

# SENATE BILL No. 226

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-13-1.3; IC 5-22-8-3; IC 5-35.7; IC 10-18-1.

**Synopsis:** Indiana department of administration. Allows the Indiana department of administration (department) to implement category management for purchasing and contracting by state agencies. Amends the nomination and appointment process for a state agency's purchasing representative. Requires the department to establish and maintain an independent verification and validation oversight program for contracts entered into by state agencies. Requires state agencies to submit an annual procurement and purchasing plan to the department and the budget agency. Repeals provisions concerning the ability of the Indiana war memorials commission to enter into contracts.

**Effective:** Upon passage; July 1, 2026.

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January 8, 2026, read first time and referred to Committee on Appropriations.

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Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

## SENATE BILL No. 226

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-13-1.3-4 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The department  
3 may do the following regarding purchasing and contracting by state  
4 agencies:

5 (1) Adopt rules under IC 4-22-2 necessary to implement IC 5-22.

6 (2) Consider and decide matters of policy.

7 (3) Enforce IC 5-22 and rules adopted under subdivision (1).

8 **(4) Implement category management for purchasing and**  
9 **contracting by state agencies.**

10 (b) The department may not adopt rules that affect the rights or  
11 obligations of the state or of a contractor under a contract in existence  
12 on the effective date of a rule.

13 SECTION 2. IC 4-13-1.3-5 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) **With the consent**  
15 **of the department**, each state agency shall nominate a purchasing  
16 representative from among its employees to the department. The  
17 department may appoint the nominated employee as the purchasing



representative or ~~request~~ **require** another nomination.

(b) The purchasing representative shall do the following:

(1) Serve as a liaison between the state agency and the department.

(2) Prepare all forms that the department requires to be completed by the state agency.

(c) If a state agency has branches, facilities, or institutions located at multiple sites, the department may appoint a purchasing representative for any or all of the sites.

(d) The department shall provide training in purchasing procedures for the purchasing representatives.

(e) If a purchasing representative's actions are not satisfactory to the department, the department may revoke the appointment of the representative and require the state agency to nominate another representative.

(f) A state agency may not make purchases during any period during which the state agency does not have a purchasing representative.

SECTION 3. IC 5-22-8-3, AS AMENDED BY P.L.195-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) This section applies only if the purchasing agent expects the purchase to be:

(1) at least fifty thousand dollars (\$50,000); and

(2) not more than one hundred fifty thousand dollars (\$150,000).

(b) A purchasing agent may purchase supplies under this section by inviting quotes from at least three (3) persons known to deal in the lines or classes of supplies to be purchased.

(c) The purchasing agent shall mail an invitation to quote to the persons described in subsection (b) at least seven (7) days before the time fixed for receiving quotes.

(d) If the purchasing agent receives a satisfactory quote, the purchasing agent shall award a contract to the lowest responsible and responsive offeror for each line or class of supplies required.

(e) The purchasing agent may reject all quotes.

(f) If the purchasing agent does not receive a quote from a responsible and responsive offeror, the purchasing agent may purchase the supplies under IC 5-22-10-10.

**(g) A purchasing agent for a state agency must comply with IC 5-35.7-7-3 when making a purchase under this section.**

SECTION 4. IC 5-35.7-4-2, AS ADDED BY P.L.182-2025, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. A contract between a state agency and a contractor must contain the following provisions:



(1) To the extent practicable, clearly defined scopes and success metrics.

(2) Liquidated damages or other remedies for missed deadlines or overages.

(3) A requirement for either of the following, **as determined by the department:**

(A) An independent ~~third party review verifying that the parties to the contract performed their obligations under the contract in compliance with the terms of the contract.~~  
**verification and validation under IC 5-35.7-4.5.**

(B) Other appropriate methods or means for verification and validation of the terms of the contract.

SECTION 5. IC 5-35.7-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 4.5. Independent Verification and Validation Oversight Program**

**Sec. 1.** As used in this chapter, "program" means the independent verification and validation oversight program established by the department under section 2 of this chapter.

**Sec. 2.** Not later than June 30, 2026, the department shall establish and maintain an independent verification and validation oversight program to provide independent oversight of contracting activities conducted by state agencies.

**Sec. 3.** The program may review, assess, and issue required changes and recommendations for contracts between state agencies and contractors.

SECTION 6. IC 5-35.7-8 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 8. Procurement and Purchasing Governance**

**Sec. 1.** This chapter applies to all state agencies.

**Sec. 2. (a)** Beginning July 1, 2026, each state agency shall submit an annual procurement and purchasing plan to the department and the budget agency.

**(b)** An annual procurement and purchasing plan required under subsection (a) must include at least the following:

(1) All requests for procurement the state agency anticipates to be solicited in the subsequent state fiscal year.

(2) A strategy to complete contracts scheduled to expire in the subsequent state fiscal year.

(3) Any other information required by the department.



(c) An annual procurement and purchasing plan required under subsection (a) must align with the state agency's annual spending plan submitted to the budget agency.

