

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 140

By: Fry

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6 AS INTRODUCED

7 An Act relating to counties and county officers;
8 amending 19 O.S. 2011, Section 1505, as last amended
9 by Section 5, Chapter 358, O.S.L. 2013 (19 O.S. Supp.
10 2016, Section 1505), which relates to capital
expenditures of county government; modifying means by
which bid proposals may be sent; updating language;
and providing an effective date.

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

14 SECTION 1. AMENDATORY 19 O.S. 2011, Section 1505, as
15 last amended by Section 5, Chapter 358, O.S.L. 2013 (19 O.S. Supp.
16 2016, Section 1505), is amended to read as follows:

17 Section 1505. The following procedures shall be used by
18 counties for the requisition, purchase, lease-purchase, rental, and
19 receipt of supplies, materials, equipment and information technology
20 and telecommunication goods and services for the maintenance,
21 operation, and capital expenditures of county government unless
22 otherwise provided for by law.

23 A. The procedure for requisitioning items for county offices
24 shall be as follows:

1 1. The requesting department shall prepare a requisition form
2 in triplicate. The requisition shall contain any specifications for
3 an item as deemed necessary by the requesting department. The form
4 shall be prescribed by the State Auditor and Inspector;

5 2. The requesting department shall retain a copy of the
6 requisition and forward the original requisition and a copy to the
7 county purchasing agent; and

8 3. Upon receipt of the requisition, the county purchasing
9 agent, within two (2) working days, shall begin the bidding and
10 purchasing process as provided for in this section. Nothing in this
11 section shall prohibit the transfer of supplies, materials, or
12 equipment between county departments upon a written agreement
13 between county officers.

14 B. The bid procedure for selecting a vendor for the purchase,
15 lease-purchase, or rental of supplies, materials, equipment and
16 information technology and telecommunication goods and services used
17 by a county shall be as follows:

18 1. The county purchasing agent shall request written
19 recommendations from all county officers pertaining to needed or
20 commonly used supplies, materials, equipment and information
21 technology and telecommunication goods and services. From such
22 recommendations and available requisition, purchase, or inventory
23 records, the county purchasing agent shall prepare a list of items
24 needed or commonly used by county officers. The county purchasing

1 agent shall request from the Purchasing Division or from the
2 Information Services Division in the case of information technology
3 and telecommunication goods and services of the Office of Management
4 and Enterprise Services all contracts quoting the price the state is
5 paying for the items. The county purchasing agent shall either
6 request the Purchasing Division or the Information Services Division
7 of the Office of Management and Enterprise Services, as applicable,
8 to make the purchase for the county or the county purchasing agent
9 shall solicit bids for unit prices on the items for periods of not
10 to exceed twelve (12) months in the manner described in paragraph 2
11 of this subsection. If the county purchasing agent receives a
12 requisition for an item for which the county purchasing agent does
13 not have a current bid, the county purchasing agent shall request
14 from the Purchasing Division or the Information Services Division of
15 the Office of Management and Enterprise Services, as applicable, all
16 contracts quoting the price the state is paying for the item. The
17 county purchasing agent shall either request the Purchasing Division
18 or the Information Services Division of the Office of Management and
19 Enterprise Services, as applicable, to make the purchase for the
20 county or the county purchasing agent shall solicit bids in the
21 manner described in paragraph 2 of this subsection. Nothing in this
22 paragraph shall prohibit bids from being taken on an item currently
23 on a twelve-month bid list, at any time deemed necessary by the
24 county purchasing agent. Whenever the county purchasing agent deems

1 it necessary to take a bid on an item currently on a twelve-month
2 bid list, the reason for the bid shall be entered into the minutes
3 of the board of county commissioners;

4 2. Bids shall be solicited by mailing or emailing a notice to
5 all persons or firms who have made a written request of the county
6 purchasing agent that they be notified of such bid solicitation and
7 to all other persons or firms who might reasonably be expected to
8 submit bids. Notice of solicitation of bids shall also be published
9 one time in a newspaper of general circulation in the county.
10 Notices shall be mailed and published at least ten (10) days prior
11 to the date on which the bids are opened. Proof of the mailing or
12 emailing shall be made by the affidavit of the person mailing or
13 emailing the request for bids and shall be made a part of the
14 official records of the county purchasing agent. Whenever any
15 prospective supplier or vendor dealing in or listing for sale any
16 particular item or article required to be purchased or acquired by
17 sealed bids fails to enter or offer a sealed bid for three
18 successive bid solicitations, the name of the supplier or vendor may
19 be dropped from the mailing lists of the board of county
20 commissioners;

