

Ken Ivory proposes the following substitute bill:

**State Purchasing Reserve Funding**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ken Ivory**

Senate Sponsor:

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to state purchasing.

**Highlighted Provisions:**

This bill:

- establishes an administrative fee on state cooperative contracts;
- deposits revenue from the administrative fee into a restricted account called the State

Purchasing Reserve Restricted Account (account);

- directs the state treasurer to invest money in the account in precious metals; and
- authorizes the money in the account to be used for the purpose of offsetting the cost of procuring goods and services for specified public entities and ensuring continuity in the public entities' procurement of goods and services, if certain inflation metrics are met.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

**AMENDS:**

**51-7-2 (Effective 05/06/26) (Partially Repealed 07/01/28)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

**63G-6a-2105 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapters 348, 355

**ENACTS:**

**67-4-20 (Effective 05/06/26)**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **51-7-2** is amended to read:

**51-7-2 (Effective 05/06/26) (Partially Repealed 07/01/28). Exemptions from chapter.**

(1) Except as provided in Subsection (2), the following funds are exempt from this chapter:

(a) funds invested in accordance with the participating employees' designation or direction pursuant to a public employees' deferred compensation plan established and operated in compliance with Section 457 of the Internal Revenue Code of 1986, as amended;

(b) funds of the Utah State Retirement Board;

(c) funds of the Utah Housing Corporation;

(d) endowment funds of higher education institutions, including funds of the Higher Education Student Success Endowment, created in Section 53H-8-402;

(e) permanent and other land grant trust funds established pursuant to the Utah Enabling Act and the Utah Constitution;

(f) the State Post-Retirement Benefits Trust Fund;

(g) the funds of the Utah Educational Savings Plan;

(h) funds of the permanent state trust fund created by and operated under Utah Constitution, Article XXII, Section 4;

(i) the funds in the Navajo Trust Fund;

(j) the funds in the Radioactive Waste Perpetual Care and Maintenance Account;

(k) the funds in the Employers' Reinsurance Fund;

(l) the funds in the Uninsured Employers' Fund;

(m) the Utah State Developmental Center Long-Term Sustainability Fund, created in Section 26B-1-331;

(n) the funds in the Risk Management Fund created in Section 63A-4-201;

(o) the Utah fund of funds created in Section 63N-6-401;

(p) the funds deposited into the Utah Homes Investment Program from the Transportation Infrastructure General Fund Support Subfund created in Section 72-2-134;

(q) subject to Subsection 67-4-19(2), the portion of the funds in the following accounts invested by the state treasurer in precious metals:

(i) the State Disaster Recovery Restricted Account, created in Section 53-2a-603;

(ii) the General Fund Budget Reserve Account, created in Section 63J-1-312;

(iii) the Income Tax Fund Budget Reserve Account, created in Section 63J-1-313; and

(iv) the Medicaid Growth Reduction and Budget Stabilization Account, created in Section 63J-1-315;

(r) except as provided in Section 11-13-533, the funds of a public agency insurance mutual as that term is defined in Subsection 31A-1-103(7)(a);

(s) the State Sovereignty Fund created in Section 51-13-201; ~~and~~

(t) the funds in the Opioid Litigation Proceeds Fund, created in Section ~~51-9-801~~ 51-9-801; and

(u) the State Purchasing Reserve Restricted Account, created in Section 67-4-20.

(2) Except for the funds of the Utah State Retirement Board and the Utah Educational Savings Plan, the funds described in Subsection (1) are not exempt from Subsections 51-7-14(2) and (3).

(3) Notwithstanding Title 52, Chapter 4, Open and Public Meetings Act, a public body that administers a fund described in Subsection (1) may hold a closed meeting to discuss the sale or purchase of identifiable securities, investment funds, or investment contracts.

(4) A paper, electronic, or other depiction or record of information relating to investment activities of a fund described in Subsection (1) is not subject to Title 63G, Chapter 2, Government Records Access and Management Act.

Section 2. Section **63G-6a-2105** is amended to read:

**63G-6a-2105 (Effective 05/06/26). Cooperative procurements -- Contracts with federal government -- Regional solicitations.**

(1)(a) The chief procurement officer may, in accordance with the requirements of this chapter, enter into a cooperative procurement, and a contract that is awarded as a result of a cooperative procurement, with:

~~[(a)]~~ (i) another state;

~~[(b)]~~ (ii) a cooperative purchasing organization; ~~or~~

~~[(c)]~~ (iii) a public entity ~~inside or outside the state.~~ ; or

(iv) a government entity outside the state.

(b)(i) Except for a contract the chief procurement officer exempts from administrative fees, the chief procurement officer shall ensure that each contract resulting from a state cooperative procurement with a public entity includes an administrative fee equal to 0.5% of the total price the public entity pays for procurement items under the contract.

(ii) The fee described in Subsection (1)(b)(i) is in addition to any administrative fee the chief procurement officer includes under the chief procurement officer's

authority described in Subsection 63G-6a-303(2)(b).

(iii) The division shall deposit revenue from the administrative fee described in this Subsection (1)(b) into the State Purchasing Reserve Restricted Account created in Section 67-4-20.

(iv) The provisions of this Subsection (1)(b) apply only to contracts for which the chief procurement officer posts the notice required under Section 63G-6a-112 on or after July 1, 2026.

(2) A public entity, nonprofit organization, or, as permitted under federal law, an agency of the federal government, may obtain a procurement item from a state cooperative contract or a contract awarded by the chief procurement officer under Subsection ~~[(1)]~~ (1)(a), without signing a participating addendum if the solicitation issued by the chief procurement officer to obtain the contract includes a statement indicating that the resulting contract will be issued for the benefit of public entities and, as applicable, nonprofit organizations and agencies of the federal government.

