

# Purchasing Procedures

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**Oklahoma Conservation Commission**

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# **PURCHASING PROCEDURES**

## **I. PROCEDURES**

- A. EFFECTIVE DATE**
- B. GENERAL INFORMATION**
- C. COMMISSION DIVISION RESPONSIBILITIES**
- D. AGENCY PURCHASING HIERARCHY**
- E. PURCHASE REQUESTS**
- F. METHODS FOR PURCHASE**
- G. PURCHASING THRESHOLDS**
- H. CONTRACTS**
- I. ADDITIONAL INFORMATION**
  - 1. CHANGE ORDERS**
  - 2. INFORMATION TECHNOLOGY (COMPUTER HARDWARE AND SOFTWARE) ACQUISITIONS**
  - 3. INVENTORY ITEMS**
  - 4. MEMBERSHIP FEES**
  - 5. MOTOR VEHICLE PURCHASES**
  - 6. REIMBURSEMENT FOR MISCELLANEOUS PURCHASES**
  - 7. SETTLEMENT AND RATIFICATION AGREEMENTS**
  - 8. SOLE SOURCE OR SOLE BRAND ACQUISITIONS**
  - 9. UTILITY PAYMENTS**
- J. REAL PROPERTY LEASING**
- K. CONSTRUCTION**
- L. SUPPLIER PROTEST**

## **II. PURCHASE CARD PROGRAM**

- A. P-CARD ADMINISTRATOR RESPONSIBILITIES**
- B. CARDHOLDER RESPONSIBILITIES**
- C. APPROVING OFFICIAL RESPONSIBILITIES**
- D. AUTHORIZED USES**
- E. PROHIBITED USES**
- F. P-CARD PROCESS**
- G. FOOD POLICY**

## **III. RECORDS RETENTION**

- A. GENERAL PROCUREMENT RECORDS**
- B. P-CARD RECORDS**

## **IV. APPENDIX A: FOOD PURCHASING POLICY**

## **I. PROCEDURES**

### **A. EFFECTIVE DATE**

These purchasing procedures shall become effective upon review and approval by the governing board of the Oklahoma Conservation Commission (hereafter COMMISSION). Notwithstanding, these procedures are subject to review and approval by the State Purchasing Director of the Office of Management and Enterprise Services (OMES).

### **B. GENERAL INFORMATION**

The purchasing policies and procedures contained within this document comprise the body of rules, regulations, and practices governing procurement within the COMMISSION. All acquisitions of the COMMISSION shall comply with provisions of the Oklahoma Central Purchasing Act, OMES Central Purchasing administrative rules, provisions of State Use Committee, and these internal procedures. If the COMMISSION amends these procedures, the COMMISSION shall submit the procedures with amendments in their entirety to the State Purchasing Director for review and approval pursuant to 74 O.S., Section 85.39. An agency review of their procurement procedures should occur annually, with resubmission for review and approval to OMES Central Purchasing every two years. The COMMISSION shall utilize the approved state financial system to its fullest ability in agency functions.

All acquisitions by the COMMISSION shall comply with these internal purchasing procedures to provide for the effective procurement of goods and services necessary to carry out the functions of the COMMISSION. The goal of this document is to provide an internal reference of policies/procedures relevant to COMMISSION purchasing activities and is not intended to circumvent or ignore relevant State laws, rules, and regulations that would control instances of omission or unintended disagreement. This would include and not be limited to the Central Purchasing Act, provisions of State Use, OMES Central Purchasing rules, and State of Oklahoma Policy and Procedures for P-Card.

The COMMISSION Executive Director shall designate a State Entity individual to act in formal oversight of all financial management and purchasing activities for the agency. This person or their designate shall serve as the COMMISSION P-Card Administrator and primary Certified Procurement Officer (CPO). Unless otherwise noted, the COMMISSION Executive Director or designate is the agency's final approval authority for financial and purchasing decisions.

### **C. COMMISSION DIVISION RESPONSIBILITIES**

Within their respective areas of authority, managers/supervisors of the COMMISSION are responsible for the following:

1. Advanced planning for acquisitions so that supplies and services can continue without interruption,

2. Assessing Division needs,
3. Monitoring, auditing, and evaluating purchasing activities,
4. Effectively managing the agency's assets,
5. Providing contract oversight and enforcement,
6. Developing and assisting in the development of purchasing documents,
7. Assuring that funds are budgeted or otherwise available for requested purchases, and requests are attributed to appropriate account codes, and
8. Supporting, guiding, and as necessary, enforcing employees in the use of these procedures.

Employees of the COMMISSION are responsible for the following:

1. Identifying the goods and services necessary to fulfill their assigned tasks.  
and
2. Knowing and complying with the provisions of this policy.

