



Oklahoma Purchasing Manual

OMES Central Purchasing
Updated December 2025



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Section 1: Introduction

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1.1 Defining the guide

This manual serves as a comprehensive guide for navigating the state's procurement framework in accordance with the Oklahoma Central Purchasing Act (74 O.S. §§ 85.1-85.44E; hereafter the "Central Purchasing Act"), the Information Technology Consolidation and Coordination Act (62 O.S. §§ 35.1-35.9), the Public Competitive Bidding Act of 1974 (61 O.S. §§ 101-139), and other relevant statutes. This manual outlines the standardized procedures, ethical expectations and legal requirements that govern the acquisition of goods and services for Oklahoma state agencies.

The fundamental objective of a public procurement system is "to give all persons equal right to compete for Government contracts; to prevent unjust favoritism, or collusion or fraud in the letting of contracts for the purchase of supplies; and thus to secure for the Government the benefits which arise from competition" (*U.S. v. Brookridge Farm, Inc.*, 111 F.2d 461, 463 (10th Cir. 1940)). In keeping with this principle, Oklahoma's procurement system emphasizes fairness, transparency, accountability and fiscal responsibility.

The Central Purchasing division within the Office of Management and Enterprise Services (OMES) is responsible for administering the procurement process, enforcing compliance and ensuring the best value for the State of Oklahoma. While the Central Purchasing Act allows for specific exemptions and agency thresholds, the overarching goal remains clear: to create a consistent, competitive environment that protects the public trust and ensures that taxpayer dollars are spent responsibly.

This manual is a reflection of our commitment to these stated goals, offering state employees and procurement professionals the tools they need to carry out their duties with integrity, efficiency and confidence.

OMES Central Purchasing has historically issued relevant guidance through Procurement Information Memorandums (PIMs). All previous PIMs are individually revoked and are now integrated into this manual. This manual will be updated annually to incorporate necessary changes. If urgent changes occur prior to the annual update, such changes will be reflected in a PIM as an intermittent solution. All new PIMs will be integrated into this manual with the subsequent annual update.

1.2 Definitions

Active solicitation – a solicitation which has not yet been awarded.

Approved statewide supplier – an individual or entity who has bid on a solicitation that resulted in a statewide contract. These suppliers can provide goods and services to state agencies at any dollar threshold without the need for an additional competitive process.

Approved construction supplier – an individual or entity that has been evaluated and approved by OMES Capital Assets Management to perform construction services on state property.

Direct purchase order – a PO that is created and dispatched within PeopleSoft that does not have an ePro requisition (ePro Req) referenced in the Req ID and that is issued to a supplier when no PeopleSoft contract is attached.

Open solicitation – a solicitation for which bids can be currently submitted.

Payee – an individual or business entity that is receiving payment from the state, but not in exchange for the provision of goods or services.

Supplier – an individual or business entity that provides a good or service to the state in exchange for payment. A supplier can bid on open solicitations and do business with the state in accordance with the competitive bidding requirements within the Central Purchasing Act.



Supplier file – the list within PeopleSoft of individuals or entities that are set up to receive payment by PO in the statewide financial system. Both payees and suppliers are included in the supplier file.



Section 2: Statutory authority of OMES

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2.1 State purchasing director authority

The Office of Management and Enterprise Services (OMES), through the state purchasing director (SPD), exercises broad authority over state procurement processes pursuant to the Central Purchasing Act (74 O.S. §§ 85.1-85.44E). This authority encompasses oversight, approval, standardization, policymaking and enforcement functions, as reaffirmed by Attorney General Opinion 2023-04. All the duties and services offered by the Central Purchasing division are completed without appropriation from the Legislature; The Central Purchasing Act allows the SPD to “enter into or award contracts that provide a contract management fee, levy or rebate to the Office of Management and Enterprise Services.” (74 O.S. § 85.33A(B)). Currently, Central Purchasing charges all statewide suppliers a 1% usage fee on statewide contracts to cover all administrative costs of the division. Key authorities of the SPD are outlined below.

2.1.1 Oversight of state acquisitions

Under 74 O.S. § 85.3, the state purchasing director is charged with overseeing all state agency purchasing activities, ensuring compliance with the Central Purchasing Act and other applicable laws and regulations. This includes the authority to develop and enforce policies, procedures and guidelines for standardized and transparent procurement across state agencies. Agencies are subject to the SPD's direction unless specifically exempted by statute.

2.1.2 Approval of purchases

The SPD is responsible for approving acquisitions that exceed statutory thresholds:

- a. Purchases over \$50,000 generally require a requisition submitted to the SPD, who can initiate a formal solicitation or approve it as being exempt from the competitive bidding requirements of the Central Purchasing Act (74 O.S. § 85.7). Additionally, “The State Purchasing Director may request additional information necessary to adequately review a requisition to ensure compliance with the Central Purchasing Act and associated rules. If the State Purchasing Director determines that an acquisition is not necessary, excessive or not justified, the State Purchasing Director shall deny the requisition.” (74 O.S. § 85.7(A)(2)).
- b. The SPD may increase an agency's internal acquisition threshold up to \$250,000 if the agency demonstrates procurement expertise, compliance and sufficient resources (74 O.S. § 85.5(N)). This authority has been temporarily ceased due to OK EO 2023-04.
- c. When approving these purchases, the SPD must “endeavor to satisfy state agencies in terms of cost, quality and timeliness of the delivery of acquisitions by using bidders who have a record of successful past performance, promoting competition, minimizing administrative operating costs and conducting business with integrity, fairness and openness.” (74 O.S. § 85.5(I)). In other words, the agency will decide what they need to procure, and the SPD decides how they procure it and who it is appropriate to procure it from.

Attorney General Opinion 2023-04 confirms that the SPD has “sole and exclusive authority and responsibility for all acquisitions by state agencies” (74 O.S. § 85.5(A)), including the duty to verify that acquisitions claimed to be exempt from the Central Purchasing Act's requirements are statutorily compliant. This oversight function is critical to ensuring accountability, reducing fraud and upholding the integrity of public procurement. Because of this, as of January 2024, all purchases made by state agencies are routed to Central Purchasing to review and confirm that a proposed purchase fits within an identified statutory exemption.

2.1.3 Contract management and standardization



Under 74 O.S. § 85.3, the SPD also regulates the standardization of procurement contracts. This includes approving contract forms, terms and language to ensure consistency, reduce legal and operational risks, and optimize value across all state agencies. All forms, templates and contract documents are housed on the Central Purchasing website.

2.1.4 Authority to set procurement standards and policies

The SPD is empowered under 74 O.S. § 85.5 to establish and enforce standards for procurement practices statewide. This includes the issuance of Procurement Information Memorandums (PIMs) and manuals, such as this manual, which set forth binding requirements that must be observed by all Certified Procurement Officers and agencies when making an acquisition. These documents are official policy tools used to interpret and implement the Central Purchasing Act and its associated rules.

Additionally, the SPD has the authority to “develop and test new contracting policies, procedures and innovations that hold potential for making state procurement more effective and efficient” which can result in “development and testing, proof of concept, pilot project or other similar test.” (74 O.S. § 85.5(H)). Such items will “not be considered an acquisition subject to the Oklahoma Central Purchasing Act.” *Id.* If successful, OMES will “make recommendations to the Legislature of any appropriate changes in law.” *Id.*

2.2 Enforcement authority

The SPD has multiple tools to enforce compliance with the Central Purchasing Act and associated rules:

2.2.1 Reduction of acquisition authority

The SPD may reduce a state agency’s acquisition authority in instances of noncompliance with the Central Purchasing Act, associated rules or requirements of the SPD (including this guide and PIMs) (74 O.S. § 85.5(E)(5)).

2.2.2 Place a buyer within the agency

The SPD “may, if the needs of a state agency, department, or institution are such as to so require, employ, and establish a buyer within a state agency. The state agency shall pay all expenses incurred for any buyer required to be placed within its agency.” (74 O.S. § 85.3(G)).

2.2.3 Retraining requirement

Agencies may be required to retrain procurement personnel at their own expense if their activities are found to be noncompliant with the Central Purchasing Act or rules (74 O.S. § 85.5(D)).

2.2.4 Certification and decertification of procurement officers

The SPD defines standards for Certified Procurement Officers (CPOs) (74 O.S. § 85.5(D)) and must approve an agency’s internal purchasing procedures before a CPO may conduct purchases above the fair and reasonable threshold (74 O.S. § 85.39). The SPD may decertify CPOs found to be in violation of procurement law, per 74 O.S. § 85.5(N) and OAC 260:115-5-3(b).

2.2.5 Revocation of change order authority



Agencies authorized to process their own change orders may lose that authority if they violate the Central Purchasing Act, associated rules or SPD requirements.

2.2.6 Reporting violations to the attorney general

When the state purchasing director makes findings of violations of statute, regulations or an agency's internal purchasing procedures, a recommendation can be made to the director of OMES to transmit those findings to the state auditor and inspector or the attorney general. The relevant law (74 O.S. § 85.5(F)) states:

1. Transmit written findings by the state purchasing director to the state auditor and inspector for further investigation, indicating purchasing procedures that do not conform to the Central Purchasing Act or associated rules; or
2. Transmit to the attorney general or the state auditor and inspector for further investigation a report made by the state purchasing director that the director of the Office of Management and Enterprise Services reasonably believes or indicates that an action that constitutes a criminal violation pursuant to the Central Purchasing Act or other laws has been taken by any state agency, state agency official, bidder or supplier.

2.3 Chief information officer authority over IT purchases

The chief information officer (CIO) of Oklahoma plays a critical leadership role in managing and overseeing the state's technology infrastructure and strategy. The CIO's authority is established by statute in 62 O.S. § 34.11.1 and 74 O.S. § 85.5, and it includes broad powers over the procurement, security, standardization and coordination of information technology (IT) and telecommunications systems used by executive state agencies.

The CIO's core responsibilities include procurement and contracting authority for IT-related goods and services. By law, the CIO holds authority equivalent to the state purchasing director for these procurements, encompassing hardware, software, consulting services and infrastructure. This authority allows the CIO to negotiate statewide IT contracts and enterprise agreements to reduce acquisition costs and improve service delivery (62 O.S. § 34.11.1(H)(2); 74 O.S. § 85.5(G)(5)).

In practice, and to simplify the purchasing process for agencies, the CIO has delegated the procurement process for acquiring IT goods and services to Central Purchasing. This means requisitions and POs for IT purchases that exceed an agency's threshold will go to Central Purchasing to run the solicitation or to confirm whether an exemption applies. Additionally, the CIO allows certain purchases to be made via P-card without routing through PeopleSoft:

- Purchases ≤ \$5,000 can be made using a P-card if the item is on the OMES Approved Hardware or Approved Software list.
- Purchases between \$5,000 and \$25,000 can be made using a P-card if the item is on a statewide IT contract and is on the Approved Hardware or Approved Software list.

Note: This does not apply to leased or rented equipment or to standalone IT services not bundled with an approved product.

Beyond procurement, the CIO also leads the development and enforcement of statewide IT standards, mandates agency compliance with shared services and infrastructure consolidation efforts and oversees cybersecurity policies and risk management. Under 62 O.S. § 34.11.1(C)(9), the CIO is responsible for defining



and implementing data protection standards and incident response plans, ensuring that agencies manage cyber threats effectively and consistently across state systems.

Finally, the CIO serves in an advisory and coordination role across state agencies to ensure strategic alignment of technology initiatives and procurement strategies with statewide goals (74 O.S. § 85.5 and 62 O.S. § 34.11.1). Through this coordinated leadership structure, the CIO plays an essential role in securing and modernizing Oklahoma's IT environment while enabling efficient and legally compliant procurement across all agencies.

2.4 Risk, Assessment and Compliance division authority

The state purchasing director is authorized to conduct audits of agency procurement activities to ensure compliance with purchasing statutes, as well as initiate investigations if procurement irregularities are suspected (74 O.S. § 85.5(C)(12)). This authority was transferred to the Risk, Assessment and Compliance division of OMES in July 2023.

2.5 Capital Assets Management division authority

The director of the Office of Management and Enterprise Services (OMES) has assigned the responsibilities of the Capital Assets Management (CAM) division to the CAM administrator, who was delegated this authority under Titles 61 and 74 of the Oklahoma Statutes, which focus on the management, oversight, maintenance and improvement of state-owned property, construction projects, real estate and leasing services, fleet management, and surplus property. These statutes grant broad authority to the CAM administrator to assess, manage, control and establish standards, policies and practices for construction, space standards, facility maintenance, asset management and preservation of the state's capital real property. Key authorities include:

2.5.1 Procurement and contracting authority

The CAM administrator is authorized to procure design and construction services, including acquiring services used to maintain, repair, construct, sell and lease state property. In addition, the CAM administrator may award and administer construction contracts pursuant to the Public Competitive Bidding Act of 1974 (61 O.S. § 208). The CAM administrator can competitively bid and negotiate statewide contracts in an effort to provide public agencies with efficient and cost-effective solutions for construction services (61 O.S. §§ 204 and 208).

2.5.2 Establish standards and policies

The CAM administrator may mandate public agencies to comply with adopted planning and construction standards for state buildings that ensure compliance with good construction practices, promote efficient use of space and maintain facility standards to maximize asset preservation (61 O.S. § 204(6)).

The CAM administrator oversees compliance with the competitive bidding process as required by the Public Competitive Bidding Act of 1974 and 61 O.S. §§ 60-65 in the acquisitions of such services.

2.5.3 Review and approve acquisitions



All construction service acquisitions over \$10,000 are reviewed and approved by the CAM administrator or the appropriate designee to ensure the services are solicited appropriately based on the estimated cost and scope.

2.5.4 Contract management and standardization

- **Central Printing and Interagency Mail:** The CAM administrator or designee supervises and contracts for all printing and binding services for state agencies, the Legislature, governor and supreme court (74 O.S. § 111). In addition to Central Printing, all mailing services, inclusive of personnel, equipment and supplies, operate under the purview of the CAM administrator (74 O.S. §§ 76-76(a-c)).
- **Construction and Properties (CAP):** The CAM administrator or designee determines, reviews and approves the construction contract forms to be utilized in acquiring construction services to ensure compliance, transparency and fairness through all stages of the competitive bidding process (61 O.S. § 60). The CAM administrator enters into such public construction contracts on behalf of the public agency (61 O.S. § 204(3-4)).
 - **Facilities Management:** The CAM administrator or designee will monitor, evaluate and develop programs to assist with maintenance programs and deferred maintenance prioritization; identify and budget for capital needs; and evaluate performance outcomes to maximize efficiency in the use of state funds. The CAM administrator or designee is additionally responsible for developing long-term plans to preserve the state's capital real property (61 O.S. § 204).
 - **Fleet Management:** The CAM administrator or designee shall promulgate rules and establish standards that promote the efficient and economical operations of fleet services regarding vehicle acquisition, leasing, inspection and maintenance, repairs, and disposal standards for use by all state agencies. This includes identifying vehicle underutilization, developing methods and procedures to monitor vehicle health, establishing mandatory maintenance contracts, assigning or transferring vehicles to address state needs, and providing oversight and advice to state agencies that have the authority to own and operate vehicles (74 O.S. §§ 78-80.1).
 - **Real Estate and Leasing Services (REALS):** The CAM administrator or designee reviews, approves and signs all lease or purchase agreements that are considered to be in the jurisdiction of OMES pertaining to the exchange, sale, lease, acquisition or disposal of real property (61 O.S. § 327; 73 O.S. § 163; 74 O.S. § 61.8; 74 O.S. § 63; 74 O.S. § 94).
 - **Surplus:** The CAM administrator or designee shall promulgate administrative rules for the disposal of surplus personal property, including recordkeeping and methods for the removal, redistribution and acquisition of state property. Such procedures will maximize the use of state property by repurposing it; transferring it to other state agencies, political subdivisions or authorized entities for use; trading it; and, if possible, selling it for fair market value (74 O.S. § 62.3). The department also serves as the State Agency for Surplus Property (SASP) for the federal property disposal program (80 O.S. §§ 34.1-34.6).
- **OMES designee for commission(s):** The director of OMES may, from time to time, designate the CAM administrator to serve on or participate in roles for which OMES is a member of the commission, such as the Capitol-Medical Center Improvement and Zoning Commission or the State Capitol Preservation Commission (74 O.S. § 4103(5)(e) and 73 O.S. § 83.1(B)(1)).



Section 3: The statewide accounting system

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This section is intended to be a summary of each procurement module's functionality. If an agency has additional questions about the statewide accounting system's functionality, the relevant system manuals, known as COR manuals, are available on the OMES website.

3.1 Requisitions

A PeopleSoft ePro requisition is an electronic request within the PeopleSoft system used by state agencies to initiate and manage purchases. Many terms are used to refer to requisitions, including ePros, ePros Reqs, and Reqs. Requisitions help streamline procurement by allowing employees to submit purchase requests electronically while specifying details like item descriptions, quantities and supplier information. Once submitted, the requisition is routed through PeopleSoft for necessary approvals, including budget checks and compliance with procurement guidelines. After approval, a requisition can be converted into a contract or purchase order, facilitating transparency, efficiency and standardized purchasing across agencies. (Refer to Appendix A for the required support documentation that must be attached to a requisition for each type of acquisition.) Refer to COR452 for the ePro Requisition Manual.

3.2 Purchase orders

A PeopleSoft purchase order (PO) is an official document created in the PeopleSoft system to authorize and track purchases. The PO includes details such as item descriptions, quantities, prices and vendor information, and it serves as a binding agreement between the agency and the supplier. PeopleSoft POs streamline procurement by automating order creation, budget checks and approvals, therefore ensuring transparency and alignment with procurement policies. Once issued, the PO facilitates order fulfillment and financial tracking within the agency's purchasing process. POs do not need to be signed to be effective. A copy of a dispatched PO is sufficient to confirm that it has received necessary approvals. Refer to COR110, COR131 and COR132 for the purchase order system manuals. Refer to Appendix B for the required PO type and origin for each type of acquisition.

3.2.1 Allowable direct purchase orders

By statute, "every state agency shall initiate all acquisitions by the submission of a requisition to the Purchasing Division," except as otherwise provided by statute or associated rules (74 O.S. § 85.7(A)(1)(a)). The purpose of this requirement is to allow Central Purchasing the opportunity to review a purchase for compliance with the Central Purchasing Act before a contract or acquisition is complete. Certain acquisitions can be made without a requisition; these transactions are known as direct POs. Direct POs are allowable in the following instances:

- I. Emergency purchases: When an emergency requires immediate action, a direct PO can be issued without a prior requisition, though one should be created afterward.
- II. Utility payments: Purchases for regulated utilities can bypass the requisition process.
- III. Purchases made outside Title 74: Purchases made under statutes like Title 61 for public buildings and Title 69 for transportation do not need a requisition.
- IV. Interagency purchases: Purchases between state agencies can be processed without a requisition. This includes interagency acquisitions where OMES is the supplier.
- V. Authority orders: Direct POs may also be used for both IT and non-IT authority orders.
- VI. Any state entity who is wholly exempt from the Central Purchasing Act under 74 O.S. § 85.12, including:
 - a. The Oklahoma Municipal Power Authority
 - b. The Grand River Dam Authority



- c. All rural water, sewer, gas or solid waste management districts created pursuant to the Rural Water, Sewer, Gas and Solid Waste Management Districts Act
- d. The Oklahoma Ordnance Works Authority
- e. The Northeast Oklahoma Public Facilities Authority
- f. The Midwestern Oklahoma Development Authority
- g. The Oklahoma Energy Resources Board

Note: Direct POs are allowed for wholistic exemptions, because Central Purchasing review is unnecessary. Generally, when reviewing an exempt purchase, CP is reviewing to make sure the proposed purchase falls within scope of the identified exemption. When the relevant exemption includes all purchases by an entity, then no value is added by CP's review.

- VII. Other purchases as approved by the state purchasing director. To obtain approval under this subsection, the agency should email central.purchasing@omes.ok.gov explaining the need to issue a PO without a requisition.

3.3 PeopleSoft contracts

A PeopleSoft contract is a digital document within the PeopleSoft system used to manage agreements with suppliers over a specified period. This contract includes basic terms, such as pricing, quantities, delivery schedules, other procurement details and contract term. It also automates compliance and monitoring by maintaining contract information in one system, thereby ensuring consistency across transactions as well as simplifying renewals, amendments and reporting within the organization. Central Purchasing creates PeopleSoft contracts for statewide contracts and other contracts that Central Purchasing awards on behalf of an agency. A PeopleSoft contract is a one-page document that greatly differs from the fully executed contract that includes the actual terms and conditions of the agreement; however, the fully executed agreement should be attached to the PeopleSoft contract in an effort to fully document the acquisition. See COR211 for the Contracts Manual.

3.4 Category codes

The category codes in PeopleSoft are based on United Nations Standard Products and Services Codes (UNSPSC). UNSPSC is a hierarchical convention that is used to classify products and services. UNSPSC codes are eight-digit numeric codes that identify products or services. The State of Oklahoma has only imported a subset of UNSPSC based on what agencies purchase. If an agency needs to use a UNSPSC that is not in the system, please submit a ServiceNow ticket with OMES Information Services.

