

OKLAHOMA CORPORATION COMMISSION
Notice of Public Meeting
Regular Meeting

Notice is hereby given to all persons that the Oklahoma Corporation Commission (“Commission”) shall meet and conduct business, as follows:

Time, Day, and Date: 1:30 p.m. Thursday, May 09, 2024

Place: **Concourse Theater, Suite C50, Will Rogers Memorial Office Building, 2401 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105**

The Concourse Theater is located in the tunnel between the Will Rogers Memorial Office Building and the Sequoyah Memorial Office Building in the Capitol Complex

Purpose: Conducting of daily business enumerated in the items below

Posting Division: Chairman J. Todd Hiatt

AGENDA

Item	Topic
I	A. Call to order B. Announcement concerning public notice C. Determination of quorum
II	Approval of minutes of prior meeting(s)
III	Consideration of proposed or potential orders in cases on attached 24-hour signing agenda docket. The Commission may discuss and consider alterations, revisions, or amendments to the proposed or potential orders. (Votes may be taken on individual cases on the 24-hour signing agenda docket as a whole, or both by individual cases and the remaining docket.)
IV	Discussion, possible hearing and possible vote(s) on (i) <i>Public Service Company of Oklahoma’s (PSO) Motion to Advance</i> ; (ii) <i>PSO’s Motion to Correct Order No. 740230</i> ; (iii) <i>Oklahoma Industrial Energy Consumers, The Petroleum Alliance of Oklahoma, The United States Department of Defense and all other Federal Executive Agencies and AARP (“Movants”) Motion to Advance</i> ; and (iv) <i>Movants’ Joint Motion to Require PSO to File a New Application or to Amend its Application</i> , including possible orders on all such motions, and consideration of any alterations, revisions, or amendments to such orders, in Case No. PUD2023-000086, <i>Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and the Electric Service Rules, Regulations and Conditions of Service for Electric Service in the State of Oklahoma and to Approve Various Cost Recovery Mechanisms</i>

V

Submitted by Corporation Commissioner Bob Anthony:

Discussion of and questions regarding Commission (“OCC”) budget, hiring, contracting, competitive bidding, procurement, purchasing, payments, and other expenditures, past, present and future, especially as may be related to issues raised in the April 23, 2024 “State of Oklahoma Single Audit Report For the Fiscal Year Ended June 30, 2022” prepared by Office of the State Auditor and Inspector.

For reference (from 2022 Single Audit Report, page 57, emphasis added):

FINDING NO: 2022-090

STATE AGENCY: State of Oklahoma and Office of Management and Enterprise Services

Schedule of Findings And Questioned Costs

Condition and Context: While performing federal compliance testing of all major programs for SFY2022 Single Audit, we were made aware that Office of Management and Enterprise Services (OMES) created a **pilot program** (starting in SFY 2019/2020) wherein vendors were put on Statewide Contract, thus no longer requiring them to competitively bid their services. These pilot programs are known as **Rolling Request for Proposal (RFP) or Rolling Solicitations.** In SFY2022, we noted certain non-IT consulting services (SW0133 Statewide Contracts) and Deliverable Based IT Service (SW1050 Statewide Contracts) vendors were added to Statewide Contract pilot program and are now receiving federal funds through this process. In SFY2023, OMES added two additional Statewide Contract pilot programs, SW1025 Information Technology Staff Augmentation Services and SW0132 Non-IT Temporary Employment Services. Vendors under this contract category will also be receiving federal funding.

Further, there are no written policies and procedures for any of the Statewide Contracting pilot programs (Rolling RFP’s) to describe how these contracts are to be executed to meet both federal and state law.

Lastly, as of January 2024, no recommendations have been made to the Legislature on how the Statewide Contract pilot programs has helped state procurement become more effective and efficient for the State of Oklahoma as required by law. As a result, the longer the pilot programs remain open without recommendations to the Legislature, entities on Statewide Contract pilot programs are allowed to charge what they feel are appropriate rates per their federal contracts, without any competitive or vetting process in place.

Cause: The OMES does not have adequate controls in place, including policies and procedures, to ensure federal grant contracts are properly executed.

Effect: The OMES is not complying with 2 CFR § 200.317 *Procurements by states* since the agency has no policies and procedures in place for the Statewide Contracting pilot programs. As a result, federal **contracts awarded under the Statewide Contracting pilot programs, do not appear to meet State of Oklahoma competitive bidding requirements.** Also, contracts with vendors may not contain the applicable provisions required by 2 CFR § 200.327. Lastly, under the existing Statewide Contract pilot programs, OMES can receive increased federal contract fees because vendors are not compelled to charge reasonable rates per 2 CFR § 200.404.

Recommendation: We recommend the OMES develop and implement policies and procedures for the Statewide Contract pilot programs to ensure all federal contracts are properly executed. Further, we recommend OMES provide justification on how vendors/consultants put on the Statewide Contract pilot programs are exempt from competitive bidding requirements. Lastly, we recommend the OMES work in a timely manner to either bring the Statewide Contract pilot programs before the legislature to explain the benefits to the state and what should be written into law or eliminate the program.