(3) Except as provided in Section 63G-6a-506, or as otherwise provided in this chapter, an executive branch procurement unit may not obtain a procurement item from a source other than a state cooperative contract or a contract awarded by the chief procurement officer under Subsection ~~[(1)]~~ (1)(a), if the procurement item is available under a state cooperative contract or a contract awarded by the chief procurement officer under Subsection ~~[(1)]~~ (1)(a).

(4) A Utah procurement unit may:

(a) contract with the federal government without going through a standard procurement process or an exception to a standard procurement process, described in Part 8, Exceptions to Procurement Requirements, if the procurement item obtained under the contract is provided:

(i) directly by the federal government and not by a person contracting with the federal government; or

(ii) by a person under contract with the federal government that obtained the contract in a manner that substantially complies with the provisions of this chapter;

(b) participate in, sponsor, conduct, or administer a cooperative procurement with another Utah procurement unit or another public entity in Utah, if:

(i) each party unit involved in the cooperative procurement enters into an agreement describing the rights and duties of each party;

(ii) the procurement is conducted, and the contract awarded, in accordance with the

- 131 requirements of this chapter;
- 132 (iii) the solicitation:
- 133 (A) clearly indicates that the procurement is a cooperative procurement; and
- 134 (B) identifies each party that may purchase under the resulting contract; and
- 135 (iv) each party involved in the cooperative procurement signs a participating
- 136 addendum describing its rights and obligations in relation to the resulting contract;
- 137 or
- 138 (c) purchase under, or otherwise participate in, an agreement or contract of a cooperative
- 139 purchasing organization, if:
- 140 (i) each party involved in the cooperative procurement enters into an agreement
- 141 describing the rights and duties of each party;
- 142 (ii) the procurement was conducted in accordance with the requirements of this
- 143 chapter;
- 144 (iii) the solicitation:
- 145 (A) clearly indicates that the procurement is a cooperative procurement; and
- 146 (B) identifies each party that may purchase under the resulting contract; and
- 147 (iv) each party involved in the cooperative procurement signs a participating
- 148 addendum describing its rights and obligations in relation to the resulting contract.
- 149 (5) A procurement unit may not obtain a procurement item under a contract that results
- 150 from a cooperative procurement described in Subsection (4), unless the procurement
- 151 unit:
- 152 (a) is identified under Subsection (4)(b)(iii)(B) or (4)(c)(iii)(B); and
- 153 (b) signs a participating addendum to the contract as required by this section.
- 154 (6) A procurement unit, other than a legislative procurement unit or a judicial procurement
- 155 unit, may not obtain a procurement item under a contract held by the United States
- 156 General Services Administration, unless, based upon documentation provided by the
- 157 procurement unit, the Director of the State Division of Purchasing and General Services
- 158 determines in writing that the United States General Services Administration procured
- 159 the contract in a manner that substantially complies with the provisions of this chapter.
- 160 (7)(a) As used in this Subsection (7), "regional solicitation" means a solicitation issued
- 161 by the chief procurement officer for the procurement of a procurement item within a
- 162 specified geographical region of the state.
- 163 (b) In addition to any other duty or authority under this section, the chief procurement
- 164 officer shall:

- 165 (i) after considering board recommendations, develop a plan for issuing regional  
166 solicitations; and
- 167 (ii) after developing a plan, issue regional solicitations for procurement items in  
168 accordance with the plan and this chapter.
- 169 (c) A plan under Subsection (7)(b) shall:
- 170 (i) define the proposed regional boundaries for regional solicitations;
- 171 (ii) specify the types of procurement items for which a regional solicitation may be  
172 issued; and
- 173 (iii) identify the regional solicitations that the chief procurement officer plans to issue.
- 174 (d) A regional solicitation shall require that a person responding to the solicitation offer  
175 similar warranties and submit to similar obligations as are standard under other state  
176 cooperative contracts.
- 177 (e) Except as authorized by the chief procurement officer, a procurement item that is  
178 available under a state cooperative contract may not be provided under a contract  
179 pursuant to a regional solicitation until after the expiration of the state cooperative  
180 contract.

181 Section 3. Section **67-4-20** is enacted to read:

182 **67-4-20 (Effective 05/06/26). State Purchasing Reserve Restricted Account.**

- 183 (1) As used in this section, "precious metal" means the same as that term is defined in  
184 Section 61-1-13.
- 185 (2) There is created within the General Fund a restricted account known as the State  
186 Purchasing Reserve Restricted Account.
- 187 (3) The account is funded by:
- 188 (a) revenue from the fee created in Subsection 63G-6a-2105(1)(b); and
- 189 (b) the appreciated value of investments made with the money deposited into the  
190 account.
- 191 (4)(a) The state treasurer shall invest the money in the account in precious metals.
- 192 (b) The requirements of Subsections 51-7-14(2) and (3) apply to the state treasurer's  
193 investment in precious metals under this section.
- 194 (5)(a) The Legislature may appropriate money from the account:
- 195 (i) if the Chained Consumer Price Index is at least two standard deviations above the  
196 15 year mean of the Chained Consumer Price Index; and
- 197 (ii) for the purpose of offsetting the cost of procuring goods and services for public  
198 entities and ensuring continuity in public entities' procurement of goods and

199                    services.

200            (b) When appropriating money from the account, the Legislature shall make reasonable

201                    efforts in light of the circumstances to ensure the appropriated money benefits each

202                    public entity that participates in a state cooperative procurement.

203    (6) When the Legislature appropriates money from the account, the state treasurer shall sell

204                    investments sufficient to effectuate the appropriation.

205                    **Section 4. Effective Date.**

206                    This bill takes effect on May 6, 2026.