3.5 Queries

PeopleSoft queries are a powerful tool for data management and analysis, allowing organizations to efficiently leverage their data for better operations, compliance and decision-making. Queries are tools within the PeopleSoft system that allow users to extract, organize and analyze data stored in the system's database. In PeopleSoft, queries are divided into two main categories that serve distinct purposes and user needs: Public queries and private queries.

Public queries are designed for shared use across an organization. These queries are accessible to multiple users, provided they have the appropriate roles or permissions. They are typically created by power users or



administrators who ensure the queries meet organizational standards. The primary purpose of public queries is to support standardized reporting needs, making them ideal for scenarios where consistency and collaboration are essential. For example, a public query might generate a report listing all open purchase orders for a fiscal year, allowing the procurement team to work from the same dataset. Public queries require careful management to ensure they remain accurate and up to date, as they serve a broad audience.

On the other hand, private queries are tailored for individual use. Accessible only to the creator, these queries offer a secure and personal workspace for customized or ad-hoc reporting. Private queries are especially useful for users needing specific insights that may not be relevant to others. For instance, a procurement manager might create a private query to track approval statuses for their department's purchase orders. Unlike public queries, private queries do not require alignment with organizational standards, allowing users the flexibility to experiment and refine their reports independently. To learn more about building queries or access private queries, you can submit a ServiceNow ticket with OMES Information Services.

3.6 Routing

PeopleSoft is programmed to send every requisition or PO for necessary approvals based on the category code and dollar amount of purchase. It will first go through the agency's internal approval path before being routed to OMES for review and approval. If you ever have a concern with the way a requisition or PO is routing within PeopleSoft, please submit a ServiceNow ticket with OMES Information Services.

3.6.1 Internal approvals

The requisitions and POs will first go through the internal path that is set up by the agency. The state purchasing director recommends having at least three internal approvals:

- I. Certified procurement officer – the certified procurement officer shall initiate an ePro requisition with all completed documentation attached. If any documents are missing or incomplete, Central Purchasing may deny the ePro requisition.
- II. Representative from agency's finance team – the finance team member will be responsible for confirming there are funds in the assigned budget as well as validating the budget line within the ePro requisition.
- III. Representative from the executive team – a member of the executive or leadership team will be charged with confirming that leadership knows about and approves the relevant purchase.

3.6.2 OMES approvals in PeopleSoft

After being fully approved through the agency's internal path, the requisition or PO may route to Central Purchasing if certain criteria are met. As mentioned above, the requisition or PO will be routed by category code and dollar amount. Each category code is put into one of four "trees": IT, non-IT, Real Estate and Leasing Services, and Construction and Properties. The tree in which the code is assigned dictates how it is routed for approvals.

3.6.2.1 General IT routing

All IT purchases are required by statute to be approved by the CIO at a zero-dollar threshold. An IT requisition or PO will only route to OMES Central Purchasing if the purchase is over \$50,000 or the agency's threshold. The items below outline how requisitions and POs will route through OMES approvals for IT purchases.

- I. \$0-\$50,000:



- a. Requisition: Goes to CIO then is fully approved. Once approved, the agency may source into a PO.
 - b. PO: If it doesn't meet the autoapproval criteria, the PO will go to the CIO for the full approval process. Once approved, the agency may dispatch the PO.
- II. \$50,000.01+:
 - a. Requisition: Goes to CIO, then to CP buyer. If the requisition is flagged as a solicitation, it will route to the branch manager role for assignment. Once the requisition is fully approved, the CP buyer will source into a PO or a PeopleSoft contract.
 - b. PO: The CP buyer will make any necessary changes; then, if it does not meet the autoapproval requirements, the PO will route to the CIO for the full approval process. Once approved, the CP buyer will dispatch the PO or PeopleSoft contract.
- III. Change orders:
 - a. Change orders to a PO, which were previously approved by Central Purchasing, are now processed internally by the agency. Because the CIO is statutorily required to approve all purchases at a \$0 threshold, change orders will still route to the CIO. When building your requisition, you must select the magnifying glass under "Flags" and then select "Change Order." You must still attach a pricing document to the requisition to document your transaction. When the requisition is sourced into a PO, you must select the PO Type based on the PO Type and Origin Quick Reference Guide, then select "CHG" as the origin, regardless of the original origin. Additionally, you should update the buyer on the PO to an agency buyer to ensure that you are getting all relevant notifications about that PO. If the PO dollar total changes, it will not meet the autoapproval requirements, and the PO will therefore route to the CIO again.

3.6.2.2 Non-IT routing

All non-IT purchases will only be routed to OMES when the purchase is over the agency's threshold.

- I. \$0-\$50,000:
 - a. Requisition: Will not route to OMES.
 - i. *Note:* If the requisition is a change to an existing PO, and this requisition will cause the PO to be over the agency's threshold, then the agency should "ad-hoc" Central Purchasing into the path.
 - b. PO: Will not route to OMES.
- II. \$50,000.01+:
 - a. Requisition: Goes to CP buyer. If the requisition is flagged as a solicitation, it will route to the branch manager role for assignment. Once the requisition is fully approved, the CP buyer will source into a PO or a PeopleSoft Contract.
 - i. *Note:* If the requisition is marked as a sole source, it will trigger an additional step for the state purchasing director to approve the sole source.
 - b. PO: The CP buyer will make any necessary changes, then it is fully approved. Once approved, the CP buyer will dispatch the PO.
- III. Change orders:
 - a. Change orders to a PO that had previously been approved by Central Purchasing must now be processed internally by the agency. When building your requisition, you must select the magnifying glass under "Flags" and then select



“Change Order.” You must still attach a pricing document to the requisition to document your transaction. When the requisition is sourced into a PO, you must select the PO Type based on the PO Type and Origin Quick Reference Guide, then select “CHG” as the origin regardless of the original origin. Additionally, you should update the buyer on the PO to an agency buyer to ensure that you are getting all relevant notifications about that PO.

- i. *Note:* When changing the buyer, you will get a notice that changing the buyer will change certain defaults; select cancel when this notice appears.

3.5 Supplier and payee registration in the statewide accounting system

3.5.1 Self-service registration

The Oklahoma Supplier Portal is an online portal designed to assist suppliers, bidders and payees with self-registration and self-management of organizational and personal information.

You can log in to the Oklahoma Supplier Portal at www.vendors.ok.gov.

Bidder – registering as a bidder enables potential suppliers to receive notifications when the state has solicitations for products and services, and such registration will allow bidders to pick their categories (UNSPSC codes). Registration will also allow bidders to bid on any open solicitations. If awarded a solicitation, bidders will need to request that their bidder file be converted to a supplier file. Please note: It is not necessary for a supplier to register as a bidder if they already have a supplier ID.

Supplier – registering as a supplier ensures entities are fully registered with the state and can receive payments. Suppliers will also receive notifications based on the UNSPSC codes that are selected in their file. Supplier registration requires a W-9 to be attached; it is recommended to have this document ready before initiating the registration process. Review and approval of this file will take one to three business days.

Existing supplier user IDs – if a supplier attempts to submit a new registration and they get an error that their tax ID already exists, we can help them create a user ID to gain access to their account.

Banking change requests – registered suppliers have the ability to add or update banking information on their account. To add direct deposit information, they will need to create a banking user ID and submit a completed EFT Enrollment Form that includes their banking information via a banking change request. Banking can never be manually updated. Only the banking user can access the payment profile tab of a change request to update the banking information. Review and validation of this file will take seven to 10 business days. These timelines depend on the accuracy of the request and the responsiveness of the supplier. Approval timelines can be extended if the request has to be sent back for multiple corrections, if the contact information is not available for the requester(s) in the file, or if we are not able to get in touch with the supplier via phone to validate the legitimacy of the request. If a supplier needs to copy **existing** banking information from one location to another, they can skip this process and let us know to which location(s) they need the information copied. We can request that OST copy existing banking information to a new location.

AAM change requests – all updates made to an existing supplier file (i.e., addresses, contacts, UNSPSC category codes and remittance email updates) can be submitted by the supplier’s authorized account manager (AAM). These changes must be reviewed and approved. Review and approval of these requests will take one to three business days.



3.5.2 Manual supplier files

The “supplier file” is an active file within PeopleSoft that holds individual or company information, tax reporting information, required documents, category codes and more. A supplier file exists for any entity participating in bid notifications, contracts, purchase orders or payments made within the state’s main payment system (PeopleSoft). We do not manually create supplier files unless they are on the preapproved exception list. If the preapproved exception list does not apply to a supplier or payee, we can assist them with self-registering in the portal.

The preapproved exception list includes:

- Agency exemptions:
 - BU 090 OMES Risk Management Warrant
 - BU 090 Warrant Replacements
 - BU 265 CACFP, SFSP, NSLP
 - BU 265 Disability Accommodation (LNH)
 - BU 345 ODOT Right of Way Claims
 - BU 585 DPS Seized Funds
 - BU 650 ODVA Residents receiving funds (no 1099)
 - BU 807 HCA Title 19
 - BU 835 OWRB
- Beneficiary SID assignment – upon the death of a state employee, we manually create a supplier file for outstanding payroll and benefits payments to the designated beneficiary.
- Confidential payee SID assignment – payees whose payments are not subject to open records requests; includes victims’ compensation payments, some AG payments and DHS special client payments.
- HECLM requests.
- Higher Ed upload fails.
- International supplier without US TIN.
- HCM garnishments.
- Classification type change for existing file (e.g., a past employee now needs a supplier)
 - Confidential.
 - HCM.
 - Employee.
 - Supplier.
- Name changes.
- State employees that get an error during the INT114 process.
- University employees.

3.5.3 Registration services

Bid submission walk-throughs – step-by-step bid submission walk-throughs that address general questions (bid factors), line items and how to add all required attachments. Includes an explanation of the requirement to be logged in to submit bids.

Existing supplier user ID creation (AAM and banking) – talking suppliers through creating user IDs; usually followed by a supplier change request walk-through.

Manual supplier files – assisting with manual file entry for preapproved exceptions.



Name change, tax classification change, tax ID change – assisting suppliers with completing the process of a name change, tax classification change or tax ID change. These changes will likely result in a new supplier file.

New registrations – assisting suppliers with submitting their self-service registration.

Password reset processes – validating user identities with email and password challenge questions; walking users through email and password resets; and walking users through signing in and updating their passwords as well as setting up password challenges, if not already set up.

Remittance notices – assisting suppliers with remittance notices they have not received and helping them update their remittance email address.

SID lookup – assisting suppliers with SID lookup, which requires email or phone as well as taxpayer identification number (TIN), and which can be provided by W-9 through email or verbally over phone; giving suppliers their supplier ID to provide to an agency creating requisitions, purchase orders or contracts.

Supplier change request walk-through – assisting suppliers with making updates to their file information, including addresses, contacts, UNSPSC category codes, remittance email updates and banking information.

Tax snag verification – verifying if a tax snag is active on the supplier account and providing suppliers with information on how to contact OTC for release.

3.5.4 How to engage the registration team

Suppliers: For assistance with questions about registration, updating contact information or bank account details, suppliers can contact the registration team.

- Phone number: 405-521-2930 (Monday-Thursday, 9 a.m. to 4 p.m. CT).
- Email address: oksuppliers@omes.ok.gov.

Agencies: Agencies may contact the team via ServiceNow (SNOW) by submitting tickets through the catalog under Central Purchasing – Registration. Service offerings available:

- **1099 Update** – request a change to your 1099 information.
- **Garnishment Request** – request an HCM supplier file be created or updated with garnishment information.
- **Payee Information Update** – request a supplier file be created or updated for an employee of a state agency for reimbursement purposes.
- **Pre-Approved Exception Classification** – request a supplier file be created or updated for a payee belonging to one of the preapproved exception classifications. (Please see Page 2 for the full preapproved exception list.)
- **Registration General Questions** – request general assistance regarding registration. Only use this option if your request does not fit into one of the available request types.
- **Supplier File Identification** – request help identifying a correct supplier file or location in order to make payment.
- **Supplier Name Change** – notify Supplier Registration of a name change, merger, acquisition, tax structure change or TIN change.



Universities: Universities may contact the team via ServiceNow (SNOW) by submitting tickets through the catalog under Central Purchasing – Registration. Service offerings available:

- **1099 Update** – request a change to your 1099 information.
- **Pre-Approved Exception Classification** – request a supplier file be created or updated for a payee belonging to one of the preapproved exception classifications. (Please see Page 2 for the full preapproved exception list.)
- **Supplier Name Change** – notify Supplier Registration of a name change, merger, acquisition, tax structure change or TIN change.
- **Registration General Questions** – Request general assistance regarding registration. Only use this option if your request does not fit into one of the other request types available.



Section 4: How to buy versus how to pay

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Agencies have several options in terms of paying for goods or services. Regardless of the payment method used, all acquisitions must comply with the purchasing hierarchy and all applicable competitive bidding thresholds.

4.1 Payment within PeopleSoft: ePro requisition, purchase order, voucher

Processing a payment via ePro requisition, purchase order (PO) and voucher in PeopleSoft offers several strategic and operational advantages:

1. Internal control and oversight

- Preapproval workflows ensure that purchases are authorized before funds are committed.
- This process enables clear separation of duties between requesters, approvers and payers, reducing the risk of fraud or error.

2. Budget validation

- ePro requisitions and POs are tied to budget-checking processes, helping agencies ensure that funds are available before a commitment is made.
- This process prevents overspending and promotes fiscal discipline.

3. Contract and compliance tracking

- POs reference statewide contracts or agency-specific contracts, allowing the system to:
 - Enforce pricing and terms.
 - Flag purchases outside approved parameters.
 - Ensure compliance with the Central Purchasing Act and other procurement rules.

4. Procurement transparency and audit readiness

- This process provides a complete audit trail from requisition to PO issuance to payment.
- It documents who requested, approved and paid for each item or service, supporting transparency and accountability.

5. Vendor management and communication

- Vendors receive formal purchase orders, which include agreed terms, pricing and delivery expectations.
- This process reduces disputes and improves vendor relationships.

6. Payment accuracy and efficiency

- The PO and invoice are matched during the voucher process, helping ensure that:
 - The vendor is paid only for what was ordered and received.
 - Payments are made at the correct price.
 - Any discrepancies are flagged and resolved before funds are disbursed.



7. Reporting and spend analysis

- Centralized tracking in PeopleSoft allows agencies to generate real-time reports on spend, vendor usage and contract compliance.
- This process supports data-driven decision-making and strategic sourcing.

8. Statewide visibility and integration

- Transactions feed into statewide reporting and financial systems (including OMES oversight tools).
- This process helps the state analyze overall spend, identify savings opportunities and negotiate better contracts.

Summary

Using the full ePro requisition → PO → voucher workflow in PeopleSoft provides structure, accountability and efficiency in the purchasing process. This protects public funds, enhances compliance and strengthens internal controls – making it a best practice for all but the most routine or low-dollar purchases (e.g., those eligible for P-card use).

4.2 Purchase card (P-card)

An agency can make any non-IT purchase for an amount up to \$25,000 using a P-card, as long as the process is fair and reasonable, while an agency can make any non-IT purchase at any dollar amount for any order off a non-IT statewide contract. Processing a payment via P-card offers several advantages, particularly for low-dollar, routine or urgent purchases, where the full procurement cycle may be burdensome. Please consult the State of Oklahoma Policy and Procedures for Purchase Card for full guidance on how to use a P-card. The guidance below is only intended to be a high-level overview of the program's key benefits and limitations.

Benefits

1. Speed and efficiency

- P-cards allow for immediate payment, bypassing the need for a full ePro requisition, purchase order or voucher process.
- This process is particularly useful for low-cost purchases, travel expenses, subscriptions or emergency items where timing is critical.

2. Reduced administrative burden

- The P-card program eliminates the need for multiple system entries, formal solicitations and layered approvals for routine expenses.
- This process saves both the agency and vendors time by avoiding invoice generation and manual voucher processing.

3. Simplified process

- The cardholder initiates the transaction directly with the vendor, and the immediate supervisor reviews and approves the transaction documentation (e.g., monthly statement reconciliation).
- No robust multilevel approval workflow is required prior to the purchase, which streamlines the process – but also limits prepurchase oversight.



4. Cost savings in processing

- This program reduces processing costs per transaction. Traditional procurement may involve labor-intensive workflows, while P-cards are automated and low-touch.
- P-cards are helpful for high-volume, low-value purchasing scenarios such as office supplies or training materials.

5. Improved vendor relationships

- Vendors receive immediate payment, which can improve relationships and avoid delays associated with voucher processing and warrant cycles.

Cautions and limitations

- **The lack of prepurchase controls** means there's a greater need for training and compliance monitoring to prevent misuse, because robust workflow approval occurs after the purchase (via supervisor reconciliation).
- **Spending limits and restrictions** are set by the agency and OMES to ensure appropriate use. Agencies must track and enforce single-transaction and monthly limits.
- **Not suitable for complex or high-risk procurements**, especially when IT components or legal terms are involved.

Please note, not all IT purchases can be made by P-card. The State of Oklahoma Policy and Procedures for Purchase Card state that IT purchases shall be made in accordance with 62 O.S. § 34.12.B and the OMES IT Policy and Standards. All hardware and software acquisitions must be on the Approved Hardware and Approved Software lists located on the OMES website or be approved by IT through the ePro process. All IT purchases exceeding the statutory single-transaction limit must be listed on a statewide contract. IT acquisitions shall comply with all applicable Oklahoma Information and Communication Technology Accessibility Standards issued by OMES.

For rules and procedures regarding information technology acquisitions and exceptions, refer to the OMES Purchasing Reference Guide and to the Procurement Information Memorandum (PIM) titled Delegation of Authority from CIO for Certain Information Technology and Telecommunication Products, available on the OMES Central Purchasing Procurement Information Memorandum page. IT and telecommunications services and repairs are not included in this delegation of authority.

IT and telecommunications services and repairs are not listed on the Approved Hardware or Approved Software lists, although they may be included in the contract covering the items on the list. The annual cost of services and repairs should be estimated and included on the IT authority order. Single transactions for IT repairs and services are capped at the single-transaction limit of \$25,000. Additional information regarding IT procurement may be obtained from OMES IS through the OMES Service Desk.

Summary

The P-card is a powerful tool for fast, flexible purchasing of low-risk non-IT items, and it offers speed, convenience and cost efficiency. However, because P-card purchases are approved after the fact (typically by the cardholder's immediate supervisor), a P-card should be used with strong internal monitoring and in accordance with established policies. It complements – but does not replace – the formal procurement process for higher-value or higher-risk purchases.



4.3 Fleet Card

Currently, the state uses a supplier called “Comdata” for all Fleet cards. These cards are assigned to a specific vehicle for purchases related to that vehicle only. Agencies are allowed to use a Comdata card (Fleet card) for specific purposes related to vehicle operations, and only under strict conditions, as outlined in both OMES Fleet Management Policy F001 and OMES Form CP036.

Authorized uses for the Comdata card

According to Policy F001 and OMES Form CP036, the Comdata card can be used for the following:

1. Vehicle fuel purchases

- Must only be used for vehicles assigned to state fleet programs.
- Must only be used at Level 3 fuel sites to avoid federal motor fuel excise tax.
- Must only be used for the vehicle a card is assigned to; it cannot be used to fuel other vehicles.

2. Vehicle-related purchases

- Vehicle maintenance and repairs (preapproved by Fleet Management).
- Vehicle parts and accessories for the assigned vehicle only.
- Vehicle enhancements and emergencies, with prior approval when applicable.
- Purchases should be made through statewide contract providers (e.g., Statewide Contract 307 for parts) whenever possible.

3. Specific statewide contracts

From OMES Form CP036, Comdata cards must or may be used as follows:

- SW0024 – Tires: Used for tire purchases and services; may be used with any supplier in an emergency when contract vendors are unavailable.
- SW0101 – Fleet Fuel Management System: Comdata cards are issued under this contract and must be vehicle-assigned.
- SW307A – Auto Parts: Must be used for parts for a specific vehicle.
- SW0140, SW0141, SW0142 – Police Equipment: May be used.
- SW0771 – Vehicle Daily Rental: Fuel-only Comdata cards may be used to purchase fuel at the pump.
- SW1028A, SW0128G – Fleet Tracking: Must be used for components for a specific vehicle.
- SW0767 – Auto Maintenance: Must be used for maintenance purchases under this contract.

Prohibited or restricted uses

- Cannot be used for fuel for other vehicles or general fuel purchases.
- Cannot be used for non-vehicle-related purchases (e.g., parking, air fresheners).
- Cannot be used on certain mandatory vehicle contracts like SW0035 (Vehicles, Trucks, Buses).
- All service-related purchases must be preapproved by Fleet Management.



Requirements for use

- Drivers must enter accurate PIN and odometer readings at the pump.
- Receipts must be reviewed for accuracy and retained.
- Agencies must ensure compliance with tax exemption rules (relating to both sales and fuel) and request refunds where necessary.
- Monthly reconciliation and timely payments are required to avoid card suspension.

In sum, an agency is allowed to use the Comdata card for:

- Fueling state-assigned vehicles at approved locations.
- Purchasing vehicle parts, services or tires from contract or emergency vendors.
- Making approved purchases tied to vehicle-specific statewide contracts.

