

Bill Summary
2nd Session of the 57th Legislature

Bill No.:	SB 1422
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Bill Analysis

SB 1422 modifies the term “acquisition” within the Oklahoma Central Purchasing Act to include value provided to the state, strikes the term “change order,” amends “contract to include providing financial incentives in lieu of payment, and eliminates “contract modifications.” Contractor, equipment, materials, open market contract, and item are also stricken by the measure. The measure defines “open market contract” as a contract for a one-time acquisition not exceeding the acquisition amount and amends “political subdivision” to mean local governmental entities and such other entities specified as political subdivisions as defined in the Governmental Tort Claims Act. State purchasing cards are redefined to mean a type of commercial card that allows state agencies to take advantage of existing credit card infrastructure to make electronic payments for acquisitions.

The measure places the employment authority of the Purchasing Division of the Office of Management and Enterprise Services (OMES) under the State Purchasing Director. The Director is empowered to employ such personnel as necessary to carry out the Director’s duties. The measure directs every state agency to pay all expenses incurred for any buyer required to be placed within the agency by the Purchasing Division. Employees may have a relative who owns up to \$25,000.00 of an entity providing acquisitions to a state agency. Current law places the cap at \$5,000.00. Employees of the Division are prohibited by the measure from accepting gifts from vendors as it relates to Ethics Rules. The measure exempts transactions utilizing a state agency as a pass-through entity from the provisions of the Oklahoma Central Purchasing Act, provided the funds do not utilize public monies. SB 1422 provides a framework for state agencies to make “emergency acquisitions.” The measure then specifies what can constitute an emergency acquisition.

Public works and construction contracts are exempted from the Central Purchasing Act but must still comply with purchasing requirements in the Public Building and Public Works title. The measure also authorizes every state agency to determine its own quantitative needs for acquisitions and the general class or nature of the acquisitions. The acquisition cap is increased to \$25,000.00, unless the agency employs certified procurement officers. The acquisition cap for purchases made by agencies employing procurement officers is increased from \$100,000.00 to \$250,000.00.

The State Purchasing Director may increase or decrease the purchasing authority of an agency as well as execute a contract for the acquisition with the federal government or federal agency when advantageous. Additionally, the measure empowers the Director to publish such specifications

relating to materials, supplies, equipment, and services that may best promote competition. The measure provides for the Director to make recommendations to the State Legislature as it pertains to necessary changes to the law and is further authorized to explore and investigate cost savings in energy, resource usage, and maintenance. Other modifications to the Director's duties include providing communication between bidders and procurement officers, utilizing state laboratories with the approval of the Director of OMES, and determining the confidentiality of bids.

The measure provides for the exclusive use of state purchase card program as the only authorized card program in the state, excepting the state fleet card. The State Purchasing Director and higher education institutions are required to provide to the Director of OMES a complete listing in electronic format of all transactions paid by a state purchase card on a monthly basis. The Director of OMES is required to publish the list in a searchable format. The measure defines the parameters under which the State Purchasing Director may authorize the use of a state purchase card. The measure also directs the Purchasing Division to assist in the process of selecting investment managers and specifies that a court order requiring an acquisition by a state agency, whether or not such state agency is subject to this act, shall not invalidate competitive bidding procedures. The measure also modifies acquisition procedures for various state agencies.

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