21 3. The sealed bids received from vendors and the state contract
22 price received from the applicable Division of the Office of
23 Management and Enterprise Services shall be given to the county
24 clerk by the county purchasing agent. The county clerk shall

1 forward the sealed bids and state contract price, if any, to the
2 board of county commissioners;

3 4. The board of county commissioners, in an open meeting, shall
4 open the sealed bids and compare them to the state contract price.
5 The board of county commissioners shall select the lowest and best
6 bid based upon, if applicable, the availability of material and
7 transportation cost to the job site within thirty (30) days of the
8 meeting. For any special item not included on the list of needed or
9 commonly used items, the requisitioning official shall review the
10 bids and submit a written recommendation to the board before final
11 approval. The board of county commissioners shall keep a written
12 record of the meeting as required by law, and any time the lowest
13 bid was not considered to be the lowest and best bid, the reason for
14 such conclusion shall be recorded. Whenever the board of county
15 commissioners rejects the written recommendation of the
16 requisitioning official pertaining to a special item, the reasons
17 for the rejection shall be entered in their minutes and stated in a
18 letter to the requisitioning official and county purchasing agent;

19 5. The county purchasing agent shall notify the successful
20 bidders and shall maintain a copy of the notification. The county
21 purchasing agent shall prepare and maintain a vendors list
22 specifying the successful bidders and shall notify each county
23 officer of the list. The county purchasing agent may remove any
24 vendor from such list who refuses to provide goods or services as

1 provided by contract if the removal is authorized by the board of
2 county commissioners. The county purchasing agent may make
3 purchases from the successful bidders for a price at or below the
4 bid price. If a vendor who is the low bidder cannot or will not
5 sell goods or services as required by a county bid contract, the
6 county purchasing agent may purchase from the next low bidder or
7 take quotations as provided in paragraph 6 of this subsection,
8 provided, however, such purchase does not exceed Ten Thousand
9 Dollars (\$10,000.00); and

10 6. When bids have been solicited as provided for by law and no
11 bids have been received, the procedure shall be as follows:

12 a. the county purchasing agent shall determine if
13 potential vendors are willing to commit to a firm
14 price for a reduced period of time, and, if such is
15 the case, the bid procedure described in this
16 subsection shall be followed, or

17 b. if vendors are not willing to commit to a firm price
18 for a reduced period, the purchasing agent shall
19 solicit and record at least three quotes of current
20 prices available to the county and authorize the
21 purchase of goods or services based on the lowest and
22 best quote as it becomes necessary to acquire such
23 goods or services. The quotes shall be recorded on a
24 form prescribed by the State Auditor and Inspector and

1 shall be attached to the purchase order and filed with
2 the county clerk's copy of the purchase order. Any
3 time the lowest quote was not considered to be the
4 lowest and best quote, the reason for this conclusion
5 shall be recorded by the county purchasing agent and
6 transmitted to the county clerk, or

7 c. if three quotes are not available, a memorandum to the
8 county clerk from the county purchasing agent shall
9 describe the basis upon which a purchase is
10 authorized. The memorandum shall state the reasons
11 why the price for such a purchase is the lowest and
12 best under the circumstances. The county clerk shall
13 then attach the memorandum to the county clerk's copy
14 of the purchase order and file both in the office of
15 the county clerk.

16 C. After selection of a vendor, the procedure for the purchase,
17 lease-purchase, or rental of supplies, materials, equipment and
18 information technology and telecommunication goods and services used
19 by a county shall be as follows:

20 1. The county purchasing agent shall prepare a purchase order
21 in quadruplicate and submit it with a copy of the requisition to the
22 county clerk;
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1 2. The county clerk shall then encumber the amount stated on
2 the purchase order and assign a sequential number to the purchase
3 order;

4 3. If there is an unencumbered balance in the appropriation
5 made for that purpose by the county excise board, the county clerk
6 shall so certify in the following form:

7 I hereby certify that the amount of this encumbrance has been
8 entered against the designated appropriation accounts and that this
9 encumbrance is within the authorized available balance of ~~said~~ the
10 appropriation.

11 Dated this _____ day of _____, 20__.

12 _____

13 County Clerk/Deputy

14 of _____ County.

15 In instances where it is impossible to ascertain the exact amount of
16 the indebtedness sought to be incurred at the time of recording the
17 encumbrance, an estimated amount may be used. No purchase order
18 shall be valid unless signed by the county purchasing agent and
19 certified by the county clerk; and

20 4. The county clerk shall file a copy of the purchase order and
21 return the original purchase order and two copies to the county
22 purchasing agent who shall file a copy, retain the other copy for
23 the county road and bridge inventory officer if the purchase order
24 is for the purchase of equipment, supplies, or materials for the

1 construction or maintenance of roads and bridges, and submit the
2 original purchase order to the receiving officer of the requesting
3 department.