Use of the card must strictly comply with OMES Fleet Management guidelines, statewide contract terms and preauthorization protocols. Unauthorized purchases or misuse may result in revocation of card privileges or financial responsibility falling on the agency.



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5.1 Authority orders

An authority order is a type of purchase order issued by a state agency that allows for ongoing purchases of goods or services without a predefined quantity or delivery schedule, and sometimes without a defined supplier, within a set fiscal year and dollar limit. Authority orders are used when agencies anticipate that they will have to make multiple transactions for the same type of good or service, but cannot in advance specify the supplier or order quantities or timing. It is a tool used by state agencies to efficiently manage ongoing, routine purchases while still maintaining accountability and adherence to procurement regulations. The Statewide Accounting Manual outlines specific preapproved uses for authority orders. These include:

- I. Regulated utilities or regulated services.
- II. Purchases from another state agency.
- III. Encumbrances for low-dollar purchases made throughout the year, not to exceed \$25,000.00 to any one payee over the course of the year.
 - a. The authority order may not be used to avoid a statewide or State Use contract. Statewide contracts should not be paid through an authority order, except for emergency payments.
 - b. The authority order may be used to cover nontravel employee reimbursements (less than \$5,000.00).
- IV. Multiple-payee encumbrances; examples include:
 - a. Stipends (i.e., to teachers, real estate agents, etc.).
 - b. Grant and scholarship recipients.
 - c. Voter registration commission payments to tag agencies.
- V. Encumbrances for amounts for bank charges.
- VI. Encumbrances for amounts to be paid through a purchase card, under the limitations for P-card use.
- VII. Payments for structured, court-ordered settlement agreements.
- VIII. Encumbrances for amounts for payroll.

If an agency wants to utilize an authority order for a purpose not listed above, the agency must submit the request via ServiceNow. The request will be reviewed by the state purchasing director, and the agency will be notified in writing of approval or denial of the request. Approvals last for one year. Please note that OMES Risk, Assessment and Compliance will review all payments made using an authority order to confirm proper usage.

5.2 Internal purchasing procedures (IPP)

Section 85.39 of the Central Purchasing Act requires Oklahoma state agencies to establish internal purchasing procedures for all acquisitions. After approval, agencies must update and resubmit to Central Purchasing for review every two years. These submissions can be made in ServiceNow. Agencies without approved IPPs cannot make any acquisitions above \$25,000. If an agency's IPPs expire, Central Purchasing is required by statute to reduce the threshold. Key provisions of IPPs include:

- i. Procedure development and approval: Each agency must draft procedures covering needs assessment, funding, audits, monitoring and evaluations.
- ii. Documentation: For each acquisition, agencies must maintain comprehensive records, including justification, contracts, evaluations and required documentation, as directed by the state purchasing director.
- iii. Exemptions: Each agency must maintain a list of specific exemptions from the Central Purchasing Act or the competitive bidding requirements of the Central Purchasing Act, and procedures for assessing when that exemption can be utilized.

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- iv. P-card policies.
- v. A food policy (if applicable).
- vi. Fleet card policies (if applicable).

5.3 Purchasing threshold increase requests

Section 85.7 of the Central Purchasing Act authorizes the state purchasing director to increase a state agency's acquisition threshold up to \$250,000, allowing greater autonomy in processing procurements. Importantly, this increase does not eliminate the requirement for competitive bidding on purchases over \$25,000; rather, it permits the agency to conduct its own competitive bid process without submitting a requisition to Central Purchasing for approval. To request an increased threshold, agencies must submit a ServiceNow ticket to Central Purchasing, which will review the request against specific eligibility criteria. Upon approval, Central Purchasing will adjust the PeopleSoft routing configuration, ensuring that its involvement is only required for acquisitions that exceed the newly assigned threshold. **Note:** This authority has been temporarily suspended due to OK EO 2023-04.

5.4 Authorized signature

Pursuant to Oklahoma Administrative Code 260:115-5-13, state agencies shall provide the state purchasing director with a current Authorized Signature Form. The form shall be dated and identify the name, title and signature of those individuals designated by the appointing authority to sign and approve requisitions, sole source certifications, change order requests and surplus property transactions that may be submitted to the state purchasing director. To notify the state purchasing director that a designation no longer exists, the form shall be dated and identify the name and title of those individuals who are no longer designated to sign and approve requisitions, sole source certifications, change order requests and surplus property transactions. The state agency shall submit an updated form to the state purchasing director within 30 days of any change in the authorized signatures. The Authorized Signature Form (OMES Form CP001) can be submitted in ServiceNow.

State agencies shall also maintain a list of individuals authorized to sign and approve requisitions, sole source certifications, change order requests and purchase orders for acquisitions within the agency's approved acquisition authority. The list shall include each individual's name, title and signature, the effective date and ending date of their authorization, when applicable. The agency shall maintain a file of the signature authority lists in the same location as the agency's centralized procurement records, and these shall be made available to the state purchasing director upon request.

5.5 Inadvertently exceeding threshold

Occasionally, an agency may have underestimated the total of a purchase and find themselves in a situation where they have inadvertently exceeded their purchasing threshold. The Central Purchasing Act anticipates such an event and allows the state purchasing director to "waive or increase the limit authorized for a state agency acquisition made pursuant to its own competitive procedures." (74 O.S. § 85.7(A)(5)). When this occurs, the agency must submit OMES Form CP015 in ServiceNow. The form requires the agency to explain the administrative error or unforeseeable circumstances that resulted in the acquisition being made pursuant to its own competitive procedures instead of being submitted to Central Purchasing in advance. Once approved, the agency must attach this form to its requisition or PO.

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5.6 Fixed- and uniform-rate contracts

Fixed- and uniform-rate contracts, as defined by 74 O.S. § 85.7(A)(6)(f), are exempt from the competitive bidding requirements of the Central Purchasing Act. These contracts describe a specific method of procurement and are distinct and separate from other competitively bid contracts that are paid at a fixed or flat rate. Fixed- and uniform-rate contracts must be approved by the Central Purchasing division of the Office of Management and Enterprise Services (OMES) and can only be used by agencies for “those services furnished to persons directly benefiting from such services and shall not be used by a state agency to employ consultants or to make other acquisitions.” (74 O.S. § 85.7(A)(6)(f)(2)). This type of contract is used when a competitive bid is effectively rendered ineffective because of the number of required service providers or the geographic dispersion of service locations, or when industry standards establish fair rates of the service. A fixed-rate contract establishes a maximum rate at which all qualified contractors providing the same services will be compensated. This section explains the process for requesting and establishing a fixed- and uniform-rate contract.

- I. What type of transactions are a good fit for fixed- and uniform-rate contracts?
 - a. Fixed- and uniform-rate contracts provide direct client services. Client services can include services received by clients or prevention services targeting client populations.
 - b. A service being considered for a fixed-rate contract must be capable of being provided by multiple providers; service provision is not restricted to one corporate entity.
 - c. A service being considered for a fixed-rate contract is commonly acquired and has an established cost or value that may be documented in a like or similar marketplace or setting.
 - d. Services that have established rates, where there are methodologies and payments that are subject to federal review and where approval shall qualify as fixed and uniform rates. Agencies shall submit the same documentation as required for the federal review process on such fixed-rate services to OMES.
- II. Step 1 of creating new fixed- and uniform-rate contracts: Submission to OMES.

An agency seeking approval from OMES to create a new fixed- and uniform-rate contract shall submit a written request to central.purchasing@omes.ok.gov. The request shall include the following documentation:

 - a. A description of the requested service, including a reference and summary of the federal and state rules, regulations and standards that relate to the client service.
 - b. A description of the clientele to be served, including the estimated number of clients as well as the geographic location and dispersion of clients.
 - c. The required qualifications of the service providers by education, license or experience.
 - d. An estimate of the number of service providers required under the contract to meet the needs of the agency based on client volume.
 - e. A statement certifying that service provision will not be restricted to one corporate entity.
 - f. A list of all applicable service industry standards for delivery of the requested service in the region.
 - g. A summary statement of justification indicating why the service should be considered for a fixed-rate contract. Specifically address in the summary why the service should not be acquired through the competitive bidding process.
- III. Step 2: Establish the rate.

Upon OMES approval that it is appropriate to handle a service with a fixed- and uniform-rate contract, an agency must establish the proposed rate to be paid for the service by following the process outlined below.

 - a. First, the state agency shall schedule a public hearing. Such public hearing must adhere to the requirements of the Open Meetings Act, 25 O.S. §§ 301-314. The agenda for the meeting must

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include consideration of the proposed rate. If applicable, agencies shall submit documentation of federal approval to OMES of rates established and regulated by federally approved programs in accordance with the stated section.

- b. Then, the agency must submit the proposed rate to OMES at least 30 days before the state agency is to meet about the proposed rate. OMES shall evaluate the proposal and communicate any observation, reservation, criticism or recommendation to the agency, either in person at the time of the hearing or in writing delivered to the state agency before or at the time of the hearing. The director of OMES shall specifically note in written communications whether they have determined the rate to be excessive. OMES shall present the findings in writing before the public hearing or in person at the public hearing. The notification to OMES shall include:
 - i. A copy of the agenda items regarding the proposed rates.
 - ii. The proposed fixed- and uniform-rate amounts, including how the rates were established. Last updated September 2024. **Note:** This can include both direct and indirect costs, such as vendor costs, rates or charges; market prices; existing rates offered through insurance; existing rates offered to public agencies in Oklahoma or other states for comparable services; national and state indices/data about wages, benefits, capital and transportation; and other relevant program data supporting rates, costs or charges. Documentation shall include any administrative fees charged to each direct client if applicable, and the financial basis (actual cost) for the fees
 - iii. A copy of the proposed contract that includes the proposed fixed-rate services.
- c. Finally, at the public hearing, the state agency shall read any comments made by the OMES director into the minutes. After discussion and consideration, the agency shall approve or deny the proposed fixed rate.

IV. Step 3: Reporting.

After approval, certain reporting is required. Within two (2) weeks after the convening of the Legislature, the administrative officer of the state agency shall furnish to the speaker of the House of Representatives, the president pro tempore of the Senate and, upon request, to any member of the House or Senate, a complete list of all of the types of services paid for by fixed rates, the amount of the rate last approved by the agency for the service, and the number of contracts for each type of service. Any rate that has been determined to be excessive by the director of OMES shall be specifically identified in this report.

V. Practitioner comments

- a. Fixed- and uniform-rate contracts do not include those professional services as defined by the Central Purchasing Act.
- b. Agencies may adopt an OMES-approved fixed-rate service from another agency, provided the same description of services and rate of compensation is used by the requesting agency.
- c. A state agency shall not use the fixed-rates contracting process to employ consultants or purchase products.
- d. When a fixed rate is approved at a federal level:
 - i. The methodologies and payments are subject to federal review and approval prior to submission to OMES. In these cases, the agency may submit the same documentation that is required by the approving federal agency.
 - ii. Changes mandated by a federal approving authority may be accomplished by simply notifying OMES of such change.

Section 5: Compliance requests or approvals needed from Central Purchasing



5.7 Privatization requests

These guidelines are designed to assist state agencies in meeting their obligations under the Oklahoma Privatization of State Functions Act (74 O.S. §§ 586-590), the Central Purchasing Act, and the Office of Management and Enterprise Services Central Purchasing rules. The required steps to contract for the performance of a duty or function that is currently being performed by a state employee are laid out in statute. The steps below are meant as a high-level overview; if an agency is considering a privatization project it should consult OMES Form CP110A as well as its legal counsel. The general requirements are as follows:

1. The Oklahoma Privatization Act requires agencies to conduct a cost analysis of a proposed privatization project and provide it to OMES. This cost analysis must be submitted in ServiceNow.
2. OMES reviews and provides approval or denial to the agency.
3. The agency then takes internal action, further explained in statute and OMES Form CP110A.
4. The agency then inputs a requisition for a solicitation in PeopleSoft. Depending on the spend amount, CP may run the solicitation.
5. After evaluation of all scores, the agency must create a comprehensive report. This report must be submitted to OMES in a ServiceNow ticket. All requirements of this report are detailed in statute and OMES Form CP110A.
6. OMES will send confirmation of receipt of the report.
7. Finally, upon award of the privatization contract, the agency must submit a certification to the governor, president pro tempore of the Senate, and speaker of the House of Representatives that they complied with the requirements of the Oklahoma Privatization of State Functions Act and that this contract is in the best interest of the public.

5.8 Supplier evaluations and complaints

Supplier evaluations and complaints can be submitted to Central Purchasing in ServiceNow. All submissions will be reviewed by OMES to see if any action is necessary. Complaints may lead to suspension and debarment under the Oklahoma Administrative Rules (see OAC 260:115-3-21).

5.9 CP forms

OMES Central Purchasing has created a wide variety of forms that are housed in the CP Library on OMES' website. These forms are reviewed and updated every year. For questions about any forms, please contact central.purchasing@omes.ok.gov.



Section 6: Purchasing in compliance with the Central Purchasing Act

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Section 6: Purchasing in compliance with the Central Purchasing Act



6.1 Who is subject to the Central Purchasing Act?

The Central Purchasing Act applies to most state agencies, boards, commissions, departments and other entities within the executive branch of Oklahoma government, unless they are specifically exempted by statute. Exemption from the Central Purchasing Act does not grant an exemption to the hierarchical requirements to use the State Use Program or OCI, or CIO oversight.

6.1.1 Comprehensive entity exemptions

The following entities are wholly exempt from the Central Purchasing Act¹:

1. Counties
2. Oklahoma State Regents for Higher Education; the institutions, centers or other constituent agencies of the Oklahoma State System of Higher Education
3. Oklahoma State University Medical Authority (63 O.S. § 3275(I))
4. Oklahoma State University Medical Trust Agreements
5. OneNet telecommunications network
6. Oklahoma Department of Public Safety gun range
7. Oklahoma Space Industry Development Authority (74 O.S. § 5205(D))

6.1.2 Comprehensive entity exemptions with internal purchasing procedures required

Several entities must have approved internal purchasing procedures in compliance with Section 85.39 of the Central Purchasing Act, but they do not have to comply with other sections. These entities include²:

1. University Hospitals Authority
2. Oklahoma Municipal Power Authority
3. Grand River Dam Authority
4. Rural water, sewer, gas or solid waste management districts created pursuant to the Rural Water, Sewer, Gas and Solid Waste Management Districts Act
5. Oklahoma Ordnance Works Authority
6. Northeast Oklahoma Public Facilities Authority
7. Midwestern Oklahoma Development Authority
8. Oklahoma Energy Resources Board

6.1.3 Comprehensive exemptions for specific purposes

The CP Act applies to all acquisitions, which are defined as Section 85.2 of Title 74. This means that a non-acquisition transfer of funds is exempt from the entire CP Act. Additionally, Oklahoma statutes provide for many specific exemptions from the Central Purchasing Act. Because they are created by statute, the state purchasing director does not have the authority to expand the scope of these exemptions. These are broken down by exemptions that all agencies can utilize and those that are more narrow, such as those which only a single agency can use for a specific purpose. Because these can only be applied in limited instances, these purchases will first come to Central Purchasing for review to verify that they fall within the scope of the identified exemption.

¹ Found in 74 O.S. § 85.3A, unless noted otherwise.

² Found in 74 O.S. § 85.12

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1. All agencies can utilize the following exemptions from the Central Purchasing Act:
 - a. Interagency (Section 85.3(A)(6))
 - i. Includes: Agencies, universities, educational institutions, Oklahoma public trusts, political subdivisions, city/county health departments and federal agencies.
 - ii. Does not include: Non-profit organizations and tribal governments.
 - iii. For entities not listed here, please contact central.purchasing@omes.ok.gov.
 - b. Pass-through of federal funds for a beneficiary (74 O.S. § 85.3(A)(9))
 - c. Food and products produced by state institutions and agencies (74 O.S. § 85.12(B)(1))
 - d. Printing on state agencies' own equipment (74 O.S. § 85.12(B)(2))
 - e. Any compensation arrangements made with financial institutions (62 O.S. § 71(C))
 - f. Regulated utilities (74 O.S. § 85.12(B)(4)), which include:
 - i. Water
 - ii. Electricity
 - iii. Internet
 - g. Pharmaceuticals MNCAP (74 O.S. § 85.12(B)(18))
 - h. GSA contracts (74 O.S. § 85.12(B)(20))
 - i. Governmental Tort Claims Act structured settlements (74 O.S. § 85.12(B)(32))
2. Only the named agency can utilize the following exemptions from the Central Purchasing Act for the stated purpose³:
 - a. Department of Transportation for:
 - i. Contractual services or right-of-way acquisitions.
 - ii. Contracts awarded pursuant to bids let by the Transportation Commission for the maintenance or construction of streets, roads, highways, bridges, underpasses or any other transportation facilities under the control of the Department of Transportation.
 - iii. Equipment or material acquisitions accruing to the Department of Transportation required in federal aid contracts.
 - iv. Acquisitions for public-service-type announcements initiated by the Department of Transportation, but not acquisitions for advertising, public relations or employment services.
 - b. Department of Corrections for custom harvesting.
 - c. State Department of Education for local and state-supported financial support of public schools.
 - d. Department of Rehabilitation Services for education programs or education materials for the Oklahoma School for the Blind and the Oklahoma School for the Deaf.
 - e. Oklahoma Department of Career and Technology Education for the development, revision or updating of vocational curriculum materials, and contracts entered into by the Oklahoma Department of Career and Technology Education for training and supportive services that address the needs of new or expanding industries.
 - f. Oklahoma Center for the Advancement of Science and Technology for professional services.
 - g. Oklahoma Department of Commerce for:
 - i. Providing assistance to and services for Oklahoma manufacturing and marketing firms pursuant to the provisions of Section 5066.4 of this title (Product Development Act).
 - ii. Community Development Programs (74 O.S. § 5003.11).
 - iii. Minority Business Development Program (74 O.S. § 5013.2(C)).

³ Listed in 74 O.S. § 85.12, unless otherwise noted.

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- h. Oklahoma Historical Society for:
 - i. Acquisitions to administer the White Hair Memorial.
 - ii. Merchandise for resale to visitors (53 O.S. § 1.10).
- i. Department of Human Services (function performed by Oklahoma Health Care Authority) for managed health care services.
- j. Department of Human Services for clothing for clients and food for group homes.
- k. Office of Juvenile Affairs for clothing for juveniles in custody and food for group homes.
- l. Employees Group Insurance Division of the Oklahoma Health Care Authority for flexible benefits plans pursuant to the Oklahoma State Employees Benefits Act.
- m. Department of Securities to investigate, initiate or pursue administrative, civil or criminal proceedings involving potential violations of the acts under the department's jurisdiction.
- n. Oklahoma Department of Securities for its investor education program.
- o. Office of Juvenile Affairs for goods to be resold through canteens.
- p. Department of Corrections for goods to be resold through canteens.
- q. Department of Corrections for acquisitions from private prison suppliers.
- r. Boll Weevil Eradication Organization for employment and personnel services, and for acquiring sprayers, blowers, traps and attractants related to the eradication of boll weevils in this state or as part of a national or regional boll weevil eradication program.
- s. Oklahoma Indigent Defense System for expert services.
- t. Oklahoma Correctional Industries and the Agri-Services programs of the Department of Corrections for raw materials, component parts and other products; any equipment excluding vehicles; and any services excluding computer consultant services used to produce goods or services for resale or the production of agricultural products.
- u. Department of Human Services for the provision of supported living services to members of the plaintiff class in *Homeward Bound, Inc., et al. v. The Hissom Memorial Center, et al.*
- v. Office of Juvenile Affairs with designated Youth Services Agencies and the Oklahoma Association of Youth Services, or another Oklahoma nonprofit corporation whose membership consists solely of Youth Services Agencies and of whom at least a majority of Youth Services Agencies are members.
- w. Department of Human Services with designated Youth Services Agencies.
- x. Office of Juvenile Affairs for purchases made using funds received by local offices administered by the Department of Human Services or administered by the Office of Juvenile Affairs for fundraising activities and donations for the benefit of clients and potential clients at local offices where such purchases may not otherwise be paid for using appropriated funds.
- y. Department of Human Services for purchases made using funds received by local offices administered by the Department of Human Services or administered by the Office of Juvenile Affairs for fundraising activities and donations for the benefit of clients and potential clients at local offices where such purchases may not otherwise be paid for using appropriated funds.
- z. Oklahoma Historical Society for the restoration of historical sites and museums.
- aa. J.D. McCarty Center for Children with Developmental Disabilities for purchases of clothing and food for patients.
- bb. Office of the State Treasurer for:
 - i. Services including, but not limited to, legal services to assist in the administration of the Uniform Unclaimed Property Act, as provided in 60 O.S. § 668 (see also 60 O.S. § 668.1(C)).