#### **D. AGENCY PURCHASING HIERARCHY**

The Executive Director, Assistant Director, and/or Division Directors within the COMMISSION shall select one or more employees to engage in the various roles required in the purchasing process. All purchases must go through the proper channels to ensure purchasing best practices and policy compliance. The designated roles are as follows:

1. Requestor: Any employee that determines a need for equipment or supplies for job duties.
2. Purchaser: Any P-Card holder or authorized purchase order buyer.
3. Division Authorized Signatory: Division director, or designee, authorized to sign-off on Division purchases. The signatory may generate a purchase request, but not make the official purchase.
4. Agency Authorized Signatory: Executive Director, or their designee, that acts as a secondary signatory authorized to sign-off on agency purchases above \$5,000.
5. Approving Official: Approver for Division P-Card holder purchases.
6. Each Division shall designate a primary Purchasing Point of Contact (PPoC) to work directly with the Primary CPO and support Division purchasers directly. This person may or may not be a Certified Procurement Officer but must have a working

knowledge of how purchasing is conducted within the Division. The administrative support/responsibilities of this person shall include:

- a. Monitoring and overseeing Division purchasing practices,
  - b. Supporting and guiding Division P-Card holders in the purchasing process,
  - c. Working as the direct liaison between Division P-Card holders and the Primary CPO, and
  - d. Maintaining an orderly and accessible record of all Division purchases.
7. The Primary CPO shall serve in an administrative capacity over all COMMISSION purchasing. The primary administrative responsibilities of this person shall include:
- a. Monitoring and overseeing the COMMISSION purchasing process,
  - b. Working directly with the PPoCs to support, guide and enforce COMMISSION use of these procedures,
  - c. Reviewing and processing purchasing requests in compliance with all applicable laws, rules, regulations, and procedures on behalf of the COMMISSION,
  - d. Establishing effective working relationships with vendors, OMES, and others, and
  - e. Maintaining records of all purchases.

## **E. PURCHASE REQUESTS**

No employee shall financially obligate the COMMISSION without first obtaining the appropriate Division level and/or agency approval(s). The formality of this approval constitutes a Request for Acquisition (RFA), which shall be completed and approved for all purchases unless otherwise noted.

### **1. REQUEST FOR ACQUISITION (RFA)**

The RFA is designed to collect relevant information concerning the purchase request, including a description and the reason relating to the requested product or service, funding availability at the time of the request, and the justification relating to the requested product or service. The RFA also helps to ensure that the requested product or service has received

applicable approvals prior to the expenditure, and the approved purchase will be charged to the appropriate accounts.

Purchases that exceed the estimated cost by 10% on a RFA must be resubmitted for circulation through the approval process.

All RFAs must be authorized by approved signatories at the Division, agency, and/or cabinet level, depending upon the requested amount. Unless instructed otherwise by the Executive Director, RFAs must be pre-approved by the Executive Director or designee in their absence if the RFA is for goods or services greater than or equal to \$5,000.

## 2. EMERGENCY PURCHASES

The COMMISSION Executive Director may authorize a COMMISSION CPO to make an emergency purchase (Title 74, O.S. §85.41A). An emergency purchase is one which is defined as a condition resulting from a sudden unexpected happening, or unforeseen occurrence or condition and situation wherein the health or safety of lives and property are endangered, the situation will continue to worsen, or where there will be substantial damage to public and/or agency property. Detailed written justification shall be provided to the Commission CPO for transmittal to the State Purchasing Director in a timely manner following the acquisition. The written justification must be stated with the word "emergency."

### EXCEPTION

A monetary cap shall not limit emergencies that arise through the Land Management and the Conservation Programs Divisions related to construction-type emergencies or dam failures. These Divisions shall be responsible for following the instructions and guidelines established by the OMES DCAM Construction and Properties (CAP) and the processes set out by the State's Emergency Management and our partners. The COMMISSION CPO shall be immediately updated on the situation, provided with detailed paperwork and written emergency justification(s), and engaged in the process where needed to ensure sound monetary policy and quick, efficient response to the emergency situation.

## F. METHODS FOR PURCHASE

### 1. STATE USE COMMITTEE

Title 74 O.S. § 3001 through 3010 establishes the State Use Committee, which designates a procurement schedule of the products directly manufactured, produced, processed, or assembled, or services directly performed, offered, or provided by any severely disabled person or qualified nonprofit agency for the severely disabled. State Use Committee suppliers are identified on the State

Use Committee procurement schedule, which is available through the OMES website:

<https://oklahoma.gov/content/dam/ok/en/omes/documents/ProcurementSchedule2020.pdf>. Products or services available from suppliers on the State Use Committee procurement schedule must be purchased from that source unless a written exception is obtained. An exception may only be obtained by submitting a written request to the State Use Committee Contracting Officer. **The exception must be requested and granted prior to the purchase.**

## 2. OKLAHOMA CORRECTIONAL INDUSTRIES (OCI)

The Department of Corrections produces an extensive line of products and services that are made available for purchase by state agencies and other qualifying not-for-profit organizations. A complete listing of the products and services is available in the online catalog on the OCI website at [www.ocisales.com](http://www.ocisales.com). Products or services must be purchased from Oklahoma Correctional Industries if OCI provides the lowest and best price from a solicitation and is not available through State Use.

## 3. STATEWIDE CONTRACTS

The OMES Central Purchasing enters into agreements and contracts ("statewide contracts") for commodities of common use by state agencies and institutions. An index of all statewide contracts is available through the OMES website at [www.OK.gov/dcs/solicit/app/contractSearch.php](http://www.OK.gov/dcs/solicit/app/contractSearch.php). The State Purchasing Director designates statewide contracts as mandatory or non-mandatory.

