

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3418

By: Strom

4

5

6 AS INTRODUCED

7 An Act relating to public buildings and public works;
8 amending 60 O.S. 2021, Section 176, as last amended
9 by Section 4, Chapter 197, O.S.L. 2025 (60 O.S. Supp.
10 2025, Section 176), which relates to trusts for
11 benefit of state, county or municipality and
12 contracts; making certain contracts no longer subject
13 to Public Competitive Bidding Act; amending 61 O.S.
14 2021, Section 102, as amended by Section 13, Chapter
15 238, O.S.L. 2022; amending 61 O.S. 2021, Section 103,
16 as last amended by Section 1, Chapter 361, O.S.L.
17 2025, 61 O.S. 2021, Section 106, as amended by
18 Section 18, Chapter 238, O.S.L. 2022, 61 O.S. 2021,
19 Section 110, as amended by Section 21, Chapter 238,
20 O.S.L. 2022, 61 O.S. 2021, Section 112, as amended by
21 Section 22, Chapter 238, O.S.L. 2022, 61 O.S. 2021,
22 Section 114, as amended by Section 729, Chapter 486,
23 O.S.L. 2025 (61 O.S. Supp. 2025, Sections 102, 103,
24 106, 110, 112, and 114), 61 O.S. 2021, Section 117,
61 O.S. 2021, Section 119, 61 O.S. 2021, Section
119.1, as amended by Section 25, Chapter 238, O.S.L.
2022 (61 O.S. Supp. 2025, Section 119.1), 61 O.S.
2021, Section 120, 61 O.S. 2021, Section 121, as
amended by Section 26, Chapter 238, O.S.L. 2022 (61
O.S. Supp. 2025, Section 121), 61 O.S. 2021, Section
131, 61 O.S. 2021, Section 137, which relate to the
Public Competitive Bidding Act of 1974; modifying
terms; establishing procedure for public construction
contracts between Twenty-Five Thousand Dollars and
Fifty Thousand Dollars for school district; requiring
bidding documents for construction-management trade
contracts and subcontracts to be available for set
period; authorizing electronic bids with live video
feed of bid opening to not have a public bid opening;
extending applicability of the Public Competitive
Bidding Act to quotes; clarifying persons who are

1 conflicted out of contracts; establishing felony
2 offenses related to insider information related to
3 public bids; requiring change orders or cumulative
4 change orders which exceed certain limits to re-
5 solicit quotes; permitting suit by unsuccessful
6 quoter; establishing that persons who knowingly
7 violate act shall be guilty of a misdemeanor;
8 directing public agencies to use lowest responsible
9 qualified vendor for personal property greater than
10 Ten Thousand Dollars; providing procedure for public
11 agencies that solicit bids or quotes pursuant to
12 authorized sole-source or sole-brand bidding
13 procedures; prohibiting public agencies from writing
14 bid or quote specifications for the purpose of
15 restricting bids or quotes; requiring contractors and
16 vendors to provide certain information to awarding
17 public agency; amending 70 O.S. 2021, Section 5-135,
18 which relates to system of accounting for school
19 districts; requiring compliance with Section 40 of
20 Title 61; providing for codification; and providing
21 an effective date.

22
23
24 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

25 SECTION 1. AMENDATORY 60 O.S. 2021, Section 176, as last
26 amended by Section 4, Chapter 197, O.S.L. 2025 (60 O.S. Supp. 2025,
27 Section 176), is amended to read as follows:

28 Section 176. A. Express trusts may be created to issue
29 obligations, enter into financing arrangements including, but not
30 limited to, lease-leaseback, sale-leaseback, interest rate swaps,
31 and other similar transactions and to provide funds for the
32 furtherance and accomplishment of any authorized and proper public
33 function or purpose of the state or of any county or municipality or
34 any and all combinations thereof, in real or personal property, or

1 either or both, or in any estate or interest in either or both, with
2 the state, or any county or municipality or any and all combinations
3 thereof, as the beneficiary thereof by:

4 1. The express approval of the Legislature and the Governor if
5 the State of Oklahoma is the beneficiary;

6 2. The express approval of two-thirds (2/3) of the membership
7 of the governing body of the beneficiary if a county is a
8 beneficiary;

9 3. The express approval of two-thirds (2/3) of the membership
10 of the governing body of the beneficiary if a municipality is a
11 beneficiary; or

12 4. The express approval of two-thirds (2/3) of the membership
13 of the governing body of each beneficiary in the event a trust has
14 more than one beneficiary; provided, that no funds of a beneficiary
15 derived from sources other than the trust property, or the operation
16 thereof, shall be charged with or expended for the execution of the
17 trust, except by express action of the legislative authority of the
18 beneficiary prior to the charging or expending of the funds. The
19 officers or any other governmental agencies or authorities having
20 the custody, management, or control of any property, real or
21 personal or mixed, of the beneficiary of the trust, or of a proposed
22 trust, which property shall be needful for the execution of the
23 trust purposes, are authorized and empowered to lease the property

24

1 for those purposes, after the acceptance of the beneficial interest
2 therein by the beneficiary as hereinafter provided.

3 B. Any trust created pursuant to the provisions of this
4 section, in whole or in part, may engage in activities outside of
5 the geographic boundaries of its beneficiary, so long as the
6 activity provides a benefit to a large class of the public within
7 the beneficiary's geographic area or lessens the burdens of
8 government of the beneficiary and which does not solely provide a
9 benefit by generating administrative fees.

10 C. A municipality may convey title to real property which is
11 used for an airport to the trustees of an industrial development
12 authority trust whose beneficiary is the municipality. The
13 industrial development authority trust must already have the
14 custody, management, or control of the real property. The
15 conveyance must be approved by a majority of the governing body of
16 the municipality. A conveyance pursuant to this section may be made
17 only for the sole purpose of allowing the authority to sell the
18 property for fair market value when the property is to be used for
19 industrial development purposes. Conveyances made pursuant to this
20 subsection shall be made subject to any existing reversionary
21 interest or other restrictions burdening the property and subject to
22 any reversionary interest or other restriction considered prudent by
23 the municipality.