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- ii. Software, hardware and associated services to assist in the administration of funds and securities held by the state, as provided in 62 O.S. § 71.2 (74 O.S. § 85.3; 62 O.S. § 71.2).
 - iii. Selecting financial institutions to act as the depositories and managers of the program accounts in accordance with the Achieving a Better Life Experience Program (56 O.S. § 4001.2).
- cc. Oklahoma Department of Veterans Affairs, in accordance with [72 O.S. § 63.22](#), which deals with the expenditure of funds to an honorably discharged veteran or veteran-owned business (74 O.S. § 85.3).
- dd. Oklahoma Military Department for purchases of heraldry items (74 O.S. § 85.3).
- ee. Office of Management and Enterprise Services for:
 - i. A multiyear agreement to acquire land, develop, design, construct and furnish facilities necessary for the administration of the state's information technology and telecommunications infrastructure and security (62 O.S. § 34.33).
 - ii. Risk Management Quick Settlement Account (74 O.S. § 85.58N).
- ff. Tobacco Settlement Endowment Trust for:
 - i. Selection of investment managers, investment consultants, auditors and actuaries, and a custodian bank (62 O.S. § 2306).
 - ii. Awarding of grants for private, nonprofit and public entities for the purposes set forth in Section 40 of Article X of the Oklahoma Constitution (62 O.S. § 2309).
- gg. Oklahoma Corporation Commission:
 - i. To sponsor and implement conferences to promote the dissemination of knowledge regarding the commission's regulatory activities (17 O.S. § 166.3).
 - ii. To employ expert witnesses to prepare and present testimony in matters pending before the commission or in matters concerning the commission pending in other state or federal forums (17 O.S. § 18).
 - iii. For enumerated reimbursements made to or for the benefit of eligible persons (17 O.S. § 324).
- hh. State Department of Health:
 - i. To contract with any hospital or physician to provide hospitalization or other confinement for treatment of a person believed to have active tuberculosis disease (63 O.S. § 1-410).
 - ii. For the awarding of grants for private, nonprofit and public entities for the purpose of administering the National Hospital Preparedness Program (63 O.S. § 6900).
- ii. Commissioners of the Land Office for the acquisition of realtor services when securing tenants in the commercial leasing of trust property.
- jj. Department of Public Safety for:
 - i. Interlocal agreements for use of space (47 O.S. § 2-108.1).
 - ii. A gun range (74 O.S. § 85.3A(A)(4)).
- kk. Secretary of State for:
 - i. Tangible or intangible assets – including, but not limited to, software necessary to carry out duties related to the counting of signatures on petitions (34 O.S. § 6.1).
 - ii. Selection of a vendor for the publication and annual maintenance of compiling, codifying and annotating the Oklahoma Constitution, Oklahoma Statutes and Oklahoma Session Laws (75 O.S. § 13; 74 O.S. § 85.3A(A)(10)).
- II. Oklahoma Arts Council for artwork or art restoration projects in the administrative control of the Oversight Committee pursuant to the Oklahoma Art in Public Places Act (74 O.S. § 9030.3(E)).

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6.2 Hierarchy of purchases

Regardless of purchase price, all purchases must follow the state purchasing hierarchy. Any agency seeking to make an acquisition must use suppliers within the listed categories in the following order, unless an exception is granted. This hierarchy applies to all purchases, including those made via P-card or Fleet card.

6.2.1 State Use

The first step in the purchasing hierarchy is the State Use Program. The Oklahoma State Use Act, 74 O.S. §§ 3001-3010, promotes employment for individuals with disabilities by requiring state agencies to purchase certain products and services from qualified nonprofit organizations that employ people with disabilities. The act establishes a list of approved goods and services, bypassing traditional competitive bidding to ensure these organizations have stable markets for their offerings. This helps support economic self-sufficiency for people with disabilities while providing state agencies with reliable, high-quality supplies and services.

Purchases are made directly from the vendor listed on the official State Use Procurement Schedule. Please note that exemption from the Central Purchasing Act does not exempt an entity from the State Use program as it is created by statute outside the Central Purchasing Act.

6.2.1.1 How to purchase from the State Use Program

Step 1: Consult the Procurement Schedule

The first step for any purchase is to determine if the product or service you need is on the mandatory State Use Procurement Schedule.

Action: Always check the official Procurement Schedule before purchasing items from other sources. The schedule lists all mandatory products, the designated vendor for each, and the approved contract price.

Step 2: Place a direct order

Once you have identified a required item on the schedule, you can place an order directly with the specified State Use vendor.

Action: Follow your agency's standard purchasing procedures to issue a purchase order directly to the vendor listed on the schedule. No bidding or solicitation is required.

Example: Purchasing office supplies through the Staples or Amazon contracts.

For certain items, like office supplies, the State Use Program is integrated with the mandatory statewide contract provider (Staples or Amazon).

Action: When shopping on the statewide contractor's website, if an item is a mandatory State Use product, the website will automatically block the commercial equivalent and guide you to purchase the State Use item. The order is then fulfilled directly by the State Use vendor.

6.2.1.2 The exception process

In specific situations where a State Use product does not meet an agency's needs, an exception may be requested.

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Grounds for an exception:

An exception may be requested if a State Use good or service will not meet the reasonable requirements of the agency. This includes, but is not limited to, the following conditions:

1. The product's specifications, quality or delivery time do not meet your agency's functional requirements.
2. The open market price for an identical item is more than 20% lower than the State Use contract price.

How to Request an Exception:

1. Obtain and Complete the Form: Download the official State Use Program Exception Request Form from the OMES Central Purchasing website. The form will guide you through providing the necessary justification, such as product details and supporting documentation for your claim.
2. Submit the Form: Email the fully completed request form to the State Use Program Administrator at sureports@omes.ok.gov.
3. Await Determination: The Program Administrator will review your submitted form and provide a formal written response.

Service Level: You can expect a response to all exception requests within three (3) business days of receipt.

6.2.1.3 Key contacts and resources

Primary point of contact:

- State Use Program administrator
- OMES Central Purchasing
- sureports@omes.ok.gov

Official Documents (available on the OMES website):

- State Use Procurement Schedule
- State Use Program
- State Use Program Exception Request

6.2.2 OCI

If an item is not available through the State Use Program, or if an exception to the State Use Program has been granted, then an agency must next check if it is available through the Oklahoma Department of Corrections' Oklahoma Correctional Industries (OCI)⁴ (57 O.S. § 549.1). OCI operates programs to employ inmates in productive work that benefits state agencies and nonprofit organizations. OCI provisions regulate the manufacture and sale of goods produced by inmates, such as furniture, textiles and license plates, with the aim of developing inmates' skills and reducing recidivism. These regulations

⁴ Please note that exemption from the Central Purchasing Act does not exempt an entity from the OCI program, as it is created by statute outside the Central Purchasing Act. However, the Oklahoma Department of Tourism and Recreation has a specific exemption from using OCI for furniture, fixtures, equipment and soft goods associated with decor for state parks, lodges, golf courses and tourism information centers (see 74 O.S. § 85.12(F)).

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ensure OCI products meet state standards while promoting self-sufficiency and rehabilitation for inmates. Profits from OCI are reinvested into facility improvements and inmate programming.

If an OCI good or service will not meet the reasonable requirements of an agency, either because of delivery time, quality, price or another reason, the agency can request an exception. Statute states, “Exceptions from the mandatory provisions hereof may be made in any case where, in the opinion of the Office of Management and Enterprise Services, the article or product does not meet the reasonable requirements of or for such offices, departments, institutions or agencies, or in any case where the requisitions made cannot be reasonably complied with.” (57 O.S. § 549.1(l)). However, OCI currently reviews its own exceptions before OMES will intervene.

6.2.3 Statewide contracts

The next step in the purchasing hierarchy, if an item is not available through the State Use Program or OCI, is searching through available statewide contracts. A statewide contract is “a contract for specific acquisitions for a specified period with a provision allowing some or all state agencies and local governmental entities to place orders as the acquisitions are needed for delivery during the period specified.” (74 O.S. § 85.2(30)). These operate as framework agreements established by the Office of Management and Enterprise Services (OMES) for goods or services that multiple state entities need on a recurring basis.

Framework agreements have gained popularity in public procurement as an “attempt to reduce the cost of public procurement.”⁵ (Introduction, Page 4). The term “framework agreement” is an umbrella term for a broad category of commercial agreements that have two necessary stages:

The first stage leads to the identification of one or more suppliers on the basis of a tender or similar offer and conclusion of a framework agreement (in essence, a master contract) for future supply. At the second stage, when the need arises for the subject matter of the framework agreement, the procuring entity places an order or enters into a contract ... for its need with the supplier or suppliers that have entered into the master or framework agreement.

(Introduction, Page 4). The U.S. Federal Acquisition Regulation also utilizes framework agreements, calling them “delivery order contracts”⁶ or “task order contracts.”⁷ Oklahoma uses the “Model 1” type of framework agreement, which is described as “closed, complete, limited framework agreements without second-stage competition.” (Description, taxonomy and motivations for using framework agreements, Page 16). This is recognized by Section 85.7(A)(6)(i), which states that “Competitive bidding requirements of this section shall not be required for ... an acquisition by a state agency pursuant to a contract the State Purchasing Director enters into on behalf of a state agency or awards and designates for use by state agencies.” (74 O.S. § 85.7(A)(6)(i)). When utilizing an Oklahoma statewide contract, the requirement for competitive bidding is satisfied at the first stage, when the statewide contract was created; therefore, a second round of competition is not required when placing an order.

⁵ “The Law and Economics of Framework Agreements” by Gian Luigi Albano and Caroline Nichols.

⁶ FAR 16.501-1 defines a delivery order contract as a contract for supplies that does not procure or specify a firm quantity of supplies (other than a minimum or maximum quantity) and that provides for the issuance of orders for the delivery of supplies during the period of the contract (48 C.F.R. §§ 16.501-1).

⁷ FAR 16.501-1 defines a task order contract as a contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of orders for the performance of tasks during the period of the contract (48 C.F.R. §§ 16.501-1).

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However, agencies are encouraged to ask for multiple quotes if multiple suppliers are available on the statewide contract.

Oklahoma statewide contracts are negotiated to secure favorable terms, pricing and efficiency, allowing all eligible agencies to use the contract without engaging in separate procurement processes. Any agency, city, county, educational entity or other political subdivision can place an order off a statewide contract for any dollar amount without the need for an additional competitive bid. Statewide contracts promote consistency, reduce administrative costs and streamline procurement across state government by centralizing common purchases under one contract framework.

If a mandatory statewide contract exists but will not meet the reasonable requirements of the agency, either because of delivery time, quality, price or another reason, the agency can request an exception. The agency will need to fill out OMES Form CP109 Mandatory Contract Exception Request. The agency should follow all instructions on the form when submitting the request. Being granted an exception from a mandatory statewide contract only means the agency does not have to use the contract; it does not otherwise exempt them from the Central Purchasing Act. If the purchase is over the fair and reasonable threshold, the agency must still comply with competitive bidding requirements of the act or identify an applicable exemption.

6.2.3.1 How to order from an Oklahoma statewide contract

Statewide contracts in Oklahoma are competitively awarded and maintained by the Office of Management and Enterprise Services Central Purchasing division to streamline purchasing and secure favorable pricing and terms for commonly used goods and services. Below is the step-by-step process an agency should follow to place an order using a statewide contract:

1. Identify the appropriate statewide contract.
 - Visit the OMES Statewide Contract Search page to search for the goods or services you need.
 - Review the contract summary, supplier information, pricing and ordering instructions.
2. Contact the supplier.
 - Reach out directly to the contracted supplier listed under the statewide contract.
 - Request a written quote for the specific goods or services you intend to purchase.
3. Ensure the quote includes key information.
 - The quote must reference the relevant statewide contract number.
 - It should include a detailed description of the deliverables, such as:
 - Item names or service descriptions.
 - Quantities.
 - Unit costs and total cost.
 - Any applicable delivery or service timelines.
4. Attach the quote to the purchase documentation.
 - The quote must be attached to either:
 - A PeopleSoft purchase order (PO), or
 - A P-card transaction record, if using a purchasing card.

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- This documentation is critical for audit compliance and verification that the purchase follows procurement rules.

5. Follow internal agency procedures

- Ensure the purchase complies with your agency's internal thresholds and approval processes.
- Some purchases may still require internal review or additional documentation, depending on value and scope.

6.2.3.2 Purchasing computers for IS consolidated agencies

OMES has an established list of standard hardware configurations to promote the standardization of equipment, improve the security of the state's computing environment and realize economies-of-scale cost savings in the procurement and maintenance of computing equipment.

Workstations must be procured from one of the designated configurations approved by OMES IS and deployed via an approved service provider. Deployment of a workstation is included in the procurement and can be requested via an OMES Service Desk ticket

OMES reviews the workstation standards on a regular basis, or as information becomes available from the vendor, to align with agency business needs, ensuring that vendors still support the equipment, verifying pricing and updating the model version if necessary. All devices, whether purchased or leased, must be refreshed on a three-year cycle.

6.2.4 Creating a new contract

If the goods or services that an agency needs are not available through one of the above methods, then the agency will look to create a new contract for their purchase. Acquisition and bid requirements vary based on the dollar value of the purchase. The value of the acquisition is judged by the entire purchase rather than being based on how much is spent in a single fiscal year. An agency cannot divide an acquisition into separate transactions for the purpose of evading the appropriate statutory threshold for competitive bids; this practice is called "split purchasing" and is prohibited by the Central Purchasing Act. Split purchasing can also occur when an agency fails to consolidate a known quantity required for a purchase, the purchases are conducted as separate transactions and the total costs would have exceeded the established statutory competitive bidding thresholds (see 74 O.S. § 85.7(A)(4)). Below are the relevant thresholds and an explanation of how to purchase items within these ranges.

- I. \$0-\$25,000.00: Agencies may make purchases up to \$25,000.00 if the purchase price is fair and reasonable. No competitive bid is required, although Central Purchasing recommends always getting multiple quotes for any purchase.
- II. \$25,000.01-\$50,000.00 (or up to delegated threshold): For purchases costing over \$25,000.00, the agency is required to have a CPO on staff and written internal purchasing procedures approved by the state purchasing director, or the agency must be with OMES Agency Business Services (ABS) for shared services for procurement. If the agency meets these requirements, they may make purchases from \$25,000.01 up to the agency's threshold by creating an event in the designated strategic sourcing system or processing the acquisition as an applicable exemption from competitive bidding.
- III. \$50,000.01+ (or above delegated threshold): If an agency is not wholly exempt from the Central Purchasing Act, it shall send an ePro requisition through the state accounting system for OMES

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review. All IT purchases will first route to the CIO before going to Central Purchasing to oversee the solicitation process or review a proposed exemption.

6.2.4.1 Competitive bidding and solicitation requirements

A competitive bid is a procurement process where multiple vendors submit proposals to supply goods or services, allowing the acquiring agency to evaluate options based on price, quality and other factors. The goal of competitive bidding is to promote fairness, transparency and cost-effectiveness by enabling open competition. This process helps ensure that taxpayer funds are used responsibly, fostering equal opportunity among vendors while securing the best value for the agency. A competitive bid can be for a definite or indefinite quantity as defined by the terms of the solicitation.

6.2.4.2 Understanding competitive bid options in Oklahoma procurement

Choosing the right solicitation method is essential to maximizing competition, minimizing risk and ensuring successful outcomes. Common pitfalls include using the wrong tool for the need, overcomplicating evaluation criteria or failing to clearly define requirements.

By planning strategically, using standardized templates, maintaining clear communication with suppliers and conducting after-action reviews, agencies can continuously improve their procurement approach.

The State of Oklahoma employs a variety of competitive bid methods to ensure fair, transparent and value-driven procurement of goods and services. Each method – RFQ, RFP, RFI and RFSQ – serves a specific purpose depending on the complexity, risk and clarity of the purchasing need.

Request for quote (RFQ)

An RFQ is the most streamlined procurement method and is best suited for clearly defined, low-risk and price-driven purchases of items such as office supplies, IT peripherals or maintenance items. It relies on well-defined specifications and seeks the lowest responsible quote. Using an RFQ offers speed and simplicity but leaves little room for qualitative evaluation or innovation. To succeed with an RFQ, the agency must provide precise specifications and clear pricing expectations to ensure comparability among quotes.

Request for proposal (RFP)

An RFP is used for complex projects or long-term service contracts, or when it is necessary to weight multiple evaluation factors, such as technical approach, experience and cost. An RFP allows suppliers to propose creative solutions and enables the state to select the best value, not just the lowest price. RFPs are ideal when the agency's need isn't fully defined or when negotiation may be required. However, they are resource-intensive and must be carefully managed to avoid ambiguity and evaluator confusion.

Request for information (RFI)

An RFI is a nonbinding market research tool used before a formal procurement process is initiated. It is designed to explore supplier capabilities, understand market trends and assess emerging solutions, which makes it particularly useful for new technologies or undefined scopes. RFIs inform the development of better-targeted RFQs or RFPs, but they must not be

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misused to request pricing or make commitments. When crafted thoughtfully, RFIs are invaluable for reducing risk and improving future solicitations.

Request for statement of qualifications (RFSQ)

An RFSQ focuses on evaluating a supplier's qualifications and expertise without immediately considering price. This method is appropriate for professional services, such as architectural, legal or consulting work, where capability matters more than cost. An RFSQ can be used to support the creation of prequalified pools and identify top candidates for further negotiation. This process ensures quality and fairness, but it may exclude newer or smaller firms if the qualification criteria are too rigid.

Performance-informed procurement strategy (PIPS)

A PIPS contract is a powerful alternative to traditional procurement that shifts the focus from price and technical details to results and performance. It is ideal for situations where agencies want to promote vendor creativity, ensure measurable success and limit risk exposure through clear outcome expectations.

6.2.4.3 Drafting specifications

Drafting detailed specifications is a critical step in any competitive bid process, as they form the foundation of a fair, transparent and successful procurement. Specifications should clearly define the product, service or outcome the agency requires while allowing for sufficient competition and flexibility for qualified vendors to respond. Poorly written or vague specifications can lead to confusion, noncompliant bids, disputes or even failed contracts. To avoid these risks, procurement professionals must carefully balance clarity, detail and neutrality in specification development.

A well-crafted specification should answer the fundamental question: What does the agency need, and what outcome should it achieve? This begins with understanding the operational requirements of the requesting agency and translating them into measurable and verifiable criteria. Specifications should define the required functions, features, materials, performance standards, and applicable codes or regulations. When appropriate, include testing methods, delivery expectations, training, warranty or support requirements.

Importantly, specifications must avoid language that is overly restrictive, proprietary or tailored to a specific brand – unless a brand name or sole source justification has been approved. When referencing a brand for comparison purposes, use terms like “or equal” and specify the essential characteristics that acceptable substitutes must meet. This helps ensure the bid process is open, competitive and in compliance with the Central Purchasing Act and administrative rules.

Specifications should also be aligned with evaluation criteria. For example, if durability or performance speed is important, the specification should define the required threshold, and the evaluation process should reward proposals that exceed this threshold. Including measurable criteria ensures that evaluators can score bids objectively and consistently. Additionally, to ensure accuracy and feasibility, technical specifications should be reviewed with input from subject matter experts, end users, and legal or risk staff.

Lastly, it is important to use clear formatting and structure when drafting specifications. Use bulleted lists, headings and tables where appropriate. Group specifications by category (e.g., general requirements, functional needs, technical standards) and number them for easy

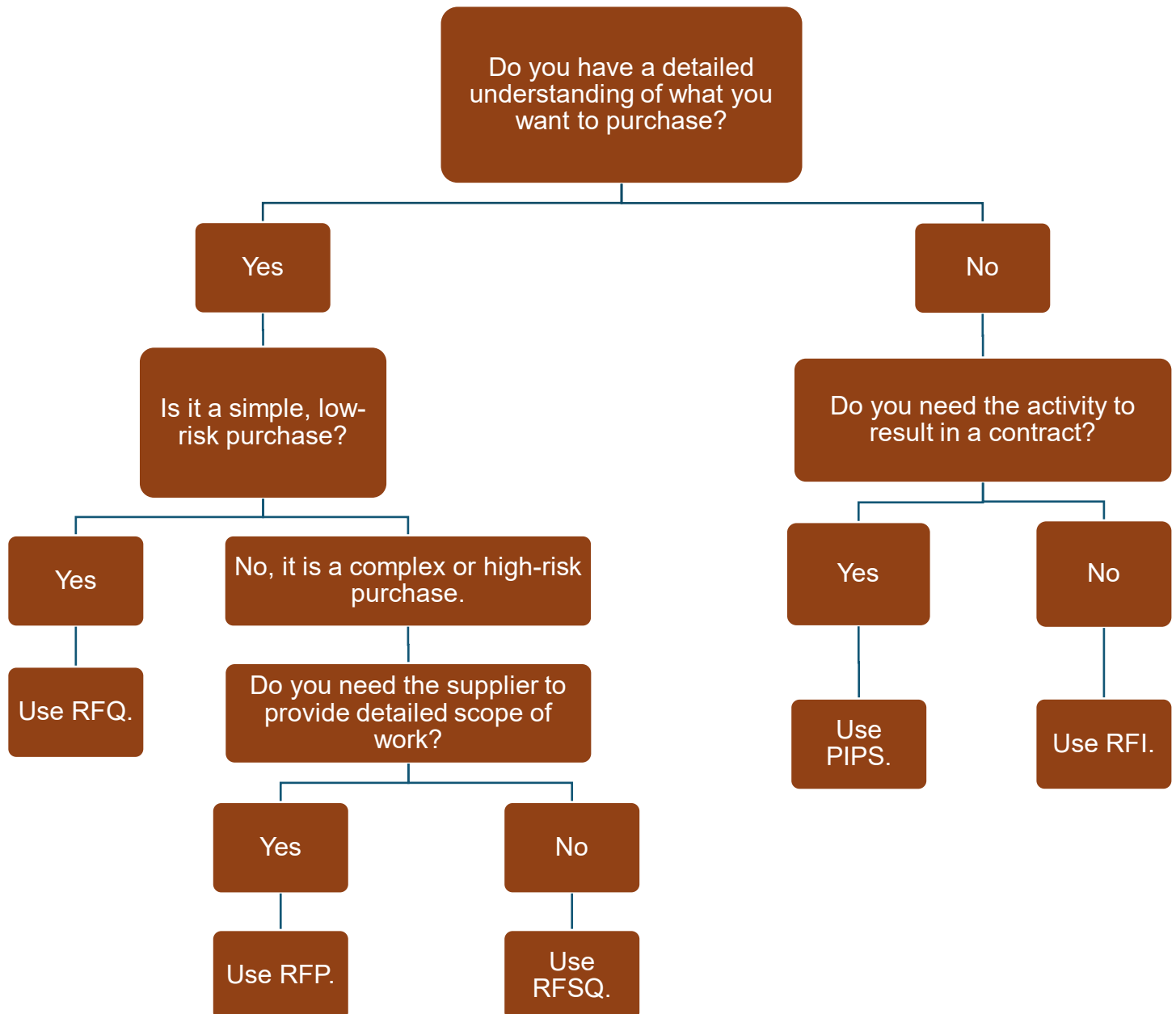
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reference. This improves vendor comprehension and reduces the likelihood of errors in bid responses, supporting a more efficient and successful procurement process.

