

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1775 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Danny Williams

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1775

By: Williams

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to state government; creating the
9 Department of Central Services; making Central
10 Services Division a separate and distinct agency;
11 directing Department and Director to continue to
12 exercise statutory powers, duties, and
13 responsibilities; providing for succession to
14 contractual rights and responsibilities; requiring
15 Director to adopt and enforce certain rules and
16 authorizing further rulemaking authority; authorizing
17 execution of certain agreement; requiring consent of
18 employees prior to transfer; providing certain
19 protections relating to salary, leave, time earned,
20 and benefits; requiring transfer of personnel to be
21 coordinated with Office of Management and Enterprise
22 Services; requiring payment of certain expenses;
23 abolishing certain division within the Office of
24 Management and Enterprise Services upon completion of
transfer; directing certain coordination; providing
for certain transfers; amending 74 O.S. 2021,
Sections 61.2, 85.3, 85.5, 85.12 and 62 O.S. 2021,
Section 34.3.1, which relate to Department of Central
Services; modifying references to Department and
Director; removing exemptions; providing for
codification; and providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 61.10 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created the Department of Central Services.
5 The Governor shall appoint a Director of the Department of Central
6 Services, by and with the advice and consent of the Senate, who
7 shall hold office at the pleasure of the Governor and shall continue
8 to serve until his or her successor is duly appointed and is
9 qualified. The salary of the Director of the Department of Central
10 Services shall be set by the Legislature.

11 B. The Director of the Department of Central Services, with the
12 approval of the Governor, shall employ and make the appointment of
13 such experts and assistants as may be necessary in the performance
14 of the Director's duties as required by law. No appointments to
15 positions shall be made in excess of the positions authorized by act
16 of the Legislature for the Office of Management and Enterprise
17 Services.

18 C. Beginning on the effective date of this act, the Department
19 of Central Services shall cease to be part of or a division of the
20 Office of Management and Enterprise Services and shall be deemed to
21 be a separate and distinct agency, to be known as the Department of
22 Central Services. The Department of Central Services and the
23 Director of the Department of Central Services shall continue to
24 exercise the statutory powers, duties, and contractual

1 responsibilities of the Central Services Division of the Office of
2 Management and Enterprise Services. All records, property,
3 equipment, assets, monies, financial interests, liabilities, matters
4 pending, and funds of the Department of Central Services as a
5 division of the Office of Management and Enterprise Services shall
6 be transferred to the Department of Central Services.

7 D. The Department shall succeed to any contractual rights or
8 responsibilities incurred by the Department of Central Services
9 Division of the Office of Management and Enterprise Services.

10 E. Rules promulgated by the Department of Central Services
11 Division of the Office of Management and Enterprise Services that
12 are in effect on the effective date of this act shall be immediately
13 adopted and enforced by the Department and the Director of the
14 Department and the Department shall maintain the authority to
15 further promulgate and enforce rules.

16 F. The Department and the Office of Management and Enterprise
17 Services may enter into an agreement for the transfer of personnel
18 from the Office of Management and Enterprise Services to the
19 Department. No employee shall be transferred to the Department
20 except on the freely given written consent of the employee. All
21 employees who are transferred to the Department shall not be
22 required to accept a lesser grade or salary than presently received.
23 All employees shall retain leave, sick, and annual time earned, and
24 any retirement and longevity benefits which have accrued during

1 their tenure with the Office of Management and Enterprise Services.
2 The transfer of personnel between the state agencies shall be
3 coordinated with the Office of Management and Enterprise Services.

4 G. The expenses incurred by the Department as a result of the
5 transfer required by this section shall be paid by the Office of
6 Management and Enterprise Services.

7 H. The Department of Central Services Division within the
8 Office of Management and Enterprise Services shall be abolished by
9 the Office of Management and Enterprise Services after the transfer
10 has been completed.

11 I. The Office of Management and Enterprise Services shall
12 coordinate the transfer of records, property, equipment, assets,
13 funds, allotments, purchase orders, liabilities, outstanding
14 financial obligations, or encumbrances provided for in this section.