1 D. The trustees of a public trust having the State of Oklahoma
2 as beneficiary shall make and adopt bylaws for the due and orderly
3 administration and regulation of the affairs of the public trust.
4 All bylaws of a public trust having the State of Oklahoma as
5 beneficiary shall be submitted in writing to the Governor of the
6 State of Oklahoma. The Governor must approve the proposed bylaws
7 before they take effect.

8 E. No public trust in which the State of Oklahoma is the
9 beneficiary may be amended without a two-thirds (2/3) vote of
10 approval of the trustees of the trust; provided, that any amendment
11 is subject to the approval of the Governor of the State of Oklahoma.
12 Any amendments shall be sent to the Governor within fifteen (15)
13 days of their adoption.

14 F. No trust in which a county or municipality is the
15 beneficiary shall hereafter create an indebtedness or obligation
16 until the indebtedness or obligation has been approved by a two-
17 thirds (2/3) vote of the governing body of the beneficiary. In the
18 event a trust has more than one beneficiary, as authorized by this
19 section, the trust shall not incur an indebtedness or obligation
20 until the indebtedness or obligation has been approved by a two-
21 thirds (2/3) vote of the governing body of two-thirds (2/3) of the
22 beneficiaries of the trust. Provided, however, a municipality with
23 a governing body consisting of fewer than seven (7) members shall be
24 required to approve the creation of an indebtedness or obligation

1 under this subsection by a three-fifths (3/5) vote of the governing
2 body.

3 G. All bonds described in subsection F of this section, after
4 December 1, 1976, except bonds sold to the federal government or any
5 agency thereof or to any agency of the State of Oklahoma, shall be
6 awarded to the lowest and best bidder based upon open competitive
7 public offering, advertised at least once a week for two (2)
8 successive weeks in a newspaper of general circulation in the county
9 where the principal office of the trust is located prior to the date
10 on which bids are received and opened; provided, competitive bidding
11 may be waived on bond issues with the approval of three-fourths
12 (3/4) of the trustees, unless the trust has fewer than four
13 trustees, in which case a two-thirds (2/3) approval shall be
14 required, and a three-fourths (3/4) vote of the governing body of
15 the beneficiary, unless the beneficiary is a county in which case a
16 two-thirds (2/3) vote of the members of the governing body shall be
17 required, or three-fourths (3/4) vote of the governing bodies of
18 each of the beneficiaries of the trust, unless one of the
19 beneficiaries is a county in which case a two-thirds (2/3) vote of
20 the members of the governing body of such county shall be required.
21 No bonds shall be sold for less than par value, except upon approval
22 of three-fourths (3/4) of the trustees, unless the beneficiary is a
23 county in which case a two-thirds (2/3) vote of the members of the
24 governing body shall be required. In no event shall bonds be sold

1 for less than sixty-five percent (65%) of par value; provided,
2 however, in no event shall the original purchaser from the issuer of
3 any bonds issued by any public trust for any purpose receive
4 directly or indirectly any fees, compensation, or other remuneration
5 in excess of four percent (4%) of the price paid for the bonds by
6 the purchaser of the bonds from the original purchaser; and further
7 provided, that the average coupon rate thereon shall in no event
8 exceed fourteen percent (14%) per annum. No public trust shall sell
9 bonds for less than ninety-six percent (96%) of par value until the
10 public trust has received from the underwriter or financial advisor
11 or, in the absence of an underwriter or financial advisor, the
12 initial purchaser of the bonds, an estimated alternative financing
13 structure or structures showing the estimated total interest and
14 principal cost of each alternative. At least one alternative
15 financing structure shall include bonds sold to the public at par.
16 Any estimates shall be considered a public record of the public
17 trust. Bonds, notes, or other evidences of indebtedness issued by
18 any public trust shall be eligible for purchase by any state banking
19 association or corporation subject to such limitations as to
20 investment quality as may be imposed by regulations, rules, or
21 rulings of the Bank Commissioner.

22 H. Public trusts created pursuant to this section shall file
23 annually, with their respective beneficiaries, copies of financial
24 documents and reports sufficient to demonstrate the fiscal activity

1 of such trust including, but not limited to, budgets, financial
2 reports, bond indentures, and audits. Amendments to the adopted
3 budget shall be approved by the trustees of the public trust and
4 recorded as such in the official minutes of such trust.

5 ~~I. Public construction contracts as provided in the Public~~
6 ~~Competitive Bidding Act of 1974 shall be subject to the Public~~
7 ~~Competitive Bidding Act of 1974 and the Fair Pay for Construction~~
8 ~~Act, where applicable. The provisions of this subsection shall not~~
9 ~~apply to contracts of industrial and cultural trusts.~~

10 J. Any public trust created pursuant to the provisions of this
11 section shall have the power to acquire lands by use of eminent
12 domain in the same manner and according to the procedures provided
13 for in Sections 51 through 66 of Title 66 of the Oklahoma Statutes.
14 Any exercise of the power of eminent domain by a public trust
15 pursuant to the provisions of this section shall be limited to the
16 furtherance of public purpose projects involving revenue-producing
17 utility projects of which the public trust retains ownership;
18 provided, for public trusts in which the State of Oklahoma is the
19 beneficiary the exercise of the power of eminent domain may also be
20 used for public purpose projects involving air transportation.
21 Revenue-producing utility projects shall be limited to projects for
22 the transportation, delivery, treatment, or furnishing of water for
23 domestic purposes or for power including, but not limited to, the
24 construction of lakes, pipelines, and water treatment plants or for

1 projects for rail transportation. Any public trust formed pursuant
2 to this section which has a county as its beneficiary shall have the
3 power to acquire, by use of eminent domain, any lands located either
4 inside the county, or contiguous to the county pursuant to the
5 limitations imposed pursuant to this section.