6.2.4.4 Competitive bid decision tree

The decision tree shown below is intended to assist an agency when deciding which competitive bid tool to utilize for an acquisition.





6.2.4.5 Planning evaluations

6.2.4.5.1 Identity of evaluators

OAC 260:115-7-32 clearly defines the identity and eligibility of evaluators in Oklahoma's competitive procurement process to promote fairness and transparency while avoiding conflicts of interest. According to this administrative rule, any person with relevant expertise or interest in the solicitation's subject matter may serve as an evaluator. This includes employees of the purchasing agency, staff from other state agencies or even external third parties. This rule provides flexibility in assembling evaluation teams, allowing agencies to bring in knowledgeable voices to ensure that bid responses are scored in a well-informed and balanced manner.

However, the rule also establishes clear boundaries to prevent bias or improper influence. Any third party who drafts or evaluates any portion of the solicitation is prohibited from bidding or receiving an award under that same solicitation. Additionally, individuals who were previously employed by – or performed contract work for – a bidder are barred from serving as evaluators. These restrictions protect the integrity of the process and ensure that evaluations are conducted impartially and without undue influence.

The rule also allows for subject matter experts (SMEs) to offer insight or technical input during the evaluation process, even if they are not serving as formal evaluators. These SMEs are required to sign the same conflict of interest and nondisclosure agreements as evaluators to protect confidentiality and prevent undue influence. Importantly, SMEs cannot assign scores to bids and cannot be affiliated with any bidders, either as potential vendors or recipients of the award; their role is purely advisory, helping evaluators make more informed decisions based on technical or specialized knowledge.

In summary, OAC 260:115-7-32 strikes a balance between leveraging the right expertise and maintaining a secure, ethical evaluation environment. It ensures that only qualified, unbiased individuals are involved in the scoring process, while still allowing agencies to draw on outside knowledge when needed, all under strict safeguards against conflict or favoritism.

6.2.4.5.2 Criteria for evaluations

Evaluation criteria are the foundation for how bids and proposals are assessed during a competitive solicitation. They guide evaluators in determining which supplier offers the best value to the state and ensuring the procurement process is fair, transparent and defensible. Evaluation criteria must be aligned with the goals of the solicitation and should reflect the factors most important to the success of the contract, such as price, experience, technical approach or service quality. These criteria must be published in the solicitation documents so that all bidders have advance notice of how their submissions will be judged.

For solicitations where price is the primary concern, such as those involving an RFQ (request for quote), the lowest price from a responsive and responsible bidder is typically the sole evaluation factor. However, in more complex procurements, like those involving an RFP (request for proposal), a best-value approach is more appropriate. This might include consideration of criteria such as vendor qualifications, past performance, staffing plans, technical approach and innovation. In such cases, price remains a factor but is weighed alongside qualitative considerations to ensure the chosen solution meets the agency's budgetary and operational needs.

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Each evaluation criterion should be tied to a scoring method, such as point-based scoring, pass/fail thresholds or ranked weighting. For example, a solicitation might assign 30 points to the vendor's experience, 40 points to the technical proposal and 30 points to the price. This weighting should reflect the priorities of the agency and the risks associated with the project. Evaluation teams must apply the criteria consistently and objectively, with the aim of ensuring all proposals are assessed according to the standards published in the solicitation.

It is essential that the solicitation clearly defines each criterion in sufficient detail so that vendors understand what is expected. Ambiguous criteria can lead to inconsistent evaluations, vendor protests and delays in contract awards. To prevent this, procurement professionals should consult subject matter experts when drafting evaluation factors and provide examples or benchmarks when applicable. Ultimately, strong evaluation criteria result in a competitive process that rewards quality, fosters accountability and ensures the state receives the best return on its investment.

6.2.4.6 Innovative procurement techniques

Innovative procurement techniques, such as advisory down-select, JAM sessions and oral presentations, streamline evaluations by narrowing the pool of offerors early, fostering collaboration with end-users, and replacing lengthy proposals with real-time presentations, respectively. Methods like confidence ratings and streamlined documentation focus on qualitative insights and concise evaluation, while technical challenges and phased evaluations test vendor capabilities and reduce proposal volume. Techniques like draft solicitations and AI-driven market research enhance competition and efficiency. These approaches reduce procurement timelines, improve competition, achieve cost savings and ensure better alignment with mission needs. All these techniques, as summarized below, have been tested by the federal Procurement Innovation Lab (PIL) and can be reviewed in depth at www.dhs.gov/pil.

- I. Advisory down-select:
 - a. **Description:** Notifying low-rated offerors early in the process that they are unlikely to receive an award, allowing them to opt out before submitting detailed proposals.
 - b. **When to use:** When a large number of offerors respond to a solicitation and you need to narrow the field to focus resources on the most competitive proposals.
 - c. **Example:** The USCIS Engineering Support for Identity Services used this technique to reduce 13 quotes to three, saving evaluation time and ensuring a focus on high-quality proposals.
- II. JAM sessions (Joint Application Modeling):
 - a. **Description:** Hosting collaborative workshops with end-users to create mission-focused evaluation criteria or strategies.
 - b. **When to use:** When defining requirements or evaluation criteria for complex procurements that require input from technical experts or operational stakeholders.
 - c. **Example:** FEMA's program support procurement used JAM sessions to finalize evaluation criteria, enabling the team to release a draft solicitation two months earlier than usual.
- III. Oral presentations with interactive dialogue:
 - a. **Description:** Replacing or supplementing written proposals with live presentations, where vendors address evaluation factors and interact with evaluators in real time.

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- b. **When to use:** For procurements requiring clear communication of technical solutions or when written proposals may not fully capture vendor capabilities.
 - c. **Example:** The USDA Forest Service Environmental Services Contract replaced long, written proposals with oral presentations, improving the quality of vendor responses.
- IV. Confidence ratings:
 - a. **Description:** Replacing traditional adjectival ratings with confidence ratings to give evaluators more flexibility and clarity.
 - b. **When to use:** When the goal is to focus evaluations on qualitative insights rather than rigid scoring models.
 - c. **Example:** Used across multiple projects, including ICE Programmatic Support Services, to streamline evaluations and focus on vendor strengths.
- V. Streamlined documentation:
 - a. **Description:** Using concise, bulleted evaluation reports instead of lengthy narratives.
 - b. **When to use:** For procurements with straightforward evaluation criteria or when time to award is critical.
 - c. **Example:** The FEMA Program Support and Workforce Development Contract achieved faster awards by using brief evaluation summaries.
- VI. Technical challenges and demonstrations:
 - a. **Description:** Including a project-related exercise or demonstration to evaluate vendor capabilities in a real-world scenario.
 - b. **When to use:** For technology or services procurements where practical skills are critical.
 - c. **Example:** The USCIS Coding Challenge evaluated vendor capabilities in deploying code to AWS environments, resulting in \$6.2 million in cost savings.
- VII. Market research with AI tools:
 - a. **Description:** Using AI-driven tools to streamline vendor identification during market research.
 - b. **When to use:** For large procurements with a broad market of potential vendors, especially when manual research is time-intensive.
 - c. **Example:** When this was implemented at the federal level, it reduced market research time from 10 hours to 2.5 hours, significantly improving efficiency.
- VIII. Phased evaluations:
 - a. **Description:** Conducting evaluations in multiple stages, focusing on fewer offerors in each stage.
 - b. **When to use:** When dealing with a high volume of proposals or when evaluating complex requirements.
 - c. **Example:** The FLETC Transportation Services Contract reduced 14 proposals to three through phased evaluations, resulting in a high-quality award.
- IX. Request for information (RFI) or draft solicitations shared with industry:
 - a. **Description:** Releasing draft requirements to vendors for feedback before finalizing the solicitation.
 - b. **When to use:** When seeking industry insights to refine requirements or improve competition.
 - c. **Example:** MCC Staff Recruitment Services used this technique to increase vendor participation, improving competition.

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6.2.4.7 Alternatives to a competitive bid

6.2.4.7.1 Piggybacking off an existing agency contract

In public procurement, "piggybacking" refers to the practice of allowing one government entity (such as a state agency, city or school district) to use an existing contract awarded by another government entity to purchase goods or services, typically under the same terms, conditions and pricing. The Central Purchasing Act allows for this when it states that the "State Purchasing Director may designate, for use by state agencies, contracts described in this subsection and contracts awarded on behalf of one or more state agencies." (74 O.S. § 85.5(G)(3)). This process allows an agency to purchase from another agency's competitively bid contract without conducting its own separate solicitation, saving time and administrative resources.

6.2.4.7.2 Cooperative agreements

Cooperative contracting is a valuable procurement tool that allows public entities to leverage competitively awarded contracts from other governmental organizations or cooperative purchasing groups. This approach can reduce administrative burden, lower costs through aggregated buying power, and provide quicker access to goods and services. For Oklahoma state agencies, using cooperative contracts can be particularly helpful when facing tight deadlines, limited internal resources or highly specialized needs.

Under 74 O.S. § 85.7, the State of Oklahoma allows the use of cooperative purchasing agreements provided that the contract being utilized has "complied with competitive bid requirements of the Oklahoma Central Purchasing Act." This means that, while the contract may originate from another jurisdiction (such as another state, a consortium like NASPO ValuePoint, or a national cooperative), the originating procurement process must meet the same competitive standards that would be required if Oklahoma had conducted the solicitation directly.

To utilize a cooperative contract, OMES Central Purchasing must first adopt it as a statewide contract. When deciding whether to adopt a cooperative contract, OMES Central Purchasing reviews the solicitation, evaluation and award documentation to ensure it aligns with Oklahoma's procurement laws. This includes verifying that the contract was openly competed, that the evaluation criteria were disclosed in advance, and that the pricing and terms are advantageous to the state.

Cooperative contracts can be used for both products and services, ranging from IT equipment and software to janitorial services and fleet vehicles. When used properly, cooperative contracting promotes efficiency, consistency and value, helping state agencies meet their needs without duplicating procurement efforts. However, it is essential to exercise due diligence in ensuring the cooperative contract's legality and competitiveness. When done right, cooperative contracting serves as a strategic procurement approach that aligns with Oklahoma's goals of transparency, accountability and responsible stewardship of public funds. To request adoption of a cooperative contract, contact central.purchasing@omes.ok.gov.

6.2.4.7.3 Exemptions from competitive bidding

When an acquisition is exempt from the competitive bidding requirements of the Central Purchasing Act, it means that the agency is permitted to make the purchase without soliciting formal bids or proposals through a standard competitive process. These exemptions are created by statute; therefore, the state purchasing director does not have authority to expand their

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scope. Please note that even when an acquisition is exempt from competitive bidding, agencies must still adhere to documentation and accountability standards, including the requirement to attach CP forms 004 and 005, the Non-Collusion Certification and the no-conflict certification to the acquisition. This certification affirms that the supplier has not engaged in collusion or other prohibited conduct in connection with the transaction, reinforcing transparency and ethical standards regardless of bid exemption status.

- I. All agencies can utilize the following exemptions from the competitive bidding requirements of the Central Purchasing Act:
 - a. Title 18 professional service contracts (74 O.S. § 85.7(A)(6)(a))⁸.
 - b. Postage (74 O.S. § 85.7(A)(6)(c)).
 - c. Court-ordered vendor (74 O.S. § 85.7(G)).
- II. Only the named agency can utilize the following exemptions from the competitive bidding requirements of the Central Purchasing Act for the stated purpose⁹:
 - a. Employees Group Insurance Division of the Oklahoma Health Care Authority: For contracts for master custodian banks or trust companies, investment managers¹⁰, investment consultants and actuarial services. Also for acquisition for design, development, communication or implementation of the state employees' flexible benefits plan, provided that the procedures used for the acquisition are consistent with the competitive bid requirements of the Central Purchasing Act.
 - b. State retirement systems (OFPRS, OPPRS, OPERS, OLERS, OTRS): For contracts for master custodian banks or trust companies, investment managers¹¹, investment consultants and actuarial services.
 - c. Oklahoma State Pension Commission: For the acquisition of pension fund management consultants.
 - d. Commissioners of the Land Office: For the acquisition of pension fund management consultants.
 - e. Oklahoma Insurance Department: For the acquisition of examiners, experts or consultants for the Insurance Department whose job duties are tied to market conduct exams, financial exams and insurance business transfers.
 - f. Oklahoma Office of the State Treasurer: For financial institutions to act as depositories and managers of the Oklahoma College Savings Plan accounts and other professional services.
 - g. Department of Rehabilitation Services: For acquisitions for a client, provided that the agency develops and maintains standards for such an acquisition.
 - h. Oklahoma Attorney General: For structured settlement agreements.
 - i. Committee for Sustaining Oklahoma's Energy Resources: For contracts with a local supplier for the purpose of holding a special event or an exhibition throughout the state.
 - j. Oklahoma Tourism and Recreation Commission: For acquisitions for study, analysis and planning, as reasonably necessary, to aid in determining the

⁸ Contracts for professional services are exempt from competitive bidding requirements. This exemption applies only to those services specifically defined as a professional service in 18 O.S. § 803. This is separate and distinct from the definition of "professional services" within the Central Purchasing Act, as that has a much broader definition.

⁹ All are listed in 74 O.S. § 85.7(A)(6), unless otherwise cited.

¹⁰ If requested, Central Purchasing is required to assist in the process of selecting investment managers (see 74 O.S. § 85.7(A)(6)(a)).

¹¹ If requested, Central Purchasing is required to assist in the process of selecting investment managers (see, 74 O.S. § 85.7(A)(6)(a)).

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feasibility of leasing, selling or privately managing or developing the property or facilities under their control.

- k. Oklahoma State Department of Education: For contracts with educators who are current or retired employees of Oklahoma public school districts (70 O.S. § 3-104.8).
- l. Oklahoma State Bureau of Information: For contracts for the services of a Forensic DNA Technical Manager (74 O.S. § 150.27(C)).
- m. Oklahoma Space Industry Authority: For all purchases (74 O.S. § 5205(D)).
- n. Oklahoma Tax Commission: For contracts to acquire tech systems to authenticate income tax returns and identify fraudulent refund claims (68 O.S. § 264(E)).

6.2.4.7.4 Exceptional circumstances

Certain purchases are exempt from the general rule of competitive bidding. These exemptions can be used by any state agency in the limited scenarios described by statute and are detailed below.

6.2.4.7.4.1 Emergency purchases

For emergency purchases that involve public construction contracts for work done on state-owned property, please consult the section on “Purchasing in Compliance with the Competitive Bidding Act” later in this guide.

For emergency purchases of IT and non-IT goods and services outside the scope of the Competitive Bidding Act, an emergency can include the following, as outlined by 74 O.S. § 85.41A.

- I. An acquisition declared as an emergency by an authorized state agency.
- II. An acquisition to alleviate a serious environmental emergency.
- III. An acquisition of livestock through a market agency, dealer, commission house or livestock auction market bonded or licensed under federal or state law for the acquisition or collection of semen or embryos, and for the placement of embryos into recipient livestock.
- IV. An acquisition by a state agency pursuant to a contract with the United States Army Corps of Engineers for emergency response or to protect the public health, safety or welfare.
- V. An acquisition declared by the Office of Management and Enterprise Services (OMES) Risk Management administrator pursuant to 74 O.S. § 85.58A.
- VI. A condition certified by the governor as an emergency.

The following process for making an emergency purchase must be followed:

- I. An agency employee who discovers the need for an emergency purchase notifies the CPO and agency director of the emergency condition.
- II. The authorized agency director declares an emergency and, if applicable, notifies the proper board/commission with details of the emergency.
- III. If applicable, the board will need to document the emergency in the next regularly scheduled meeting.
- IV. The agency CPO or other staff member locates a suitable supplier and negotiates the scope of work/price.

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- a. **Note:** If the item is on a mandatory statewide contract but it is not feasible to purchase due to an emergent need, the agency does not need to process an exception through OMES Form CP109.
- V. The CPO issues a purchase order or uses a P-card to pay vendors.
- VI. The CPO must notify Central Purchasing within five days of purchases made under this section.
 - a. If a purchase order was used, the notification requirement is complete once a requisition is sent to CP. The requisition must include the facts and circumstances giving rise to the emergency and actions taken, including dollar amounts for goods or services secured to contain the situation.
 - i. The CPO must select that it is an exempt purchase in the requisition and select “ALL - 74 O.S. § 85.41 Emergency Acquisition” in the drop-down menu.
 - ii. For acquisitions that exceed the delegated authority threshold, the requisition will route to Central Purchasing. For emergency acquisitions under the agency threshold, Central Purchasing will capture that data to comply with reporting requirements.
 - b. If a P-card was used, a summary of acquisitions should be sent via email to central.purchasing@omes.ok.gov.

6.2.4.7.4.2 Ratifications

The Statewide Accounting Manual requires an agency's budget dollars to be encumbered. Section 6.8 of the Statewide Accounting Manual states:

Encumbering refers to the setting aside of budget dollars for a specific purpose. Article X § 23 of the Oklahoma State Constitution and state statutes require that all state agencies operate an encumbrance system and prohibit any state agency or official from incurring any obligation in excess of the unencumbered cash balance on hand in their class fundings.

Generally, encumbrance must be completed within 30 days after the purchase date; if a period of 30 days is exceeded, a ratification is necessary. Such ratification is not a process created by statute but is mentioned in Oklahoma Administrative Code (“OAC” or the “Rules”) Title 260, which defines “Ratification of an unencumbered commitment” as “the act of approving an unencumbered commitment made by a state agency and the written agreement documenting the approval.” (OAC 260:115-1-2).

Because a ratification is not created by statute, it is incapable of curing a deficiency in the requirements of competitive bidding outlined in the Central Purchasing Act, 74 O.S. §§ 85.1-85.44E. Therefore, all ratifications must be entered into an ePro requisition in PeopleSoft, and the new ratification form must be signed by the chief administrative officer for the agency. When the ratification is over the agency's threshold, it will be routed to Central Purchasing. Central Purchasing will then review the requisition for inclusion of the required form as well as determine whether the full amount may be paid or if only a portion must be approved. If the acquisition should have been competitively bid, the agency can only pay for goods or services actually received. If the goods or services are needed for an ongoing basis, the agency must comply with the competitive bidding requirements of the Central Purchasing Act. If there is a relevant exemption or it is an order being made off a statewide contract, the remainder of the acquisition can be put on a separate requisition. Follow the PO Type and Origin Quick

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Reference Guide to determine whether the agency or CP will issue the PO. The Transaction Processing unit will no longer accept vouchers for ratifications without a PO being completed first.

When entering a ratification via an ePro requisition, you must select the “ratification” check box when creating your requisition. Even a purchase that can be made by direct PO that needs to be ratified must still be done with a requisition. This is to ensure that all agencies are complying with Article X § 23 of the Oklahoma Constitution as well as the mandates of the state comptroller found in the Statewide Accounting Manual. If the purchase is a sole source or otherwise exempt from competitive bidding, then appropriate selections to indicate that should still be made in the requisition.

A monthly report of all ratifications that should have been competitively bid and therefore violate the Central Purchasing Act may be sent to the governor, the speaker of the House of Representatives, the president pro tempore of the Senate, the Office of the Attorney General and the Office of the State Auditor and Inspector.