15 SECTION 2. AMENDATORY 74 O.S. 2021, Section 61.2, is
16 amended to read as follows:

17 Section 61.2 Whenever the terms "Board of Affairs", "State
18 Board of Public Affairs", "Board" when used in reference to the
19 Board of Public Affairs, or "Office of Public Affairs", ~~or~~
20 ~~"Department of Central Services"~~ appear in the Oklahoma Statutes
21 they shall mean the Office of Management and Enterprise Services.
22 Whenever the term "Director of Public Affairs" appears in the
23 Oklahoma Statutes it shall mean the Director of the Office of
24 Management and Enterprise Services. ~~Whenever the term "Director of~~

1 ~~Central Services" appears in the Oklahoma Statutes it shall mean the~~
2 ~~Director of the Office of Management and Enterprise Services or~~
3 ~~designee.~~

4 SECTION 3. AMENDATORY 74 O.S. 2021, Section 85.3, is
5 amended to read as follows:

6 Section 85.3 A. There is hereby created and established in the
7 ~~Office of Management and Enterprise Services~~ Department of Central
8 Services a Purchasing Division, the administrative head of which
9 shall be the State Purchasing Director.

10 B. The Director of the ~~Office of Management and Enterprise~~
11 ~~Services~~ Department of Central Services shall hire the State
12 Purchasing Director. The State Purchasing Director shall:

13 1. Have a thorough knowledge of office practices and buying
14 procedures in volume purchasing; and

15 2. Be a graduate of an accredited college or university with at
16 least five (5) years' experience in commercial or governmental
17 purchasing, or, in lieu of such education, have at least ten (10)
18 years' experience in commercial or governmental purchasing.

19 C. The State Purchasing Director, with the approval of the
20 Director of the ~~Office of Management and Enterprise Services~~
21 Department of Central Services, may employ such personnel as may be
22 necessary to exercise authority and perform duties under the
23 Oklahoma Central Purchasing Act.

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1 D. All activities of any state agency, department, or
2 institution relating to purchasing shall be under the direction of
3 the Purchasing Division unless otherwise provided by the Oklahoma
4 Central Purchasing Act.

5 E. The Purchasing Division shall provide qualified personnel to
6 assist the purchasing activities of state agencies, departments, and
7 institutions, as required by the Oklahoma Central Purchasing Act.

8 F. Each state agency, department, and institution shall
9 designate personnel to coordinate its purchasing functions with the
10 Purchasing Division.

11 G. The Purchasing Division may, if the needs of a state agency,
12 department, or institution are such as to so require, employ, and
13 establish a buyer within a state agency. The state agency shall pay
14 all expenses incurred for any buyer required to be placed within its
15 agency.

16 H. Except as provided in Section 34.36 of Title 62 of the
17 Oklahoma Statutes, no state agency subject to the Oklahoma Central
18 Purchasing Act shall have or maintain a purchasing section without
19 the prior approval in writing of the Purchasing Division unless
20 otherwise provided in the Oklahoma Central Purchasing Act nor shall
21 such purchasing section perform purchasing functions for another
22 state agency.

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1 I. The Purchasing Division shall make acquisitions from
2 industries operated by the Department of Corrections pursuant to the
3 provisions of Section 549.1 of Title 57 of the Oklahoma Statutes.

4 J. None of the personnel authorized by this section shall:

5 1. Sell to or otherwise provide acquisitions to any state
6 agency subject to the Oklahoma Central Purchasing Act;

7 2. Be employees, partners, associates, officers, or
8 stockholders in or with any business entity that sells to or
9 otherwise provides acquisitions to any state agency subject to the
10 Oklahoma Central Purchasing Act;

11 3. Be employed in any of the positions authorized by this
12 section if a spouse or child owns any stock in any business entity
13 which sells to or otherwise provides acquisitions to any agency
14 subject to the Oklahoma Central Purchasing Act;

15 4. Be employed in any of the positions authorized by this
16 section if a relative within the third degree of consanguinity or
17 affinity sells to or otherwise provides acquisitions to any state
18 agency subject to the Oklahoma Central Purchasing Act or is
19 interested in any business entity which does so, except that such
20 relative, excluding a spouse or child, may own Twenty-five Thousand
21 Dollars (\$25,000.00) worth or less, or one percent (1%) or less,
22 whichever amount is the lesser amount, of the stock of a corporation
23 or any business entity which sells to or otherwise provides

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1 acquisitions to any state agency subject to the Oklahoma Central
2 Purchasing Act; or

3 5. Violate applicable rules of the Ethics Commission
4 promulgated pursuant to Article XXIX of the Oklahoma Constitution
5 that relate to accepting gifts from a vendor or a vendor's agent.

