of current
11 prices available to the county and authorize the
12 purchase of goods based on the lowest and best quote
13 as it becomes necessary to acquire such goods. The
14 quotes shall be recorded on a form prescribed by the
15 State Auditor and Inspector and shall be attached to
16 the purchase order and filed with the county clerk's
17 copy of the purchase order. Any time the lowest quote
18 was not considered to be the lowest and best quote,
19 the reason for this conclusion shall be recorded by
20 the county purchasing agent and transmitted to the
21 county clerk, or
22 c. if three quotes are not available, a memorandum to the
23 county clerk from the county purchasing agent shall

1 describe the basis upon which a purchase is
2 authorized. The memorandum shall state the reasons
3 why the price for such a purchase is the lowest and
4 best under the circumstances. The county clerk shall
5 then attach the memorandum to the county clerk's copy
6 of the purchase order and file both in the office of
7 the county clerk.

8 C. After selection of a vendor, the procedure for the purchase,
9 lease-purchase, or rental of supplies, materials, and equipment used
10 by a county shall be as follows:

11 1. The county purchasing agent shall prepare a purchase order
12 in quadruplicate and submit it with a copy of the requisition to the
13 county clerk;

14 2. The county clerk shall then encumber the amount stated on
15 the purchase order and assign a sequential number to the purchase
16 order;

17 3. If there is an unencumbered balance in the appropriation
18 made for that purpose by the county excise board, the county clerk
19 shall so certify in the following form:

20 I hereby certify that the amount of this encumbrance has been
21 entered against the designated appropriation accounts and that this
22 encumbrance is within the authorized available balance of said
23 appropriation.

1 Dated this _____ day of _____, 20__.

2 _____

3 County Clerk/Deputy

4 of _____ County.

5 In instances where it is impossible to ascertain the exact amount of
6 the indebtedness sought to be incurred at the time of recording the
7 encumbrance, an estimated amount may be used. No purchase order
8 shall be valid unless signed by the county purchasing agent and
9 certified by the county clerk; and

10 4. The county clerk shall file a copy of the purchase order and
11 return the original purchase order and two copies to the county
12 purchasing agent who shall file a copy, retain the other copy for
13 the county road and bridge inventory officer if the purchase order
14 is for the purchase of equipment, supplies, or materials for the
15 construction or maintenance of roads and bridges, and submit the
16 original purchase order to the receiving officer of the requesting
17 department.

18 D. 1. The procedure for the purchase of supplies, materials,
19 and equipment at public auction or by sealed bid to be used by a
20 county shall be as follows:

21 a. the county purchasing agent shall prepare a purchase
22 order in quadruplicate and submit it with a copy of
23 the requisition to the county clerk,

1 copies to the county purchasing agent who shall file a
2 copy, retain the other copy for the county road and
3 bridge inventory officer if the purchase order is for
4 the purchase of equipment, supplies, or materials for
5 the construction or maintenance of roads and bridges,
6 and submit the original purchase order to the
7 receiving officer of the requesting department.

8 2. The procedure for the purchase of supplies, materials and
9 equipment at a public auction when the purchase will be made with
10 the proceeds from the sale of county property at the same public
11 auction are as follows:

12 a. the purchasing agent shall cause such items being sold
13 to be appraised in the manner determined in Section
14 421.1 of this title,

15 b. the county purchasing agent shall prepare a purchase
16 order in quadruplicate and submit it with a copy of
17 the requisition to the county clerk,

18 c. the county clerk shall then encumber the amount of the
19 appraised value and any additional funds obligated by
20 the county on the purchase order and assign a
21 sequential number to the purchase order,

22 d. the county clerk shall certify that the amount of the
23 encumbrance is equal to the appraised value of the

1 item being sold plus any additional funds obligated by
2 the county. In effect the recording of the
3 encumbrance is an estimate that is authorized by law.
4 No purchase order shall be valid unless signed by the
5 county purchasing agent and certified by the county
6 clerk,

7 e. the county clerk shall file a copy of the purchase
8 order and return the original purchase order and two
9 copies to the county purchasing agent who shall file a
10 copy, retain a copy for the county road and bridge
11 inventory officer if the purchase order is for the
12 purchase of equipment, supplies or materials for the
13 construction or maintenance of roads and bridges, and
14 submit the original purchase order to the receiving
15 officer of the requesting department, and

16 f. a purchase shall not be bid until such time that the
17 appraised item or items are sold. Any item or items
18 purchased shall not exceed the appraised value plus
19 any additional funds obligated by the county or the
20 actual selling price of the item or items, whichever
21 is the lesser amount.

