

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 59th Legislature (2024)

4   COMMITTEE SUBSTITUTE  
5   FOR  
6   HOUSE BILL NO. 4042

                                  By: Townley

7  
8                                   COMMITTEE SUBSTITUTE

9           An Act relating to state government; amending 74 O.S.  
10          2021, Sections 85.5 and 85.12, as amended by Section  
11          2, Chapter 339, O.S.L. 2023 (74 O.S. Supp. 2023,  
12          Section 85.12), which relates to the Oklahoma Central  
13          Purchasing Act; requiring State Purchasing Director  
14          to publish certain quarterly reports; modifying  
15          exemption; authorizing Oklahoma Tourism and  
16          Recreation Department to promote state facilities;  
17          authorizing Department to enter into certain  
18          contracts; providing certain exemptions to the  
19          Oklahoma Central Purchasing Act; defining term;  
20          providing an effective date; and declaring an  
21          emergency.

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

23           SECTION 1.           AMENDATORY           74 O.S. 2021, Section 85.5, is  
24   amended to read as follows:

          Section 85.5   A.   Except as otherwise provided in this section,  
the State Purchasing Director, under the supervision of the Director  
of the Office of Management and Enterprise Services, shall have sole  
and exclusive authority and responsibility for all acquisitions by

1 state agencies. In order to carry out the powers and duties of the  
2 Chief Information Officer and the Information Services Division, the  
3 Chief Information Officer shall have sole and exclusive authority  
4 and responsibility for all acquisitions of information and  
5 telecommunications technology, equipment, software, products and  
6 related peripherals and services by state agencies. Public  
7 construction contracts are awarded pursuant to Title 61 of the  
8 Oklahoma Statutes and are not subject to the Oklahoma Central  
9 Purchasing Act.

10 B. Every state agency shall determine its own quantitative  
11 needs for acquisitions and the general class or nature of the  
12 acquisitions. The State Purchasing Director, after consultation  
13 with the requisitioning state agency, shall have authority to  
14 determine the particular brand, model or other specific  
15 classification of each acquisition and to draft or invoke pursuant  
16 to the Oklahoma Central Purchasing Act specifications establishing  
17 the requirements for all necessary contracts or purchase orders.

18 C. The Director of the Office of Management and Enterprise  
19 Services shall have authority and responsibility to promulgate rules  
20 in connection with provisions of the Oklahoma Central Purchasing Act  
21 for:

22 1. The time, manner, authentication and form of making  
23 requisitions for acquisitions;

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1           2.   Inspection, analysis and testing of acquisitions or samples  
2 bidders submit prior to contract award;

3           3.   The form and manner of submission for bids or proposals a  
4 bidder submits and the manner of accepting and opening bids or  
5 proposals;

6           4.   The conditions under which the Office of Management and  
7 Enterprise Services shall require written contracts for  
8 acquisitions, the conditions under which acquisitions may be made on  
9 an open account basis, and the conditions and manner of negotiating  
10 such contracts;

11          5.   Obtaining acquisitions produced by state institutions;

12          6.   Conditions under which any of the rules herein authorized  
13 may be waived;

14          7.   The amounts of and deposits on any bond or other surety  
15 required to be submitted with a bid or contract for the furnishing  
16 of acquisitions and the conditions under which such bond or other  
17 surety shall be required;

18          8.   The manner and conditions of delivery, which shall include  
19 the designation of the common carrier of property to be used to  
20 transport acquisitions whenever a common carrier is used, and the  
21 acceptance, or rejection, including check of quantities, of any  
22 acquisitions;

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

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

7            a. state agencies shall make acquisitions not exceeding  
8 Twenty-five Thousand Dollars (\$25,000.00), provided  
9 the acquisition process is fair and reasonable and is  
10 conducted pursuant to rules authorized pursuant to  
11 this section, and

12            b. state agencies with certified procurement officers and  
13 internal purchasing procedures found compliant by the  
14 State Purchasing Director may make acquisitions in  
15 excess of the fair and reasonable acquisition  
16 threshold amount provided for in this section and not  
17 exceeding Two Hundred Fifty Thousand Dollars  
18 (\$250,000.00), pursuant to rules authorized by this  
19 section;