6 SECTION 4. AMENDATORY 74 O.S. 2021, Section 85.5, is
7 amended to read as follows:

8 Section 85.5 A. Except as otherwise provided in this section,
9 the State Purchasing Director, under the supervision of the Director
10 of the ~~Office of Management and Enterprise Services~~ Department of
11 Central Services, shall have sole and exclusive authority and
12 responsibility for all acquisitions by state agencies. In order to
13 carry out the powers and duties of the Chief Information Officer and
14 the Information Services Division, the Chief Information Officer
15 shall have sole and exclusive authority and responsibility for all
16 acquisitions of information and telecommunications technology,
17 equipment, software, products and related peripherals and services
18 by state agencies. Public construction contracts are awarded
19 pursuant to Title 61 of the Oklahoma Statutes and are not subject to
20 the Oklahoma Central Purchasing Act.

21 B. Every state agency shall determine its own quantitative
22 needs for acquisitions and the general class or nature of the
23 acquisitions. The State Purchasing Director, after consultation
24 with the requisitioning state agency, shall have authority to

1 determine the particular brand, model or other specific
2 classification of each acquisition and to draft or invoke pursuant
3 to the Oklahoma Central Purchasing Act specifications establishing
4 the requirements for all necessary contracts or purchase orders.

5 C. The Director of the ~~Office of Management and Enterprise~~
6 ~~Services~~ Department of Central Services shall have authority and
7 responsibility to promulgate rules in connection with provisions of
8 the Oklahoma Central Purchasing Act for:

- 9 1. The time, manner, authentication and form of making
10 requisitions for acquisitions;
- 11 2. Inspection, analysis and testing of acquisitions or samples
12 bidders submit prior to contract award;
- 13 3. The form and manner of submission for bids or proposals a
14 bidder submits and the manner of accepting and opening bids or
15 proposals;
- 16 4. The conditions under which the ~~Office of Management and~~
17 ~~Enterprise Services~~ Department of Central Services shall require
18 written contracts for acquisitions, the conditions under which
19 acquisitions may be made on an open account basis, and the
20 conditions and manner of negotiating such contracts;
- 21 5. Obtaining acquisitions produced by state institutions;
- 22 6. Conditions under which any of the rules herein authorized
23 may be waived;

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1 7. The amounts of and deposits on any bond or other surety
2 required to be submitted with a bid or contract for the furnishing
3 of acquisitions and the conditions under which such bond or other
4 surety shall be required;

5 8. The manner and conditions of delivery, which shall include
6 the designation of the common carrier of property to be used to
7 transport acquisitions whenever a common carrier is used, and the
8 acceptance, or rejection, including check of quantities, of any
9 acquisitions;

10 9. The form of any estimate, order or other information
11 required in connection with an acquisition;

12 10. State agency acquisitions not exceeding the acquisition
13 threshold amount requiring competitive bid to ensure
14 competitiveness, fairness, compliance with the Oklahoma Central
15 Purchasing Act and Section 3001 et seq. of this title, which relates
16 to the State Use Committee. The rules shall include separate
17 provisions based on acquisition amounts as follows:

18 a. state agencies shall make acquisitions not exceeding
19 Twenty-five Thousand Dollars (\$25,000.00), provided
20 the acquisition process is fair and reasonable and is
21 conducted pursuant to rules authorized pursuant to
22 this section, and

23 b. state agencies with certified procurement officers and
24 internal purchasing procedures found compliant by the

1 State Purchasing Director may make acquisitions in
2 excess of the fair and reasonable acquisition
3 threshold amount provided for in this section and not
4 exceeding Two Hundred Fifty Thousand Dollars
5 (\$250,000.00), pursuant to rules authorized by this
6 section;

7 11. Training by the State Purchasing Director of state agency
8 procurement officers;

9 12. Review and audit by the State Purchasing Director of state
10 agency acquisitions;

11 13. The conditions for increasing acquisition limits for state
12 agencies which have had a prior reduction in acquisition limit by
13 the Director of the ~~Office of Management and Enterprise Services~~
14 Department of Central Services;

15 14. Use of a state purchase card to make acquisitions;

16 15. Any other matter or practice which relates to the
17 responsibilities of the State Purchasing Director;

18 16. Conditions for determination and authorization of
19 acquisition threshold amounts of state agencies;

20 17. The form and manner of verification by suppliers that the
21 supplier is eligible to do business in the State of Oklahoma and has
22 obtained all necessary permits and licenses, pursuant to applicable
23 provisions of law; and
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1 18. Payment procedure rules for state agencies to adhere to
2 regarding statewide contracts.