6 K. J. If a roadway owned and maintained by a public trust whose
7 beneficiary is the State of Oklahoma, which roadway is not within
8 the corporate limits of any municipality and has been used by the
9 public for any length of time, and the trust has not dedicated the
10 roadway for public use by written easement, plat, or similar writing
11 recorded in the land records of the county clerk of the county in
12 which the roadway is located, the trust may at any time, by
13 resolution of its board of trustees, close, reopen, or re-close the
14 roadway to public use. Such closure shall not leave any property
15 not owned by the trust without contiguous access to a roadway,
16 whether a public right-of-way or a roadway owned by the trust. If a
17 roadway is closed pursuant to this subsection and the right to
18 reopen the roadway is foreclosed by the district court of the county
19 where the roadway is located, pursuant to the procedures provided in
20 Sections 42-111 through 42-115 of Title 11 of the Oklahoma Statutes,
21 then the closure of such roadway shall be permanent and not subject
22 to being reopened.

23
24

1 L. K. Provisions of this section shall not apply to entities
2 created under Sections 1324.1 through 1324.26 of Title 82 of the
3 Oklahoma Statutes.

4 M. L. Any trust created under Section 176 et seq. of this
5 title, in whole or in part, to operate, administer, or oversee any
6 county jail facility shall consist of not fewer than five members
7 and include a county commissioner and the county sheriff, or their
8 designees, and one member appointed by each of the county
9 commissioners. The appointed members shall not be elected
10 officials.

11 SECTION 2. AMENDATORY 61 O.S. 2021, Section 102, as
12 amended by Section 13, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2025,
13 Section 102), is amended to read as follows:

14 Section 102. As used in the Public Competitive Bidding Act of
15 1974:

16 1. "Awarding public agency" means the public agency which
17 solicits and receives ~~sealed bids~~ or quotes on a particular public
18 construction contract;

19 2. "Bidding documents" means the bid notice, instruction to
20 bidders, plans and specifications, bidding form, bidding
21 instructions, general conditions, special conditions and all other
22 written instruments prepared by or on behalf of an awarding public
23 agency for use by prospective bidders on a public construction
24 contract;

1 3. "Chief administrative officer" means an individual
2 responsible for directing the administration of a public agency.
3 The term does not mean one or all of the individuals that make
4 policy for a public agency;

5 4. "Construction management trade contract or subcontract"
6 means any public construction contract exceeding Fifty Thousand
7 Dollars (\$50,000.00) in amount that is awarded as a trade contract
8 in an agency construction management contract or awarded as a
9 subcontract in an at-risk construction management contract;

10 5. "Public agency" means the State of Oklahoma, and any county,
11 city, town, school district or other political subdivision of the
12 state, any public trust, any public entity specifically created by
13 the Constitution or statutes of the State of Oklahoma or as a result
14 of statutory authorization therefor, and any department, agency,
15 board, bureau, commission, committee or authority of any of the
16 foregoing public entities;

17 6. "Public construction contract" or "contract" means any
18 contract, exceeding One Hundred Thousand Dollars (\$100,000.00) in
19 amount, or any construction management trade contracts or
20 subcontracts exceeding Fifty Thousand Dollars (\$50,000.00) in
21 amount, awarded by any public agency for the purpose of making any
22 public improvements or constructing any public building or making
23 repairs to or performing maintenance on the same except where the
24 improvements, construction of any building or repairs to the same

1 | are improvements or buildings leased to a person or other legal
2 | entity exclusively for private and not for public use and no public
3 | tax revenues shall be expended on or for the contract unless the
4 | public tax revenues used for the project are authorized by a
5 | majority of the voters of the applicable public agency voting at an
6 | election held for that purpose and the public tax revenues do not
7 | exceed twenty-five percent (25%) of the total project cost. The
8 | amount of public tax dollars committed to the project will not
9 | exceed a fixed amount established by resolution of the governing
10 | body prior to or concurrent with approval of the project;

11 | 7. "Public improvement" means any beneficial or valuable change
12 | or addition, betterment, enhancement or amelioration of or upon any
13 | real property, or interest therein, belonging to a public agency,
14 | intended to enhance its value, beauty or utility or to adapt it to
15 | new or further purposes. The term does not include the direct
16 | purchase of materials, equipment or supplies by a public agency, or
17 | any personal property, including property as defined in paragraphs 1
18 | and 4 of subsection B of Section 430.1 of Title 62 of the Oklahoma
19 | Statutes;

20 | 8. "Purchasing cooperative" means an association of public
21 | entities working together to provide leverage in achieving best
22 | value and/or the best terms in contracts awarded through a
23 | competitive bidding process; and

24 |

1 9. "Retainage" means the difference between the amount earned
2 by the contractor on a public construction contract, with the work
3 being accepted by the public agency, and the amount paid on said
4 contract by the public agency.

5 SECTION 3. AMENDATORY 61 O.S. 2021, Section 103, as last
6 amended by Section 1, Chapter 361, O.S.L. 2025 (61 O.S. Supp. 2025,
7 Section 103), is amended to read as follows:

8 Section 103. A. Unless otherwise provided by law, all public
9 construction contracts exceeding One Hundred Thousand Dollars
10 (\$100,000.00) or construction management trade contracts or
11 subcontracts exceeding Fifty Thousand Dollars (\$50,000.00) shall be
12 let and awarded to the lowest responsible bidder, by open
13 competitive bidding after solicitation for sealed bids, in
14 accordance with the provisions of the Public Competitive Bidding Act
15 of 1974. No work shall be commenced until a written contract is
16 executed and all required bonds and insurance have been provided by
17 the contractor to the awarding public agency.

18 B. Notwithstanding subsection A of this section, in awarding
19 public construction contracts exceeding One Hundred Thousand Dollars
20 (\$100,000.00) or construction management trade contracts or
21 subcontracts exceeding Fifty Thousand Dollars (\$50,000.00),
22 counties, cities, other local units of government and any public
23 trust with a county or a municipality as its sole beneficiary shall
24 provide for a local bid preference of not more than five percent

1 (5%). Provided, however, the local bidder or contractor must agree
2 to perform the contract for the same price and terms as the bid
3 proposed by the nonlocal bidder or contractor. Provided further, no
4 local bid preference shall be granted unless the local bidding
5 entity is the second lowest qualified bid on the contract. The bid
6 specifications shall clearly state that the bid is subject to a
7 local bidder preference law. For purposes of this section, "local
8 bid" means the bidding person is authorized to transact business in
9 this state and maintains a bona fide establishment for transacting
10 such business within this state. This provision does not apply to
11 any construction contract for which federal funds are available for
12 expenditure when its provisions may be in conflict with federal law
13 or regulation.

