

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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HOUSE BILL 635

Short Title: Purchase & Contracts Benchmarks/Property. (Public)

Sponsors: Representatives Ross and Holley (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government, if favorable, Rules, Calendar, and Operations of the House

April 10, 2019

A BILL TO BE ENTITLED

AN ACT PROVIDING THAT THE DIVISION OF PURCHASE AND CONTRACT SHALL REVIEW PROTESTS ON CONTRACTS AND RECEIVE REPORTS ON EMERGENCY PURCHASES BY STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES IF THE DOLLAR AMOUNT EXCEEDS THE EXPENDITURE BENCHMARK ESTABLISHED BY THE SECRETARY OF ADMINISTRATION, ELIMINATING OBSOLETE LANGUAGE RELATING TO FURNITURE CONTRACTS FROM THE GENERAL STATUTES, AND EXPEDITING THE STATE PROPERTY DISPOSITION PROCESS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-53 reads as rewritten:

"§ 143-53. Rules.

(a) The Secretary of Administration may adopt rules governing the following:

(1) Prescribing the routine and procedures to be followed in canvassing bids and awarding contracts, and for reviewing decisions made pursuant thereto, and the decision of the reviewing body shall be the final administrative review. The Division of Purchase and Contract shall review and decide a protest on a contract valued at ~~twenty five thousand dollars (\$25,000) or more. an amount that exceeds the expenditure benchmark established under G.S. 143-53.1.~~ The Secretary shall adopt rules or criteria governing the review of and decision on a protest on a contract of ~~less than twenty five thousand dollars (\$25,000) in an amount less than the expenditure benchmark established under G.S. 143-53.1~~ by the agency that awarded the contract.

...

(5) Prescribing conditions under which purchases and contracts for the purchase, installment or lease-purchase, rental or lease of goods and services may be entered into by means other than competitive bidding, including, but not limited to, negotiation, reverse auctions, and acceptance of electronic bids. Notwithstanding the provisions of subsections (a) and (b) of this section, any waiver of competition for the purchase, rental, or lease of goods and services is subject to prior review by the Secretary, if the expenditure exceeds ~~ten thousand dollars (\$10,000). the agency's benchmark established under G.S. 143-53.1.~~ The Division may levy a fee, not to exceed one dollar (\$1.00), for review of each waiver application.

...."



1 **SECTION 2.** G.S. 143-57 reads as rewritten:

2 "**§ 143-57. Purchases of articles in certain emergencies.**

3 In case of any emergency or pressing need arising from unforeseen causes including but not
4 limited to delay by contractors, delay in transportation, breakdown in machinery, or unanticipated
5 volume of work, the Secretary of Administration shall have power to obtain or authorize
6 obtaining in the open market any necessary supplies, materials, equipment, printing or services
7 for immediate delivery to any department, institution or agency of the State government. A report
8 on the circumstances of such emergency or need and the transactions thereunder shall be made a
9 matter of record promptly thereafter. If the expenditure exceeds ~~ten thousand dollars (\$10,000),~~
10 the benchmark established under G.S. 143-53.1, the report shall also be made promptly thereafter
11 to the Division of Purchase and Contract."

12 **SECTION 3.** G.S. 143-57.1 reads as rewritten:

13 "**§ 143-57.1. Furniture requirements contracts.**

14 (a) State Furniture Requirements Contract. – To ensure agencies access to sufficient
15 sources of furniture supply and service, to provide agencies the necessary flexibility to obtain
16 furniture that is compatible with interior architectural design and needs, to provide small and
17 disadvantaged businesses additional opportunities to participate on State requirements contracts,
18 and to restore the traditional use of multiple award contracts for purchasing furniture
19 requirements, each State furniture requirements contract shall be awarded on a multiple award
20 basis, subject to the following conditions:

21 ...

22 (3) For each category of goods under each State requirements furniture contract,
23 awards shall be made to at least three qualified vendors unless three qualified
24 vendors are not available. Additionally, if the State Purchasing Officer
25 determines that there are no qualified vendors within the three best qualified
26 vendors who offer furniture manufactured or produced in North Carolina or
27 who are incorporated in the State, the State Purchasing Officer shall expand
28 the number of qualified vendors awarded contracts to as many qualified
29 vendors as is necessary to include a qualified vendor who offers furniture
30 manufactured or produced in North Carolina or who is incorporated in the
31 State, but the State Purchasing Officer shall not be required to expand the
32 number of qualified vendors to more than six qualified vendors. A vendor is
33 qualified under this subsection if the vendor's products conform to the term
34 contract ~~specifications, the vendor is listed on the State's qualified products~~
35 list, specifications and the vendor submits a responsive bid.

36 "

37 **SECTION 4.** G.S. 146-27 reads as rewritten:

38 "**§ 146-27. The role of the Department of Administration in sales, leases, and rentals.**

39 (a) General. – Every sale, lease, rental, or gift of land owned by the State or by any State
40 agency shall be made by the Department of Administration and approved by the Governor and
41 Council of State. A lease or rental of land owned by the State may not exceed a period of 99
42 years. The Department of Administration may initiate proceedings for sales, leases, rentals, and
43 gifts of land owned by the State or by any State agency.

44 (b) Large Disposition. – If a proposed disposition is a sale or gift of land with an appraised
45 value of at least twenty-five thousand dollars (\$25,000), the sale or gift shall not be made until
46 after ~~consultation with written notice~~ to the Joint Legislative Commission on Governmental
47 Operations. The notice shall be given to the chairs of the Commission at least 30 days prior to
48 the disposition.

49 "

1 **SECTION 5.** Section 4 of this act becomes effective July 1, 2019, and applies to
2 dispositions proposed on or after that date. The remainder of this act is effective when it becomes
3 law.