3 D. The State Purchasing Director shall provide training for
4 state agency procurement officials, and other procurement staff, and
5 is authorized to require retraining of such procurement personnel
6 found not to be in compliance with provisions of the Oklahoma
7 Central Purchasing Act or associated rules. The training may
8 include any matters related to state procurement practices. State
9 agency purchasing officials that demonstrate proficiency shall be
10 certified as "certified procurement officers" by the State
11 Purchasing Director and shall be authorized to make acquisitions
12 pursuant to provisions of the Oklahoma Central Purchasing Act and
13 associated rules. The State Purchasing Director may assess a fee to
14 state agencies for the training that does not exceed each state
15 agency's pro rata share of the costs the State Purchasing Director
16 incurs to provide the training.

17 E. The State Purchasing Director shall review state agency
18 acquisitions for the purposes of:

19 1. Ensuring state agency compliance with provisions of the
20 Oklahoma Central Purchasing Act;

21 2. Ensuring state agency compliance with rules promulgated by
22 the ~~Office of Management and Enterprise Services~~ Department of
23 Central Services pursuant to the Oklahoma Central Purchasing Act;

1 3. Ensuring state agency compliance with provisions of Section
2 3001 et seq. of this title pertaining to the State Use Committee;

3 4. Reporting any acquisition by any state agency found not to
4 be in compliance with those sections or rules to the Director of the
5 ~~Office of Management and Enterprise Services~~ Department of Central
6 Services;

7 5. A determination by the State Purchasing Director to reduce a
8 state agency's acquisition authority amount when the state agency is
9 found not to be in compliance with the Oklahoma Central Purchasing
10 Act or associated rules or requirements of the State Purchasing
11 Director pursuant to this section; and

12 6. A determination by the State Purchasing Director to increase
13 a state agency's acquisition authority amount after the agency cures
14 deficiencies in connection with a prior reduction in the authority
15 amount by the State Purchasing Director.

16 F. Based on written findings and when recommended by the State
17 Purchasing Director, the Director of the ~~Office of Management and~~
18 ~~Enterprise Services~~ Department of Central Services may:

19 1. Transmit written findings by the State Purchasing Director
20 to the State Auditor and Inspector for further investigation,
21 indicating purchasing procedures that do not conform to the Oklahoma
22 Central Purchasing Act or associated rules; or

23 2. Transmit to the Attorney General or the State Auditor and
24 Inspector for further investigation a report made by the State

1 Purchasing Director that the Director of the ~~Office of Management~~
2 ~~and Enterprise Services~~ Department of Central Services reasonably
3 believes indicates that an action that constitutes a criminal
4 violation pursuant to the Oklahoma Central Purchasing Act or other
5 laws has been taken by any state agency, state agency official,
6 bidder or supplier.

7 G. 1. Pursuant to the requirements of the Oklahoma Central
8 Purchasing Act, the State Purchasing Director shall have authority
9 to enter into any statewide, multistate or multigovernmental
10 contract. ~~The state entity designated by law, as specified in~~
11 ~~Section 1010.3 of Title 56 of the Oklahoma Statutes, shall~~
12 ~~participate in the purchase of pharmaceuticals available through~~
13 ~~such multistate or multigovernmental contracts entered into by the~~
14 ~~State Purchasing Director.~~

15 2. Whenever it appears advantageous to the state or to any
16 state agency to purchase or otherwise acquire any acquisition which
17 may be offered for sale by the United States government or any
18 agency thereof, the State Purchasing Director may execute a contract
19 for the acquisition with the federal government or federal agency
20 and may also utilize contracts awarded by other governmental
21 agencies including, but not limited to, agencies of the United
22 States of America.

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1 3. The State Purchasing Director may designate, for use by
2 state agencies, contracts described in this subsection and contracts
3 awarded on behalf of one or more state agencies.

4 4. Prior to exercising the authority to cancel a contract, the
5 State Purchasing Director may authorize renegotiation of an existing
6 contract with an incumbent supplier for the purposes of obtaining
7 more favorable terms for the state.

8 5. The State Purchasing Director shall have the authority to
9 designate certain contracts for state agencies as statewide
10 contracts and mandatory statewide contracts. In order to carry out
11 the powers and duties of the Chief Information Officer and
12 Information Services Division, the Chief Information Officer shall
13 have the authority to designate certain information technology and
14 telecommunication contracts as statewide contracts and mandatory
15 statewide contracts and may negotiate consolidation contracts,
16 enterprise agreements and high technology system contracts in lieu
17 of or in conjunction with competitive bidding procedures to reduce
18 acquisition cost.

19 6. The State Purchasing Director may publish such
20 specifications relating to materials, supplies, equipment and
21 services to be acquired for the state as may best promote
22 competition and apprise potential suppliers of the type of product
23 desired.