Products or services available from a mandatory statewide contract must be purchased from the contract unless an exception is obtained. An exception may be obtained by submitting a written request to the State Purchasing Director or designee prior to the purchase to waive the requirements of a mandatory statewide contract.

Products or services available from a non-mandatory statewide contract may be purchased from the contract if it is in the best interest of the agency.

When ordering from a statewide contract, be sure the contract is current and has not expired. All orders against statewide contracts must be prepared in accordance with the specific terms and conditions of each contract. Terms and conditions vary from contract to contract. Therefore, it is important to review each contract in its entirety.

## 4. INTER-GOVERNMENTAL PURCHASES

Purchases of products or services from government agencies at the state, federal, county, or city level are exempt from the Central Purchasing Act and

are not subject to bidding requirements. However, contracting with another government agency for goods or services they would not normally provide is not allowed. Inter-governmental purchases shall not be used specifically for the purpose of evading competitive or public bidding requirements.

5. OPEN MARKET ACQUISITIONS

Products or services not available from a mandatory statewide contract, the State Use Committee procurement schedule, or Oklahoma Correctional Industries (if lowest and best) may be purchased from an open market supplier.

**G. PURCHASING THRESHOLDS**

The Central Purchasing Act designates dollar thresholds that determine how an open market acquisition shall be made. The COMMISSION has adopted more conservative purchasing threshold dollar amounts than those allowed by the Central Purchasing Act. All components (freight, insurance, etc.) of a purchase must be considered when determining the dollar amount of the transaction. Purchases of goods or services from State Use Committee suppliers, statewide contracts, or other government agencies are exempt from these requirements regardless of the dollar amount. Products or services not available from a mandatory statewide contract, the State Use Committee procurement schedule, or Oklahoma Correctional Industries (if lowest and best) may be purchased from an open market supplier as follows:

1. ACQUISITIONS NOT EXCEEDING \$5,000.00

Open market acquisitions not exceeding \$5,000.00 are considered to be developed as fair and reasonable and may be acquired through an agency-issued purchase order or State authorized. Prior to the issuance of a purchase order or P-Card transaction, the Division will obtain the approval of the COMMISSION Executive Director or designee in accordance with provisions outlined in Section F, part 1, above. The CPO or purchasing agent will award the purchase to the supplier, which is determined to best meet the need of the agency. **Supplier Contract Certification (OMES-FORM-CP-021) must be obtained if the expenditure is for professional services.** Acquisitions shall not be awarded to suppliers which are suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission, or the federal government.

2. ACQUISITIONS NOT EXCEEDING \$10,000.00

Open market acquisitions greater than \$5,000.00 but not exceeding \$10,000.00 may be acquired through an agency-issued purchase order. Prior to the issuance of a purchase order, the Division will obtain approval from the COMMISSION Executive Director or designee and solicit price quotations from a minimum of three registered suppliers in accordance with the following criteria:

- a. Price quotations and delivery dates shall be solicited by mail, telephone, facsimile, or by means of electronic commerce.



- b. The suppliers' price quotation and delivery date(s) may be obtained by telephone, or in writing via mail, facsimile, or e-mail. The suppliers' bid(s) and delivery date(s), along with a non-collusion certification, shall be secured from the suppliers prior to the award of a contract.

**Note: Professional Services Contract Certification (OMES- FORM-CP-021) must be obtained if the expenditure is for professional services.**

- c. Purchase orders shall not be awarded to suppliers that are suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission, or the federal government.
- d. Suppliers of products must possess a current Oklahoma sales tax permit, and verification of the sales tax permit should be documented in the acquisition file.

**Note: If a supplier is located out-of-state and has no Oklahoma sales tax number, and is shipping product via common carrier, this must be noted on the RFA.**

The CPO or purchasing agent will award the purchase to the supplier providing the lowest and best quotation or utilizing the best value criteria. If the purchase is not made from the supplier providing the lowest and best quotation, a written justification shall be attached to the procurement file regarding the reasons for the action taken.

### 3. ACQUISITIONS NOT EXCEEDING \$25,000.00

Open market acquisitions greater than \$10,000.00 but not exceeding \$25,000.00 may be acquired through an agency issued purchase order. Prior to the issuance of a purchase order, the Division will obtain the approval of the COMMISSION Executive Director or designee. The CPO will solicit bids **from a minimum of 10 or all registered suppliers in the appropriate commodity classification from a current registered suppliers list compiled by the OMES Central Purchasing or other suppliers list as appropriate** in accordance with the following criteria:

- a. Bids shall be solicited by mail, facsimile, or by means of electronic commerce.
- b. The suppliers' bid(s) and delivery date(s), along with a non-collusion certification shall be secured from the suppliers prior to the award of the contract.
- c. Purchase orders shall not be awarded to suppliers that are suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission, or the federal government.

- d. Suppliers of products must possess a current Oklahoma sales tax permit, and verification of the sales tax permit must be documented in the acquisition file.

