

**BILL SUMMARY**  
1<sup>st</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>HB 1032</b>
<b>Version</b>	<b>CCS (7997)</b>
<b>Author:</b>	<b>Representative Murphy/ Senator Brogdon</b>
<b>Date:</b>	<b>May 8, 2009</b>
<b>Impact:</b>	<b>Potential Savings From Web-based Licensing; Portal System Start-up Costs</b>

**Bill Summary**

Research Analyst: Dante Giancola

The Conference Committee Substitute for HB1032 removes Section 6 from the engrossed version of the bill. This was language that required OSF to have available for all state entities the ability to produce payroll through a web based format. Part of these provisions included completely transferring the state payroll process to a bi-weekly payroll.

The CCS also adds sections 6 through 16, which amends the Central Purchasing Act in several ways including:

- Authorizes state agencies to make purchases up to \$5,000 (up from \$2,500) and those who have certified procurement officers and DCS approved internal purchasing procedures to make purchases within the range of \$5,000 to \$100,000;
- Authorizes DCS's State Purchasing Director to renegotiate existing contracts for the purpose of obtaining more favorable terms for the state; however, the Director may not renegotiate the term of the contract;
- Increases the maximum purchase amount allowable with a state P-card to \$5,000;
- Limits state agencies from making any acquisition that exceeds \$50,000, or a limit determined by the State Purchasing Director, not to exceed \$100,000;
- Amends the amount of a state agency's acquisition limit that the State Purchasing Director can either waive or increase to no more than ten percent, eliminating the set dollar limit;
- Sets the allowable limit on emergency acquisitions by state agencies to no more than \$100,000;
- Implements a tool to account for savings achieved through application of enhanced purchasing procedures and application of best spend practices by requiring DCS's State Purchasing Director to issue an annual report documenting savings realized by each agency;
- Amends the acquisition amount to be included in state agencies' annual report to all acquisitions in excess of \$50,000 but less than \$100,000, and
- Removes acquisition limitations placed on agencies as long as the Director of Central Services certifies the proposed purchase does not conflict with consolidated statewide spend initiatives, the agency has subject matter experts on staff having the specialized

expertise to purchase said goods or services, and the agency possesses the necessary legal staff to procure and monitor the contracts.

HB1032 creates the “Oklahoma State Government Modernization Act of 2009,” and requires the Director of Central Purchasing to provide to the Office of State Finance (OSF) on a monthly basis, a complete listing in electronic format of all transactions occurring with the aid of a state purchase card. The list is to contain the name of the purchaser and purchasing agency, amount of purchase, and all available descriptions of items purchased. Upon receipt of the list, OSF shall allow the public to access the list in searchable format through the single website defined in O.S. Title 62 Section 46.

### **Fiscal Summary**

Fiscal Analyst: Terry McKenna

The Committee Substitute for HB 1032 enacts the “Oklahoma State Government Modernization Act of 2009.” The measure provides that on a monthly basis the Director of Central Purchasing shall provide to the Office of State Finance (OSF) a complete listing in electronic format of all transactions occurring with the aid of a state purchase card. The list shall contain the name of the purchaser and purchasing agency, amount of purchase, and all available descriptions of items purchased. Upon receipt of the list, OSF shall allow the public to access the list in searchable format through the single website defined in O.S. Title 62 Section 46. Also, as of July 1, 2010, each state agency, board, commission or other entity organized within the executive department of state government responsible for licensing or permitting shall utilize the portal system to allow for the web-based application and renewal application for any license or permit issued by that agency. Access to the online renewal systems shall be featured prominently on the portal system.

The measure also modifies provisions of the Oklahoma Purchasing Act by: raising the dollar threshold for acquisitions by certified procurement officers from \$2,500 to \$5,000 but not in excess of \$100,000; authorizing the State Purchasing Director to renegotiate an existing contract for the purpose of obtaining more favorable terms for the state; and raising the limit on the use of a state purchase card for certain transactions from \$2,500 to \$5,000. The CCS to HB 1032 also requires the State Purchasing Director to file a report documenting the savings realized by each agency through the application of best spend practices and raises the dollar threshold from \$25,000 to \$50,000 for state agency purchases that require submission of a requisition to the State Purchasing Director.

### **Fiscal Analysis**

The Department of Central Services (DCS) anticipates no fiscal impact on state revenues or resources regarding the provisions of the bill related to the State Purchasing Card and the Oklahoma Purchasing Act. DCS advises that increasing the dollar threshold for purchases that require submission of a requisition to the State Purchasing Director will allow the agency to spend agency resources on managing larger contracts and thus potentially achieve savings related state purchasing contracts.

Section 5 of the measure requires usage of the portal system for the web-based application and renewal application for any license or permit issued by a state entity within the executive department. A sampling of agencies affected by this section (the Motor Vehicle Commission, the Used Motor Vehicle and Parts Commission, the Board of Medical Licensure and

Supervision) shows IT start-up costs that range from minimal to significant. Any savings from efficiencies related to usage of the portal system could only be determined after a certain period of time using the web-based system.

### **Long Term Fiscal Considerations**

As Stated Above

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director