

**SENATE FLOOR VERSION**  
February 19, 2025

SENATE BILL NO. 1014 By: Stewart

An Act relating to public buildings and public works; amending 61 O.S. 2021, Section 103, as amended by Section 23, Chapter 228, O.S.L. 2022 (61 O.S. Supp. 2024, Section 103), which relates to the Public Competitive Bidding Act of 1974; requiring local bid preference for certain public construction contracts; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 61 O.S. 2021, Section 103, as amended by Section 23, Chapter 228, O.S.L. 2022 (61 O.S. Supp. 2024, Section 103), is amended to read as follows:

Section 103. A. Unless otherwise provided by law, all public construction contracts exceeding One Hundred Thousand Dollars (\$100,000.00) or construction management trade contracts or subcontracts exceeding Fifty Thousand Dollars (\$50,000.00) shall be let and awarded to the lowest responsible bidder, by open competitive bidding after solicitation for sealed bids, in accordance with the provisions of the Public Competitive Bidding Act of 1974. No work shall be commenced until a written contract is

1   executed and all required bonds and insurance have been provided by  
2   the contractor to the awarding public agency.

3           B. Notwithstanding subsection A of this section, in awarding  
4   public construction contracts exceeding One Hundred Thousand Dollars  
5   (\$100,000.00) or construction management trade contracts or  
6   subcontracts exceeding Fifty Thousand Dollars (\$50,000.00),  
7   counties, cities, other local units of government and any public  
8   trust with a county or a municipality as its sole beneficiary ~~may~~  
9   shall provide for a local bid preference of not more than five  
10   percent (5%) ~~of the bid price if the awarding public agency~~  
11   ~~determines that there is an economic benefit to the local area or~~  
12   ~~economy. Provided, however, the local bidder or contractor must~~  
13   agree to perform the contract for the same price and terms as the  
14   bid proposed by the nonlocal bidder or contractor. ~~Any bid~~  
15   ~~preference granted hereunder must be in accordance with an~~  
16   ~~established policy adopted by the governing body of the awarding~~  
17   ~~public agency to clearly demonstrate the economic benefit to the~~  
18   ~~local area or economy. Provided, further, no local bid preference~~  
19   shall be granted unless the local bidding entity is the second  
20   lowest qualified bid on the contract. The bid specifications shall  
21   clearly state that the bid is subject to a local bidder preference  
22   law. For purposes of this section, "local bid" means the bidding  
23   person is authorized to transact business in this state and  
24   maintains a bona fide establishment for transacting such business

1 within this state. This provision does not apply to any  
2 construction contract for which federal funds are available for  
3 expenditure when its provisions may be in conflict with federal law  
4 or regulation.

5 C. Except as provided in subsection E of this section, other  
6 construction contracts for the purpose of making any public  
7 improvements or constructing any public building or making repairs  
8 to the same for One Hundred Thousand Dollars (\$100,000.00) or less  
9 shall be let and awarded to the lowest responsible bidder by receipt  
10 of written bids or awarded on the basis of competitive quotes to the  
11 lowest responsible qualified contractor. Work may be commenced in  
12 accordance with the purchasing policies of the public agency.

13 D. Except as provided in subsection E of this section, other  
14 construction contracts for less than Ten Thousand Dollars  
15 (\$10,000.00) may be negotiated with a qualified contractor. Work  
16 may be commenced in accordance with the purchasing policies of the  
17 public agency.

18 E. The provisions of this subsection shall apply to public  
19 construction for minor maintenance or minor repair work to public  
20 school district property. Other construction contracts for less  
21 than Twenty-five Thousand Dollars (\$25,000.00) may be negotiated  
22 with a qualified contractor. Construction contracts equal to or  
23 greater than Fifty Thousand Dollars (\$50,000.00) but less than One  
24 Hundred Thousand Dollars (\$100,000.00) shall be let and awarded to

1      the lowest responsible bidder by receipt of written bids. No work  
2      shall be commenced on any construction contract until a written  
3      contract is executed and proof of insurance has been provided by the  
4      contractor to the awarding public agency.