20        11. Training by the State Purchasing Director of state agency  
21 procurement officers;

22        12. Review and audit by the State Purchasing Director of state  
23 agency acquisitions;

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1 13. The conditions for increasing acquisition limits for state  
2 agencies which have had a prior reduction in acquisition limit by  
3 the Director of the Office of Management and Enterprise Services;

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

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

7 16. Conditions for determination and authorization of  
8 acquisition threshold amounts of state agencies;

9 17. The form and manner of verification by suppliers that the  
10 supplier is eligible to do business in the State of Oklahoma and has  
11 obtained all necessary permits and licenses, pursuant to applicable  
12 provisions of law; and

13 18. Payment procedure rules for state agencies to adhere to  
14 regarding statewide contracts.

15 D. The State Purchasing Director shall provide training for  
16 state agency procurement officials, and other procurement staff, and  
17 is authorized to require retraining of such procurement personnel  
18 found not to be in compliance with provisions of the Oklahoma  
19 Central Purchasing Act or associated rules. The training may  
20 include any matters related to state procurement practices. State  
21 agency purchasing officials that demonstrate proficiency shall be  
22 certified as "certified procurement officers" by the State  
23 Purchasing Director and shall be authorized to make acquisitions  
24 pursuant to provisions of the Oklahoma Central Purchasing Act and

1 associated rules. The State Purchasing Director may assess a fee to  
2 state agencies for the training that does not exceed each state  
3 agency's pro rata share of the costs the State Purchasing Director  
4 incurs to provide the training.

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

7 1. Ensuring state agency compliance with provisions of the  
8 Oklahoma Central Purchasing Act;

9 2. Ensuring state agency compliance with rules promulgated by  
10 the Office of Management and Enterprise Services pursuant to the  
11 Oklahoma Central Purchasing Act;

12 3. Ensuring state agency compliance with provisions of Section  
13 3001 et seq. of this title pertaining to the State Use Committee;

14 4. Reporting any acquisition by any state agency found not to  
15 be in compliance with those sections or rules to the Director of the  
16 Office of Management and Enterprise Services;

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

22 6. A determination by the State Purchasing Director to increase  
23 a state agency's acquisition authority amount after the agency cures  
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1 deficiencies in connection with a prior reduction in the authority  
2 amount by the State Purchasing Director.

3 F. Based on written findings and when recommended by the State  
4 Purchasing Director, the Director of the Office of Management and  
5 Enterprise Services may:

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

10 2. Transmit to the Attorney General or the State Auditor and  
11 Inspector for further investigation a report made by the State  
12 Purchasing Director that the Director of the Office of Management  
13 and Enterprise Services reasonably believes indicates that an action  
14 that constitutes a criminal violation pursuant to the Oklahoma  
15 Central Purchasing Act or other laws has been taken by any state  
16 agency, state agency official, bidder or supplier.

17 G. 1. Pursuant to the requirements of the Oklahoma Central  
18 Purchasing Act, the State Purchasing Director shall have authority  
19 to enter into any statewide, multistate or multigovernmental  
20 contract. The state entity designated by law, as specified in  
21 Section 1010.3 of Title 56 of the Oklahoma Statutes, shall  
22 participate in the purchase of pharmaceuticals available through  
23 such multistate or multigovernmental contracts entered into by the  
24 State Purchasing Director.

1           2. Whenever it appears advantageous to the state or to any  
2 state agency to purchase or otherwise acquire any acquisition which  
3 may be offered for sale by the United States government or any  
4 agency thereof, the State Purchasing Director may execute a contract  
5 for the acquisition with the federal government or federal agency  
6 and may also utilize contracts awarded by other governmental  
7 agencies including, but not limited to, agencies of the United  
8 States of America.