**Note: COMMISSION Bid Acquisition Checklist shall accompany the procurement file.**

**Note: If a supplier is out-of-state and has no Oklahoma sales tax number, and is shipping product via common carrier, this must be noted on the RFA.**

The CPO will award the purchase to the supplier providing the lowest and best solicitation or the solicitation providing the best value to the agency. The COMMISSION shall make a written evaluation of the criteria considered in the selection of the supplier for the acquisition. Documentation of prices, delivery dates, and the evaluation shall be placed in the acquisition file. If the purchase is not made from the supplier providing the lowest and best solicitation, a written justification shall be attached to the procurement file regarding the reasons for the action taken.

#### 4. ACQUISITIONS NOT EXCEEDING \$50,000.00

Open market acquisitions greater than \$25,000.00 but not exceeding \$50,000.00 may be acquired through an agency issued purchase order. Prior to the issuance of a purchase order, the Division will obtain approval by the COMMISSION Executive Director or designee. The CPO will then solicit bids **from all registered suppliers in the appropriate commodity classification from a current registered suppliers list compiled by the OMES Central Purchasing or other suppliers list as appropriate** in accordance with the following criteria:

- a. Bids shall be solicited by mail, facsimile, or by means of electronic commerce.
- b. The suppliers' bid(s) and delivery date(s), along with a non-collusion certification shall be secured from the suppliers and OMES-FORM-CP-21, if professional services, prior to the award of a contract.
- c. Purchase orders shall not be awarded to suppliers that are suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission, or the federal government if federal funds are being used.
- d. Suppliers of products must possess a current Oklahoma sales tax permit, and verification of the sales tax permit must be documented in the acquisition file.

**Note: COMMISSION Bid Acquisition Checklist shall accompany the procurement file.**

**Note: If a supplier is located out-of-state and has no Oklahoma sales tax**

**number, and is shipping product via common carrier, this must be noted on the RFA.**

The CPO will award the purchase to the supplier providing the lowest and best solicitation or the solicitation providing the best value to the agency. If the purchase is not made from the supplier providing the lowest and best solicitation, a written justification shall be attached to the procurement file regarding the reasons for the action taken.

5. ACQUISITIONS GREATER THAN \$50,000.00

Open market acquisitions greater than \$50,000.00 must be acquired through an agency requisition submitted to the OMES Central Purchasing. Prior to the submittal of a requisition to OMES for processing, the Division will obtain approval by the COMMISSION Executive Director or designee. The Division will then submit to the Primary CPO a requisition and specifications for the acquisition. The Primary CPO will then submit the requisition file to OMES for processing.

6. SPLIT PURCHASES PROHIBITED

"Split purchase" means dividing a known quantity or failing to consolidate a known quantity of an acquisition for the purpose of evading a competitive bidding requirement. **Violation of this provision shall be cause for discipline of a state employee up to and including termination.**

**H. CONTRACTS**

Contracts, agreements, and memorandums of understanding will be reviewed by the COMMISSION General Counsel prior to submission to the appointing authority for signature. The requesting Division is responsible for monitoring and evaluating compliance with their contracts. Contract terms and conditions shall not be modified without prior approval of the COMMISSION General Counsel or OMES (if applicable). Any problems encountered with the contract terms or with the goods and services shall immediately be brought to the attention of the Primary CPO.

**I. ADDITIONAL INFORMATION**

1. CHANGE ORDERS

A change order could be initiated for many reasons, including dollar or quantity increases/decreases, funding changes, canceling purchase orders, contract adjustments, or supplier corrections. The change order process is not intended to replace or circumvent routine purchasing procedures.

2. INFORMATION TECHNOLOGY (COMPUTER HARDWARE AND SOFTWARE) ACQUISITIONS

All requests for technology items shall be managed by the COMMISSION

Office of Geographic Information and Technical Services Division (OGITS) to ensure compliance with OMES requirements. The OGITS will review all technology requests via an RFA with supporting documents and, when applicable, complete and submit the prescribed OMES hardware or software acquisition forms to the OMES Information Services. All acquisitions for high technology systems are subject to the provisions of 62 O.S. § 34.12.1 and 74 O.S. § 85.7c. This pertains to the oversight and procurement requirements for technology hardware and software acquisitions by the OMES. Acquisitions of computer hardware or software must be reviewed by the OMES Information Services and approved by the Chief Information Officer prior to the purchase obligation.

### 3. INVENTORY ITEMS

Items acquired exceeding \$500.00 in cost, regardless of the method of purchase, must be added to the COMMISSION inventory database. Other items with a cost of less than \$500.00 may also be added to the COMMISSION inventory database if a need exists to track the item as an asset. Assets are to be inspected and an inventory number is assigned upon receipt. The inventory database must be updated with the item description, serial number, cost and assigned location information. The COMMISSION Inventory Manager and will maintain the agency master inventory record. Division Directors will work with the Inventory Manager throughout the year to update the inventory based on a new purchase of equipment. The Division Administrative Officer will be responsible for the coordination of the surplus of agency equipment. The Division Administrative Officer will consult with Division Director and the Inventory Manager to ensure items sent to surplus are removed from the inventory system. Prior to the submission of the inventory report, the COMMISSION Executive Director or designee will review and verify the results of the annual inventory count.

