

1 **SENATE FLOOR VERSION**

2 March 25, 2013

3 **AS AMENDED**

4 ENGROSSED HOUSE  
5 BILL NO. 1987

6 By: Brumbaugh, Murphey and  
7 Ritze of the House

8 and

9 Brown of the Senate

10 An Act relating to counties and county officers;  
11 amending 19 O.S. 2011, Section 1505, as last amended  
12 by Section 74, Chapter 304, O.S.L. 2012 (19 O.S.  
13 Supp. 2012, Section 1505), which relates to  
14 purchasing; authorizing county purchasing officers to  
15 make acquisitions through the state purchase card  
16 program; requiring purchase cardholders to sign  
17 agreement and attend training; providing for  
18 publishing of purchases through the state  
19 transparency portal; and providing an effective date.

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

21 SECTION 1. AMENDATORY 19 O.S. 2011, Section 1505, as  
22 last amended by Section 74, Chapter 304, O.S.L. 2012 (19 O.S. Supp.  
23 2012, Section 1505), is amended to read as follows:

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

1       A. The procedure for requisitioning items for county offices  
2 shall be as follows:

3       1. The requesting department shall prepare a requisition form  
4 in triplicate. The requisition shall contain any specifications for  
5 an item as deemed necessary by the requesting department. The form  
6 shall be prescribed by the State Auditor and Inspector;

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

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

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

19       1. The county purchasing agent shall request written  
20 recommendations from all county officers pertaining to commonly used  
21 supplies, materials, and equipment. From such recommendations and  
22 available requisition, purchase, or inventory records, the county  
23 purchasing agent shall prepare a list of items commonly used by  
24 county officers. The county purchasing agent shall request from the

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

23 2. Bids shall be solicited by mailing a notice to all persons  
24 or firms who have made a written request of the county purchasing

1 agent that they be notified of such bid solicitation and to all  
2 other persons or firms who might reasonably be expected to submit  
3 bids. Notice of solicitation of bids shall also be published one  
4 time in a newspaper of general circulation in the county. Notices  
5 shall be mailed and published at least ten (10) days prior to the  
6 date on which the bids are opened. Proof of the mailing shall be  
7 made by the affidavit of the person mailing the request for bids and  
8 shall be made a part of the official records of the county  
9 purchasing agent. Whenever any prospective supplier or vendor  
10 dealing in or listing for sale any particular item or article  
11 required to be purchased or acquired by sealed bids fails to enter  
12 or offer a sealed bid for three successive bid solicitations, the  
13 name of the supplier or vendor may be dropped from the mailing lists  
14 of the board of county commissioners;

15 3. The sealed bids received from vendors and the state contract  
16 price received from the Purchasing Division of the Office of  
17 Management and Enterprise Services shall be given to the county  
18 clerk by the county purchasing agent. The county clerk shall  
19 forward the sealed bids and state contract price, if any, to the  
20 board of county commissioners;

21 4. The board of county commissioners, in an open meeting, shall  
22 open the sealed bids and compare them to the state contract price.  
23 The board of county commissioners shall select the lowest and best  
24 bid based upon the availability of material and transportation cost

1 to the job site within thirty (30) days of the meeting. For any  
2 special item not included on the list of commonly used items, the  
3 requisitioning official shall review the bids and submit a written  
4 recommendation to the board before final approval. The board of  
5 county commissioners shall keep a written record of the meeting as  
6 required by law, and any time the lowest bid was not considered to  
7 be the lowest and best bid, the reason for such conclusion shall be  
8 recorded. Whenever the board of county commissioners rejects the  
9 written recommendation of the requisitioning official pertaining to  
10 a special item, the reasons for the rejection shall be entered in  
11 their minutes and stated in a letter to the requisitioning official  
12 and county purchasing agent;

13 5. The county purchasing agent shall notify the successful  
14 bidders and shall maintain a copy of the notification. The county  
15 purchasing agent shall prepare and maintain a vendors list  
16 specifying the successful bidders and shall notify each county  
17 officer of the list. The county purchasing agent may remove any  
18 vendor from such list who refuses to provide goods or services as  
19 provided by contract if the removal is authorized by the board of  
20 county commissioners. The county purchasing agent may make  
21 purchases from the successful bidders for a price at or below the  
22 bid price. If a vendor who is the low bidder cannot or will not  
23 sell goods or services as required by a county bid contract, the  
24 county purchasing agent may purchase from the next low bidder or

1 take quotations as provided in paragraph 6 of this subsection,  
2 provided, however, such purchase does not exceed Ten Thousand  
3 Dollars (\$10,000.00); and

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

6 a. the county purchasing agent shall determine if  
7 potential vendors are willing to commit to a firm  
8 price for a reduced period of time, and, if such is  
9 the case, the bid procedure described in this  
10 subsection shall be followed, or