14 C. Except as provided in subsection E of this section, other
15 construction contracts for the purpose of making any public
16 improvements or constructing any public building or making repairs
17 to the same for between Ten Thousand Dollars (\$10,000.00) and One
18 Hundred Thousand Dollars (\$100,000.00) or construction management
19 trade contracts or subcontracts for Fifty Thousand Dollars
20 (\$50,000.00) or less shall be let and awarded to the lowest
21 responsible bidder by receipt of written bids or awarded on the
22 basis of competitive quotes to the lowest responsible qualified
23 contractor. Work may be commenced in accordance with the purchasing
24 policies of the public agency.

1 D. ~~Except as provided in subsection E of this section Unless~~
2 otherwise provided by law, other construction contracts for less
3 than Ten Thousand Dollars (\$10,000.00) may be negotiated with a
4 qualified contractor. Work may be commenced in accordance with the
5 purchasing policies of the public agency.

6 E. The provisions of this subsection shall apply to ~~public~~
7 ~~construction for minor maintenance or minor repair work to public~~
8 ~~school district property districts~~. Other construction contracts
9 for less than Twenty-five Thousand Dollars (\$25,000.00) may be
10 negotiated with a qualified contractor. Public construction
11 contracts for between Twenty-five Thousand Dollars (\$25,000.00) and
12 less than Fifty Thousand Dollars (\$50,000.00) shall be let and
13 awarded to the lowest responsible bidder by receipt of written bids
14 or awarded on the basis of competitive quotes to the lowest
15 responsible qualified contractor. Construction contracts equal to
16 or greater than Fifty Thousand Dollars (\$50,000.00) but less than
17 One Hundred Thousand Dollars (\$100,000.00) shall be let and awarded
18 to the lowest responsible bidder by receipt of written bids. No
19 work shall be commenced on any construction contract until a written
20 contract is executed and proof of insurance has been provided by the
21 contractor to the awarding public agency.

22 F. The Construction and Properties Division of the Office of
23 Management and Enterprise Services may award contracts using best
24 value competitive proposals. As used in this subsection, "best

1 value" means an optional contract award system which can evaluate
2 and rank submitted competitive performance proposals to identify the
3 proposal with the greatest value to the state. The Office of
4 Management and Enterprise Services, pursuant to the Administrative
5 Procedures Act, shall promulgate rules necessary to implement the
6 provisions of this subsection.

7 G. 1. A public agency shall not let or award a public
8 construction contract exceeding One Hundred Thousand Dollars
9 (\$100,000.00) or a construction management trade contract or
10 subcontract exceeding Fifty Thousand Dollars (\$50,000.00) to any
11 contractor affiliated with a purchasing cooperative unless the
12 purchasing cooperative and the contractor have complied with all of
13 the provisions of the Public Competitive Bidding Act of 1974,
14 including, but not limited to, open competitive bidding after
15 solicitation for sealed bids. A public agency shall not let or
16 award a public construction contract exceeding Ten Thousand Dollars
17 (\$10,000.00) up to One Hundred Thousand Dollars (\$100,000.00) to any
18 contractor affiliated with a purchasing cooperative unless the
19 purchasing cooperative and the contractor have complied with all of
20 the provisions of the Public Competitive Bidding Act of 1974,
21 including submission of a written bid upon notice of competitive
22 bidding.

23 2. A purchasing cooperative and its affiliated contractors
24 shall not be allowed to bid on any public construction contract

1 exceeding One Hundred Thousand Dollars (\$100,000.00) or any
2 construction management trade contract or subcontract exceeding
3 Fifty Thousand Dollars (\$50,000.00) unless the purchasing
4 cooperative and its affiliated contractors have complied with all of
5 the provisions of the Public Competitive Bidding Act of 1974,
6 including, but not limited to, open competitive bidding after
7 solicitation for sealed bids. A purchasing cooperative and its
8 affiliated contractors shall not be allowed to bid on any public
9 construction contract exceeding Five Thousand Dollars (\$5,000.00)
10 unless the purchasing cooperative and its affiliated contractors
11 have complied with all of the provisions of the Public Competitive
12 Bidding Act of 1974, including submission of a written bid upon
13 notice of open competitive bidding.

14 3. Local governmental units, or local governmental units
15 cooperating under the terms of any interlocal cooperative agreement
16 authorized by state law, may create a purchasing cooperative or
17 contract with a purchasing cooperative to provide leverage in
18 achieving best value or the best terms in contracts. To encourage
19 intergovernmental collaboration, any purchasing cooperative or
20 interlocal cooperative entity may utilize any single legal newspaper
21 of this state to serve as sufficient compliance for bid notice
22 requirements of competitive bidding or solicitation of bids. If the
23 purchasing cooperative or interlocal cooperative entity is engaging
24 in a project exclusive to a county or group of counties of this

1 state, and not open to all governmental units or public trusts that
2 wish to participate statewide, the bid notice shall be published in
3 a legal newspaper located within the county or group of counties.
4 Any local governmental unit or public trust that enters into
5 membership or contracts with a purchasing cooperative or interlocal
6 cooperative entity may enter into purchases or contracts under the
7 terms negotiated by the purchasing cooperative or interlocal
8 cooperative entity. If the purchasing cooperative or interlocal
9 cooperative entity complies with the requirements of this section of
10 law, all local governmental units shall be deemed in compliance with
11 the requirements set forth for bid notices and publication.