6.2.4.7.4.3 Sole source

A sole source acquisition is a method that a state agency may use in acquiring goods and services outlined in 72 O.S. § 85.44D.1 and OAC 260:1155-13. A sole source acquisition “means an acquisition which, by specification, restricts the acquisition to one supplier.” (74 O.S. § 85.2(24)). A competitive bid for goods and services is the preferred method of acquisition. The competitive bid offers the best value for the State of Oklahoma while also affirming whether a product or service is, in fact, a sole source product or service. Agencies shall not enter into a sole source contract with a supplier when that supplier is on statewide contract and the purchase is within the scope of that contract. If an agency has a compelling reason for wishing to pursue a sole source instead of utilizing the statewide contract, the agency must request an exception from this requirement from the state purchasing director.

When submitting an ePro requisition for a sole source, indicate the applicable code from the below table and provide any supporting documentation required to support the sole source acquisition. OMES Form CP002, Sole Source Certification, must also be attached. Please note, OMES Form CP002 must be signed by the chief administrative officer of the agency – this cannot be delegated. The Central Purchasing Act defines a chief administrative officer as “an individual responsible for directing the administration of a state agency.” (74 O.S. § 85.2(6)). Inadequate supporting documentation can cause a delay in processing the certification document. Amendments to a sole source contract that are made within the 12-month contract period and that are within the scope of the original certification do not require a new Sole Source Certification. Amendments to a sole source contract that are made within the 12-month contract period and that are outside of the scope of the original certification do require a new Sole Source Certification made using OMES Form CP002. A Sole Source Certification is good for one year. If a sole source contract has a term of several years, a new form will be required for each renewal.

The table below lists additional sole source acquisition guidelines to aid in the determination of whether a sole source is the proper acquisition method and to provide examples of supporting documentation.

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Code	Reason for sole source	Certification must clearly:
1	Market research clearly shows there is only one responsible supplier and it can be demonstrated that no other supplies or services will satisfy agency requirements.	State why the specified makes, models or unique services are absolutely essential to the agency's requirements and explain what market research was accomplished to clearly establish that only one supplier can provide the supplies or services; also state whether it is copyrighted material.
2	Requirement is for additional units or replacement parts of specified makes and models of technical equipment, and only one vendor is available.	State why the specified makes and models are absolutely essential to the agency requirements, and what market research was accomplished to clearly establish that only one supplier can provide the supplies or services.
3	Agency needs to purchase supplies or services from the original supplier in the case of a follow-on contract, because an award to any other supplier would result either in substantial duplication of costs to the state that would not be recovered through competition, or in unacceptable delays in fulfilling agency requirements.	Provide data, estimated costs and how those costs were derived, extent of delay and impact of delay, and other rationale as to the extent and nature of the harm to the state, (e.g., considerations of license fees, software maintenance support and custom software). Question: Are the same supplier personnel from the last project available to work on this project?
4	Agency has an unusual and compelling urgency for supplies or services, and the state would be seriously injured if the agency were not permitted to limit the number of vendors from which it solicits bid/proposals (e.g., existing software).	Provide data, estimated costs and how those costs were derived, and other rational as to the extent and nature of the harm to the state. (Justification may be prepared and approved within a reasonable time after contract award when preparation and approval prior to award would unreasonably delay the acquisitions.)
5	Agency needs to acquire services of an expert to support a current or anticipated litigation or dispute that involves the state in any trial, hearing or proceeding, whether or not the expert is expected to testify. Examples of such services include, but are not limited to, assisting the state in the analysis, presentation or defense of any claim or request for adjustment to contract terms and conditions, whether asserted by a supplier or the state, which is in litigation or dispute, or which is anticipated to result in dispute or litigation.	Indicate why the source for expert services is absolutely essential to the state's requirements, thereby precluding consideration of other sources.
6	The Legislature names a specific supplier an agency must use either in an appropriation bill or statute.	Provide the relevant bill information and the specific language it contains.

6.2.4.7.4.4 Fixed- and uniform-rate contracts

Fixed- and uniform-rate contracts, as defined by 74 O.S. § 85.7(A)(6)(f), are exempt from the competitive bidding requirements of the Central Purchasing Act. These contracts describe a specific method of procurement and are distinct and separate from other competitively bid contracts that are paid at a fixed or flat rate. Fixed- and uniform-rate contracts must be approved by the Central Purchasing division of the Office of Management and Enterprise Services (OMES) and can only be used by agencies for "those services furnished to persons directly benefiting from such services and shall not be used by a state agency to employ

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consultants or to make other acquisitions.” (74 O.S. § 85.7(A)(6)(f)(2)). This type of contract is used when a competitive bid is effectively rendered ineffective by the number of required service providers or the geographic dispersion of service locations, or when industry standards establish fair rates of the service. A fixed-rate contract establishes a maximum rate at which all qualified contractors providing the same services will be compensated. Please note that fixed- and uniform-rate contracts do not include those professional services as defined in 18 O.S. § 803. Agencies may adopt an OMES-approved fixed-rate service from another agency, provided the same description of the services and rate of compensation is used by the requesting agency. A state agency shall not use the fixed-rate contracting process to employ consultants or purchase products.

The following are some key characteristics of transactions that can be properly purchased using a fixed- and uniform-rate contract: 1) Fixed- and uniform-rate contracts provide direct client services. Client services can include services received by clients or prevention services targeting client populations. 2) A service being considered as a fixed-rate contract must be capable of being provided by multiple providers; service provision is not restricted to one corporate entity. 3) A service being considered as a fixed-rate contract is commonly acquired and has an established cost or value that may be documented in a like or similar marketplace or setting. 4) Services that have established rates, where there are methodologies and payments that are subject to federal review. Agencies shall submit the same documentation as required for the federal review process on such fixed-rate services to OMES. Below are the steps to establish a fixed-rate contract.

Step 1: Submission to OMES.

An agency seeking approval from OMES to create a new fixed- and uniform-rate contract shall submit a written request to central.purchasing@omes.ok.gov. The request shall include the following documentation:

- a. Description of the requested service, including a reference and summary of the federal and state rules, regulations and standards that relate to client service.
- b. Description of the clientele to be served, including the estimated number of clients and the geographic location and dispersion of clients.
- c. Required qualifications of service providers by education, license or experience.
- d. Estimate of the number of service providers required under the contract to meet the needs of the agency based on the volume of clients.
- e. Statement certifying that service provision will not be restricted to one corporate entity.
- f. List of all applicable service industry standards for delivery of the requested service in the region.
- g. Summary statement of justification indicating why the service should be considered as a fixed rate. Specifically explain in the summary statement why the service should not be acquired through the competitive bidding process.

Step 2: Establish the rate.

Upon OMES approval that a service is appropriate to be handled with a fixed- and uniform-rate contract, an agency must establish the proposed rate to be paid for the service by following the process outlined below. **Note:** When a fixed rate is approved at the federal level, the methodologies and payments are subject to

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federal review and approval prior to submission to OMES. In these cases, the agency may submit the same documentation that is required by the approving federal agency. Changes mandated by a federal approving authority may be accomplished by simply notifying OMES of such change.

- a. First, the state agency shall schedule a public hearing. Such public hearing must adhere to the requirements of the Open Meetings Act, 25 O.S. §§ 301-314. The agenda for the meeting must include consideration of the proposed rate. If applicable, agencies shall submit to OMES documentation of federal approval of rates established and regulated by federally approved programs in accordance with section.
- b. Then, the agency must submit the proposed rate to OMES at least thirty (30) days before the state agency is to meet about the proposed rate. OMES shall evaluate the proposal and communicate any observation, reservation, criticism or recommendation to the agency, either in person at the time of the hearing or in writing delivered to the state agency before or at the time of the hearing. The director of OMES shall specifically note in written communications whether they have determined the rate to be excessive. OMES shall present the findings in writing before the public hearing or in person at the public hearing. The notification to OMES shall include:
 - i. A copy of the agenda items regarding the proposed rates.
 - ii. The proposed fixed- and uniform-rate amount, including how the rate was established.
 - a. **Note:** This can include both direct and indirect costs, such as vendor costs, rates or charges; market prices; existing rates offered through insurance, public agencies in Oklahoma or other states for comparable services; national and state indices/data about wages, benefits, capital and transportation; and other relevant program data supporting rates, costs or charges.
 - b. Documentation shall include any administrative fees charged to each direct client, if applicable, and the financial basis (actual cost) for the fees.
2. A copy of the proposed contract that includes the proposed fixed-rate services.
- c. Finally, at the public hearing, the state agency shall read any comments made by the OMES director into the minutes. After discussion and consideration, the agency shall approve or deny the proposed fixed rate.

Step 3: Reporting.

After approval, certain reporting is required. Within two (2) weeks after the convening of the Legislature, the administrative officer of the state agency shall furnish to the speaker of the House of Representatives, the president pro tempore of the Senate and, upon request, to any member of the House or Senate a complete list of all of the types of services paid for by fixed rates, the amount of the rate last approved by the agency for the service, and the number of contracts for each type of service. Any rate that has been determined to be excessive by the director of OMES shall be specifically identified in this report.

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6.2.4.7.4.5 Pay for Success

The Pay for Success (PFS) Program in Oklahoma is a performance-based contracting model that allows the state to partner with private entities to deliver public services in a way that ties payments to measurable outcomes. Established under the Oklahoma Pay for Success Act (62 O.S. §§ 9010.1-9010.5), the program is designed to promote innovation, efficiency and accountability in how public funds are used to address social challenges. To create a new PFS contract, four parties must be involved: 1) the agency, 2) the private supplier, 3) the independent third-party evaluator and 4) the Office of Management and Enterprise Services (OMES).

The agency contracts with the private supplier regarding the funding as well as the performance targets and outcome measures against which the program's success will be measured. The private supplier secures upfront capital from private funding sources. The agency enters a memorandum of understanding (MOU) with OMES to administer the reimbursements to the private supplier pursuant to the contract. Each party's statutory responsibilities are outlined below.

Responsibilities of involved parties.

- I. An agency shall:
 - A. Reach out to OMES at financebudget@omes.ok.gov to confirm there are adequate funds available for the specific service or program.
 - B. Enter a contract with the private supplier meeting the standards set forth in 62 O.S. § 9010.4.
 - C. Determine that the contract will result in public benefit to the state.
 - D. Determine the calculation or algorithm to be used to determine reimbursable success payments to the private supplier.
 - E. Identify the independent third-party evaluator.
 - F. Draft a memorandum of understanding (MOU) between the agency and OMES for payment of funds to the vendor.
 - G. No later than April 1 each year, provide a report to the chairs of the legislative appropriations committee containing the evaluations from the independent third-party evaluator.
- II. A private supplier shall:
 - A. Enter a contract with the agency meeting the standards set forth in 62 O.S. § 9010.4.
 - B. Agree to underwrite or secure upfront capital from private funding sources.
 - C. Agree to fund the specific service or program identified in the contract.
 - D. Meet the performance targets and outcome measures defined in the contract before receiving reimbursable success payments.
- III. An independent third-party evaluator shall:
 - A. Review and issue a report as specified in the Pay for Success contract, no less frequently than annually and due by March 1 each year.
 - B. The reports must specify the degree to which the service or program has met the identified performance targets and outcome measures as set out in the contract.
- IV. OMES shall:
 - A. Enter into a memorandum of understanding (MOU) with agencies who have Pay for Success contracts for the purpose of budgeting and expending the funds in the Pay for Success Innovation Fund.

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- B. Provide payment to private supplier for the delivery of performance targets and outcome measures at the direction of the agency engaged in the contract and only in accordance with the terms of the contract.
 - 1. OMES will use the following exemption when processing the reimbursement to the supplier: 62 O.S. § 9010.4 – Pay For Success Act Contract.
- C. Return unpaid amounts to the agency to which the money was originally appropriated upon expiration of the contract.
- V. OMES internal actions:
 - A. OMES General Counsel: A member of the OMES General Counsel division shall be responsible for drafting and negotiating the memorandum of understanding (MOU) with the pertinent agency. The assigned attorney must receive written confirmation from a member of the OMES Finance team that OMES does have the required funds pertinent to the Pay for Success contract between the agency and private supplier. This confirmation is required before moving to the signature stage of the MOU process. When creating the MOU, the attorney must ensure that the draft:
 - 1. Clearly states whether OMES is a party to the contract, or a signatory attesting to knowledge of the memorandum of understanding (MOU); last updated May 2025.
 - 2. Clearly states who OMES shall pay the funds to.
 - 3. Clearly states that OMES shall pay upon receipt of the independent third-party evaluator's report advising that the private supplier has completed the contracted work and that payment for said work is now required.
 - 4. Clearly states that OMES is neither making any independent decisions about, nor receiving documents from, the private supplier stating that any or all work was completed.
 - 5. Clearly dictates the terms of the memorandum of understanding (MOU) to reflect what is required by statute or the state purchasing director.
 - 6. Designates proper signatories, which will be:
 - a. The director of OMES.
 - b. The director or designated signatory of the pertinent agency.

6.2.4.7.4.6 OMES director authority to waive competitive bidding requirement

The authority of the director of OMES to waive the competitive bidding requirements of the Central Purchasing Act is found in 62 O.S. § 34.62(3), which states, "The Director of the Office of Management and Enterprise Services shall have the power to authorize agencies of the state to make acquisitions without the submission of competitive bids or compliance with the state purchase card program as otherwise required by the Central Purchasing Act, for or on behalf of the state whenever the Director determines that it is in the best interests of the state." The only criterion stated for this authority is that the director determines that waiving the requirement for competitive bidding is in the best interest of the state. An agency cannot request the usage of this exemption; it is granted solely at the discretion of the director of OMES. The director should document the reasoning for exercising this authority and attach such documentation to the relevant requisition, PO or contract.

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6.2.4.7.4.7 State purchasing director authority to waive competitive bidding requirement

The state purchasing director's authority to waive the competitive bidding requirements of the Central Purchasing Act is found in 74 O.S. § 85.7(A)(7), which states, "Notwithstanding any other provision of law, an acquisition may be exempted from requirements of this section by the State Purchasing Director when in the State Purchasing Director's discretion unusual, time-sensitive or unique circumstances exist which make such exemption in the best and immediate interest of the state." There are two criteria that must both be met to utilize this waiver:

- I. An unusual, time-sensitive or unique circumstance exists.
- II. It is in the best and immediate interest of the state to waive the competitive bidding requirement.

If an agency wants to request an exemption under this section to be granted by the state purchasing director, that agency must fill out OMES Form CP082 and submit it to ServiceNow. Prior to approval or denial, statute requires the state purchasing director to publish the form on Central Purchasing's website. If approved, the agency must attach the signed form to the requisition for the purchase.

6.2.4.7.4.8 CIO authority to waive competitive bidding requirement

The chief information officer's authority to waive the competitive bidding requirements of the Central Purchasing Act is found in 74 O.S. § 85.5(G)(5), which states, "The Chief Information Officer ... may negotiate consolidation contracts, enterprise agreements and high technology system contracts in lieu of or in conjunction with competitive bidding procedures to reduce acquisition cost." This means the CIO can waive the competitive bidding requirement for three types of agreements, which are defined in 62 O.S. § 34.11.1(O):

- I. Consolidation contracts ("a contract for several state or public agencies for the purpose of purchasing information technology and telecommunication goods and service").
- II. Enterprise agreements ("an agreement for information technology or telecommunication goods and services with a supplier who manufactures, develops and designs products and provides services that are used by one or more state agencies").
- III. High technology system contracts ("advanced technological equipment, software, communication lines, and services for the processing, storing, and retrieval of information by a state agency").

The decision to grant this exemption is based on the standard of reducing acquisition costs. An agency cannot request the usage of this exemption; it is granted solely at the discretion of the chief information officer. The chief information officer should document the reasoning for exercising this authority and attach such documentation to the relevant requisition, PO or contract.



Section 7: Purchasing in compliance with Title 61: Public Buildings and Public Works

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7.1 Title 61 compliance

State agencies are responsible for complying with Title 61 when acquiring design and construction services to make public improvements on any real property owned by a public agency. For minor construction projects estimated to cost under \$10,000, agencies may select and negotiate with a qualified contractor to provide the service (61 O.S. § 103(D)). Projects under the statutory amount of \$100,000 are considered to be small projects and required to follow the process provided in OMES CAP Form M800 and published on the Capital Assets Management webpage. Projects over the statutory amount must adhere to the requirements of the Public Competitive Bidding Act 1974, inclusive of the notice, solicitation, bid review and evaluation, award and contract.

Consultants such as licensed architects, registered engineers and land surveyors are selected based on their qualifications in accordance with 61 O.S. § 62. A state agency may utilize the Indefinite Delivery Indefinite Quantity (IDIQ) statewide program if the required design services cost below \$250,000 and if the estimated construction cost is under \$2.5 million.

Construction managers and design-builders are also selected based on their qualifications (61 O.S. § 62). OMES Capital Assets Management (CAM) Construction and Properties (CAP) will assist a state agency with determining the best construction delivery method to comply with the appropriate procurement requirements.

The Roof Asset Management Program (RAMP) is a statewide program that is available to state agencies, higher education institutions and political subdivisions to use for the maintenance and replacement of roof systems. This statewide contract is competitively bid and based on unit pricing, with contractors assigned to designated areas across the state. Thus, no solicitation is necessary, and agencies are able to schedule on-site visits and request proposals for review by the agency and CAP according to the RAMP process map on the CAP webpage.

State agencies are responsible for determining if a federal award is being used for design and construction services, and subsequently determining the relevant terms and conditions related to federal awards that the contract(s) must comply with. To assist state agencies that use federal funds, OMES has drafted a Supplemental Conditions attachment (OMES CAP Form A503), which includes general language that serves as a foundation for federal purchasing compliance; however, each agency shall consult their respective legal counsel to determine the terms and conditions a contract must comply with relative to each particular federal award. The CAP project manager will assist with providing this document to the state agency.

7.2 Real Estate and Leasing Services

Real Estate and Leasing Services (REALS) assists state agencies with procuring space by lease or purchase as outlined in the space acquisition process. 61 O.S. § 327 provides statutory requirements for the lease, sale, exchange, acquisition or disposal of real property. All leases for space, regardless of size, type or dollar value, must be authorized by the Office of Management and Enterprise Services (OMES) (OAC 260:95-1-3(d)). The leasing of any non-state-owned property greater than 2,500 sq. ft., or in Tulsa or Oklahoma City, requires advertising. Any free leased space occupied by a state agency, unless otherwise leased from another public agency, requires the authorization of the governor. Agencies are required to utilize the contracts and forms provided by REALS unless an exception has been granted.

Agencies desiring to purchase property must have specific statutory authority to purchase property. Prior approval from OMES is required to purchase property or construct a building if considered to be under OMES jurisdiction; if not considered to be under such jurisdiction, any such purchase will require approval by the Long-Range Capital Planning Commission (LRCPC) (74 O.S. § 61.8(D)).

Section 7: Purchasing in compliance with Title 61: Public Buildings and Public Works



REALS is able to assist state agencies with all aspects of space acquisition, negotiations, space planning, renewals and ongoing contracts. These services may be initiated by submitting a request through ServiceNow; additional information can be located on the REALS webpage.



Section 8: Purchasing in compliance with federal laws when federal dollars are used

Federal law requires non-federal recipients and subrecipients of federal awards to comply with certain statutory and regulatory language, including guidelines for purchases of property, goods and services with federal funds. The U.S. Office of Management and Budget (OMB) issues guidance for federal financial assistance found at Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR, Part 200.0 – 200.521 and is often referred to as the Uniform Guidance. When procuring property and services using federal financial assistance, the Uniform Guidance provides that state entities must follow the same policies they use for procurement with their non-federal funds, along with additional federal regulations which are set out in 200.317. Additionally, each federal award may have its own requirements or exceptions to the Uniform Guidance, so it is the responsibility of each state agency to be familiar with the state procurement laws, the federal regulations and the specific guidelines of their federal award.

Before entering into a contract for property, goods or services with federal funds, it is the responsibility of state agencies to verify that the supplier is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in the contract by any federal or state governmental department or agency. The supplier will also need to certify that neither its principals nor subcontractors, if applicable, have been declared ineligible for participation in federal assistance programs.

To assist state agencies, OMES has drafted Attachment G, which includes general language for Federal purchasing compliance. Attachment G is available on the OMES Central Purchasing website under “Template Contract Documents.” When an agency is pursuing a solicitation and is utilizing federal funds, Attachment G should be included, and a state agency should insert other necessary contractual language in Attachment C: Agency Terms. When an agency is purchasing goods or services through a statewide contract, Attachment G and any other additional terms should be attached to the ordering document or purchase order. For clarity, Attachment G can be used as a starting point, but it will not encompass any specific requirements of the federal award. State agencies will need to consult with their legal counsel to determine what contractual terms and processes are applicable to their federal award to ensure compliance with both federal and state laws and regulations.