1 H. 1. The State Purchasing Director may develop and test new
2 contracting policies, procedures and innovations that hold potential
3 for making state procurement more effective and efficient and
4 identify, and make recommendations to the Legislature of, any
5 appropriate changes in law. Such development and testing, proof of
6 concept, pilot project or other similar test shall not be considered
7 an acquisition subject to the Oklahoma Central Purchasing Act.

8 2. The State Purchasing Director is authorized to explore and
9 investigate cost savings in energy, resource usage and maintenance
10 contracts and to identify and negotiate contract solutions
11 including, but not limited to, pilot projects to achieve cost
12 savings for this state.

13 I. The State Purchasing Director shall endeavor to satisfy
14 state agencies in terms of cost, quality and timeliness of the
15 delivery of acquisitions by using bidders who have a record of
16 successful past performance, promoting competition, minimizing
17 administrative operating costs and conducting business with
18 integrity, fairness and openness.

19 J. The State Purchasing Director shall undertake the following:

20 1. The use of electronic commerce pursuant to the Oklahoma
21 Online Bidding Act for solicitation, notification and other
22 purchasing processes;

23 2. Monitoring rules promulgated pursuant to the Oklahoma
24 Central Purchasing Act to ensure that the rules satisfy the

1 interests of the state, are clear and succinct and encourage
2 efficiency in purchasing processes;

3 3. A program to identify suppliers' performance records;

4 4. Development of criteria for the use of sealed bid
5 contracting procedures, negotiated contracting procedures, selection
6 of types of contracts, postaward administration of purchase orders
7 and contracts, addendums, termination of contracts and contract
8 pricing;

9 5. Continual improvement in the quality of the performance of
10 the Purchasing Division through training programs, management
11 seminars, development of benchmarks and key management indicators,
12 and development of standard provisions, clauses and forms;

13 6. The State Purchasing Director shall prescribe standardized
14 contract forms and all other forms or certifications requisite or
15 deemed necessary by the State Purchasing Director to effectuate the
16 provisions of the Oklahoma Central Purchasing Act and associated
17 rules;

18 7. Development of programs to improve customer relations
19 through training, improved communications and appointment of
20 technical representatives;

21 8. Provide for public two-way communication between procurement
22 officers and potential bidders who have questions regarding a
23 request for proposal or invitation to bid; and

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1 9. Determine whether and to what extent information included in
2 a bid or similar offer is confidential and reject all requests to
3 disclose the information so designated.

4 K. The State Purchasing Director may utilize and authorize
5 state agencies to utilize reverse auctions to obtain acquisitions.

6 L. Prior to the award of a contract to a supplier, the State
7 Purchasing Director shall verify, pursuant to applicable provisions
8 of law, that the supplier is eligible to do business in this state
9 by confirming registration with the Secretary of State and franchise
10 tax payment status pursuant to Sections 1203 and 1204 of Title 68 of
11 the Oklahoma Statutes. The provisions of this subsection shall be
12 applicable only if the contract amount is Two Hundred Fifty Thousand
13 Dollars (\$250,000.00) or greater.

14 M. On an annual basis, the State Purchasing Director shall
15 transmit to the Governor, Speaker of the House of Representatives
16 and President Pro Tempore of the Senate a report documenting the
17 savings realized by each agency through the application of best
18 spend practices including the collection and tracking of spend data,
19 strategic sourcing programs and implementation of managed and
20 mandatory statewide contracts and include in the report information
21 regarding emergency acquisitions.

22 N. The acquisition threshold amount applicable to an
23 acquisition made pursuant to this act or associated rules shall not
24 apply to state agency purchases; provided, the State Purchasing

1 Director determines the agency has subject matter experts on staff
2 having the specialized expertise to purchase goods or services, the
3 agency possesses the necessary legal and procurement staff to
4 procure and monitor the contracts and provided the Director of the
5 ~~Office of Management and Enterprise Services~~ Department of Central
6 Services shall certify that the proposed purchase does not conflict
7 with consolidated statewide spend initiatives.

8 1. Nothing in this subsection shall give an agency authority to
9 issue statewide, multistate or multigovernmental contracts.