4 D. 1. The procedure for the purchase of supplies, materials,
5 equipment and information technology and telecommunication goods and
6 services at public auction or by sealed bid to be used by a county
7 shall be as follows:

8 a. the county purchasing agent shall prepare a purchase
9 order in quadruplicate and submit it with a copy of
10 the requisition to the county clerk,

11 b. the county clerk shall then encumber the amount stated
12 on the purchase order and assign a sequential number
13 to the purchase order,

14 c. if there is an unencumbered balance in the
15 appropriation made for that purpose by the county
16 excise board, the county clerk shall so certify in the
17 following form:

18 I hereby certify that the amount of this encumbrance
19 has been entered against the designated appropriation
20 accounts and that this encumbrance is within the
21 authorized available balance of ~~said~~ the
22 appropriation.

23 Dated this _____ day of _____, 20__.

24 _____

1 County Clerk/Deputy

2 of _____ County.

3 In instances where it is impossible to ascertain the
4 exact amount of the indebtedness sought to be incurred
5 at the time of recording the encumbrance, an estimated
6 amount may be used. No purchase order shall be valid
7 unless signed by the county purchasing agent and
8 certified by the county clerk, and

- 9 d. the county clerk shall file a copy of the purchase
10 order and return the original purchase order and two
11 copies to the county purchasing agent who shall file a
12 copy, retain the other copy for the county road and
13 bridge inventory officer if the purchase order is for
14 the purchase of equipment, supplies, or materials for
15 the construction or maintenance of roads and bridges,
16 and submit the original purchase order to the
17 receiving officer of the requesting department.

18 2. The procedure for the purchase of supplies, materials and
19 equipment at a public auction when the purchase will be made with
20 the proceeds from the sale of county property at the same public
21 auction are as follows:

- 22 a. the purchasing agent shall cause such items being sold
23 to be appraised in the manner determined in Section
24 421.1 of this title,

- 1 b. the county purchasing agent shall prepare a purchase
2 order in quadruplicate and submit it with a copy of
3 the requisition to the county clerk,
- 4 c. the county clerk shall then encumber the amount of the
5 appraised value and any additional funds obligated by
6 the county on the purchase order and assign a
7 sequential number to the purchase order,
- 8 d. the county clerk shall certify that the amount of the
9 encumbrance is equal to the appraised value of the
10 item being sold plus any additional funds obligated by
11 the county. In effect the recording of the
12 encumbrance is an estimate that is authorized by law.
13 No purchase order shall be valid unless signed by the
14 county purchasing agent and certified by the county
15 clerk,
- 16 e. the county clerk shall file a copy of the purchase
17 order and return the original purchase order and two
18 copies to the county purchasing agent who shall file a
19 copy, retain a copy for the county road and bridge
20 inventory officer if the purchase order is for the
21 purchase of equipment, supplies or materials for the
22 construction or maintenance of roads and bridges, and
23 submit the original purchase order to the receiving
24 officer of the requesting department, and

1 f. a purchase shall not be bid until such time that the
2 appraised item or items are sold. Any item or items
3 purchased shall not exceed the appraised value plus
4 any additional funds obligated by the county or the
5 actual selling price of the item or items, whichever
6 is the lesser amount.

7 E. The procedure for the receipt of items shall be as follows:

8 1. A receiving officer for the requesting department shall be
9 responsible for receiving all items delivered to that department;

10 2. Upon the delivery of an item, the receiving officer shall
11 determine if a purchase order exists for the item being delivered;

12 3. If no such purchase order has been provided, the receiving
13 officer shall refuse delivery of the item;

14 4. If a purchase order is on file, the receiving officer shall
15 obtain a delivery ticket, bill of lading, or other delivery document
16 and compare it with the purchase order. If any item is back
17 ordered, the back order and estimated date of delivery shall be
18 noted in the receiving report;

19 5. The receiving officer shall complete a receiving report in
20 quadruplicate which shall state the quantity and quality of goods
21 delivered. The receiving report form shall be prescribed by the
22 State Auditor and Inspector. The person delivering the goods shall
23 acknowledge the delivery by signature, noting the date and time;

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1 6. The receiving officer shall file the original receiving
2 report and submit:

- 3 a. the original purchase order and a copy of the
- 4 receiving report to the county purchasing agent, and
- 5 b. a copy of the receiving report with the delivery
- 6 documentation to the county clerk;

7 7. The county purchasing agent shall file the original purchase
8 order and a copy of the receiving report;

9 8. Upon receipt of the original receiving report and the
10 delivery documentation, the county clerk shall maintain a file until
11 such time as an invoice is received from the vendor;

12 9. The invoice shall state the name and address of the vendor
13 and must be sufficiently itemized to clearly describe each item
14 purchased, the unit price when applicable, the number or volume of
15 each item purchased, the total price, the total purchase price, and
16 the date of the purchase;

17 10. Upon receipt of an invoice, the county clerk shall compare
18 the following documents:

- 19 a. requisition,
- 20 b. purchase order,
- 21 c. invoice with noncollusion affidavit as required by
- 22 law,
- 23 d. receiving report, and
- 24 e. delivery document.