Before expending federal funds, state agencies will need to determine whether to classify the entity receiving the funds as a subrecipient or contractor which will determine the agreement between the parties as a subaward or procurement contract. Guidelines for classifying each agreement as a subaward or procurement contract can be found in Section 200.331 of the Uniform Guidance. State agencies may also provide a portion of their federal award to a beneficiary, who is an individual or entity that receives a direct benefit or is the end user, of the project funded by the federal award. Note, the OMES Central Purchasing division does not make this determination on behalf of state agencies, and it does not process or approve agreements between state agencies and subrecipients (subawards) or state agencies and beneficiaries. It is imperative that state agencies consult with their legal counsel to properly classify agreements with other entities to ensure compliance with federal guidelines and state regulations.



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9.1 Creation of Centralized Services

The state Board of Public Affairs was created by the Oklahoma Legislature in 1909, just two years after Oklahoma was granted statehood. In 1992, the board's name was changed to the Department of Central Services (DCS). That entity continued as DCS until 2011, when it was consolidated into what is now known as the Central Purchasing division of the Office of Management and Enterprise Services (OMES).

Originally, the Board of Public Affairs consisted of three persons appointed by the governor, with the advice and consent of the senate, and whose terms of office coincided with the governor's. The governor was given authority to remove any member if, "in his opinion, the public interests may thereby be sub served." Members' salaries were set at \$3,000 per year, and members were prohibited from accepting rebates of any kind. Acceptance of any rebate constituted a felony that was punishable by a fine of up to \$5,000 and a term in the state penitentiary of not less than five nor more than 10 years.

As legislated by its governing statutes, the Board of Public Affairs was authorized to employ such clerical and manual help or assistance as necessary to properly discharge its duties. Those duties were to construct, repair, maintain, insure and operate all buildings used or occupied by or on behalf of the state. The board was directed to contract for building materials and rent buildings and rooms for any state office or officer, and to purchase and acquire furnishings and supplies of every kind and description for use by the state or its officers. It was also required to keep accurate accounts of all property purchased for the state or any of the departments or officers thereof, including both branches of the Legislature.

While the scope of these duties has changed and grown over the years, the duties are still performed today by the Capital Assets Management division of OMES.

During the 1911 legislative session, the Board of Public Affairs was entrusted with additional duties. These new responsibilities required the board to determine the supply needs of state penal, charitable and educational institutions as well as all branches of government, and to report its findings to the Legislature prior to the start of each session; at that time, the Legislature met every other year. The board was also directed to keep records of the location, grade, quality and cost of all building materials produced in the state and to grant preference to Oklahoma-based suppliers.

In 1913, the Legislature transferred the authority of the offices of the Supervisor of Public Printing to the Board of Public Affairs. At this time, the board was instructed to perform an inventory of all state property and maintain those records in their offices. It was also granted the authority to dispose of surplus equipment by transfer from one department to another or through auction to the highest bidder. Additional legislation required the board to designate quarters for every department of the state, acquire tornado and fire insurance for all state-owned buildings, and perfect the titles of all lands owned or claimed by the state.

Two years later, in 1915, the Legislature granted the Board of Public Affairs the authority to transfer or trade any excess goods produced at a state institution for the benefit of that institution.

During the legislative session of 1917, the Board of Public Affairs was granted the authority to sell oil and gas leases on penal or charitable institution lands through a bidding process. Also, in preparation for the opening of the new State Capitol Building, a law was enacted that prohibited driving nails through, boring holes in or marking the walls of the new building without the consent of the board. That law remains in effect today.

With the completion of the State Capitol Building, the 1919 Legislature conferred several new responsibilities to the Board of Public Affairs. It was directed to control all improvements and repairs to the State Capitol Building and to purchase all necessary lighting, plumbing, heating and ventilation supplies. The board was additionally directed to employ janitors, engineers, mechanics, telephone operators and visitor attendants. It was also required to put the House and Senate chambers in order prior to each session.

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Also in 1919, the *Capitol Improvement District* was created, and additional duties related to this district were assigned to the Board of Public Affairs. The board was directed to survey, within a one-mile radius of the State Capitol Building, all land unincorporated by any city of the first class, e.g., Oklahoma City. Within this district, the board was authorized to solicit bids for road construction and tasked with oversight of this significant project. Roads were financed by 10-year special assessment bonds, and assessments came from adjoining property owners. When completed, these roads were deemed part of the State Highway System and maintained by the State Highway Commission. Although much has changed over the years, the district created in 1919 is known today as the *Capitol-Medical Center Improvement and Zoning District*.

In 1923, the Board of Public Affairs was given responsibility for a growing fleet of state automobiles. Its duties included the purchase, maintenance and proper marking of all vehicles. These responsibilities continue today and are carried out by the Capital Assets Management division of OMES.

In 1927, when the Legislature decided to memorialize historic state locations with granite markers, it called on the Board of Public Affairs to procure markers from the Oklahoma State Reformatory in Granite for the Oklahoma Historical Society. A few of these markers still stand today.

Recognizing the changing times and added responsibilities, the 1929 Legislature approved salary increases for the Board of Public Affairs' members. The chairman's salary was increased to \$5,400 per year, and the two members' salaries were increased to \$4,800 per year.

Significant new responsibilities were conveyed to the Board of Public Affairs in 1931. It was authorized to employ or contract with an auditor or auditing company to audit the books, records and files of all state commissions and departments. Once audit reports were completed, they were to be delivered to the governor. The board was also given a one-time appropriation to furnish food, clothing, shelter and general upkeep to orphan children not living in state institutions. The per capita expenditure was not to exceed \$150 per year. In addition, for the first time since its creation, the Legislature removed a duty from the board, as after 1931, the Board of Public Affairs was no longer responsible for the procurement of furniture or supplies for the House and Senate.

In 1936, the board was directed to assign attic space on the sixth floor of the State Capitol Building to Boy Scout Troop 29 for their meetings or play. This troop was known as *The Capitol Troop*.

With the discovery of major oil deposits on public lands in the 1930s, the Legislature entrusted the Board of Public Affairs with the responsibility of ensuring the State of Oklahoma's interests were served in this area. In 1935, the board was authorized to put state land leases out to bid, and with the discovery of oil both under the State Capitol Building itself and on the surrounding state-owned land, the board put those leases to bid in 1937. Special funds were established for the revenues and royalties earned from those leases, and the use of those funds was specified by the Legislature.

During the Great Depression, the federal government established programs to put people to work. In 1936, the governor called a special session of the Legislature that resulted in legislation directing the Board of Public Affairs to build and furnish a new state office building south of the State Capitol Building, on the west side of Lincoln Boulevard. The new building was located due west of the Oklahoma Historical Society building. To finance the project, the board was mandated to apply to the Federal Emergency Administration of Public Works for grants. The Legislature also budgeted up to \$1 million to pay any expenses above the amount of the grant. The board was directed to develop the plans for the building; award the bid to the lowest, responsible bidder; and hire workers who were "bona fide resident laborers of the State of Oklahoma." The result of these efforts was the first of several state office buildings in the Capitol Complex. It was named for Keokuk Falls native, Olympic gold medalist and professional athlete, Jim Thorpe.

When the regular session of the Legislature met in 1937, several new responsibilities were passed to the Board of Public Affairs. It was tasked with running all state hospitals, with the exceptions of University Hospital,



Crippled Children's Hospital and Soldiers Memorial Hospital. Additionally, the board was directed to relinquish possession of specified lands around the State Capitol Building; however, its responsibility for roads in the *Capitol Improvement District* continued. It was authorized to establish and operate diversified industries in state penal and charitable institutions to produce goods for use by the state and other political subdivisions. In general, these goods were not otherwise manufactured in the state. The legislation required the board to hire an industrial agent to supervise and direct these manufacturing enterprises. It was also required to pay workers up to \$0.50 per day. The board consulted with various governmental departments and institutions to establish standards for the quality of the goods produced and mandated that prices could not exceed wholesale market prices for similar products. The board was directed to produce a catalog of these products to be distributed to all state departments, institutions and charitable groups. Goods could only be sold to these groups if the product was not otherwise manufactured in Oklahoma.

9.2 Creation of purchasing regulations

State purchasing law was significantly changed in 1939. New language appeared in legislation which required all purchases made by the State of Oklahoma in excess of \$200 to be competitively bid and awarded to the *lowest and best bidder*.

Inventory responsibility was transferred from the Board of Public Affairs to individual boards, commissions, departments and institutions. Each entity was required to make an annual inventory of all currently held items, record all acquisitions and dispositions, and compare those records with the next annual inventory. The Legislature also authorized 64 new positions for the board and specified salaries for each position. The total annual budget for these salaries was approximately \$99,000.

In 1959, Governor J. Howard Edmondson began to fulfill his “prairie fire” campaign promises to reform state government. One of his many accomplishments was the passage of the *Oklahoma Central Purchasing Act*. Prior to the passage of the act, most purchasing authority was diffused throughout state government. The primary charge against the system at the time was that agency directors, who were generally political cronies, were allowed to dictate the awarding of state contracts. The Central Purchasing Act sought to remedy this situation by creating the position of state purchasing director and providing standard acquisition procedures for the Central Purchasing Division. It also imposed reporting requirements and set penalties for failure to follow the act.

In 1967, a bill was passed that raised the sealed-bid limit for purchasing from \$200 to \$500.

In response to allegations of widespread corruption, particularly related to the awarding of state construction projects, the Legislature passed several bills in 1974 that addressed construction contracting. *The Public Competitive Bidding Act* mandated specific procedures to solicit and award construction contracts for Oklahoma counties, municipalities and schools. Other legislation specified the procedures for hiring architects, engineers and land surveyors. The Legislature also passed the *Anti-Kickback Act*, which set heavy penalties for seeking, receiving or offering kickbacks.

In 1980, in response to the increasing costs of goods and services, the sealed-bid limit for purchasing was raised to \$750. This amount would not be changed again until 1991, when it was raised to \$2,500.

In 1997, to explore additional approaches toward modernizing state purchasing laws and practices, Gov. Frank Keating formed the Fallin Commission. Its mission was to review and recommend changes to Oklahoma's purchasing laws, and its goal was to maximize the use of the state's fiscal and human resources through sound, streamlined processes that preserved the state's procurement integrity. The recommendations put forth by the commission set the stage for the modernization of state purchasing laws and the implementation of best-practice processes used in the private sector.

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As a result of the Fallin Commission's work, the Legislature passed House Bill 1822 in 1998. This bill made sweeping changes to state purchasing laws that allowed agencies, boards and commissions who had certified procurement officers on staff to execute purchases of \$25,000 or less without the involvement of the Central Purchasing Division. Additionally, the revised purchasing laws established safeguards that included reviews of state agencies' acquisitions by the state purchasing director; training and certification of state procurement staff; and the approval of state agencies' internal purchasing procedures by the Department of Central Services director. The measure also established regulations related to sole source acquisitions, professional services contracts and high technology purchases, while it also clarified the definitions of the terms *best value* and *lowest and best bid* as they relate to purchasing policies.

In 1999, the Legislature passed Senate Bill 508, which further reformed the *Central Purchasing Act*. The bill included revisions that rectified problems that had been identified during the implementation of HB 1822 the previous year. SB 508 clarified the differences between sole source acquisitions, which are not competitively bid, and sole brand acquisitions, which are competitively bid but only within a narrow field of suppliers. It also increased the minimum threshold of the purchasing sealed-bid limit from \$2,500 to \$10,000; however, this increase applied only to state agency acquisitions reported to the state purchasing director for professional services contracts, nonprofessional services contracts and contracts for property leasing. The measure authorized the state purchasing director to review all state agency acquisitions, not just those under \$25,000. It increased the fee charged to suppliers for invitations to bid and requests for proposal from \$10 to \$25 per commodity classification. This fee was based on the estimated actual costs of providing the solicitation documents. The bill also consolidated exemptions for higher education, OneNet, and other entities that were not subject to the *Central Purchasing Act*. Additionally, it repealed *buy Oklahoma* language that caused other states to retaliate against Oklahoma suppliers and conflicted with provisions of the North American Free Trade Agreement. The authority to use electronic commerce was also part of the legislation.

Senate Bill 1592 was passed during the 2000 legislative session. This bill expanded the section of the Central Purchasing Act related to the acquisition of computer software and hardware maintenance contracts to permit the state purchasing director to negotiate high technology system contracts, enterprise agreements and consolidation contracts. In addition, the bill amended Open Records Act requirements related to purchasing records. These changes gave the state purchasing director the authority to designate bidders' financial or proprietary information as confidential when the submission of that type of information is required in a bid, proposal or quotation.

The Legislature then passed Senate Bill 1381 in 2002. This bill authorized the director of the Department of Central Services to develop rules governing the use of state purchase cards by state agencies. It expanded the power of the state purchasing director to include the authority to conduct audits of and assess fees to state agencies to recover administrative costs related to training.

In 2003, the Legislature enacted House Bill 1329, also known as the Oklahoma Online Bidding Act. This act gave state agencies the ability to accept bids electronically, while also providing requirements for online bidding and authorizing the Department of Central Services director to establish rules for the online bidding process. The bill stated that all requests for online bids had to be authorized by the *Central Purchasing Act* or the *Public Building Construction and Planning Act* as they pertained to the purchase of goods, services, construction materials or information services. Each agency was allowed to determine when the online bidding process would be more advantageous than other procurement methods provided by law.

House Bill 1393 and House Bill 1593 were also passed in 2003. House Bill 1393 required the state purchasing director to verify that all potential suppliers were eligible to do business in Oklahoma by confirming their registration with the secretary of state prior to the award of any contract exceeding \$25,000. House Bill 1593 required the state purchasing director to verify with the Oklahoma Tax Commission that all businesses selected to receive a state contract had an Oklahoma sales tax permit.

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In 2004, the Legislature passed Senate Bill 1135, which revised language related to the 1% fee assessed on all contracts for products or services for the severely disabled. The Legislation clarified the purpose of the fee and granted the State Use Committee the authority to assess the fee against any qualified organization. The bill also authorized the investment of assets held by the State Use Committee Revolving Fund in any financial instruments in which the state treasurer was authorized by law to invest, and it stipulated that any interest earned on investments was to be retained by the fund.

House Bill 2277, which was also passed in 2004, gave the state purchasing director the power to authorize state agencies to use a state purchase card for acquisitions. Although there was no limit placed on amounts for purchase card transactions, all goods and services purchased had to be listed on a Central Purchasing Division statewide contract. The Office of State Finance, with input from the state purchasing director, was tasked with developing the payment rules and procedures that state agencies were required to follow when using a state purchase card.

Another bill passed in 2004 was House Bill 2197, which required the Information Services Division of the Office of State Finance to work in conjunction with the Department of Central Services to certify that the State of Oklahoma was compliant regarding the accessibility of information technology for individuals with disabilities. This legislation was based on provisions of *Section 508 of the Workforce Investment Act of 1998*. The bill mandated that each state agency ensure that information technology allowed employees, program participants and members of the general public access to information and data comparable to the access available to individuals without disabilities, unless an undue burden would be imposed on the agency. The requirement applied to the development, procurement, maintenance, upgrading, replacement and use of information technology.

To ensure accessibility, the Office of State Finance (OSF) Information Services Division and DCS were directed to adopt accessibility standards and establish evaluation procedures to gauge the accessibility of custom-designed information technology systems prior to the expenditure of any state funds. They were required to review and evaluate the accessibility of information technology products commonly purchased by state agencies and provide accessibility reports on those products to the people responsible for purchasing decisions. Additionally, in partnership with Oklahoma Able Tech, the state assistive technology project located at Oklahoma State University, they were to provide state agencies with training and technical assistance to ensure the procurement of information technology that met the adopted accessibility standards.

OSF Information Services Division (ISD) and DCS were directed to consult with the Oklahoma Department of Rehabilitation Services and individuals with disabilities to develop procedures for rating the accessibility of information technology products and delivering training and technical assistance. The group was also tasked with establishing procedures for handling complaints from individuals alleging that a state agency failed to comply with accessibility requirements. The group was further instructed to work with and seek the advice of the Electronic and Information Technology Accessibility Advisory Council.

House Bill 2197 also required state agencies to submit evidence of compliance with state accessibility standards and authorized the OSF director and DCS director to establish rules for implementing the provisions of the legislation. The bill also added a new section to the *Central Purchasing Act* that required the DCS director to develop language for an Information Technology Access Clause which would become a part of all contracts for the procurement of information technology by, or for the use of, state agencies, as defined by the bill.

In 2008, more progress was made toward the modernization of the *Central Purchasing Act*. House Bill 3325 added definitions for *electronic payment mechanism* and *environmentally preferable products and services*. These terms had become commonplace in the acquisition process as a result of the growth of technology applications and sustainability projects. To bring the State of Oklahoma's procurement terms in line with those used by other state governments and the private sector, definitions were also added for *contractor* and

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solicitation. The bill also expanded the definition of *statewide contract* to allow its use by local governmental entities. Moreover, the measure authorized the state purchasing director, in cooperation with the Office of State Finance and the State Treasurer's Office, to develop an electronic payment mechanism that the state could use to pay for products and services acquired pursuant to the *Central Purchasing Act*. House Bill 3325 expanded the criteria for the use of the state purchase card to allow state agencies to purchase regulated utilities with no limit on the transaction amount, and it also increased state agency acquisition cost thresholds for emergency acquisitions from \$35,000 to \$50,000. In addition, the bill made significant contributions toward streamlining the procurement process and advancing the use of electronic commerce by removing notarization requirements from the statutory bid and contract noncollusion statements.

With so many advances in the procurement process, the Central Purchasing division began a concerted effort to analyze its internal policies and procedures and make changes to correspond with evolving procurement laws and methodologies. A statement of work (SOW) was developed, and the project was divided into three phases. The first phase of the project involved a thorough review of the *Central Purchasing Act* and *Central Purchasing Administrative Rules*. It also included a thorough analysis of the division's organizational structure, the State Purchase Card Program, the use of new technologies, and the Certified Procurement Officer Program for CPO training. Two particularly critical elements were a high-level spend analysis of all state acquisitions and a review of existing financial systems, which identified a variety of savings opportunities and served as the catalyst for changing the way the State of Oklahoma conducted its acquisition activities.

The analysis of internal policies and procedures resulted in:

- An increase in the competitive bidding threshold from \$2,500 to \$5,000 for low-value solicitations, thus reducing transactional activity and associated costs.
- An increase in the purchasing authority of state agencies from \$25,000 to \$50,000, with the authorization of additional purchasing authority not to exceed \$100,000, whenever practical.
- The creation of a *best-practice model* that incorporated written, multiround and intracontract negotiations, resulting in more favorable pricing and other value-added contract outcomes.
- The establishment of quarterly vendor reporting and performance tracking, along with quarterly business reviews.
- The institution of the consistent use of ITBs and RFPs, including clear definitions and guidelines for split purchasing.
- The development of initial spend categories of approximately \$5.8 billion.
- The identification of 23 categories of addressable spend of \$800 million and the selection of six *Spend Smart* categories for the implementation of strategic sourcing processes.
- The review and identification of key gaps in existing financial/data systems to support a strategic sourcing initiative.

In the next two phases of the project, Central Purchasing staff were provided with essential training in best practices for strategic sourcing. With the participation and support of Treya Partners, a procurement consulting company, six *Spend Smart* sourcing initiatives were implemented in a manner that took advantage of the new processes learned during strategic sourcing training. The strategic sourcing initiative resulted in more than \$10 million in savings to the State of Oklahoma, while the \$1.4 million in administrative and operational expenses was fully funded by other resources available to the agency.

In 2009, the passage of House Bill 1170 created the position of chief information officer (CIO) for the State of Oklahoma. The position, to be appointed by the governor, would also serve as secretary of Information Technology and Telecommunications in the governor's cabinet. The CIO was given jurisdictional areas of responsibility related to the information technology and telecommunications systems of all state agencies as defined in the *Oklahoma Information Services Act*.

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The first CIO was tasked with developing a strategy for the transfer, coordination and modernization of all information technology and telecommunication systems. This plan then had to be submitted for approval to the State Governmental Technology Applications Review Board. The legislation gave the CIO sole and exclusive authority and responsibility over all acquisitions of information and telecommunications technology equipment, software products, and related peripherals and services used or consumed by state agencies. The bill authorized the CIO to designate certain contracts for information technology and telecommunications goods and services as mandatory statewide contracts. These mandatory statewide contracts were necessary for the CIO to carry out their assigned powers and duties. The bill included mandates that required that the CIO and OSF ISD abide by the *Central Purchasing Act*, the *Public Competitive Bidding Act of 1974*, the *Oklahoma Lighting Energy Conservation Act*, and the *Public Building Construction and Planning Act*.

The measure amended the responsibilities of the Information Services Division by requiring it to establish and enforce minimum standards for the acquisition of technology-related services, imaging systems, copiers, facsimile systems, printers, scanning systems and any associated supplies. The division was mandated to review and approve all statewide contracts for software, hardware and information technology consulting services. The legislation charged the CIO with the responsibility of enforcing state agencies' compliance with information security and internal control standards. The measure also decreased, from \$25,000 to \$10,000, the maximum amount executive branch agencies could use for computer hardware, software or any contract for information technology services or equipment without written authorization from the CIO.