12 SECTION 4. AMENDATORY 61 O.S. 2021, Section 106, as
13 amended by Section 18, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2025,
14 Section 106), is amended to read as follows:

15 Section 106. Complete bidding documents regarding a proposed
16 public construction contract or construction-management trade
17 contract or subcontract shall be available to the public at least
18 twenty (20) days prior to the date set for opening bids. The
19 awarding public agency, or its agent, may require a reasonable
20 deposit for each set of bidding documents; provided, that such
21 deposit shall not exceed the actual cost of duplicating or printing.
22 The public agency, or its agent, may retain all or part of said
23 deposit if so stated in the notice for bids.

24

1 SECTION 5. AMENDATORY 61 O.S. 2021, Section 110, as
2 amended by Section 21, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2025,
3 Section 110), is amended to read as follows:

4 Section 110. Bids whether submitted in paper or electronic
5 format shall be opened only at the time and place listed in the
6 bidding documents. Paper bids shall be opened in the presence of an
7 administrative officer of the awarding public agency and be read
8 aloud at the time of opening. Such bid opening shall be open to the
9 public and to all bidders. Electronic bids shall not be viewable
10 prior to the time listed for bid opening in the bidding documents.
11 Electronic bids may be opened in a public bid opening in the same
12 way as for paper bids. A public bid opening is not required for
13 electronic bids if the awarding public agency ~~electronically~~
14 ~~publishes the bids~~ provides a live video feed of the bid opening on
15 its website at time of bid opening.

16 SECTION 6. AMENDATORY 61 O.S. 2021, Section 112, as
17 amended by Section 22, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2025,
18 Section 112), is amended to read as follows:

19 Section 112. All bids or quotes, both successful and
20 unsuccessful, and all contracts and required bonds shall be placed
21 on file and maintained by the awarding public agency for a period of
22 five (5) years from the date of opening of bids or quotes or for a
23 period of three (3) years from the date of completion of the

24

1 contract, whichever is longer, and shall be open to public
2 inspection and shall be matters of public record.

3 SECTION 7. AMENDATORY 61 O.S. 2021, Section 114, as
4 amended by Section 729, Chapter 486, O.S.L. 2025 (61 O.S. Supp.
5 2025, Section 114), is amended to read as follows:

6 Section 114. ~~The chief administrative officer and members of~~
7 ~~the governing body of the awarding public agency authorizing or~~
8 ~~awarding or supervising the execution of a public construction~~
9 ~~contract~~ The officials and employees of the awarding public agency
10 who authorize or award or supervise the execution of a public
11 construction contract, and their relatives within the third degree
12 of consanguinity or affinity, are forbidden to be interested
13 directly or indirectly through stock ownership, partnership interest
14 or otherwise in any such contract. Contracts entered into in
15 violation of this section shall be void. Persons willfully
16 violating this section shall be guilty of a Class D3 felony offense
17 punishable by imprisonment as provided for in subsections B through
18 F of Section 20P of Title 21 of the Oklahoma Statutes and shall be
19 subject to removal from office.

20 SECTION 8. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 116A of Title 61, unless there
22 is created a duplication in numbering, reads as follows:

23 A. It shall be a felony for any official or employee of a
24 public agency to disclose the terms of a bid submitted in response

1 to a bid notice issued by a public agency in advance of the time set
2 for opening of all bids so submitted, and the proceedings shall be
3 rendered void.

4 B. It shall be a felony for any official or employee of a
5 public agency to provide, or for any other person to solicit or
6 possess or receive, information which is to be contained in a bid
7 notice of a public agency in advance of the date on which said bid
8 notice is to be made equally and uniformly known to all prospective
9 bidders and the public, and the proceedings shall be rendered void.
10 The estimate of the actual cost of the project shall not be
11 considered confidential and shall be available to the public in
12 accordance with the Oklahoma Open Records Act.

13 C. It shall be a felony for any official or employee of a
14 public agency to withhold or impede the distribution of information
15 contained in a bid notice of a public agency after notice of the bid
16 has been given, unless the solicitation of bids has been withdrawn
17 or the particular information in question has been deleted or
18 replaced through alteration of the bid notice and said withdrawal or
19 alteration has been made equally and uniformly known.

20 SECTION 9. AMENDATORY 61 O.S. 2021, Section 117, is
21 amended to read as follows:

22 Section 117. If an award is made to other than the lowest
23 bidder or quoter, the awarding public agency shall accompany its
24 action with a publicized statement setting forth the reason for its

1 action. Such statement shall be placed on file, open to public
2 inspection and be a matter of public record.

3 SECTION 10. AMENDATORY 61 O.S. 2021, Section 119, is
4 amended to read as follows:

5 Section 119. By majority action of the governing board of the
6 awarding public agency or the chief administrating officer of an
7 awarding public agency without a governing board, the awarding
8 public agency shall have the right to reject any or all bids or
9 quotes and solicit bidders or quoters again as herein provided if,
10 in the opinion of the governing body of the public agency, the best
11 interests of the people of the State of Oklahoma would be best
12 served by so doing.

13 SECTION 11. AMENDATORY 61 O.S. 2021, Section 119.1, as
14 amended by Section 25, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2025,
15 Section 119.1), is amended to read as follows:

16 Section 119.1. A. If no timely bid or quote is received after
17 bid notices have been published or quotes have been solicited on any
18 proposed public construction contract which does not exceed One
19 Hundred Thousand Dollars (\$100,000.00) or on any proposed
20 construction management trade contract or subcontract which does not
21 exceed Fifty Thousand Dollars (\$50,000.00):

22 1. The governing body of a county, city, town or school
23 district may direct its employees or agents to negotiate the
24 contract with a prospective contractor; or

1 2. The state agency, as defined in Section 202 of this title,
2 shall request the Office of Management and Enterprise Services to
3 negotiate a contract on its behalf.