22 E. The procedure for the receipt of items shall be as follows:

1 1. A receiving officer for the requesting department shall be
2 responsible for receiving all items delivered to that department;

3 2. Upon the delivery of an item, the receiving officer shall
4 determine if a purchase order exists for the item being delivered;

5 3. If no such purchase order has been provided, the receiving
6 officer shall refuse delivery of the item;

7 4. If a purchase order is on file, the receiving officer shall
8 obtain a delivery ticket, bill of lading, or other delivery document
9 and compare it with the purchase order. If any item is back
10 ordered, the back order and estimated date of delivery shall be
11 noted in the receiving report;

12 5. The receiving officer shall complete a receiving report in
13 quadruplicate which shall state the quantity and quality of goods
14 delivered. The receiving report form shall be prescribed by the
15 State Auditor and Inspector. The person delivering the goods shall
16 acknowledge the delivery by signature, noting the date and time;

17 6. The receiving officer shall file the original receiving
18 report and submit:

19 a. the original purchase order and a copy of the
20 receiving report to the county purchasing agent, and
21 b. a copy of the receiving report with the delivery
22 documentation to the county clerk;

1 7. The county purchasing agent shall file the original purchase
2 order and a copy of the receiving report;

3 8. Upon receipt of the original receiving report and the
4 delivery documentation, the county clerk shall maintain a file until
5 such time as an invoice is received from the vendor;

6 9. The invoice shall state the name and address of the vendor
7 and must be sufficiently itemized to clearly describe each item
8 purchased, the unit price when applicable, the number or volume of
9 each item purchased, the total price, the total purchase price, and
10 the date of the purchase;

11 10. Upon receipt of an invoice, the county clerk shall compare
12 the following documents:

- 13 a. requisition,
- 14 b. purchase order,
- 15 c. invoice with noncollusion affidavit as required by
16 law,
- 17 d. receiving report, and
- 18 e. delivery document.

19 The documents shall be available for public inspection during
20 regular business hours; and

21 11. If the documents conform as to the quantity and quality of
22 the items, the county clerk shall prepare a warrant for payment
23 according to procedures provided for by law.

1 F. The following procedures are for the processing of purchase
2 orders:

3 1. Purchase orders may be allowed and paid at the first meeting
4 of the board of county commissioners five (5) days after
5 presentation for payment, provided that purchase orders for the
6 salaries of the county officers and their full-time assistants,
7 deputies and employees may be allowed and paid immediately after
8 filing;

9 2. The board of county commissioners shall consider the
10 purchase orders so presented and act upon the purchase orders, by
11 allowing in full or in part or by holding for further information or
12 disallowing the same. The disposition of purchase orders shall be
13 indicated by the board of county commissioners, showing the amounts
14 allowed or disallowed and shall be signed by at least two members of
15 the board of county commissioners. Any claim held over for further
16 information shall be acted upon by allowing or disallowing same at
17 any future meeting of the board held within seventy-five (75) days
18 from the date of filing of the purchase order. Any purchase order
19 not acted upon within the seventy-five (75) days from the date of
20 filing shall be deemed to have been disallowed, but such
21 disallowance shall not prevent the refiling of the purchase order at
22 the proper time; and

1 3. Whenever any allowance, either in whole or in part, is made
2 upon any purchase order presented to the board of county
3 commissioners and is accepted by the person making the claim, such
4 allowance shall be a full settlement of the entire purchase order
5 and provided that the cashing of warrant shall be considered as
6 acceptance by the claimant.

7 G. The procedure upon consumption or disposal of supplies,
8 materials, or equipment shall be as follows:

9 1. For consumable road or bridge items or materials, a monthly
10 report of the road and bridge projects completed during such period
11 shall be prepared and kept on file by the consuming department. The
12 report shall contain a record of the date, the place, and the
13 purpose for the use of the road or bridge items or materials. For
14 purposes of identifying county bridges, the board of county
15 commissioners shall number each bridge subject to its jurisdiction;
16 and

17 2. For disposal of all equipment which originally cost more
18 than ~~Two Hundred Fifty Dollars (\$250.00)~~ Five Hundred Dollars
19 (\$500.00), resolution of disposal shall be submitted by the officer
20 on a form prescribed by the State Auditor and Inspector's Office to
21 the board of county commissioners. The approval of the resolution
22 of disposal shall be entered into the minutes of the board.

1 H. Inventory forms and reports shall be retained for not less
2 than two (2) years after all audit requirements for the state and
3 federal government have been fulfilled and after any pending
4 litigation involving the forms and reports has been resolved.

5 I. The procedures provided for in this section shall not apply
6 when a county officer certifies that an emergency exists requiring
7 an immediate expenditure of funds. Such an expenditure of funds
8 shall not exceed Five Thousand Dollars (\$5,000.00). The county
9 officer shall give the county purchasing agent a written explanation
10 of the emergency. The county purchasing agent shall attach the
11 written explanation to the purchase order. The purchases shall be
12 paid by attaching a properly itemized invoice, as described in this
13 section, to a purchase order which has been prepared by the county
14 purchasing agent and submitting them to the county clerk for filing,
15 encumbering, and consideration for payment by the board of county
16 commissioners.

17 SECTION 2. This act shall become effective July 1, 2009.

18 SECTION 3. It being immediately necessary for the preservation
19 of the public peace, health and safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

22 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated 2-16-09
23 - DO PASS, As Coauthored.