10 2. Agencies making purchases pursuant to this subsection shall:

11 a. be responsible for contracts awarded pursuant to this
12 subsection, which includes, but may not be limited to,
13 contract management, protest costs, all costs
14 connected with or incurred as a result of the
15 contract, including legal representation,

16 b. comply with rules and policies of the ~~Office of~~
17 ~~Management and Enterprise Services~~ Department of
18 Central Services, and

19 c. report contracts issued pursuant to this subsection to
20 the ~~Office of Management and Enterprise Services,~~
21 ~~Central Purchasing Division,~~ Department of Central
22 Services on a quarterly basis.

23 3. Purchases made in accordance with this subsection shall be
24 made pursuant to rules authorized by this section.

1 O. The State Purchasing Director, with approval by the Director
2 of the ~~Office of Management and Enterprise Services~~ Department of
3 Central Services, is authorized to make use of any state
4 laboratories for the tests and analyses authorized in this section
5 wherever practicable and to use private laboratories or the
6 laboratories of another government agency if it is impracticable to
7 use state laboratories. The State Purchasing Director is further
8 authorized to cooperate in test and analysis programs or agreements
9 with other states or the United States government and to accept
10 federal funds and funds donated by private endowments or foundations
11 for the purpose of participation in such testing programs.

12 SECTION 5. AMENDATORY 74 O.S. 2021, Section 85.12, is
13 amended to read as follows:

14 Section 85.12 A. The provisions of this section shall not be
15 construed to affect any law relating to fiscal or accounting
16 procedure except as they may be directly in conflict herewith; and
17 all claims, warrants, and bonds shall be examined, inspected, and
18 approved as now provided by law.

19 B. Except as otherwise provided by this section, the
20 acquisitions specified in this subsection shall be made in
21 compliance with Section 85.39 of this title and purchasing card
22 program requirements but are not subject to other provisions of the
23 Oklahoma Central Purchasing Act:

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1 1. Food and other products produced by state institutions and
2 agencies;

3 2. The printing or duplication of publications or forms of
4 whatsoever kind or character by state agencies if the work is
5 performed upon their own equipment by their own employees. Pursuant
6 to this paragraph, the state agency may only use equipment owned or
7 leased by the agency and may only utilize that equipment for
8 printing services required by the agency in performing duties
9 imposed upon the agency or functions authorized to be performed by
10 the agency. Any use of the equipment by the agency pursuant to an
11 agreement or contract with any other entity resulting in delivery of
12 intermediate or finished products to the entity purchasing or using
13 the products shall be subject to the provisions of this act and
14 associated rules;

15 3. Department of Transportation and Transportation Commission
16 contractual services or right-of-way acquisitions, contracts awarded
17 pursuant to bids let by the Transportation Commission for the
18 maintenance or construction of streets, roads, highways, bridges,
19 underpasses or any other transportation facilities under the control
20 of the Department of Transportation, equipment or material
21 acquisitions accruing to the Department of Transportation required
22 in Federal-Aid contracts and acquisitions for public-service-type
23 announcements initiated by the Department of Transportation, but not
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1 acquisitions for advertising, public relations or employment
2 services;

3 4. Utility services regulated by a state or federal regulatory
4 commission, municipal ordinance or an Indian Tribal Council;

5 5. Acquisitions by the University Hospitals Authority. The
6 Authority shall develop standards for the acquisition of products
7 and services and may elect to utilize the Purchasing Division. The
8 standards shall foster economy and short response time and shall
9 include appropriate safeguards and record-keeping requirements to
10 ensure appropriate competition and economical and efficient
11 purchasing;

12 6. Custom harvesting by the Department of Corrections for the
13 Department or its institutions;

14 7. Subject to prior approval of the State Purchasing Director,
15 acquisitions from private prison suppliers which are subject to the
16 contracting procedures of Section 561 of Title 57 of the Oklahoma
17 Statutes;

18 8. Acquisitions by the Oklahoma Municipal Power Authority;

19 9. Acquisitions by the Grand River Dam Authority;

20 10. Acquisitions by rural water, sewer, gas or solid waste
21 management districts created pursuant to the Rural Water, Sewer, Gas
22 and Solid Waste Management Districts Act;

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1 11. Acquisitions by the Oklahoma Ordnance Works Authority, the
2 Northeast Oklahoma Public Facilities Authority or the Midwestern
3 Oklahoma Development Authority;

4 12. Expenditure of monies appropriated to the State Board of
5 Education for Local and State Supported Financial Support of Public
6 Schools, except monies allocated therefrom for the Administrative
7 and Support Functions of the State Department of Education;

8 13. Expenditure of monies appropriated to the State Department
9 of Rehabilitation Services for educational programs or educational
10 materials for the Oklahoma School for the Blind and the Oklahoma
11 School for the Deaf;

