

FILED

February 28, 2023
OKLAHOMA SECRETARY
OF STATE



J. Kevin Stitt
Office of the Governor
State of Oklahoma

**EXECUTIVE DEPARTMENT
EXECUTIVE ORDER 2023-04**

It is my intention that state agencies strictly comply with the Central Purchasing Act (“CPA”), which requires—with some legislatively created exceptions—that “[a]ll activities of any state agency, department, or institution relating to purchasing shall be under the direction of the [Central] Purchasing Division” within the Office of Management and Enterprise Services (hereafter “Central Purchasing”). 74 O.S. §§ 85.3(A), (D). In fiscal year 2022, Central Purchasing provided oversight of approximately \$839 million in state contracts. The Central Purchasing team provides integral guidance to state agencies as they ensure each agency complies with the CPA.

Starting in the Spring of 2020, COVID-19 posed a serious public health emergency to our state. As part of our efforts to effectively respond to the pandemic, pursuant to my powers under the Oklahoma Constitution, the Oklahoma Emergency Management Act of 2003, and the Catastrophic Health Emergency Powers Act, certain provisions of the CPA were waived if those purchases were necessary to respond to the COVID-19 public health emergency. All Such purchases were limited to a monetary threshold and subject to audit. A number of our state agencies undoubtedly utilized these emergency provisions to assist in their responses to the COVID-19 pandemic. However, it is no longer necessary to exempt these agencies from the CPA. I want to ensure that our state agencies are not continuing these emergency practices moving forward.

Additionally, I have instructed my administration to review the CPA, its implementation, and ways to improve it. As Governor, I am committed to transparent operations that allow for a level playing field for vendors desiring to win the State’s business and create a more efficient government. Along with other measures, reduction in the availability of exceptions to the CPA will be a meaningful step to accomplish these goals. We are prepared to work with the legislature toward that end.

In order to help ensure that state agencies are complying with the CPA, I, J. Kevin Stitt, Governor of the State of Oklahoma, pursuant to the authority vested in me by Sections 1 and 2 of Article VI of the Oklahoma Constitution, Section 61.3 of Title 74 of the Oklahoma Statutes, and to the fullest extent of Oklahoma law, do hereby direct Central Purchasing to take the following actions:

1. The State Purchasing Director shall conduct agency purchasing audits, pursuant to 74 O.S. § 85.5(C)(12) & OAC 260:115-5-19, of all state agencies by December 31, 2023;
2. Barring exigent circumstances that far exceed the statutory bar, the State Purchasing Director shall cease granting exceptions, pursuant to § 85.5(N), of the CPA;

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3. Evaluate agency purchasing procedures that have been submitted pursuant to § 85.39 of the CPA and work with each relevant agency on ways to improve their procedures;
4. The State Purchasing Director shall create a small fraud protection unit within the Central Purchasing Division for the purpose of minimizing fraudulent activity;
5. The Central Purchasing Division shall coordinate with agencies that are not currently using Peoplesoft to convert to the state’s unified financial platform;
6. The Central Purchasing Division shall create and begin issuing a monthly report showing a listing of transactions using direct purchase orders—by agency and dollar amount. The first report shall be issued to my Office on or before June 1, 2023;
7. The State Purchasing Director shall create a plan and policy to eliminate the use of direct purchase orders. The State Purchasing Director shall begin working with state agencies to implement this plan on or before January 1, 2024;
8. The Central Purchasing Division shall create and begin issuing a monthly report showing a listing of all sole source contracts—by agency and dollar amount. The first report shall be issued to my Office on or before June 1, 2023;
9. The State Purchasing Director shall form an advisory committee, pursuant to § 85.3A(B) of the CPA. The Committee shall “consist[] of representatives from entities exempted from the provisions of the Oklahoma Central Purchasing Act. The purpose of the committee shall be to allow committee members to provide input into the development of shared state purchasing contracts, collaboratively participate in the integration of their purchasing platforms or electronic purchasing catalogs, analyze solutions that may be used by state government to meet the purchasing needs of the entities” 74 O.S. § 85.3A(B).

Additionally, in order to continue government efficiency measures that were implemented in Executive Order 2019-13, I hereby order the following directives remain in effect:

1. Advance written notification must be given for any of the following: (1) agency, State, and public employee or officer membership(s) in any private or public organization, if said membership(s) collectively total over \$500; (2) non-essential out-of-state travel for agency employees and officers that is wholly paid for by an entity other than the State; and (3) non-emergency purchase(s)¹ that exceed \$25,000.00 (collectively, “proposed expense”).
 - a. Notification shall contain: 1) a brief description of the proposed expense, including its cost, the reason for its necessity, and the costs (if any) that could attach to the State if the request is denied; and 2) any deadlines for receiving approval.

¹ Emergency purchases are only those purchases that: 1) are unanticipated, with less than fourteen (14) calendar days’ advance notice of a need for acquisition; 2) are necessary for the agency to fulfill its primary responsibilities as established by statute; and 3) without such purchase, would incur a definite, articulable, and significant detriment to the public interest. Notification of any emergency purchase must be made in writing to the agency’s Cabinet Secretary within five (5) business days of the expenditure. Such notification shall include the specific reason or reasons the purchase qualified as an emergency.

- b. Notification shall be submitted to the agency's Cabinet Secretary by the agency's Chief Administrative Officer.
 - c. If the Cabinet Secretary denies a proposed expense or fails to provide the agency with an approval by the requested deadline, the agency may submit the notification as established in subsection (a), above, to the Governor designee at the Office of the Governor for consideration.
 - d. In the event the Cabinet Secretary is not available to review a proposed expense in a timely manner, the Governor designates the State Chief Operating Officer to perform the review and approval function described herein.
 - e. Written approval as provided in subsections (b) or (c), above, must be obtained prior to incurring any legal obligation to pay a proposed expense.
2. A moratorium shall continue on non-essential out-of-state travel for all employees and officers of agencies that is paid for, in whole or in part, by the State of Oklahoma. Essential travel is expressly limited to travel that is: necessary to maintain professional accreditation that is otherwise unavailable within Oklahoma; critical to the performance of core agency functions; or required by the federal government or necessary to secure or maintain federal funding.

Copies of this Executive Order shall be distributed to all Cabinet Secretaries, the State Chief Operating Officer, and to the Chief Administrative Officers of all State agencies for immediate implementation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, Oklahoma, this 28th day of February, 2023.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA



J. KEVIN STITT

ATTEST:



BRIAN BINGMAN, SECRETARY OF STATE 1907

