



Oklahoma Conservation Commission

District Directors' Responsibilities:

A 10-Minute Guide Series

This is one in a continuing series of informational/discussion topics designed to help conservation district directors become more informed and knowledgeable about their responsibilities. It is suggested that board members review these guides before a board meeting and then have a ten-minute discussion on them at a meeting.

Guide No. 27- Procurement

State laws govern the procurement of equipment, furniture, supplies and vehicles by a district. It is the responsibility of district directors to be knowledgeable about these laws and other rules when spending state or locally-earned funds.

Restrictions

It is unlawful for district directors to award a contract to their relatives within the third degree by blood or marriage or to purchase goods and services from a district director or district employee.

Sales Tax

Districts are entities of state government and therefore do not pay state or city sales tax. Districts can request a letter from the OCC accounting department stating the district is exempt from sales tax by Title 68 O.S. 1991 Section 1356 (A).

Procuring Supplies and Equipment

Supplies and equipment may be purchased locally or through the Oklahoma Conservation Commission (OCC) office. The State of Oklahoma annually awards contracts for equipment and supplies that are available for use by districts and can provide for savings on many items. Contact OCC to see if the item you are needing is on a state contract.

To purchase supplies and equipment on a state contract, Form OCC-7A must be completed and mailed to OCC.

Funds for supplies or equipment requested through the OCC can be deducted from the district's operating expense account or the original invoice will be provided to the district for payment from the district's locally earned funds.

Competitive Bid Requirement

Contracts and agreements paid with state funds are subject to the competitive bid requirement. No purchase or contract can be made in excess of \$2,500 without first securing competitive bids.

This applies to the total cost of the purchase, contract, or project. Splitting purchases for the purpose of evading the requirement of competitive bidding is a felony. For example, if a district wishes to fence a watershed dam, it is not legal to purchase fence posts for \$1,500 from one supplier, wire for \$1,000 from another, and staples for \$200 somewhere else, as the total cost of the project exceeds \$2,500.

Before entering into a contract or agreement that will involve the expenditure of state appropriated funds for any purpose and for any amount, the district must secure the approval of the OCC.

When purchasing locally and the acquisition is for an amount more than \$2,500, OCC suggests the district solicit price quotations for the acquisition from three or more vendors. Vendors should be allowed a minimum of 24 hours in which to prepare their bids.

Maintaining Equipment Inventory

All equipment costing \$500 or more must be included on the district's inventory. If state funds are used for the purchase of the equipment, a decal will be provided by the OCC to be placed on the item. A decal is required for every piece of equipment costing \$500 or more purchased partially or entirely with state funds.

Equipment inventories should be updated annually.

Disposition of Equipment

Equipment purchased in full or in part from state funds (reimbursed from the district's allocation or paid for by the OCC) may only be disposed of by the Department of Central Services. This includes equipment in working, broken, or unsalvageable condition.

To dispose of such equipment, a *Request to Dispose of Equipment, Form OCC-7C*, must be submitted to the OCC. The OCC will then contact the Department of Central Services who will offer the used equipment to the public.

Equipment purchased from locally-earned funds should be disposed of by first offering it for sale to other conservation districts. If it does not sell in this manner, it should be advertised for sale locally to the public and bids should be accepted.

A district director, district employee or NRCS employee should be allowed to purchase a piece of district equipment only if this procedure is followed and the director or employee is the high bidder.

Stolen Property

If a piece of equipment, purchased either partially or entirely with State funds is stolen, the district must first notify the local law authorities to have a police report completed. The district must then submit a copy of the police report accompanied by a letter requesting that the property be removed from inventory.

More Information on Procurement:

Chapter 7 of the Conservation District Handbook

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District Services Division
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