



OKLAHOMA
Office of Management
& Enterprise Services

Central Purchasing

PROCUREMENT INFORMATION MEMORANDUM

Subject: Processing ratification agreements
Effective date: August 1, 2024
Issued by: Amanda Otis, Esq., State Purchasing Director

I. Introduction

As a means of disseminating relevant state procurement information to state entities, the Central Purchasing Division of the Office of Management and Enterprise Services issues Procurement Information Memoranda. To the extent any information in this Procurement Information Memorandum (“PIM”) conflicts with information in a previously issued memorandum, the information in this PIM controls.

II. Background

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.

Statewide Accounting Manual § 6.8. Generally, encumbrance must be completed within 30 days after the purchase date; however, if 30 days is exceeded, a ratification is necessary. *Id.* A ratification is not a process created by statute but is mentioned in the Oklahoma Administrative Code (“OAC” or the “Rules”) Title 260, which defines “Ratification of an unauthorized commitment” as “the act of approving an unauthorized commitment made by a state agency and the written agreement documenting the approval.” OAC 260:115-1-2.

III. Directive

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 review the requisition for inclusion of the required form as well as determining 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 off a statewide contract, the remainder of the acquisition can be put on a separate requisition. Follow the PO Type/Origin Quick 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.

IV. Practitioner Comments

- A. In Peoplesoft you must select the "ratification" checkbox when creating your requisition. This box will be available by the effective date of this PIM
- B. Even a purchase that can be made by Direct PO under the relevant PIM 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.
- C. 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.
- D. A monthly report of all ratifications that violate the Central Purchasing Act will be sent to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Attorney General's Office and the State Auditor and Inspector. For questions regarding this or any PIM, please contact central.purchasing@omes.ok.gov.
- E. All ratifications must be entered as a separate ePro requisition from the remainder of the purchase if only a portion of the purchase is ratified.
- F. Change orders are not allowed on POs with a ratification line.