### 4. MEMBERSHIP FEES

Payments for membership in professional organizations are authorized in the name of the agency when the agency derives a benefit from the membership. Agency membership may be in the name of the individual if the membership is for a specific position. In cases where the individual is designated, the membership must be fully transferable as the individual in the position changes.

### 5. MOTOR VEHICLE PURCHASES

The agency requires the approval of the COMMISSION Executive Director for all motor vehicle purchases. Title 47 O.S. § 156.3(d) requires OMES Fleet Management approval for motor vehicle purchases under 10,000 pounds gross vehicle weight (GVW). These approvals apply to statewide contracts and open market bid purchases. Verification of the OMES Fleet Management – Vehicle Acquisition Request (OMES-FORM-FMD-016) must be included with the agency's purchase order file.

## 6. REIMBURSEMENT FOR MISCELLANEOUS PURCHASES

Title 74 O.S. § 250.6(b) allows for reimbursement of expenses paid by state employees for purchases not available through the agency's normal purchasing process, provided the transaction does not exceed \$5,000.00. The reimbursement claim must be made payable to and signed by the person who paid for the item or service. An appropriately paid receipt or other proof of payment must be included with the reimbursement request. Proof of payment may be shown by a "cash" payment on a sales receipt, a canceled check, a credit card billing statement or charge receipt, or other proof of payment provided by the supplier. Claims exceeding \$100.00 may be required to have attached written justification explaining why normal purchasing methods could not be used.

The intent of this procedure is to provide a method of payment for transactions that cannot be made through the agency's normal purchasing and payment process. Examples of purchases qualifying as reimbursable expenses are listed below:

- a. A supplier will not accept an agency purchase order or P-Card.
- b. Miscellaneous purchases may be necessary while an employee is in travel status.
- c. Emergency purchases may be necessary after the close of business, during weekends, or holidays, or
- d. Seminars, workshops, etc., may require payment before or at the time of registration.

## 7. SETTLEMENT AND RATIFICATION AGREEMENTS

Settlement and ratification agreements are used to ratify unauthorized commitments incurred on behalf of the agency. Ratification agreements may be used when individuals in the agency have obligated the state to an expenditure of funds without prior authorization. Settlement agreements may also be used to pay for previous fiscal year expenditures when that year's funding is no longer available.

The Executive Director shall approve or disapprove and sign all settlement or ratification agreements. The Division will document the facts and circumstances of the commitment and provide them to the COMMISSION General Counsel. The General Counsel or designate will draft the appropriate agreement for review. Once the agreement is signed and approved by all parties, the COMMISSION primary CPO will forward a copy of the agreement and supporting documents to the State Purchasing Director.

## 8. SOLE SOURCE OR SOLE BRAND ACQUISITIONS

Situations may arise wherein the needed product or service is available through only one supplier (sole source) or one manufacturer (sole brand). When this occurs, the requestor should complete a Sole Source or Sole Brand Acquisition Certification.

A sole source acquisition is when only one specific product or service will meet the agency's needs, and only one supplier can provide that product or service.

A sole brand acquisition is when only one specific product or service will meet the agency's needs, but several suppliers can provide the product or service. Competitive bids will be solicited for sole brand acquisitions.

All Sole Source or Sole Brand Acquisitions will be reviewed by the COMMISSION Executive Director and Primary CPO prior to submittal to the COMMISSION Executive Director for signature.

State law allows only the COMMISSION Executive Director to sign a Sole Source or Sole Brand Acquisition Certification. The penalties for a false statement on a Sole Source or Sole Brand Acquisition Certification are severe, so it is essential that the sole source or sole brand documentation meet the required criteria.

## 9. UTILITY PAYMENTS

Payments for the installation and/or use of public utility services are not subject to the bidding requirements of the Central Purchasing Act as authorized by 74 O.S. § 85.12.B.4. The provision for exempting utilities is that the service must be regulated by a state or federal regulatory commission, or by municipal ordinance. The Corporation Commission maintains a list of all regulated utility providers. To determine if a utility is regulated, check the Corporation Commission website at <https://oklahoma.gov/occ.html>.

## J. REAL PROPERTY LEASING

1. All leases for space, regardless of type, size, and dollar value, must be authorized by the OMES Division of Capital Assets Management (DCAM). An authorized lease agreement must be approved by the State Leasing Administrator prior to occupying the space. Real property includes office space and storage space. The same requirements apply regardless of whether or not it is state-owned space.
2. State agencies cannot pay for permanent improvements to real property nor make direct payments to a supplier for permanent improvements if the property is being leased from a private supplier. Permanent improvements include electrical, construction of walls, and plumbing. There is no cost minimum to this restriction.