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

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

16           5. The State Purchasing Director shall have the authority to  
17 designate certain contracts for state agencies as statewide  
18 contracts and mandatory statewide contracts. In order to carry out  
19 the powers and duties of the Chief Information Officer and  
20 Information Services Division, the Chief Information Officer shall  
21 have the authority to designate certain information technology and  
22 telecommunication contracts as statewide contracts and mandatory  
23 statewide contracts and may negotiate consolidation contracts,  
24 enterprise agreements and high technology system contracts in lieu



1 of or in conjunction with competitive bidding procedures to reduce  
2 acquisition cost.

3 6. The State Purchasing Director may publish such  
4 specifications relating to materials, supplies, equipment and  
5 services to be acquired for the state as may best promote  
6 competition and apprise potential suppliers of the type of product  
7 desired.

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

15 2. The State Purchasing Director is authorized to explore and  
16 investigate cost savings in energy, resource usage and maintenance  
17 contracts and to identify and negotiate contract solutions  
18 including, but not limited to, pilot projects to achieve cost  
19 savings for this state.

20 I. The State Purchasing Director shall endeavor to satisfy  
21 state agencies in terms of cost, quality and timeliness of the  
22 delivery of acquisitions by using bidders who have a record of  
23 successful past performance, promoting competition, minimizing  
24 administrative operating costs and conducting business with

1 integrity, fairness and openness. The State Purchasing Director  
2 shall publish quarterly reports identifying the timeliness of the  
3 delivery of all acquisitions, which shall include, but not be  
4 limited to:

- 5 1. The date the Office of Management and Enterprise Services  
6 received the agency requisition;
- 7 2. The date the solicitation was opened and closed;
- 8 3. The date an award recommendation was received or made; and
- 9 4. The date a contract was routed to bidder for signature and  
10 the date a contract was signed.

11 If more than ten (10) business days shall toll between agency  
12 award recommendation and the Office of Management and Enterprise  
13 Services routing a contract to a bidder for signature, Central  
14 Purchasing shall allow the requisitioning agency to assume the  
15 responsibility of negotiating and executing a contract with the  
16 awarded supplier upon written notice communicated to Central  
17 Purchasing by the requisitioning agency.

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

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

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

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

24

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 shall certify that the  
6 proposed purchase does not conflict with consolidated statewide  
7 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, and

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

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

23 O. The State Purchasing Director, with approval by the Director  
24 of the Office of Management and Enterprise Services, is authorized

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

10 SECTION 2. AMENDATORY 74 O.S. 2021, Section 85.12, as  
11 amended by Section 2, Chapter 339, O.S.L. 2023 (74 O.S. Supp. 2023,  
12 Section 85.12), is amended to read as follows:

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

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

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

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

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

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

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

10          6. Custom harvesting by the Department of Corrections for the  
11 Department or its institutions;

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

16          8. Acquisitions by the Oklahoma Municipal Power Authority;

17          9. Acquisitions by the Grand River Dam Authority;

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

21          11. Acquisitions by the Oklahoma Ordnance Works Authority, the  
22 Northeast Oklahoma Public Facilities Authority or the Midwestern  
23 Oklahoma Development Authority;

24



1       12. Expenditure of monies appropriated to the State Board of  
2 Education for local and state-supported financial support of public  
3 schools, except monies allocated therefrom for the Administrative  
4 and Support Functions of the State Department of Education;

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

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

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

17       16. Contracts entered into by the Oklahoma Department of  
18 Commerce pursuant to the provisions of Section 5066.4 of this title;

19       17. Acquisitions made by the Oklahoma Historical Society from  
20 monies used to administer the White Hair Memorial;

21       18. Purchases of pharmaceuticals available through a multistate  
22 or multigovernmental contract if such pharmaceuticals are or have  
23 been on state contract within the last fiscal year, and the terms of  
24 such contract are more favorable to the state or agency than the

1 terms of a state contract for the same products, as determined by  
2 the State Purchasing Director. The state entity designated by law,  
3 as specified in Section 1010.3 of Title 56 of the Oklahoma Statutes,  
4 shall participate in the purchase of pharmaceuticals available  
5 through such contracts;