12 ~~14. Contracts entered into by the Oklahoma Department of Career~~
13 ~~and Technology Education for the development, revision or updating~~
14 ~~of vocational curriculum materials, and contracts entered into by~~
15 ~~the Oklahoma Department of Career and Technology Education for~~
16 ~~training and supportive services that address the needs of new or~~
17 ~~expanding industries;~~

18 ~~15. Contracts entered into by the Oklahoma Center for the~~
19 ~~Advancement of Science and Technology for professional services;~~

20 ~~16.~~ Contracts entered into by the Oklahoma Department of
21 Commerce pursuant to the provisions of Section 5066.4 of this title;

22 ~~17.~~ 15. Acquisitions made by the Oklahoma Historical Society
23 from monies used to administer the White Hair Memorial;

1 ~~18.~~ 16. Purchases of pharmaceuticals available through a
2 multistate or multigovernmental contract if such pharmaceuticals are
3 or have been on state contract within the last fiscal year, and the
4 terms of such contract are more favorable to the state or agency
5 than the terms of a state contract for the same products, as
6 determined by the State Purchasing Director. ~~The state entity~~
7 ~~designated by law, as specified in Section 1010.3 of Title 56 of the~~
8 ~~Oklahoma Statutes, shall participate in the purchase of~~
9 ~~pharmaceuticals available through such contracts;~~

10 ~~19.~~ ~~Contracts for managed health care services entered into by~~
11 ~~the state entity designated by law or the Department of Human~~
12 ~~Services, as specified in paragraph 1 of subsection A of Section~~
13 ~~1010.3 of Title 56 of the Oklahoma Statutes;~~

14 ~~20.~~ 17. Acquisitions by a state agency through a General
15 Services Administration contract or other federal contract if the
16 acquisitions are not on current statewide contract or the terms of
17 the federal contract are more favorable to the agency than the terms
18 of a statewide contract for the same products;

19 ~~21.~~ 18. Acquisitions of clothing for clients of the Department
20 of Human Services and acquisitions of food for group homes operated
21 by the Department of Human Services;

22 ~~22.~~ ~~Acquisitions by the Oklahoma Energy Resources Board;~~

1 ~~23.~~ 19. Acquisitions of clothing for juveniles in the custody
2 of the Office of Juvenile Affairs and acquisitions of food for group
3 homes operated by the Office of Juvenile Affairs;

4 ~~24.~~ 20. State contracts for flexible benefits plans pursuant to
5 the Oklahoma State Employees Benefits Act, Section 1361 et seq. of
6 this title;

7 ~~25.~~ 21. Acquisitions by the Department of Securities to
8 investigate, initiate, or pursue administrative, civil or criminal
9 proceedings involving potential violations of the acts under the
10 Department's jurisdiction and acquisitions by the Department of
11 Securities for its investor education program;

12 ~~26.~~ 22. Acquisitions for resale in and through canteens
13 operated pursuant to Section 537 of Title 57 of the Oklahoma
14 Statutes and canteens established at an institution or facility
15 operated by the Office of Juvenile Affairs;

16 ~~27.~~ 23. Acquisitions by the Oklahoma Boll Weevil Eradication
17 Organization for employment and personnel services, and for
18 acquiring sprayers, blowers, traps and attractants related to the
19 eradication of boll weevils in this state or as part of a national
20 or regional boll weevil eradication program;

21 ~~28.~~ 24. Contracts entered into by the Oklahoma Indigent Defense
22 System for expert services pursuant to the provisions of subsection
23 D of Section 1355.4 of Title 22 of the Oklahoma Statutes;

1 ~~29. Acquisitions by the Oklahoma Correctional Industries and~~
2 ~~the Agri-Services programs of the Department of Corrections of raw~~
3 ~~materials, component parts and other products, any equipment~~
4 ~~excluding vehicles, and any services excluding computer consultant~~
5 ~~services used to produce goods or services for resale and for the~~
6 ~~production of agricultural products;~~

7 ~~30.~~ 25. Contracts entered into by the Department of Human
8 Services for provision of supported living services to members of
9 the plaintiff class in *Homeward Bound, Inc., et al. v. The Hisson*
10 *Memorial Center, et al.*, Case Number 85-C-437-E, United States
11 District Court for the Northern District of Oklahoma;