5            F. The Construction and Properties Division of the Office of  
6      Management and Enterprise Services may award contracts using best  
7      value competitive proposals. As used in this subsection, "best  
8      value" means an optional contract award system which can evaluate  
9      and rank submitted competitive performance proposals to identify the  
10     proposal with the greatest value to the state. The Office of  
11    Management and Enterprise Services, pursuant to the Administrative  
12   Procedures Act, shall promulgate rules necessary to implement the  
13   provisions of this subsection.

14           G. 1. A public agency shall not let or award a public  
15   construction contract exceeding One Hundred Thousand Dollars  
16   (\$100,000.00) or a construction management trade contract or  
17   subcontract exceeding Fifty Thousand Dollars (\$50,000.00) to any  
18   contractor affiliated with a purchasing cooperative unless the  
19   purchasing cooperative and the contractor have complied with all of  
20   the provisions of the Public Competitive Bidding Act of 1974,  
21   including, but not limited to, open competitive bidding after  
22   solicitation for sealed bids. A public agency shall not let or  
23   award a public construction contract exceeding Ten Thousand Dollars  
24   (\$10,000.00) up to One Hundred Thousand Dollars (\$100,000.00) to any

1 contractor affiliated with a purchasing cooperative unless the  
2 purchasing cooperative and the contractor have complied with all of  
3 the provisions of the Public Competitive Bidding Act of 1974,  
4 including submission of a written bid upon notice of competitive  
5 bidding.

6       2. A purchasing cooperative and its affiliated contractors  
7 shall not be allowed to bid on any public construction contract  
8 exceeding One Hundred Thousand Dollars (\$100,000.00) or any  
9 construction management trade contract or subcontract exceeding  
10 Fifty Thousand Dollars (\$50,000.00) unless the purchasing  
11 cooperative and its affiliated contractors have complied with all of  
12 the provisions of the Public Competitive Bidding Act of 1974,  
13 including, but not limited to, open competitive bidding after  
14 solicitation for sealed bids. A purchasing cooperative and its  
15 affiliated contractors shall not be allowed to bid on any public  
16 construction contract exceeding Five Thousand Dollars (\$5,000.00)  
17 unless the purchasing cooperative and its affiliated contractors  
18 have complied with all of the provisions of the Public Competitive  
19 Bidding Act of 1974, including submission of a written bid upon  
20 notice of open competitive bidding.

21       3. Local governmental units, or local governmental units  
22 cooperating under the terms of any interlocal cooperative agreement  
23 authorized by state law, may create a purchasing cooperative or  
24 contract with a purchasing cooperative to provide leverage in

1 achieving best value or the best terms in contracts. To encourage  
2 intergovernmental collaboration, any purchasing cooperative or  
3 interlocal cooperative entity may utilize any single legal newspaper  
4 of this state to serve as sufficient compliance for bid notice  
5 requirements of competitive bidding or solicitation of bids. If the  
6 purchasing cooperative or interlocal cooperative entity is engaging  
7 in a project exclusive to a county or group of counties of this  
8 state, and not open to all governmental units or public trusts that  
9 wish to participate statewide, the bid notice shall be published in  
10 a legal newspaper located within the county or group of counties.  
11 Any local governmental unit or public trust that enters into  
12 membership or contracts with a purchasing cooperative or interlocal  
13 cooperative entity may enter into purchases or contracts under the  
14 terms negotiated by the purchasing cooperative or interlocal  
15 cooperative entity. If the purchasing cooperative or interlocal  
16 cooperative entity complies with the requirements of this section of  
17 law, all local governmental units shall be deemed in compliance with  
18 the requirements set forth for bid notices and publication.

19 SECTION 2. This act shall become effective November 1, 2025.

20 COMMITTEE REPORT BY: COMMITTEE ON LOCAL AND COUNTY GOVERNMENT  
February 19, 2025 - DO PASS

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