11 b. if vendors are not willing to commit to a firm price  
12 for a reduced period, the purchasing agent shall  
13 solicit and record at least three quotes of current  
14 prices available to the county and authorize the  
15 purchase of goods based on the lowest and best quote  
16 as it becomes necessary to acquire such goods. The  
17 quotes shall be recorded on a form prescribed by the  
18 State Auditor and Inspector and shall be attached to  
19 the purchase order and filed with the county clerk's  
20 copy of the purchase order. Any time the lowest quote  
21 was not considered to be the lowest and best quote,  
22 the reason for this conclusion shall be recorded by  
23 the county purchasing agent and transmitted to the  
24 county clerk, or

1 c. if three quotes are not available, a memorandum to the  
2 county clerk from the county purchasing agent shall  
3 describe the basis upon which a purchase is  
4 authorized. The memorandum shall state the reasons  
5 why the price for such a purchase is the lowest and  
6 best under the circumstances. The county clerk shall  
7 then attach the memorandum to the county clerk's copy  
8 of the purchase order and file both in the office of  
9 the county clerk.

10 C. After selection of a vendor, the procedure 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 prepare a purchase order  
14 in quadruplicate and submit it with a copy of the requisition to the  
15 county clerk;

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

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

22 I hereby certify that the amount of this encumbrance has been  
23 entered against the designated appropriation accounts and that this  
24

1 encumbrance is within the authorized available balance of said  
2 appropriation.

3 Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

4 \_\_\_\_\_

5 County Clerk/Deputy

6 of \_\_\_\_\_ County.

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

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

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

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24

- 1 a. the county purchasing agent shall prepare a purchase  
2 order in quadruplicate and submit it with a copy of  
3 the requisition to the county clerk,  
4 b. the county clerk shall then encumber the amount stated  
5 on the purchase order and assign a sequential number  
6 to the purchase order,  
7 c. if there is an unencumbered balance in the  
8 appropriation made for that purpose by the county  
9 excise board, the county clerk shall so certify in the  
10 following form:

11 I hereby certify that the amount of this encumbrance  
12 has been entered against the designated appropriation  
13 accounts and that this encumbrance is within the  
14 authorized available balance of said appropriation.

15 Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

16 \_\_\_\_\_  
17 County Clerk/Deputy

18 of \_\_\_\_\_ County.

19 In instances where it is impossible to ascertain the  
20 exact amount of the indebtedness sought to be incurred  
21 at the time of recording the encumbrance, an estimated  
22 amount may be used. No purchase order shall be valid  
23 unless signed by the county purchasing agent and  
24 certified by the county clerk, and

1           d.    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 the other copy for the county road and  
5                    bridge inventory officer if the purchase order is for  
6                    the purchase of equipment, supplies, or materials for  
7                    the construction or maintenance of roads and bridges,  
8                    and submit the original purchase order to the  
9                    receiving officer of the requesting department.

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

- 14           a.    the purchasing agent shall cause such items being sold  
15                    to be appraised in the manner determined in Section  
16                    421.1 of this title,  
17           b.    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           c.    the county clerk shall then encumber the amount of the  
21                    appraised value and any additional funds obligated by  
22                    the county on the purchase order and assign a  
23                    sequential number to the purchase order,  
24

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

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

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

24           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;

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

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

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

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

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

17 The documents shall be available for public inspection during  
18 regular business hours; and

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

22 F. The following procedures are for the processing of purchase  
23 orders:

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

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

21           3. Whenever any allowance, either in whole or in part, is made  
22 upon any purchase order presented to the board of county  
23 commissioners and is accepted by the person making the claim, such  
24 allowance shall be a full settlement of the entire purchase order

1 and provided that the cashing of warrant shall be considered as  
2 acceptance by the claimant.

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

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

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

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

24

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

13 J. The county purchasing agent may authorize county purchasing  
14 officers to make acquisitions through the state purchase card  
15 program as authorized by the State Purchasing Director in accordance  
16 with Section 85.5 of Title 74 of the Oklahoma Statutes and defined  
17 in Section 85.2 of Title 74 of the Oklahoma Statutes. Purchase  
18 cardholders shall sign a purchase card agreement prior to becoming a  
19 cardholder and attend purchase card procedure training as required  
20 by the State Purchasing Director. Complete descriptions of  
21 purchases made by county government entities shall be published  
22 through the state transparency portal pursuant to Section 85.33B of  
23 Title 74 of the Oklahoma Statutes, and as warrants required to be  
24 published pursuant to Sections 444 and 445 of this title.

1 SECTION 2. This act shall become effective November 1, 2013.

2 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT  
3 March 25, 2013 - DO PASS AS AMENDED  
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