6 19. Contracts for managed health care services entered into by  
7 the state entity designated by law or the Department of Human  
8 Services, as specified in paragraph 1 of subsection A of Section  
9 1010.3 of Title 56 of the Oklahoma Statutes;

10 20. Acquisitions by a state agency through a General Services  
11 Administration contract or other federal contract if the  
12 acquisitions are not on current statewide contract or the terms of  
13 the federal contract are more favorable to the agency than the terms  
14 of a statewide contract for the same products;

15 21. Acquisitions of clothing for clients of the Department of  
16 Human Services and acquisitions of food for group homes operated by  
17 the Department of Human Services;

18 22. Acquisitions by the Oklahoma Energy Resources Board;

19 23. Acquisitions of clothing for juveniles in the custody of  
20 the Office of Juvenile Affairs and acquisitions of food for group  
21 homes operated by the Office of Juvenile Affairs;

22 24. State contracts for flexible benefits plans pursuant to the  
23 Oklahoma State Employees Benefits Act, Section 1361 et seq. of this  
24 title;

1       25. Acquisitions by the Oklahoma Department of Securities to  
2 investigate, initiate, or pursue administrative, civil or criminal  
3 proceedings involving potential violations of the acts under the  
4 Department's jurisdiction and acquisitions by the Oklahoma  
5 Department of Securities for its investor education program;

6       26. Acquisitions for resale in and through canteens operated  
7 pursuant to Section 537 of Title 57 of the Oklahoma Statutes and  
8 canteens established at an institution or facility operated by the  
9 Office of Juvenile Affairs;

10       27. Acquisitions by the Oklahoma Boll Weevil Eradication  
11 Organization for employment and personnel services, and for  
12 acquiring sprayers, blowers, traps and attractants related to the  
13 eradication of boll weevils in this state or as part of a national  
14 or regional boll weevil eradication program;

15       28. Contracts entered into by the Oklahoma Indigent Defense  
16 System for expert services pursuant to the provisions of subsection  
17 D of Section 1355.4 of Title 22 of the Oklahoma Statutes;

18       29. Acquisitions by the Oklahoma Correctional Industries and  
19 the Agri-Services programs of the Department of Corrections of raw  
20 materials, component parts and other products, any equipment  
21 excluding vehicles, and any services excluding computer consultant  
22 services used to produce goods or services for resale and for the  
23 production of agricultural products;

1 30. Contracts entered into by the Department of Human Services  
2 for provision of supported living services to members of the  
3 plaintiff class in Homeward Bound, Inc., et al. v. The Hisson  
4 Memorial Center, et al., Case Number 85-C-437-E, United States  
5 District Court for the Northern District of Oklahoma;

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

15 32. Contracts for annuities for structured settlements provided  
16 for in Section 158 of Title 51 of the Oklahoma Statutes;

17 33. Subject to subsection E of this section, purchases made  
18 from funds received by local offices administered by the Department  
19 of Human Services or administered by the Office of Juvenile Affairs  
20 for fund-raising activities and donations for the benefit of clients  
21 and potential clients at the local offices where such purchases may  
22 not otherwise be paid for from appropriated funds;

23 34. Acquisitions by the Oklahoma Historical Society for  
24 restoration of historical sites and museums although the agency may

1 elect to utilize the Purchasing Division for an acquisition with  
2 supplier and bid selection being the prerogative of the agency,  
3 based on the supplier's documented qualifications and experience;  
4 and

5 35. Acquisitions of clothing and food for patients in the care  
6 of the J.D. McCarty Center for Children with Developmental  
7 Disabilities.

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

20 D. The State Purchasing Director shall review and audit all the  
21 purchasing procedures of acquisitions listed in subsection B of this  
22 section to ensure that the procedures are being followed. Nothing  
23 in this section shall be construed to authorize bid splitting as  
24 prohibited by the Oklahoma Central Purchasing Act.

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

9 F. With respect to the Oklahoma Tourism and Recreation  
10 Department, no exemption provided in this section shall be construed  
11 for the use of leasing or contracting for state-owned restaurants in  
12 Oklahoma state parks. The Department shall not be required to  
13 purchase furniture, fixtures, equipment, and soft goods associated  
14 with decor of the state parks, lodges, golf courses, and tourism  
15 information centers from Oklahoma prisons or reformatories.