Sec. 3. (a) Except as provided in subsection (b), a state agency must complete any incomplete contracts that were scheduled to expire in the previous biennium in a manner prescribed by the department.

(b) A state agency may apply to the department and the budget agency to receive a waiver from the requirements in subsection (a).

SECTION 7. IC 10-18-1-18, AS AMENDED BY P.L.17-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. The commission may do the following:

~~(1) Make and execute contracts and other instruments that may be required in connection with the erection and maintenance of a suitable structure or structures upon or within Memorial Place:~~

~~(2) (1)~~ Adopt rules for the following:

(A) The proper management, government, and use of Memorial Place and the structures situated on Memorial Place.

(B) The government of employees.

~~(3) (2)~~ Acquire by condemnation the right to limit the kind, character, and height of buildings upon and the use of real estate or buildings located within three hundred (300) feet of the outside boundaries.

~~(4) (3)~~ Adopt reasonable rules as are proper to limit the kind, character, and height of buildings located or erected within three hundred (300) feet of the outside boundaries of Memorial Place and the use of the buildings or real estate. A building constructed or maintained or business conducted in violation of any rule may be abated as a nuisance in an action begun and prosecuted by the commission.

~~(5) (4)~~ Receive donations, gifts, devises, and bequests and use them in connection with the purposes of this chapter.

~~(6) (5)~~ Establish a nonprofit corporation to do the following:

(A) Promote public support for the purposes of the commission and this chapter.

(B) Preserve and promote the historical and educational activities of the commission.

(C) Operate for the benefit of the purposes of the commission and this chapter.

The corporation is subject to audit by the state board of accounts as if it were a state agency.

~~(7) (6)~~ Transfer money donated to the commission for the



purposes described in subdivision ~~(6)~~ (5) to a corporation established under subdivision ~~(6)~~: (5).

~~(8)~~ (7) Transfer:

(A) artifacts;

(B) images; or

(C) documents of cultural heritage, historical, or museum relevance;

under the commission's control to a corporation established under subdivision ~~(6)~~ (5) without complying with IC 5-22-21 and IC 5-22-22.

SECTION 8. IC 10-18-1-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) The commission may do the following:

(1) Make or sell the following:

(A) Pictures, models, books, and other representations of the monuments and grounds.

(B) Souvenirs.

(2) Establish and maintain souvenir shops on property that the commission manages.

(3) Hire and pay salaries for full-time or part-time employees for the souvenir shops.

~~(4) Contract with a nonprofit organization or corporation for the continuous management of the souvenir shops.~~

~~(5)~~ (4) Report annually to the governor on the activities, revenues, expenditures, and profits of the souvenir shops.

(b) Notwithstanding section 27 of this chapter, the following apply to the profits from souvenir shop sales:

(1) The souvenir shop fund is established. The souvenir shop fund shall be administered by the commission.

(2) Profits from the sales at souvenir shops established under subsection (a) shall be deposited in the souvenir shop fund.

(3) The treasurer of state shall invest the money in the souvenir shop fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(4) The expenses of administering the souvenir shop fund shall be paid from money in the fund.

(5) The commission may spend the money in the souvenir shop fund for the following purposes:

(A) Maintenance or repair of properties managed by the commission.

(B) Maintenance, repair, and acquisition of the following:

(i) Battle flags.



(ii) Appropriate artifacts.

(iii) Appropriate memorabilia.

(6) All money accruing to the souvenir shop fund is appropriated continuously for the purposes listed in subdivision (5).

(7) Money in the souvenir shop fund at the end of a state fiscal year does not revert to the state general fund.

(c) A person may not make or sell pictures, models, books, or other representations of the monuments or grounds unless the person is authorized to do so by the commission.

SECTION 9. IC 10-18-1-30 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 30: (a) The commission may not enter into a contract for:

(1) the purchase or sale of property, material, or supplies; or

(2) the performance of work or labor, except for salaries of employees;

if the work and labor or materials and supplies cost more than ten thousand dollars (\$10,000) without first giving notice of its intention to purchase or sell the materials or supplies or to contract for the work or labor by publication in a newspaper of general circulation printed and published in the English language in Indianapolis for two (2) successive weeks before the time fixed for the letting of the contract or the sale of the property:

(b) A contract under this section must be in writing. The other contracting party shall furnish bond for the faithful performance of the contract in an amount fixed by the commission and with surety to the commission's approval, conditioned upon the faithful performance of the contract. However, if the commission decides to purchase a patented article or material or an article or material of a special type, character, or design of construction or make that may be purchased from only one (1) person, firm, limited liability company, or corporation, their agents or representatives, or for which there is a fixed, standard price, the commission is not required to take or receive competitive bids. However, the commission shall publish in the manner set forth under subsection (a) the number and character of the article or kind and quality of material proposed to be purchased, the unit price, and the total sum to be paid.

(c) A contract made in violation of this section is void.

SECTION 10. An emergency is declared for this act.