1 The documents shall be available for public inspection during
2 regular business hours; and

3 11. If the documents conform as to the quantity and quality of
4 the items, the county clerk shall prepare a warrant for payment
5 according to procedures provided for by law.

6 F. The following procedures are for the processing of purchase
7 orders:

8 1. The purchasing agent shall be allowed up to three (3) days
9 to process purchase orders to be presented to the board of county
10 commissioners for consideration and payment. Nothing herein shall
11 prevent the purchasing agent from processing or the board of county
12 commissioners from consideration and payment of utilities, travel
13 claims and payroll claims;

14 2. The board of county commissioners shall consider the
15 purchase orders so presented and act upon the purchase orders, by
16 allowing in full or in part or by holding for further information or
17 disallowing the same. The disposition of purchase orders shall be
18 indicated by the board of county commissioners, showing the amounts
19 allowed or disallowed and shall be signed by at least two members of
20 the board of county commissioners. Any claim held over for further
21 information shall be acted upon by allowing or disallowing same at
22 any future meeting of the board held within seventy-five (75) days
23 from the date of filing of the purchase order. Any purchase order
24 not acted upon within the seventy-five (75) days from the date of

1 filing shall be deemed to have been disallowed, but such
2 disallowance shall not prevent the refileing of the purchase order at
3 the proper time; and

4 3. Whenever any allowance, either in whole or in part, is made
5 upon any purchase order presented to the board of county
6 commissioners and is accepted by the person making the claim, such
7 allowance shall be a full settlement of the entire purchase order
8 and provided that the cashing of warrant shall be considered as
9 acceptance by the claimant.

10 G. The procedure upon consumption or disposal of supplies,
11 materials, or equipment shall be as follows:

12 1. For consumable road or bridge items or materials, a
13 quarterly report of the road and bridge projects completed during
14 such period shall be prepared and kept on file by the consuming
15 department. The quarterly report may be prepared and kept
16 electronically by the consuming department. The report shall
17 contain a record of the date, the place, and the purpose for the use
18 of the road or bridge items or materials. For purposes of
19 identifying county bridges, the board of county commissioners shall
20 number each bridge subject to its jurisdiction; and

21 2. For disposal of all equipment and information technology and
22 telecommunication goods which originally cost more than Five Hundred
23 Dollars (\$500.00), resolution of disposal shall be submitted by the
24 officer on a form prescribed by the State Auditor and Inspector's

1 Office to the board of county commissioners. The approval of the
2 resolution of disposal shall be entered into the minutes of the
3 board.

4 H. Inventory forms and reports shall be retained for not less
5 than two (2) years after all audit requirements for the state and
6 federal government have been fulfilled and after any pending
7 litigation involving the forms and reports has been resolved.

8 I. The procedures provided for in this section shall not apply
9 when a county officer certifies that an emergency exists requiring
10 an immediate expenditure of funds. Such an expenditure of funds
11 shall not exceed Five Thousand Dollars (\$5,000.00). The county
12 officer shall give the county purchasing agent a written explanation
13 of the emergency. The county purchasing agent shall attach the
14 written explanation to the purchase order. The purchases shall be
15 paid by attaching a properly itemized invoice, as described in this
16 section, to a purchase order which has been prepared by the county
17 purchasing agent and submitting them to the county clerk for filing,
18 encumbering, and consideration for payment by the board of county
19 commissioners.

20 J. The county purchasing agent may authorize county purchasing
21 officers to make acquisitions through the state purchase card
22 program as authorized by the State Purchasing Director in accordance
23 with Section 85.5 of Title 74 of the Oklahoma Statutes and defined
24 in Section 85.2 of Title 74 of the Oklahoma Statutes. Purchase

1 cardholders shall sign a purchase card agreement prior to becoming a
2 cardholder and attend purchase card procedure training as required
3 by the State Purchasing Director. Complete descriptions of
4 purchases made by county government entities shall be published
5 through the state transparency portal pursuant to Section 85.33B of
6 Title 74 of the Oklahoma Statutes, and as warrants required to be
7 published pursuant to Sections 444 and 445 of this title.

8 SECTION 2. This act shall become effective November 1, 2017.

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