4 B. The amount of a public construction contract which may be
5 awarded by the governing body pursuant to this section shall not
6 exceed One Hundred Thousand Dollars (\$100,000.00), nor shall the
7 amount of a construction management trade contract or subcontract
8 awarded by the governing body pursuant to this section exceed Fifty
9 Thousand Dollars (\$50,000.00), and the work to be performed shall be
10 as specified in the initial bidding documents or quote solicitation.
11 The contract shall be executed within six (6) months after the date
12 initially set for opening of bids or receipt of quotes. The
13 contract and contract procedure shall conform to all other
14 applicable provisions of the Public Competitive Bidding Act of 1974.

15 SECTION 12. AMENDATORY 61 O.S. 2021, Section 120, is
16 amended to read as follows:

17 Section 120. No public construction contract shall be
18 assignable by the ~~successful bidder~~ contractor without written
19 consent of the governing body of the awarding public agency,
20 evidenced by resolution. In no event shall such a contract be
21 assigned to a bidder who was declared by the awarding public agency
22 not to be a responsible bidder in the consideration of bids received
23 for the particular contract.

24

1 SECTION 13. AMENDATORY 61 O.S. 2021, Section 121, as
2 amended by Section 26, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2025,
3 Section 121), is amended to read as follows:

4 Section 121. A. Change orders or addenda to public
5 construction contracts of One Million Dollars (\$1,000,000.00) or
6 less shall not exceed a fifteen percent (15%) cumulative increase in
7 the original contract amount.

8 B. Change orders or addenda to public construction contracts of
9 over One Million Dollars (\$1,000,000.00) shall not exceed the
10 greater of One Hundred Fifty Thousand Dollars (\$150,000.00) or a ten
11 percent (10%) cumulative increase in the original contract amount.

12 C. Change orders or cumulative change orders which exceed the
13 limits of subsection A or B of this section shall require a
14 readvertising for bids or re-solicitation of quotes on the
15 incomplete portions of the contract.

16 D. If the awarding public agency does not have a governing
17 body, the chief administrative officer of the awarding public agency
18 shall approve change orders. The Director of the Office of
19 Management and Enterprise Services, or the Director's designee,
20 shall sign and execute all contracts and change orders, as they
21 relate to state agencies.

22 E. If the awarding public agency has a governing body, all
23 change orders shall be formally approved by the governing body of
24 the awarding public agency and the reasons for approval recorded in

1 the permanent records of the governing body. The governing body of
2 a municipality or technology center may delegate approval of change
3 orders up to Forty Thousand Dollars (\$40,000.00) or ten percent
4 (10%) of any contract, whichever is less, to the chief
5 administrative officer of the municipality or technology center or
6 their designee, with any approved change orders reported to the
7 governing body at the next regularly scheduled meeting.

8 F. The Oklahoma Veterans Commission, as the governing body of
9 the Oklahoma Department of Veterans Affairs, is authorized to
10 delegate to the Director of the agency the authority to approve
11 change orders on a construction contract provided that the
12 individual change order does not exceed Forty Thousand Dollars
13 (\$40,000.00) in expenditure, and complies with the limits
14 established by this section. Change orders approved by the Director
15 pursuant to a delegation of authority shall be presented to the
16 Commission during the next regular meeting and the reasons for the
17 orders recorded in permanent records.

18 G. The governing body of the Oklahoma Tourism and Recreation
19 Department is authorized, upon approval of a majority of all of the
20 members of the Oklahoma Tourism and Recreation Commission, to
21 delegate to the Director of the agency the authority to approve
22 change orders on a construction contract provided that the
23 individual change order does not exceed Twenty-five Thousand Dollars
24 (\$25,000.00) in expenditure and complies with the limits established

1 by this section. The Director of the Office shall sign and execute
2 all contracts and change orders.

3 H. The Transportation Commission may, by rule, authorize the
4 Director of the Department of Transportation to approve change
5 orders in an amount of not to exceed Five Hundred Thousand Dollars
6 (\$500,000.00). Change orders approved by the Director shall be
7 presented to the Transportation Commission during the next regular
8 meeting and the reasons therefor recorded in the permanent records.

9 The Oklahoma Turnpike Authority may authorize the Director of the
10 Authority to approve change orders in an amount not to exceed Two
11 Hundred Fifty Thousand Dollars (\$250,000.00). Change orders
12 approved by the Director of the Authority shall be presented to the
13 Authority during the next regular meeting and the reasons for the
14 orders recorded in permanent records.

15 I. All change orders for the Department of Transportation or
16 the Authority shall contain a unit price and total for each of the
17 following items:

- 18 1. All materials with cost per item;
- 19 2. Itemization of all labor with number of hours per operation
20 and cost per hour;
- 21 3. Itemization of all equipment with the type of equipment,
22 number of each type, cost per hour for each type, and number of
23 hours of actual operation for each type;

1 4. Itemization of insurance cost, bond cost, Social Security,
2 taxes, workers' compensation, employee fringe benefits and overhead
3 cost; and

4 5. Profit for the contractor.

5 J. 1. If a construction contract contains unit pricing, and
6 the change order ~~pertains to~~ changes the unit price, the change
7 order will not be subject to subsection A or B of this section.

8 2. When the unit price change does not exceed Twenty Thousand
9 Dollars (\$20,000.00), the unit price change order computation may be
10 based on an acceptable unit price basis in lieu of cost itemization
11 as required in paragraphs 1, 2, 3, 4 and 5 of subsection I of this
12 section.

13 3. When the unit price change exceeds Twenty Thousand Dollars
14 (\$20,000.00), any unit price for a new item established at or below
15 the average eighteen-month-price history for the new item may be
16 used in lieu of cost itemization as required in paragraphs 1, 2, 3,
17 4 and 5 of subsection I of this section.

18 K. Alternates or add items bid with the original bid or quoted
19 with the original quote and contained in the awarded contract as
20 options of the awarding public agency shall not be construed as
21 change orders under the provisions of the Public Competitive Bidding
22 Act of 1974.

23 L. Where construction management at-risk is the project
24 delivery method, the limits established by subsections A and B of

1 this section shall be based upon the total cost of the project
2 rather than the cost of the individual trade contracts.

