

OKLAHOMA STATE SENATE
CONFERENCE
COMMITTEE REPORT

May 19, 2025

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB997

By. Frix of the Senate and Sneed of the House

Title: State procurement, creating the Procurement Protection Act of 2025 Emergency

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations

1. That the Senate accept House amendments.
2. That the attached Conference Committee (Request #2154) be adopted.

Respectfully submitted,

SENATE CONFEREES:


Frix

Bullard

Bergstrom


McIntosh

Grellner

Kirt

HOUSE CONFEREES:

Conference Committee on Government Oversight

Senate Action _____ Date _____ House Action _____ Date _____

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED

SENATE BILL NO. 997

By: Frix of the Senate

and

Sneed of the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to state procurement; creating the Procurement Protection Act of 2025; providing short title; defining terms; prohibiting participation of certain entities in certain requisition processes; providing penalties; providing exceptions; repealing 61 O.S. 2021, Section 83, which relates to bid specifications for public improvement projects; providing for noncodification; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Procurement Protection Act of 2025".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 85.59 of Title 74, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for the purpose of making profit;

2. "Domicile" means the country in which a company is registered, the company's affairs are primarily completed, and where the majority of ownership share is held;

3. "Federally banned corporation" means any company or designated equipment federally banned currently or banned after the effective date of this act. Such bans shall include, but not be limited to, those resulting from the following federal agencies and acts:

- a. the Federal Communications Commission, including, but not limited to, any equipment or service deemed to pose a threat to national security identified on the Covered List developed pursuant to 47 C.F.R., Section 1.50002 and published by the Public Safety and Homeland Security Bureau of the Federal Communications Commission pursuant to the federal Secure and Trusted

1 Communications Networks Act of 2019, 47 U.S.C.,
2 Section 1601 et seq.,

- 3 b. the United States Department of Commerce,
- 4 c. the Cybersecurity and Infrastructure Security Agency,
- 5 d. the Federal Acquisition Security Council, and
- 6 e. Section 889 of the John S. McCain National Defense
7 Authorization Act for Fiscal Year 2019, P.L. 115-232;

8 4. "Foreign adversary" means adversarial nations including the
9 People's Republic of China, the Russian Federation, the Islamic
10 Republic of Iran, the Democratic People's Republic of Korea, the
11 Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the
12 Syrian Arab Republic, including any agent of or any other entity
13 under significant control of such foreign country of concern, or any
14 other entity deemed a foreign adversary by the Governor;

15 5. "Foreign adversary company" means a company domiciled in a
16 foreign adversary, owned or controlled, in whole or in part, by the
17 government of a foreign adversary, by individuals acting in official
18 government capacities of a foreign adversary, by a company domiciled
19 in a foreign adversary, or by any company otherwise under the
20 control of a foreign adversary; and

21 6. "Government of China" shall mean the People's Republic of
22 China led by the Chinese Communist Party.

1 SECTION 3. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 85.59a of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Except as provided under subsection D of this section, the
5 following companies shall be ineligible to bid on or submit a
6 proposal for a contract with a state agency or political subdivision
7 of the state for goods or services:

8 1. A state-owned enterprise of a foreign adversary;

9 2. A company domiciled within a foreign adversary;

10 3. A foreign adversary company; or

11 4. A federally banned corporation.

12 B. A state agency or any political subdivision of the state
13 shall require a company that submits a bid or proposal with respect
14 to a contract for goods or services to certify that the company is
15 not a company listed under subsection A of this section.

16 C. If the Director of the Office of Management and Enterprise
17 Services determines that a company has submitted a false
18 certification under subsection B of this section:

19 1. The company shall be liable for a civil penalty in an amount
20 that is equal to Two Hundred Fifty Thousand Dollars (\$250,000.00) or
21 twice the amount of the contract for which a bid or proposal was
22 submitted, whichever is greater;

23 2. The state agency or the Office of Management and Enterprise
24 Services shall terminate the contract with the company; and

1 3. The company shall be ineligible to, and shall not, bid on a
2 state contract for sixty (60) months.

3 D. Notwithstanding the provisions of subsection B of this
4 section, a state agency may enter into a contract for goods
5 manufactured by a company listed under subsection A of this section
6 if:

7 1. There is no other reasonable option for procuring the good;

8 2. The contract is pre-approved by the Director of the Office
9 of Management and Enterprise Services; or

10 3. Not procuring the good would pose a greater threat to this
11 state than the threat associated with the procurement itself.

12 E. Each bid or offer submitted for a state contract shall
13 include a disclosure of whether or not the bidder, offeror, or any
14 of its corporate parents or subsidiaries, within the twenty-four
15 (24) months before submission of the bid or offer, had business
16 operations that involved contracts with or provision of supplies or
17 services from or to any foreign adversary, state-owned enterprise of
18 a foreign adversary, or a company domiciled within a foreign
19 adversary.

20 1. A bid or offer that does not include the disclosure required
21 by this subsection may be given a grace period after the bid or
22 offer is submitted to cure non-disclosure. A state agency or
23 political subdivision receiving the bid may consider the disclosure
24 when evaluating the bid or offer or awarding the contract.

1 2. Each state agency or political subdivision shall provide the
2 Office of Management and Enterprise Services with the name of each
3 entity disclosed under paragraph 1 of this subsection as doing
4 business or having done business in or with a foreign adversary, a
5 state-owned enterprise of a foreign adversary, or a foreign
6 adversary company.

7 SECTION 4. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 85.59c of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 A. Any company wishing to submit a bid or offer for a state
11 contract or for any contract with a political subdivision of this
12 state shall certify with the Office of Management and Enterprise
13 Services that the bidder, offeror, or any of its corporate parents
14 or subsidiaries has not, within the sixty (60) months before
15 submission of the bid or offer, had business operations that
16 involved contracts with or provision of goods or services to any
17 military entity of any foreign adversary, any state-owned enterprise
18 of a foreign adversary, any political party of a foreign adversary,
19 or any federally banned corporation.

20 B. No bid or offer may be submitted for a state contract or for
21 any contract with a political subdivision of this state if the
22 bidder, offeror, or any of its corporate parents or subsidiaries,
23 within the sixty (60) months before submission of the bid or offer,
24 had business operations that involved contracts with or provision of

1 goods or services to any military entity of any foreign adversary,
2 any state-owned enterprise of a foreign adversary, or any federally
3 banned corporation.

4 C. The Director of the Office of Management and Enterprise
5 Services shall provide each state agency and political subdivision
6 with the name of each entity disclosed under this section as doing
7 business or having done business in or with a foreign adversary, a
8 state-owned enterprise of a foreign adversary, or a company
9 domiciled within a foreign adversary.

10 D. If the Director of the Office of Management and Enterprise
11 Services determines that a company has submitted a false
12 certification under subsection A of this section:

13 1. The company shall be liable for a civil penalty in an amount
14 that is equal to Two Hundred Fifty Thousand Dollars (\$250,000.00) or
15 twice the amount of the contract for which a bid or proposal was
16 submitted, whichever is greater;

17 2. The state agency or the Office of Management and Enterprise
18 Services shall terminate the contract with the company; and

19 3. The company shall be ineligible to, and shall not, bid on a
20 state contract for sixty (60) months.

21 SECTION 5. REPEALER 61 O.S. 2021, Section 83, is hereby
22 repealed.

23 SECTION 6. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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