



OKLAHOMA
**Office of Management
& Enterprise Services**

Central Purchasing

PROCUREMENT INFORMATION MEMORANDUM

Subject: Split Purchasing
Effective Date: June 10, 2024
Issued by: Amanda Otis, Esq., State Purchasing Director

I. Introduction

As a means of disseminating relevant state procurement information to state entities, the Purchasing Division of 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 Central Purchasing Act, 74 O.S. §§ 85.1-85.44E, states, "No agency shall use split purchasing for the purpose of evading the requirement of competitive bidding or other requirements of the Oklahoma Central Purchasing Act or associated rules. Violations of this provisions shall be cause for discipline of a state employee up to and including termination." 74 O.S. § 85.7(A)(4)

A split purchase occurs when an agency knows the quantity of items needed but divides the acquisition into separate transactions for the purpose of evading the appropriate statutory threshold for competitive bids. Split purchasing also occurs when the agency fails to consolidate a known quantity required for a purchase, and the purchases are conducted as separate transactions, and the total costs would have exceeded the established statutory competitive bidding thresholds.

Agency personnel are responsible for documenting acquisitions in order to respond to any inquiries about split purchasing. Such responsibilities should include documentation supporting valid reasons for dividing up or failing to consolidate any agency acquisitions that could appear to have been made in a single transaction.

Agency internal purchasing procedures will require revision to comply with this guidance.

III. Practitioner Comments

- A. The prohibition against split purchasing is created by Title 74; therefore, this PIM does not pertain to transactions made pursuant to Title 61 and administered by Construction and Properties of the Division of Capital Assets Management.
- B. If you have questions about whether or not a transaction or a group of transactions would be considered split purchasing, contact your legal counsel for additional guidance.
- C. The following are examples of situations that are *not* split purchasing, because the acquisitions are not being divided up by the agency for the purpose of evading competitive bidding requirements:
 - i. Acquisitions made by a state agency are divided up due to insufficient agency funding for the total acquisition in a fiscal period;
 - ii. The availability of portions of acquisitions from established Statewide or other appropriate contracts;
 - iii. Specification requirements that result in the need for specialized or different suppliers;
 - iv. Project expenditures are handled in separate transactions because the products or services required are only available from different commodity suppliers; or
 - v. Any situations in which total required quantities are unknown at the time a portion of the acquisition should be made. For example, in September an agency needs to buy 500 cubicles; months later, a new division of the agency is created necessitating hiring new teams resulting in the need to purchase an additional 100 cubicles. At the time of the original purchase, the additional cubicles was not a known need.