

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2953</b>
<b>Version:</b>	<b>SUBPCS1</b>
<b>Request Number:</b>	<b>10356</b>
<b>Author:</b>	<b>Rep. Williams</b>
<b>Date:</b>	<b>2/26/2024</b>
<b>Impact:</b>	<b>See Analysis Below</b>

**Research Analysis**

The proposed subcommittee substitute to HB 2953 subjects certain acquisitions and contracts to the Central Purchasing Act. Those acquisitions and contracts include:

- Contracts awarded by the Tobacco Settlement Endowment Trust Fund;
- Contracts entered into by the Oklahoma Department of Commerce for assisting manufacturing and marketing firms in Oklahoma;
- Acquisitions by the University Hospital Authority;
- Acquisitions by the Oklahoma Historical Society from White Hair Memorial funds; and
- Acquisitions of pharmaceuticals made available through a multistate or multigovernmental contract.

The measure clarifies that only contracts entered into by the Oklahoma Department of Commerce with approved applicant organizations in relation to the Minority Business Development Program are exempt from the Oklahoma Central Purchasing Act. It also clarifies that only contracts entered into by the Oklahoma Center for the Advancement of Science and Technology that are in compliance with Oklahoma Science and Technology Development Act are exempt from the Central Purchasing Act.

Prepared By: Keana Swadley

**Fiscal Analysis**

The proposed subcommittee substitute to HB 2953 stipulates that contracts awarded directly by the Tobacco Settlement Endowment Trust Fund (TSET) shall be subject to the Central Purchasing Act, as well as removes or clarifies numerous exemptions from the Central Purchasing Act. Those exemptions and impacted agencies are as follows:

- Removes an exemption for acquisitions made by the University Hospitals Authority (UHA). Per UHA, this measure would significantly alter current purchasing policies and procedures, resulting in a negative fiscal impact to the agency. Currently, UHA adopts certain purchasing policies and procedures as required by statute, and the Office of Management and Enterprise Services (OMES) approves those policies and procedures as necessary. The agency states that waiting for OMES approval on purchases would have a negative impact on timeliness and efficiencies that the agency currently relies upon. Additionally, this measure may impact the purchasing of items such as prescription drugs made through multistate and hospital consortiums. UHA currently estimates that completing these purchases through OMES rather than these current arrangements may result in a loss of One Hundred Fifty Million dollars (\$150,000,000.00) in increased prescription drug costs alone.

- Clarifies that contracts entered into by the Oklahoma Center for the Advancement of Science and Technology (OCAST) for professional services pursuant to the Oklahoma Science and Technology Research and Development Act are not subject to the provision of the Central Purchasing Act. Per OCAST, this measure would have no direct fiscal considerations for the agency.
- Removes an exemption for contracts entered into by the Department of Commerce for the purpose of providing assistance to and services for Oklahoma manufacturing and marketing firms. The Department of Commerce has been notified to provide an impact analysis of this measure and is pending response at this time.
- Removes an exemption for acquisitions made by the Oklahoma Historical Society (OHS) from monies used to administer the White Hair Memorial. Per OHS, this measure would significantly impact the types and amounts of programming the Memorial puts on each year. Currently, the Memorial spends approximately One Hundred Fifty Thousand dollars (\$150,000.00) each year for the various programs and events at the site. The Memorial receives no appropriated dollars to administer these functions. As part of the current agreement in place, OHS is considered the trustee of this location and receives various federal funds and headrights monies to provide upkeep and programming at the Memorial.
- Removes an exemption for the purchases of pharmaceuticals available through a multistate or multigovernmental contract. In addition to the analysis above regarding the UHA's purchasing exemptions, the Department of Commerce has been notified to provide an impact analysis of this measure and is pending response at this time.
- Removes an exemptions for contracts for managed health care services entered into by a state entity as designated by law or the Department of Human Services (DHS). Per DHS, this measure would have no direct fiscal considerations for the agency.
- Clarifies that contracts entered into by the Oklahoma Department of Commerce for the purpose of implanting the Minority Business Development program shall be with approved applicant organizations to be exempt from the Central Purchasing Act. The Department of Commerce has been notified to provide an impact analysis of this measure and is pending response at this time.

Prepared By: Jay St Clair, House Fiscal Staff

### **Other Considerations**

None.