

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 221

6 By: Ballenger

7 COMMITTEE SUBSTITUTE

8 An Act relating to counties; amending 19 O.S. 2011,
9 Section 1505, which relates to county purchasing;
10 allowing certain time for processing certain purchase
11 orders; and declaring an emergency.

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

13 SECTION 1. AMENDATORY 19 O.S. 2011, Section 1505, is
14 amended to read as follows:

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

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

22 1. The requesting department shall prepare a requisition form
23 in triplicate. The requisition shall contain any specifications for
24

1 an item as deemed necessary by the requesting department. The form
2 shall be prescribed by the State Auditor and Inspector;

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

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

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

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

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

18 2. Bids shall be solicited by mailing a notice to all persons
19 or firms who have made a written request of the county purchasing
20 agent that they be notified of such bid solicitation and to all
21 other persons or firms who might reasonably be expected to submit
22 bids. Notice of solicitation of bids shall also be published one
23 time in a newspaper of general circulation in the county. Notices
24 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
24 county commissioners shall keep a written record of the meeting as

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

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

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

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

1 best under the circumstances. The county clerk shall
2 then attach the memorandum to the county clerk's copy
3 of the purchase order and file both in the office of
4 the county clerk.

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

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

11 2. The county clerk shall then encumber the amount stated on
12 the purchase order and assign a sequential number to the purchase
13 order;

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

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

21 Dated this _____ day of _____, 20__.

22 _____

23 County Clerk/Deputy

24 of _____ County.

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

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

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

- 17 a. the county purchasing agent shall prepare a purchase
18 order in quadruplicate and submit it with a copy of
19 the requisition to the county clerk,
- 20 b. the county clerk shall then encumber the amount stated
21 on the purchase order and assign a sequential number
22 to the purchase order,
- 23 c. if there is an unencumbered balance in the
24 appropriation made for that purpose by the county

1 excise board, the county clerk shall so certify in the
2 following form:

3 I hereby certify that the amount of this encumbrance
4 has been entered against the designated appropriation
5 accounts and that this encumbrance is within the
6 authorized available balance of said appropriation.

7 Dated this _____ day of _____, 20__.

8 _____
9 County Clerk/Deputy

10 of _____ County.

11 In instances where it is impossible to ascertain the
12 exact amount of the indebtedness sought to be incurred
13 at the time of recording the encumbrance, an estimated
14 amount may be used. No purchase order shall be valid
15 unless signed by the county purchasing agent and
16 certified by the county clerk, and

- 17 d. the county clerk shall file a copy of the purchase
18 order and return the original purchase order and two
19 copies to the county purchasing agent who shall file a
20 copy, retain the other copy for the county road and
21 bridge inventory officer if the purchase order is for
22 the purchase of equipment, supplies, or materials for
23 the construction or maintenance of roads and bridges,

24

1 and submit the original purchase order to the
2 receiving officer of the requesting department.

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

7 a. the purchasing agent shall cause such items being sold
8 to be appraised in the manner determined in Section
9 421.1 of this title,

10 b. the county purchasing agent shall prepare a purchase
11 order in quadruplicate and submit it with a copy of
12 the requisition to the county clerk,

13 c. the county clerk shall then encumber the amount of the
14 appraised value and any additional funds obligated by
15 the county on the purchase order and assign a
16 sequential number to the purchase order,

17 d. the county clerk shall certify that the amount of the
18 encumbrance is equal to the appraised value of the
19 item being sold plus any additional funds obligated by
20 the county. In effect the recording of the
21 encumbrance is an estimate that is authorized by law.
22 No purchase order shall be valid unless signed by the
23 county purchasing agent and certified by the county
24 clerk,

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

10 f. a purchase shall not be bid until such time that the
11 appraised item or items are sold. Any item or items
12 purchased shall not exceed the appraised value plus
13 any additional funds obligated by the county or the
14 actual selling price of the item or items, whichever
15 is the lesser amount.

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

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

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

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

23 4. If a purchase order is on file, the receiving officer shall
24 obtain a delivery ticket, bill of lading, or other delivery document

1 and compare it with the purchase order. If any item is back
2 ordered, the back order and estimated date of delivery shall be
3 noted in the receiving report;

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

9 6. The receiving officer shall file the original receiving
10 report and submit:

- 11 a. the original purchase order and a copy of the
- 12 receiving report to the county purchasing agent, and
- 13 b. a copy of the receiving report with the delivery
- 14 documentation to the county clerk;

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

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

20 9. The invoice shall state the name and address of the vendor
21 and must be sufficiently itemized to clearly describe each item
22 purchased, the unit price when applicable, the number or volume of
23 each item purchased, the total price, the total purchase price, and
24 the date of the purchase;

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

- 3 a. requisition,
- 4 b. purchase order,
- 5 c. invoice with noncollusion affidavit as required by
6 law,
- 7 d. receiving report, and
- 8 e. delivery document.

9 The documents shall be available for public inspection during
10 regular business hours; and

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

14 F. The following procedures are for the processing of purchase
15 orders:

16 1. Purchase orders may be allowed and paid at the first meeting
17 of the board of county commissioners five (5) business days after
18 presentation for payment, provided that purchase orders for the
19 salaries of the county officers and their full-time assistants,
20 deputies and employees may be allowed and paid immediately after
21 filing;

22 2. The board of county commissioners shall consider the
23 purchase orders so presented and act upon the purchase orders, by
24 allowing in full or in part or by holding for further information or

1 disallowing the same. The disposition of purchase orders shall be
2 indicated by the board of county commissioners, showing the amounts
3 allowed or disallowed and shall be signed by at least two members of
4 the board of county commissioners. Any claim held over for further
5 information shall be acted upon by allowing or disallowing same at
6 any future meeting of the board held within seventy-five (75) days
7 from the date of filing of the purchase order. Any purchase order
8 not acted upon within the seventy-five (75) days from the date of
9 filing shall be deemed to have been disallowed, but such
10 disallowance shall not prevent the refiling of the purchase order at
11 the proper time; and

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

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

20 1. For consumable road or bridge items or materials, a
21 quarterly report of the road and bridge projects completed during
22 such period shall be prepared and kept on file by the consuming
23 department. The quarterly report may be prepared and kept
24 electronically by the consuming department. The report shall

1 contain a record of the date, the place, and the purpose for the use
2 of the road or bridge items or materials. For purposes of
3 identifying county bridges, the board of county commissioners shall
4 number each bridge subject to its jurisdiction; and

5 2. For disposal of all equipment which originally cost more
6 than Five Hundred Dollars (\$500.00), resolution of disposal shall be
7 submitted by the officer on a form prescribed by the State Auditor
8 and Inspector's Office to the board of county commissioners. The
9 approval of the resolution of disposal shall be entered into the
10 minutes of the board.

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

15 I. The procedures provided for in this section shall not apply
16 when a county officer certifies that an emergency exists requiring
17 an immediate expenditure of funds. Such an expenditure of funds
18 shall not exceed Five Thousand Dollars (\$5,000.00). The county
19 officer shall give the county purchasing agent a written explanation
20 of the emergency. The county purchasing agent shall attach the
21 written explanation to the purchase order. The purchases shall be
22 paid by attaching a properly itemized invoice, as described in this
23 section, to a purchase order which has been prepared by the county
24 purchasing agent and submitting them to the county clerk for filing,

1 encumbering, and consideration for payment by the board of county
2 commissioners.

3 SECTION 2. It being immediately necessary for the preservation
4 of the public peace, health and safety, an emergency is hereby
5 declared to exist, by reason whereof this act shall take effect and
6 be in full force from and after its passage and approval.

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