Views of Responsible Official(s)

Contact Person: Amanda Otis

Anticipated Completion Date: Sine Die

Corrective Action Planned: Management does not agree with the finding. Please see the corrective action plan located in the corrective action plan section of this report.

Auditor Response: Based on the corrective action plan provided by management, the procedures provided were not adequate policies and procedures to explain how the Statewide Contracting pilot programs (Rolling RFP's) are meeting the competitive bidding requirements per Title 74 O.S. § 85.7. As a result, our finding stands that management does not have adequate policies and procedures to meet 2 CFR § 200.317 *Procurements by states* for federal contracting. Further, **the Statewide Contracting pilot programs lack support to show that federal grant contracts are being awarded to the lowest and best, or best value, bidder or bidders per Title 74 O.S. § 85.7.A.7.B.**

Discussion with and questions for the Commission's Director of Administration and Appointing Authority regarding same.

Questions to be addressed in detail, include but are not limited to:

- Since he became OCC Director of Administration, has the OCC engaged any hires or vendors or incurred any expenditures under any of the Statewide Contract pilot programs referenced by the State Auditor above (especially the "Rolling Request for Proposal (RFP)" / "Rolling Solicitations" programs)?

- If so, please explain each specific hire/expenditure in detail.
- If so, did any of these pilot program hires/vendors/expenditures replace others that had been hired/purchased under a prior competitive bidding process?
- If so, were any of these pilot program hires/vendors/expenditures either more expensive or less qualified than those they replaced?
- If so, has the OCC had any problems with any of these pilot program hires/vendors/expenditures or received any complaints about them?
- If so, were any of these pilot program hires/vendors/expenditures engaged/incurred under programs/contracts funded with federal grant dollars?
- If so, who at OMES had any involvement in or knowledge of these pilot program hires, what role did they play in selecting the hires/vendors/providers or influencing the terms of the contracts, and what (if any) written authorization did they give?
- If so, did anyone at OCC question or offer an opinion as to whether or not any of these pilot program hires met the state’s competitive bidding requirements per 74 O.S. § 85.7?
- To the best of your knowledge, were any OMES employees appointed to the OCC, or employees/vendors selected by OMES for appointment to the OCC, hired under any of the Statewide Contract pilot programs referenced above by the State Auditor?
- As it prepares its fiscal year 2025 budget, does the Commission anticipate any additional contracting or purchasing under any of the Statewide Contract pilot programs or otherwise outside the parameters of the Central Purchasing Act? If so, please explain in detail.
- Since he became OCC Director of Administration, has anyone at OCC or OMES involved with Commission hiring, contracting or purchasing disclosed any conflicts of interest or engaged in any related-party transactions? Is he aware of any conflicts of interest or related-party transactions that were not disclosed in advance? If so, please explain in detail.

Discussion and possible vote(s) by Commissioners in response thereto.

Consideration, discussion of and possible vote(s) on a motion to request

a special audit by the State Auditor and Inspector of all Commission hires, appointments and expenditures since SFY 2019/2020 contracted, authorized or incurred under any of the Statewide Contract pilot programs her office has deemed problematic (especially the “Rolling Request for Proposal (RFP)” / “Rolling Solicitations” programs), in order to ensure all such hires, appointments and expenditures were solicited, contracted,

	<p>authorized, approved and ultimately paid in full compliance with the Oklahoma Constitution and all applicable state and federal statutes, laws, and rules. Understanding that just because such pilot programs existed, the OCC was not obligated to use them, the Commission seeks especially to ascertain from the State Auditor the extent of any possible violations, the magnitude of any potential liability, and the State Auditor's recommendations for policies and procedures to avoid any related violations in the future.</p> <p>Similarly, consideration, discussion of and possible vote(s) on a motion to request and expect the full cooperation of all Corporation Commission officers, personnel and vendors/contractors/payees, with any government review, inquiry, audit, and/or investigation into hiring/contracting at or involving the Oklahoma Corporation Commission.</p>
VI	<p>New business</p> <p>A. Any matter not known about and which could not have been reasonably foreseen 24 hours before the meeting</p> <p>B. Possible vote(s) on matters of new business</p>
VII	Adjournment

The Commission may take up the above items of business in a different sequence than that listed.

The meeting is open to the public.

This notice was posted prominently and publicly at the principal offices of the Oklahoma Corporation Commission at the Will Rogers Memorial Office Building, 2401 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105 at 12:30 p.m., Tuesday, May 07, 2024.

Parties CANADIAN VALLEY ELECTRIC COOPERATIVE INC
(Applicant)

Order Title ORDER GRANTING MOTION FOR ORDER ON
NOTICE

Relief In Caption IN THE MATTER OF THE APPLICATION OF
CANADIAN VALLEY ELECTRIC COOPERATIVE, INC. FOR A
STREAMLINED COMMISSION ORDER APPROVING
CHANGES TO ITS TERMS AND CONDITIONS