## K. CONSTRUCTION

1. As specified in the Public Competitive Bidding Act of 1974, (61 O.S. § 101 et. seq.) and the Public Building Construction & Planning Act (61 O.S. § 201 et. seq.), state construction is processed in accordance with the instructions and guidelines established by the OMES DCAM Construction and Properties (CAP). The DCAM Construction and Properties assist state agencies and serves as the contracting authority for building design and construction services.
2. For projects under \$5,000.00, state agencies may contract directly with any suitable contractor and pay with a direct PO or via P-Card, as appropriate. [CAP Form M601](#) is a one-page contract for agency use in this situation. Proof of Insurance is also required.
3. For projects under the statutory amount (currently \$50,000.00 per 61 O.S. § 103), state agencies issue solicitation and accept written bids, then send their requisition and procurement documents to CAP for contract award. Guidance and forms are found in [CAP Form M800](#).
4. Projects over the statutory amount (currently \$50,000.00 per 61 O.S. § 103) are required to be publicly bid. CAP places the necessary advertising and maintains a public bid desk for the distribution of plans and receipt of sealed bids. At the time and place designated in the bid solicitation. CAP publicly opens and reads aloud each sealed bid. A bid tabulation is then prepared and sent to the using agency for review. Upon approval by the using agency, CAP awards the contract to the lowest responsible bidder.

#### **L. SUPPLIER PROTEST**

The COMMISSION General Counsel will review and process any supplier protests in compliance with Administrative Rule 260:115-3-19 Supplier Protest.

## **II. PURCHASE CARD PROGRAM**

### **Program**

The State of Oklahoma Purchase Card (P-Card) Program establishes the use, by designated State employees, of commercial purchase cards to facilitate the payment of the acquisition of goods and services necessary for conducting official State business. There is no limit on the amount of a P-Card transaction for purchases from a Statewide Contract or payment of utilities. For any other transaction with a P-Card that shall exceed \$5,000.00 but no more than \$25,000.00, the P-Card holder must receive approval from the COMMISSION Executive Director or designee for the purchase as well as the approval for the agency of the State Purchasing Director in accordance with the State of Oklahoma Policy and Procedures for Purchase Card. All purchases shall be made in accordance with State statutes, rules, and these Procedures, which include but may not be limited to:

- Central Purchasing Act, 74 O.S. § 85.1 et seq.

- State Travel Reimbursement Act (STRA), 74 O.S. § 500 et seq.
- State of Oklahoma Travel Policy
- OMES, Central Purchasing Codified Rules, OAC 260:115
- State Agency Internal Purchasing and P-Card Procedures
- Statewide Accounting Manual

State entities are encouraged to use the P-Card in lieu of purchase orders and authority orders when possible. The P-Card can be used with any merchant that accepts the current card type (e.g., Visa) as a form of payment. It is intended that P-Cards be issued to selected State employees when the use of the P-Card will enhance effectiveness or economy of operation. If used to its potential, the P-Card Program will result in a significant reduction in the volume of purchase orders and related documentation, including invoices and checks. In addition, corresponding work processes associated with ordering and check writing may be reduced.

P-Cards are issued in the name of the State but also bear the name of the P-Card holder, the name of the P-Card holder's State Entity, and the P-Card holder's unique account number. Liability for payment to the P-Card issuer rests with the State. Employees involved in the P-Card Program are subject to State ethics laws and directives. More information can be located at <http://www.ok.gov/ethics>

### **Program Structure**

The program is a blend of centralized procedures, training and program monitoring coupled with decentralized day-to-day management and P-Card use. Key individuals in the daily operation of the program are:

*State P-Card Administrator* - The OMES staff member designated to assist the State Purchasing Director with implementation and operation of the P-Card Program.

*State Entity P-Card Administrator* - The employee in each state agency designated to manage that agency's program.

*State Entity Approving Official* – One or more agency staffers designated to review and approve P-Card purchases made by P-Card holders.

*P-Card Holder* – One or more agency employees trained and authorized to make approved purchases using the P-Card.

### **P-Card Use**

Use of P-Cards by the COMMISSION will proceed in accordance with rules/procedures outlined in the State of Oklahoma Policy and Procedures for Purchase Cards (OMES 2022). For any other transaction with a P-Card that shall exceed \$5,000.00 but no more than \$25,000.00, the P-Card holder must receive approval from the COMMISSION Executive



Director or designee for the purchase as well as the approval for the agency of the State Purchasing Director in accordance with the State of Oklahoma Policy and Procedures for Purchase Card. The \$5,000.00 limitation does not apply to acquisitions from Central Purchasing, statewide contracts, utilities, interagency payments, or professional services as defined in Section 803 of Title 18 of the Oklahoma Statutes. The P-Cards may be used for walk-in, telephone, or Internet purchases.

The COMMISSION designated State Entity individual shall serve as the COMMISSION P-Card Administrator. The COMMISSION Executive Director shall approve designated COMMISSION employee(s) to serve as P-Card holders. P-Card holders must be full-time or permanent part-time (not temporary) employees of the agency. Each P-Card holder must achieve purchasing approval through RFA by a COMMISSION Approving Official whose position must be at least one level above the P-Card holder's position level.

The P-Card is an alternate method of payment for purchases but does not eliminate any of the mandatory requirements that must be followed for any purchase. A P-Card purchase may only be made after the necessary approval process has been completed. Any variation from standard procedures will require the completion of a P-Card exception prior to the purchase. If the product or service is available through one of the mandatory sources – State Use Committee, mandatory statewide contract, or OCI (if lowest and best bid) – it must be purchased from that source, or a waiver must be obtained.

P-Card transaction information and reports are available via the transaction system (currently "Works").