16 Additionally, the Department shall not be required to make  
17 purchases pursuant to ~~a statewide contract~~ the provisions of the  
18 Oklahoma Central Purchasing Act for materials, supplies, and  
19 services necessary for the efficient and economical operation of  
20 revenue-generating, Department-operated facilities, including those  
21 made to maintain or improve guest perception of quality and service;  
22 provided, that the State Purchasing Director shall review and audit  
23 all uses of the exemptions provided in this subsection biannually.

24

1 SECTION 3. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2221.1 of Title 74, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. The Oklahoma Tourism and Recreation Department is authorized  
5 to promote state-owned, leased, or operated facilities. The  
6 Department may utilize specific promotion programs such as the  
7 provision of complimentary rooms, package-rate plans, group rates,  
8 guest incentive sales programs, entertainment of prospective guests,  
9 employee-information programs, golf promotional programs as well as  
10 other sales and promotion programs considered acceptable in the  
11 hospitality industry, in the travel industry, or the regional  
12 magazine industry are approved as necessary advertising and  
13 promotion expenses.

14 B. In order to best carry out the duties and responsibilities  
15 of the Department and to serve the people of the state in the  
16 promotion of tourism and tourism economic development, the  
17 Department may enter into partnerships for promotional programs and  
18 projects with a private person, firm, corporation, organization or  
19 association. The Department may enter into contracts or agreements  
20 under terms to be mutually agreed upon to carry out the promotional  
21 programs and projects, excluding the advertising contract by the  
22 Department which utilizes the Tourism Promotion Tax or acquisition  
23 of land or buildings. The contracts or agreements may be negotiated  
24

1 and shall not be subject to the provisions of the Oklahoma Central  
2 Purchasing Act or the Public Competitive Bidding Act of 1974.

3 SECTION 4. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 2239.1 of Title 74, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. The following purchases by the Oklahoma Tourism and  
7 Recreation Department shall be exempt from The Oklahoma Central  
8 Purchasing Act:

9 1. Merchandise for resale purchased for and sold over the  
10 Internet, in publications or through Department retail outlets, such  
11 as lodges, gift shops, golf course pro shops, restaurants and other  
12 purchases made for the production of such merchandise;

13 2. Materials, supplies and services necessary for the efficient  
14 and economical operation of revenue-generating, Department-operated  
15 facilities and programs including those made to maintain or improve  
16 guest perception of quality and service including, but not limited  
17 to, mattresses, pillows, bed-skirts, drapery, small appliances  
18 customary in hospitality spaces such as hotel or lodge rooms and  
19 cabins, pool equipment and pool maintenance costs; and

20 3. The services of writers, artists, photographers, designers,  
21 programmers, prepress houses, printers, shippers and other  
22 professionals and firms involved in the artistic department  
23 publications, television shows, websites or other revenue-generating  
24 or public-facing media.



1 B. For purposes of this section, "revenue-generating" means a  
2 purchase that would affect the ability to generate revenue at a  
3 Department-operated facility or program. Revenue generated by the  
4 agency is built into the Department's budget to fund operational  
5 expenses and salaries. Loss of revenue will require the agency to  
6 reduce staff or seek additional funding to cover the loss created by  
7 delays in acquiring goods and services fundamental to generating  
8 this revenue.

9 C. No exemption provided in this section shall be construed for  
10 the use of leasing or contracting for state-owned restaurants in  
11 Oklahoma state parks.

12 SECTION 5. This act shall become effective July 1, 2024.

13 SECTION 6. It being immediately necessary for the preservation  
14 of the public peace, health or safety, an emergency is hereby  
15 declared to exist, by reason whereof this act shall take effect and  
16 be in full force from and after its passage and approval.

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18 COMMITTEE REPORT BY: COMMITTEE ON TOURISM, dated 02/29/2024 - DO  
19 PASS, As Amended.

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