3 SECTION 14. AMENDATORY 61 O.S. 2021, Section 122, is
4 amended to read as follows:

5 Any taxpayer of the State of Oklahoma, or any bona fide
6 unsuccessful bidder or quoter on a particular public construction
7 contract, within ten (10) days after any such contract has been
8 executed, is empowered to bring suit in the district court of the
9 county where the work, or the major part of it, is to be done to
10 enjoin the performance of such contract if entered into in violation
11 of the provisions of this act.

12 SECTION 15. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 122A of Title 61, unless there
14 is created a duplication in numbering, reads as follows:

15 Any person who knowingly violates any provision of this act not
16 otherwise provided shall, upon conviction, be guilty of a
17 misdemeanor.

18 SECTION 16. AMENDATORY 61 O.S. 2021, Section 131, is
19 amended to read as follows:

20 Section 131. No contract shall be split into partial contracts
21 for the purpose of avoiding the requirements of this act. All such
22 partial contracts shall be void. Any person who knowingly violates
23 the provisions of this section shall, upon conviction, be guilty of
24 a misdemeanor ~~punishable by imprisonment in the county jail for not~~

1 ~~more than one (1) year, or by a fine of not more than One Thousand~~
2 ~~Dollars (\$1,000.00), or by both such fine and imprisonment.~~

3 SECTION 17. AMENDATORY 61 O.S. 2021, Section 137, is
4 amended to read as follows:

5 Section 137. Any contract which has been bid or quoted under
6 the provisions of the Public Competitive Bidding Act, Section 101 et
7 seq. of Title 61 of the Oklahoma Statutes, and on which no work has
8 been performed and no formal claim or litigation has been pending
9 within the last twenty-four (24) months shall be terminated by the
10 public agency which awarded the contract. After termination, the
11 public agency shall determine the amount of any final payment due to
12 the contractor and shall make such payment to the contractor at the
13 contractor's last-known address, or if the public agency is unable
14 to locate the contractor, the amount due shall be held in a separate
15 account by the State Treasurer in the name of the contractor.

16 Termination of the contract and payment to the contractor or deposit
17 of the funds due to the contractor as determined by the public
18 agency shall release the public agency from any further liability to
19 the contractor or surety company. Any such funds held by the State
20 Treasurer for the contractor which are not claimed by the contractor
21 within thirty-six (36) months from the date of deposit with the
22 State Treasurer shall be deposited in the General Revenue Fund and
23 the state shall have no further liability on the project to the
24 contractor or surety company.

1 SECTION 18. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 140 of Title 61, unless there is
3 created a duplication in numbering, reads as follows:

4 A. Unless otherwise specifically provided by law, public
5 agencies shall purchase or lease-purchase or lease all personal
6 property, including materials and equipment and supplies, estimated
7 to cost Ten Thousand (\$10,000.00) Dollars or more from the lowest
8 responsible qualified vendor after soliciting and receiving written
9 quotes.

10 B. If a public agency solicits bids or quotes pursuant to
11 authorized sole-source or sole-brand bidding procedures, such public
12 agency shall consider any bid or quote for a lower cost that
13 substitutes an item or service with one that is substantially
14 equivalent in quality and performance or that meets the required bid
15 or quote specifications.

16 C. Public agencies shall not write bid or quote specifications
17 for the purpose of restricting bids or quotes.

18 D. 1. Each contractor and vendor shall provide to the awarding
19 public agency a written statement under oath disclosing the names of
20 all individuals with more than ten percent (10%) ownership interest
21 in the bidding or quoting company. The statement also shall include
22 the names of all individuals with more than ten percent (10%)
23 ownership interest in any entities with any ownership interest in
24 the bidding or quoting company as well as the names of all

1 individuals with more than ten percent (10%) ownership interest in
2 any of those entities as far back in the chain of ownership as
3 necessary to reveal the names of all individuals with any ownership
4 interest whatsoever;

5 2. Each contractor or vendor shall provide to the awarding
6 public agency a written statement under oath disclosing the names of
7 its employees and subcontractors and trade contractors;

8 3. Each subcontractor and trade contractor that is an entity
9 shall provide a written statement under oath disclosing the names of
10 all individuals with more than ten percent (10%) ownership interest
11 in the entity as well as the names of all individuals with more than
12 ten percent (10%) ownership interest in any entity with any
13 ownership interest in such entity as far back in the chain of
14 ownership as necessary to reveal the names of all individuals with
15 more than ten percent (10%) ownership interest whatsoever;

16 4. If any contractor or subcontractor or trade contractor or
17 vendor does not provide such statement, such contract or subcontract
18 or trade contract shall be void; and

19 5. The purpose of this subsection is to prohibit individuals
20 from hiding ownership or employment interests behind entities or
21 trade names.

22 SECTION 19. AMENDATORY 70 O.S. 2021, Section 5-135, is
23 amended to read as follows:

1 Section 5-135. A. The board of education of each school
2 district shall use the following system of initiating, recording and
3 paying for all purchases, salaries, wages or contractual obligations
4 due from any of the funds under the control of such board of
5 education. However, a school district board of education may use
6 the procedures outlined in Section 304.1 of Title 62 of the Oklahoma
7 Statutes for the payment of salaries and wages only if the board so
8 votes. The provisions contained herein shall not apply to the
9 sinking fund and school activity fund.

10 B. The encumbrance clerk and treasurer of the school district
11 shall each enter the authorized amounts in the various appropriation
12 accounts of the funds to which this system is applied. The
13 authorized amounts of appropriations shall be the general fund and
14 building fund appropriations approved by the county excise board and
15 such additional amounts as may be applied in the manner provided by
16 law, the amount received for deposit in a special cash fund where
17 such special cash fund is authorized by law or required by the
18 person or agency providing such funds, or the amount of the net
19 proceeds realized from the sale of bonds of the school district and
20 any other income due such fund.