#### **A. P-CARD ADMINISTRATOR RESPONSIBILITIES**

The designated COMMISSION P-Card Administrator will manage, on a day-to-day basis and in detail, the P-Card Program and Transaction System for COMMISSION. The P-Card Administrator will serve as the primary interface with the State P-Card Administrator and the issuing bank. The P-Card Administrator will coordinate cardholder training pursuant to State Purchase Card procedures. The P-Card Administrator will review P-Card account activity on a monthly basis. All cardholder accounts that have no activity in a twelve-month period will be reviewed by the P-Card Administrator and COMMISSION Division Directors and subject to determination as to whether to leave the account active or close the account.

#### **B. P-CARD HOLDER RESPONSIBILITIES**

1. Each P-Card holder may only use the card in accordance with established procedures as outlined here and the State's P-Card procedures document. Unauthorized use or failure to maintain required logs and other documentation will result in the cancellation of the card and possible disciplinary actions. It is the cardholder's responsibility to ensure that prices paid using the P-Card are fair and reasonable. The cardholder shall protect the security of the P-Card and card account number at all times.
2. Cardholders shall regularly review the transaction system for posted account information. The cardholder's review will be to validate that posted purchase transactions are accurate. These regular reviews will help with security by early

identification of unauthorized use.

3. Cardholders shall maintain a transaction log detailing all purchases made with the P-Card. Cardholders shall obtain an electronically generated memo statement upon closing of the bank's monthly billing cycle from the Transaction System. The memo statement shall be reconciled by the P-Card holder and submitted (along with the transaction log and all supporting documentation) to the P-Card holder's Approving Official.
4. P-Card holders may use the P-Card for purchases from established statewide or state use contracts.
5. P-Card holders may use the P-Card for travel related expenses following the State's P-card procedures document and agency guidelines for this type of transaction.

#### **C. APPROVING OFFICIAL RESPONSIBILITIES**

1. Approving Officials shall review the P-Card holder's reconciled memo statement and supporting documentation for accuracy, completeness, appropriateness of the purchase and whether the transactions were conducted according to State statutes, rules, procedures, and sound business practice. Any issue that cannot be resolved between the Approving Official and the P-Card holder shall be brought to the attention of the Agency P-Card Administrator for resolution. To indicate concurrence with the reconciled statement, the Approving Official shall sign and date the memo statement. The memo statement, P-Card transaction log, and all supporting documentation shall be submitted to the Agency P-Card Administrator in a timely manner.
2. The Approving Official shall immediately notify the Agency P-Card Administrator of a change in the employment status of a P-Card holder. If a P-Card holder leaves State employment, the Approving Official shall return the destroyed P-Card to the P-Card Administrator.

#### **D. AUTHORIZED USES**

1. P-Card use is for official purposes only.
2. Use of the P-Card is limited to the person whose name is embossed on the P-Card.
3. P-Card holder are authorized to use the P-Card for any approved purchase up to \$5,000.00. For any other transaction with a P-Card that shall exceed \$5,000.00 but no more than \$25,000.00, the P-Card holder must receive approval from the COMMISSION Executive Director or designee for the purchase as well as the approval for the agency of the State Purchasing Director in accordance with the State of Oklahoma Policy and Procedures for Purchase Card. Individual card limits below \$5,000.00 may be established based on individual's routine purchasing needs. Purchases from statewide contracts, utilities, interagency payments, and certain professional services as defined in Section 803 of Title 18

of the Oklahoma Statutes are exceptions to the \$5,000.00 limit but must be approved by the COMMISSION designated P-Card Administrator.

**E. PROHIBITED USES**

The P-Card shall not be used for the following types of purchases:

1. Entertainment
2. Split Purchases (defined in I. Procedures, Part H. Purchasing Thresholds, Section 6. Split Purchases Prohibited, page 10, of these purchasing procedures)
3. Per Diem food and beverages as authorized by the State Travel Reimbursement Act, Oklahoma State Travel Policy, and any other statute pertaining thereto
4. Cash, cash advances, automatic teller machine (ATM) transactions
5. Goods or services for personal use
6. Items not for official state business
7. Any transaction or series of transactions, which exceed the limits established on an individual P-Card
8. Motor fuel for personal vehicles or state-owned equipment and vehicles
9. Automotive general maintenance, ancillary items, and emergency repairs pursuant to Statewide Contract # 101 (SW101) for Automated Fleet Fuel Management System. (Maintenance, repairs, or parts forequipment is not prohibited.)
10. Automatic Drafts
11. Gifts or gift certificates; this does not apply to gift certificate purchases made for employee performance recognition pursuant to 74 O.S. § 4121. Gift certificates are a taxable, reportable item for the recipient
12. Any transaction exceeding \$5,000.00, except O.S. 74 § 85.5 L authorizes unlimited purchases of the following:
  - a. Purchases from statewide contracts issued by the State Purchasing Director.
  - b. Utilities - Each invoice should be paid in its entirety with one single transaction. Suppliers who place restrictions on payments that cause multiple transactions to pay a single invoice should not be paid by P-

Card. If choosing to utilize the P-Card for utility payments, the annual cumulative convenience fee totals may not exceed the amount of the P-Card rebate for those purchases.