In that same session, the Legislature passed House Bill 1032, which created the *Oklahoma State Government Modernization Act of 2009*. The act's purpose was to bring new information technologies into accord with laws addressing the transparency and openness of state government. The bill required the director of Central Purchasing to provide the Office of State Finance with a complete electronic list of all state agency purchase card transactions each month. This data was then integrated into Oklahoma's Open Books transparency site. The legislation also included statutory revisions identified by the Central Purchasing Division in its statement of work. The statutory changes involved in this bill increased state agency acquisition authority thresholds; modified acquisition reporting requirements to correspond with the new acquisition thresholds; authorized the state purchasing director to renegotiate existing contracts with suppliers for the purpose of obtaining more favorable terms for the state; and increased the maximum state purchase card transaction amount from \$2,500 to \$5,000.

Furthermore, the act required the state purchasing director to document and report savings realized by each state agency through its application of best-spend practices, including the collection and tracking of spend data, the use of strategic sourcing programs, and the implementation of managed and mandatory statewide contracts. The state purchasing director was also required to provide documentation within the savings report of any reasons for failure to issue a mandatory statewide contract for items that comprised a total statewide spend of \$5 million or greater. The bill also authorized unlimited acquisition thresholds by state agencies whose procurement staff possessed the expertise to purchase goods and services, and who had the necessary legal staff to monitor agency contracts; however, the director of the Department of Central Services had to certify the proposed purchase did not conflict with consolidated statewide spending initiatives. The act also increased the emergency acquisition threshold limit for state agencies from \$50,000 to \$100,000.

In 2010, the Legislature passed House Bill 2332. For transparency purposes, the bill required that Oklahoma institutions of higher education be included in the state purchasing director's monthly report of state purchase card transactions provided to the Office of State Finance. It increased the contract amount subject to verification of a provider's sales tax permit from \$0 to amounts exceeding \$5,000. The measure also required that the Non-Collusion Certification statement be used only for bids and contracts exceeding \$5,000, and the measure deleted language that required payments to the U.S. Postal Service for stamps or P.O. Box rental to be in the form of warrants or checks.

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In 2010, the Central Purchasing Division presented its first savings report to the Office of State Finance as required by House Bill 1032. This first report documented savings in the amount of \$8 million.

In 2011, the passage of House Bill 1034 created the *Information Technology Consolidation and Coordination Act*. This act addressed the reformation and consolidation of statewide information technology operations, including purchasing procedures. The intent was to move state government forward in respect to electronic purchasing, billing and payment services, and other electronic transactions to ensure the state could deliver essential public services to its citizens in the most efficient manner and at the lowest possible cost to taxpayers. The legislation streamlined and consolidated electronic systems for financial and administrative services, with an emphasis on combining the 26 financial systems, 22 employee recordkeeping systems, 17 document imaging systems, 30 data center locations, and 129 different electronic mail and smartphone systems used by the state at the time.

The act prohibited state agencies from spending or encumbering any funds for the rental, purchase, lease, lease-purchase or lease with option to purchase of any information technology goods or services without prior written approval from the CIO. It directed the CIO, beginning in Fiscal Year 2013, to provide a report detailing the savings to taxpayers resulting from the act. It also directed the CIO to review the legislation and recommend changes to the OSF director and governor for inclusion in the next executive budget submitted to the Legislature. Beginning July 1, 2011, the bill required all appropriated and nonappropriated state agencies to use specific information technology services and systems for their data service centers, networking services, communication and intercommunication services, electronic mail systems, and security systems. House Bill 1034 expanded the criteria for use of the state purchase card to include interagency payments and professional services, such as those provided by physicians, veterinarians, attorneys, architects, etc. It also required state agencies to evaluate the performance of all professional service contracts exceeding the *fair and reasonable* dollar threshold.

Also in 2011, an agency consolidation bill was passed: House Bill 2140 consolidated the Department of Central Services, Office of Personnel Management, Employee Benefits Council and Oklahoma State and Education Employees Group Insurance Board into the Office of State Finance. This measure authorized the OSF director to consolidate the administrative functions of the agencies into a single administration under the authority of OSF and also reallocated each agency's state-appropriated funds to the OSF. The legislation addressed anticipated savings as a result of its enactment and required the OSF director to both demonstrate a 15% overall cost reduction (based on appropriated funds) as a result of the consolidation and produce a cost reduction report to be included in the governor's executive budget for Fiscal Year 2013. The report was to detail the sources and estimated savings produced by the consolidation.

The bill also directed the OSF director to provide the Legislature with recommendations for streamlining, reducing or eliminating the administrative structures, and it statutorily established leadership positions for each of the consolidated agencies. It mandated the OSF director to assume the responsibilities of the director of the Department of Central Services and clarified that the title, "Director of Public Affairs," would apply to the director of the Office of State Finance. The act also expanded the OSF director's responsibilities to include those of the director of the Department of Central Services and authorized the director of the Office of State Finance to hire the state purchasing director. Lastly, the bill provided the OSF director with the authority to establish rules under the *Central Purchasing Act*.

House Bill 1086, also known as the *Transparency, Accountability and Innovation in Oklahoma State Government 2.0 Act of 2011*, required that all payments made by the state treasurer be conveyed by an electronic payment mechanism unless specifically exempted. The bill established the Oklahoma State Government IT Project Monitoring and Transparency Initiative and required the CIO to develop and maintain an application that would allow the public to monitor the status of every information technology project in excess of \$100,000. It also required regular reporting to provide the public with such projects' estimated completion times, deliverables and costs.

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The measure created a new section in the *Central Purchasing Act* that required the Central Purchasing Division to collaboratively develop an online application that would provide public, two-way communication between procurement officers and vendors. Central Purchasing was directed to provide editing access to all interested potential bidders and viewing access to the public. Additionally, agency-level procurement officers were authorized to use the application to report items available for purchase at a cost that was less than that of comparable products on a mandatory, statewide purchase contract.

A complete revision of the *Central Purchasing Administrative Rules* became effective July 1, 2011. This revision incorporated recommendations from all state agencies and their procurement professionals and integrated the best purchasing practices of each agency. It also incorporated the best purchasing practices of other states, the American Bar Association and the National Association of State Procurement Officials. Also in 2011, Central Purchasing submitted its second savings report required by House Bill 1032; reported savings were nearly \$14 million.

The implementation of House Bill 2140 continued into 2012. The Central Purchasing Division was separated from the DCS and formed into a new division of the Office of Management and Enterprise Services. The remaining business units of DCS were combined into a new division called the Department of Capital Assets Management (DCAM). A voluntary buyout was offered to the employees of the former Central Purchasing Division. The division experienced a 31% turnover, with many retirement-eligible employees accepting the buyout proposal. A complete reorganization of the division was completed to align responsibility with accountability. Buyers from other state agencies were hired to bring a new customer perspective to the division. The separate responsibilities of strategic sourcing employees and statewide contracting officers were combined into a statewide acquisitions team, and all agency contracting responsibilities were transferred to this new team. The transferred assets included 29 statewide IT contracts and three full-time positions.

Other legislation passed in 2012 included House Bill 2197 and House Bill 2646. House Bill 2197 gave the state purchasing director the authority to form an advisory committee composed of entities exempted from the provisions of the *Central Purchasing Act*. The bill also removed language that obstructed the state purchasing director's effort to explore more cost-effective contracts for travel services. House Bill 2646 provided for the appointment of two additional members to the State Use Committee. The new members would represent state agencies that use contracts issued through the State Use Program.

Central Purchasing turned in its third cost savings report in 2012. Savings of more than \$17 million were reported. Additional savings of approximately \$1.3 million were achieved by the acquisitions team through strategic sourcing methods for acquisitions that exceeded individual agency authority.

House Bill 1464, enacted in 2013, gave the state purchasing director the authority to make purchases through an exemption process for unsolicited offers. The bill also required public posting of the intent to purchase through the transparency portal, as provided in 62 O.S. § 34.11.2. This addition to the *Central Purchasing Act* provided the state purchasing director with the flexibility to explore other avenues of cost savings for the state. The measure modified verbiage in 74 O.S. § 85.33 that allowed the Office of Management and Enterprise Services to waive the \$25 registration fee required for suppliers to conduct business with the state. Additionally, the bill authorized the director of the Office of Management and Enterprise Services to adjust the reimbursement for overnight lodging when it is determined that no lodging is available at the maximum rate set. This provision addressed the difficulty in finding lodging – particularly in western Oklahoma – that satisfied the state's lodging per diem rate; this difficulty was due to increased hotel/motel occupancy that resulted from the increase in workers in the oil and gas and wind farm industries.

Also in 2013, House Bill 1987 sanctioned the use of the State Purchase Card Program by Oklahoma county governments as authorized by the state purchasing director; Senate Bill 461 defined the term *purchasing cooperative* and mandated they comply with all provisions of the *Central Purchasing Act*; and Senate Bill 630 required each bid submission to include certification that neither the bidder nor anyone subject to the bidder's

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direction or control has been a party to any efforts or offers from any government officials or others to create a sole source or sole brand acquisition.

Between 2016 and 2019, the Legislature added several opportunities for exemptions from the Central Purchasing Act, but no other substantive changes were made.

In 2020, the Legislature passed Senate Bill 1422, which introduced a broad set of reforms to modernize and streamline the Central Purchasing Act. Notably, this legislation increased two key thresholds: 1) The fair and reasonable amount was increased from \$5,000 to \$25,000 and 2) the maximum amount to which the state purchasing director could increase an agency's purchasing threshold was increased from \$100,000 to \$250,000. This bill also removed language adding specific requirements for staffing in the Central Purchasing office to allow the state purchasing director to hire necessary personnel. Many other changes were made to update the act to encourage oversight and efficiency in purchasing.

In 2023, the Legislature removed several of the Oklahoma Tourism and Recreation Department's exemptions and moved its remaining exemption within the Central Purchasing Act. Then, in 2024, the Legislature added an additional certification requirement for contractors and subcontractors.

Beginning Nov. 1, 2025, a new section of Oklahoma law – codified as 74 § 3102.1 under House Bill 2164 – will impose stricter rules on how state officers and employees must handle potential conflicts of interest involving private economic interests.

At its core, the law prohibits any state employee or officer from participating in official actions – such as making decisions, approvals, investigations or recommendations, or even offering advice – if they, a member of their immediate family or a related private entity stand to gain financially from the outcome. The term “associated nongovernment entity” is broadly defined to include any nonprofit, charitable organization or private business in which the officer or their family member holds a financial stake, has earned income, serves in a leadership or employment role, or is pursuing future employment. It also encompasses public companies of which any such individual owns at least 5% or serve as a director or officer.

“Immediate family members” are defined extensively to include not just spouses, children and parents, but also grandparents, siblings, in-laws and step-relations. A “private economic interest” is any financial benefit, advantage or potential loss that could reasonably result from an official decision. However, this excludes interests in diversified retirement accounts like 401(k)s or IRAs over which the individual has no control.

The law goes beyond simply defining conflicts – it also mandates action. If a state employee or officer finds themselves in a situation where such a conflict exists, they must, within 30 days of realizing the issue or before any related official action is taken (whichever comes first), prepare a certified written statement outlining the nature of the conflict. They must give this statement to their superior, who will then reassign the matter and submit the disclosure to the Oklahoma Ethics Commission. If the person has no superior, they must file directly with the commission. For elected officials or agency heads, the disclosure must also go to the governing body, be entered into the meeting minutes and result in full recusal from the matter.

Violations of this law carry serious consequences. Knowingly and willfully participating in a matter where a conflict exists is a felony that is punishable by up to 10 years in prison, a \$10,000 fine, or both, and permanently bars the offender from holding public office in the state. Failing to disclose and recuse from a known conflict is a misdemeanor that carries punishment of up to a year in jail or a \$1,000 fine.

In addition to criminal penalties, any contracts or decisions made in violation of the law are automatically void, and such violations can also be grounds for dismissal or removal from office. However, the law provides a narrow exception: If the action in question affects the public generally, or a large group – such as a profession or occupation – in the same way as it would affect the official or their associates, then it is not considered a violation.

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Finally, the law makes clear that it does not override stricter internal policies that agencies may already have or wish to implement in the future. These enhanced standards are meant to complement existing ethics laws and ensure that state government operates free of undue influence and conflicts of interest.

In closing, the Central Purchasing division continues to strive for innovation and efficiency through processes that maximize taxpayer dollars. As we approach future legislative initiatives, Central Purchasing will continue to work toward providing the best services while adhering to best purchasing practices in an effort to better serve the citizens of Oklahoma.



Appendix A: Required attachments by transaction type

Every ePro requisition and PO requires attachments, and, at a minimum, should include a pricing document. OMES Form CP004, Certification for Competitive Bid and/or Contract (Non-Collusion Certification), shall be included with any competitive bid or contract exceeding \$25,000.00 that is submitted to the state for goods or services, unless the transaction is wholly exempt from the Central Purchasing Act. Transactions that are only exempt from the competitive bidding requirements in the Central Purchasing Act must still be accompanied by this form. An agency may also integrate the certification language into the relevant contract; if this is done, CP may reach out for clarification on where the certification language is. Please note that integrating the language into a contract instead of using OMES Form CP004 may cause a delay in processing, as it requires more review time. Below are the types of required attachments in PeopleSoft for each type of transaction.

- I. Solicitation – refer to Central Purchasing Solicitation Intake Checklist.
- II. Sole source – the following items shall be attached to every ePro requisition for a sole source acquisition:
 - i. A Sole Source Certification Form (OMES Form CP002) that shall be signed by the agency's chief administrative officer thereby affirming the submitted information is true and accurate. The form shall be retained in the agency contract file. The form shall not be dated more than sixty (60) days prior to the initial acquisition.
 - a. Please note, OMES Form CP002 must be signed by the chief administrative officer of the agency; this cannot be delegated. The Central Purchasing Act defines chief administrative officer to mean "an individual responsible for directing the administration of a state agency." (74 O.S. § 85.2(6)).
 - ii. A Non-Collusion Certification (OMES Form CP004). Note: This is embedded in OMES Form CP024, so if those terms are used, this form is not additionally required.
 - iii. Contract terms and conditions:
 - a. General term options:
 1. A terms and conditions document negotiated by the agency; or
 2. Sole Source Terms and Conditions (OMES Form CP024). This form may be modified to reflect any negotiated terms of the transaction. Note: If using OMES Form CP024, a Non-Collusion Certification is not additionally required.
 - b. IT terms: For IT acquisitions, the state's IT terms and conditions must be included, along with the hosting agreement, if applicable.
 - iv. A Certificate of Insurance that satisfies the insurance limit requirements in the contract terms.
- III. Change order – the agency processes ALL change orders. Change orders to a PO that Central Purchasing previously approved must now be processed internally by the agency. If a PO was previously approved by CP, the PO Origin can be updated to CHG to bypass CP approvals. When building your requisition, you must select the magnifying glass under Flags and then select Change Order. You must still attach a pricing document to the requisition to document your transaction. When the requisition is sourced into a PO, you must select the PO Type based on the PO Type and Origin Quick Reference Guide, then select CHG as the origin (regardless of the original origin). Central Purchasing will push back any change orders that you should be processing internally. Additionally, you should update the buyer on the PO to an agency buyer to ensure that you are getting all relevant notifications about that PO. When changing the buyer, you will be shown a notice indicating that changing the buyer will change certain defaults; select cancel on this box.
- IV. Authority orders (AO), both IT and non-IT, require:
 - i. An attached estimate of anticipated or expected purchases, and
 - ii. Recent invoices or a SW Pricing Schedule, whichever is applicable.
- V. Common exemptions that apply to all agencies:



- i. All purchases completely exempt from the Central Purchasing Act over \$25,000 do not require the submission of an OMES Form CP004. These include:
 - 1. Interagency
 - a. A pricing document that has not expired.
 - b. A contract/agreement, if applicable, listing the contract term.
 - 2. Pass-through payment to beneficiary or subrecipient
 - a. A Grant Award Notice.
 - b. A contract to show who payment will be issued to.
 - 3. GSA
 - a. A copy of the GSA quote.
 - 4. Agency-specific exemptions
 - a. A pricing document that has not expired.
 - b. A contract/agreement, if applicable, listing the contract term.
 - 5. Regulated utilities
 - a. A pricing document.
 - b. An attached list of account numbers and addresses where service is provided.
- VI. Purchases that are only exempt from competitive bidding over \$25,000 still require the submission of an OMES Forms CP004 and CP005. These include:
 - 1. Fixed- and uniform-rate contracts
 - a. A pricing document that has not expired.
 - b. A fixed-rate approval letter from OMES.
 - c. A contract/agreement, if applicable, listing the contract term.
 - d. OMES Form CP004.
 - 2. Professional services contract
 - a. A pricing document that has not expired.
 - b. A contract/agreement, if applicable, listing the contract term.
 - c. OMES Form CP004.
- VII. Release from PeopleSoft contract (either statewide or agency), including the Computer Ordering Widget (COW), requires:
 - i. A pricing document that has not expired and which includes the SW contract number.
- VIII. Agency contract amendment requires:
 - i. The original contract.
 - ii. An explanation of the necessary change.
- IX. Fair and reasonable requires:
 - i. A pricing document that has not expired.
- X. Agency contract (not in PeopleSoft) requires:
 - i. A pricing document that has not expired.
 - ii. A contract/agreement, if applicable, listing the contract term.
- XI. Ratifications require:
 - A. A separate ePro requisition for each ratification.
 - B. An attached OMES Form CP131, Ratification of an Unencumbered Purchase.
 - C. Attached invoice(s).
 - D. The timeframe covered by ratification.
- XII. Direct POs require:
 - i. A pricing document that includes a detailed summary of all deliverables.
 - ii. OMES Form CP004, if over \$25,000.



Appendix B: PO Type and Origin Reference Guide

Depending on an agency's approved purchasing authority, the delegated monetary procurement amount may vary.

Type of purchase	PO type	Origin	Amounts approved by	Issued by
Regulated utilities	UTIL	EXC	Agency CPO	Agency
Release against a PeopleSoft contract (statewide, State Use or agency)	RLSE	EXC	Agency CPO	Agency
IT release against a statewide contract	ITRL	OSF	OMES IS or delegate of CIO	Agency
Government (interagency)	IAGY	EXC	Agency CPO	Agency
IT government (interagency)	ITAG	OSF	OMES IS or delegate of CIO	Agency
Fixed-rate ≤ \$50,000	FXRT	AGY	Agency CPO	Agency
Fixed-rate > \$50,000	FXRT	CP	CP	CP
Professional SVC Title 18 ≤ \$50,000	PROF	AGY	Agency CPO	Agency
Professional SVC Title 18 > \$50,000	PROF	CP	CP	CP
IT professional services ≤ \$50,000	ITPR	OSF	OMES IS or delegate of CIO	Agency
IT professional services > \$50,000	ITPR	OSF	OMES IS or delegate of CIO	CP
Authority order	AO	EXC	Agency CPO	Agency
P-card authority order	PCAO	EXC	Agency CPO	Agency
IT P-card authority order	PCAO	OSF	Agency CPO	Agency
IT authority order	ITAO	OSF	OMES IS or delegate of CIO	CP
Lease/purchase agreements ≤ \$50,000	LSPU	AGY	Agency CPO	Agency
Lease/purchase agreements > \$50,000	LSPU	CP	CP	CP
GSA ≤ \$50,000	GSA	AGY	Agency CPO	Agency
GSA > \$50,000	GSA	CP	CP	CP
Purchases made by ODVA under 72 O.S. § 221.4	GSAV	CP	Agency CPO	Agency
Sole source/brand ≤ \$50,000	OMKT	AGY	Agency CPO	Agency
Sole source/brand > \$50,000	OMKT	CP	CP	CP
IT sole source/brand ≤ \$50,000	ITOM	OSF	OMES IS or delegate of CIO	Agency
IT sole source/brand > \$50,000	ITOM	OSF	OMES IS or delegate of CIO	CP
Open market ≤ \$50,000	OMKT	AGY	Agency CPO	Agency
Open market > \$50,000	OMKT	CP	CP	CP

Appendix B: PO Type and Origin Reference Guide



Type of purchase	PO type	Origin	Amounts approved by	Issued by
IT open market ≤ \$50,000	ITOM	OSF	OMES IS or delegate of CIO	Agency
IT open market > \$50,000	ITOM	OSF	OMES IS or delegate of CIO	CP
Emergency Title 74	EM74	EXC	Agency CPO	Agency
Grant payment to subrecipient	SUBR	AGY	Agency CPO	Agency
Payee or beneficiary of a payment including pass-throughs	PYE	EXC	Agency CPO	Agency
ODOT purchase pursuant to Title 69	DOT	EXC	Agency CPO	Agency
Non-IT purchases exempt from Central Purchasing Act ≤ \$50,000	EXMT	AGY	Agency CPO	Agency
Non-IT purchases exempt from Central Purchasing Act > \$50,000	EXMT	EXC	CP	CP
Purchases by Oklahoma Broadband Office using only ARPA funds	ARPA	EXC	CP	Agency
Change to any PO that CP has previously approved	Refer to above list	CHG	Agency	Agency

Type of purchase	PO type	Origin
Emergency Title 61	EM61	CAP
Property lease	PLSE	LSG
Construction and Properties ≤ \$10,000	CAP	AGY
Construction and Properties = \$10,001-\$100,000	CAP	CAP
Construction and Properties ≥ \$100,001	CAP	CAP