21 C. It shall be the duty and responsibility of the board of
22 education of the school district to prescribe and administer
23 adequate business procedures and controls governing the purchase or
24 confirmation of purchase and delivery of goods or services. The

1 procedures shall include delivery of an acceptable invoice by
2 document, facsimile, electronic or other standard form that includes
3 the information required by the district. Such procedures shall
4 include the designation of authorized persons to purchase goods or
5 services for the district and the method of determining the school
6 employee receiving delivery of each purchase. The provisions of
7 this subsection shall be in addition to the provisions of Section
8 140 of Title 61 of the Oklahoma Statutes.

9 D. Prior to the issuance of a purchase order, the encumbrance
10 clerk must first determine that the encumbrance will not exceed the
11 balance of the appropriation to be charged. The encumbrance clerk
12 shall charge the appropriate appropriation accounts and credit the
13 affected encumbrances outstanding accounts with the encumbrances.
14 Encumbrances must be submitted to the board of education in the
15 order of their issuance on a monthly basis, subject to a monthly
16 business cycle cut-off date determined by the board of education.
17 Approved encumbrances shall be listed in the minutes by the minute
18 clerk.

19 E. Before any purchase is completed, a purchase order or
20 encumbrance must be issued. No bill shall be paid unless it is
21 supported by an itemized invoice clearly describing the items
22 purchased, the quantity of each item, its unit price, its total cost
23 and proof of receipt of such goods or services. The bill and/or
24 invoice shall be filed in the encumbrance clerk's official records.

1 If a district has the ability to electronically utilize evaluated
2 receipt settlement (ERS), the district may remit to vendors on that
3 basis if the requirements of this subsection are fulfilled. In the
4 event a district is establishing electronic data interchange,
5 electronic entries will suffice in lieu of paper documents. In
6 order for a district to be authorized to utilize an evaluated
7 receipt settlement system:

8 1. The ERS must result in payment by the district from vendor
9 receipts that have been matched to the purchase order date;

10 2. The ERS may only be used when there is an agreement between
11 the district and the vendor for use of an ERS; and

12 3. The ERS must be included in the district's journal
13 ledger/accounts payable/purchase order software.

14 F. The encumbrance clerk shall debit the encumbrances
15 outstanding account and credit the accounts payable account for the
16 amount of the approved bill. The board of education shall determine
17 the extent such costs may fluctuate without additional board action.
18 Minor adjustments not requiring additional board approval shall be
19 referenced to the original encumbrance.

20 G. An approved bill may be paid by issuing a warrant or check
21 against the designated fund only after ascertaining that proper
22 accounting of the purchase has been made and that the files contain
23 the required information to justify the expenditure of public funds,
24 except as otherwise provided in subsection I of this section. The

1 warrants or checks so issued shall be recorded in an orderly
2 numerical system established by the district. The encumbrance clerk
3 shall charge the warrant or checks against the accounts payable
4 account and credit it to the warrants or checks issued account.
5 Provided, if payment is to be made immediately and the board of
6 education deems it advisable, the postings to the accounts payable
7 account may be omitted and the payment of the approved bill may be
8 credited directly to the warrants or checks issued account. The
9 warrant or check shall show on its face the name of the school
10 district, the date of issue, the payee, the amount, the expenditure
11 classification code, and such other information as may be necessary
12 or desirable. The president and clerk of the board of education
13 shall each sign the warrant or check, or approved facsimile thereby
14 denoting to the public that the warrant or check is for the purpose
15 and within the amount of the appropriation charged.

16 H. The treasurer shall register the warrant or check in the
17 warrant or check register, charging the appropriation account and
18 crediting the warrants or checks outstanding account of the
19 designated fund. Provided, no warrant or check shall be registered
20 in excess of the appropriation account's balance. All warrants or
21 checks shall be registered in the order of their issuance. Voided
22 warrants or checks shall be registered and filed with the treasurer.
23 The treasurer shall sign each warrant or check through individual
24 signature or approved facsimile showing its registration date and

1 shall state whether it is payable or nonpayable. When a warrant or
2 check is paid, the treasurer shall maintain evidence the warrant or
3 check has been processed and paid. Nothing in this subsection shall
4 prohibit any governing board from using automated recordkeeping
5 procedures, provided the information required in this subsection can
6 be accessed.

7 I. Any board of education of a school district of this state
8 may make a payment which would otherwise be made by warrant or
9 check, by disbursement through an Automated Clearing House, bank
10 account debit system, wire transfer through the Federal Reserve
11 System, or any other automated payment system operated by a
12 financial institution insured by the Federal Deposit Insurance
13 Corporation. The internal controls over such payment system shall
14 be reviewed and approved by the independent auditor of the district
15 during the annual audit. The provisions of Sections 601 through 606
16 of Title 62 of the Oklahoma Statutes shall apply to instruments or
17 payment authorized by this subsection.

18 J. School districts complying with the provisions of this act
19 shall use only those forms and accounting systems approved by the
20 State Board of Education. Such forms and systems shall be
21 considered in substantial compliance with this act if they are
22 sufficient to convey the meaning and sequence of transactions
23 contained herein. Provided, nothing contained herein shall be
24 construed to limit or prevent the use of additional or subsidiary

1 accounts, forms, or files which may be deemed necessary or advisable
2 by the board of education of the district or the State Board of
3 Education.

4 K. Any school district desiring to utilize the services of a
5 data processing center to furnish any or all of the records herein
6 required may do so if the center and its system complies with this
7 act and the rules and regulations of the State Board of Education.
8 Such center shall furnish an honesty bond in an amount to be set by
9 the board of education but not less than Ten Thousand Dollars
10 (\$10,000.00).

11 L. The State Board of Education shall notify the board of
12 education of the school district of the tentative amount the
13 district is to receive from state and federal aid funds or
14 allocations, and the board of education of the school district may
15 include such tentative estimate as an item of probable income in the
16 preparation of the school district's Estimate of Needs and Financial
17 Statement; provided, no such federal aid estimate shall be used in
18 any way to reduce the State Foundation Aid or Incentive Aid for such
19 school district or sustain a protest for the reduction of a tax
20 levy.

21 SECTION 20. This act shall become effective November 1, 2026.
22

23 60-2-15275 MJ 01/13/26
24