- c. Interagency payments; and
  - d. Certain professional services as defined in Section 803 of Title 18 of the Oklahoma Statutes.
13. Any transaction or series of transactions, which exceeds the limits established on an individual P-Card.
14. Any transaction made by anyone other than the cardholder.

## F. P-CARD PROCESS

1. The P-Card may be used for walk-in, telephone, or internet purchases though card security must be a primary consideration before any use. Internet purchases may only be made through a secure site.
2. The P-Card holder must obtain an acknowledgment for each purchase or order. The acknowledgment will be a receipt for walk-in purchases, a confirmation number for telephone orders or an order confirmation for Internet orders. **Detailed receipts shall be obtained for all purchases.**
3. Purchases are exempt from State of Oklahoma sales tax. The State's sales tax identification number is provided on the P-Card and P-Card holders must exercise caution to ensure they are not being charged nor paying such tax.
4. To document the receipt of goods or services, the receipt must be annotated "Received" and signed and dated by the P-Card holder.
5. Each P-Card holder must maintain a separate transaction log for each billing cycle listing all P-Card purchases, returns, credits and disputed transactions.
6. The P-Card holder shall immediately resolve a disputed transaction with the merchant. If the dispute cannot be resolved, the P-Card holder shall annotate the transaction log accordingly and forward all related information to the P-Card Administrator. The P-Card Administrator may contact the state P-Card issuing bank for assistance. This must occur within 30 days after the original transaction date.
7. If a P-Card is lost or stolen, the P-Card holder must immediately notify the state P-Card issuing bank. The agency is responsible for purchases on a lost or stolen P-Card until the state P-Card issuing bank is notified. The P-Card holder shall record on the transaction log the name of the customer service representative as well as the date and time the state P-Card issuing bank was notified. In addition, the P-Card holder must complete a Stolen Card

Notification form and provide it to the P-Card Administrator.

## **G. FOOD POLICY**

See Appendix A for the COMMISSION Food Purchase Policy.

## **III. RECORDS RETENTION**

### **1. GENERAL PROCUREMENT RECORDS**

The COMMISSION shall retain all records relative to acquisitions and contracts for the periods required by the State Consolidated General Records Disposition Schedule, Financial Records, 2-91 Contracts and Acquisitions (OAC 260:115-5-9), which states that these records shall be retained in the office for seven (7) years after the expiration of the contract, then destroyed, provided all audits have been completed, and all applicable audit reports have been accepted and resolved by all applicable federal and state agencies and provided no legal actions are pending. If legal action is pending, destroy two (2) years after exhaustion of all legal remedies, provided records meet all stipulated retention requirements. The COMMISSION will make records for state agency acquisitions available to the State Purchasing Director, State Auditor and Inspector, OMES Audit when the OMES performs an audit, and any other entity authorized in conducting an audit of state agency acquisitions.

### **2. P-CARD RECORDS**

The COMMISSION shall retain all records relative to P-Card transactions for the periods required by the State Consolidated General Records Disposition Schedule, Financial Records, 2-101 State Purchase Card (P-Card) which states that these records shall be retained in the office for a period of seven (7) years, then destroyed after all audits have been completed and all applicable audit reports have been accepted and resolved by all applicable federal and state agencies, provided no legal actions are pending. If legal action is pending, destroy two (2) years after exhaustion of all legal remedies, provided records meet all stipulated retention requirements. P-Card records include but are not limited to transaction receipts and logs, dispute documents, Cardholder and State Entity Approving Official approvals, and any other pertinent documents whether in paper or electronic form.

IV. APPENDIX A: FOOD PURCHASING POLICY

# Appendix A

## OKLAHOMA CONSERVATION COMMISSION

*Policies and Procedures*

### Food Purchase

|                                     |                                 |
|-------------------------------------|---------------------------------|
| Effective Date of Policy: 4-20-2016 | Next Scheduled Review: 1/2/2024 |
| Last Reviewed: 2-1-2022             | Policy Number: OCC-16 (2021)    |
| Date Policy Last Revised: 2-1-2021  | Replaces Policy Number:         |
| Approved:                           | Approval Date: 3-8-2022         |

Payment for the purchase of food by the Oklahoma Conservation Commission is authorized when the following provisions are met:

1. All purchases of food must serve a public purpose. The term, "public purpose," as used in this policy shall mean activities or functions held in the interest of the general public or to benefit the general public.
2. Upon prior approval by the Executive Director or Director's designee, payments for the purchase of light food and drink items (e.g., doughnuts, cake, coffee, tea, soft drinks, etc.) used as refreshments served in connection with meetings or similar type activities that are held in the interest or for the benefit of the general public are permitted.
3. The purchase of meals served in connection with meetings, off-site staff retreats, and training sessions/ seminars MAY be allowed upon prior approval by the Director or Director's designee.
4. Food purchases approved under this policy may include related service items such as disposable plates, cups and flatware, creamer, sweetener, etc.
5. The purchase of any food items requires a prior written determination by the Director or his designee that such purchase serves a public purpose. Any purchase order, or claim for payment of food items shall include the following notation signed by the Director or Director's designee:

"The undersigned approving official certifies that this purchase/payment for [description of purchase] is for the public purpose of [description of purpose]."

*Food Purchase Authorization and Approval Form*