12 ~~31.~~ 26. Contracts negotiated by the Office of Juvenile Affairs
13 with designated Youth Services Agencies and the Oklahoma Association
14 of Youth Services, or another Oklahoma nonprofit corporation whose
15 membership consists solely of Youth Services Agencies and of whom at
16 least a majority of Youth Services Agencies are members, pursuant to
17 the provisions of Section 2-7-306 of Title 10A of the Oklahoma
18 Statutes and contracts entered into by the Department of Human
19 Services pursuant to Section 1-9-110 of Title 10A of the Oklahoma
20 Statutes with designated Youth Services Agencies;

21 ~~32.~~ 27. Contracts for annuities for structured settlements
22 provided for in Section 158 of Title 51 of the Oklahoma Statutes;

23 ~~33.~~ 28. Subject to subsection E of this section, purchases made
24 from funds received by local offices administered by the Department

1 of Human Services or administered by the Office of Juvenile Affairs
2 for fund-raising activities and donations for the benefit of clients
3 and potential clients at the local offices where such purchases may
4 not otherwise be paid for from appropriated funds;

5 ~~34. Acquisitions by the Oklahoma Historical Society for~~
6 ~~restoration of historical sites and museums although the agency may~~
7 ~~elect to utilize the Purchasing Division for an acquisition with~~
8 ~~supplier and bid selection being the prerogative of the agency,~~
9 ~~based on the supplier's documented qualifications and experience;~~
10 and

11 ~~35.~~ 29. Acquisitions of clothing and food for patients in the
12 care of the J.D. McCarty Center for Children with Developmental
13 Disabilities.

14 C. Pursuant to the terms of a contract the State Purchasing
15 Director enters into or awards, a state agency, common school,
16 municipality, rural fire protection district, county officer or any
17 program contract, purchase, acquisition or expenditure that is not
18 subject to the provisions of the Oklahoma Central Purchasing Act,
19 may, unless acting pursuant to a contract with the state that
20 specifies otherwise, make use of statewide contracts and the
21 services of the Purchasing Division and the State Purchasing
22 Director. Any political subdivision or rural fire protection
23 district may designate the State Purchasing Director as its agent

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1 for any acquisition from a statewide contract or otherwise available
2 to the state.

3 D. The State Purchasing Director may make periodic audits of
4 the purchasing procedures of acquisitions listed in subsection B of
5 this section to ensure that the procedures are being followed.

6 E. With respect to the Department of Human Services or the
7 Office of Juvenile Affairs, as applicable, monies received by
8 fundraising activities or donations from the local office, vending
9 operations administered by employees of the agency and all other
10 nonrestricted cash and cash-equivalent items received by employees
11 of the agency shall be deposited in the agency special account
12 established for this purpose. The deposits shall be made at local
13 banking institutions approved by the State Treasurer.

14 SECTION 6. AMENDATORY 62 O.S. 2021, Section 34.3.1, is
15 amended to read as follows:

16 Section 34.3.1 A. ~~The Department of Central Services,~~ Office
17 of Personnel Management, Oklahoma State Employees Benefits Council
18 and the State and Education Employees Group Insurance Board are
19 consolidated into the Office of Management and Enterprise Services.
20 The Director of the Office of Management and Enterprise Services
21 shall assume all executive-level responsibilities for each agency
22 and shall function as and possess the powers of the agency director
23 for each consolidated agency as enumerated by existing statute. For
24 the purposes of this section the term "consolidated agencies" shall

1 mean the ~~Department of Central Services~~, Office of Personnel
2 Management, Oklahoma State Employees Benefits Council and the State
3 and Education Employees Group Insurance Board. Any funds
4 appropriated to, in the possession of or allocated to any of the
5 consolidated agencies shall be deemed to be funds of the Office of
6 Management and Enterprise Services.

7 B. Upon request of the Director of the Office of Management and
8 Enterprise Services, the personnel of the consolidated agencies
9 shall deliver to the Office of Management and Enterprise Services
10 all books, papers, records and property of the consolidated
11 agencies.

12 C. All functions, powers, duties and obligations previously
13 assigned to each of the consolidated agencies are hereby transferred
14 to the Office of Management and Enterprise Services.

15 D. All rules, regulations, acts, orders, determinations and
16 decisions of the consolidated agencies pertaining to the functions
17 and powers herein transferred and assigned to the Office of
18 Management and Enterprise Services, in force at the time of such
19 transfer, assignment, assumption or devolution shall continue in
20 force and effect as rules, regulations, acts, orders, determinations
21 and decisions of the consolidated agencies until duly modified or
22 abrogated by the appropriate body or until otherwise provided by
23 law.

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SECTION 7. This act shall become effective November 1, 2023.

59-1-7357 LRB 02/15/23