

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 78*
Corrected Copy 4/15/13
PROPOSED COMMITTEE SUBSTITUTE S78-PCS75314-RK-23

Short Title: Amend State Contract Review Laws.

(Public)

Sponsors:

Referred to:

February 13, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE CONTRACT MANAGEMENT SECTION OF THE
3 DIVISION OF PURCHASE AND CONTRACT, DEPARTMENT OF
4 ADMINISTRATION, TO AMEND THE LAWS REQUIRING NEGOTIATION AND
5 REVIEW OF CERTAIN STATE CONTRACTS, TO PROVIDE OVERSIGHT AND
6 REPORTING OF CERTAIN CONTRACT AWARDS, AND TO PROVIDE FOR
7 CONTRACT MANAGEMENT AND ADMINISTRATION, AS RECOMMENDED BY
8 THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 114-8.3 reads as rewritten:

11 "**§ 114-8.3. Attorney ~~General~~/General Counsel; to review certain contracts.**

12 (a) Except as provided in ~~subsection~~ subsections (b) and (b1) of this section, the
13 Attorney General or the Attorney General's designee shall perform the duties required pursuant
14 to G.S. 143-49(3a) for review ~~all~~ proposed contracts for ~~supplies, materials, printing,~~
15 ~~equipment, and contractual services that exceed one~~ five million dollars (\$1,000,000)
16 (\$5,000,000). The designee shall confirm ~~to ensure~~ that the proposed contracts (i) are in proper
17 legal form, (ii) contain all clauses required by North Carolina law, (iii) are legally enforceable,
18 and (iv) accomplish the intended purposes of the proposed contract. The term "review" as used
19 ~~in this section~~ designee's review shall not constitute approval or disapproval of the policy merit
20 or lack thereof of the proposed contract. For purposes of this subsection, the term "Attorney
21 General's designee" shall include any attorney approved by the Attorney General to review
22 contracts as provided in this subsection. The Attorney ~~General~~ General shall:

23 (1) ~~establish~~ Establish procedures regarding the review of contracts subject to
24 this section and shall provide any attorney designated under G.S. 143-49(3a)
25 with guidelines to be used in reviewing contracts. ~~shall require that any~~
26 ~~attorney designated under this subsection comply with any rules established~~
27 ~~by the Attorney General or the Department of Administration regarding the~~
28 ~~review of contracts.~~

29 (2) Advise and assist the Contract Management Section of the Division of
30 Purchase and Contract, Department of Administration, in establishing
31 procedures and guidelines for the review of contracts pursuant to
32 G.S. 143-50.1.

33 (b) For the constituent institutions of The University of North Carolina, the General
34 Counsel of each institution or the General Counsel's designee shall review all proposed
35 contracts for supplies, materials, printing, equipment, and contractual services that exceed one



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1 million dollars (\$1,000,000) to ensure that the proposed contracts (i) are in proper legal form,
2 (ii) contain all clauses required by North Carolina law, (iii) are legally enforceable, and (iv)
3 accomplish the intended purposes of the proposed contract. The term "review" as used in this
4 section shall not constitute approval or disapproval of the policy merit or lack thereof of the
5 proposed contract. For purposes of this subsection, the term "General Counsel's designee" shall
6 include any attorney approved by the General Counsel to review contracts as provided in this
7 subsection. The General Counsel shall establish procedures regarding the review of contracts
8 subject to this section and shall require that any attorney designated under this subsection
9 comply with any ~~rules~~ procedures established by the Attorney General or the Department of
10 Administration regarding the review of contracts.

11 (b1) The General Counsel of the Department of State Treasurer or the General Counsel's
12 designee shall review all proposed investment and debt contracts, as defined in subdivision (4)
13 of this subsection, or any contracts for services entered pursuant to the State Treasurer's
14 authority under G.S. 147-69.3, to confirm that the proposed contracts (i) are in proper legal
15 form, (ii) contain all clauses required by North Carolina law, (iii) are legally enforceable to the
16 extent governed by North Carolina law, and (iv) accomplish the intended purposes of the
17 proposed contract. The General Counsel shall establish procedures regarding the review of
18 contracts subject to this subsection. The following terms and requirements apply to contracts
19 under this subsection:

20 (1) The term "review" as used in this section shall not constitute approval or
21 disapproval of the policy merit or lack thereof of the proposed contract.

22 (2) The term "General Counsel's designee" shall include any attorney employed
23 or retained by the General Counsel to review contracts as provided in this
24 subsection.

25 (3) Any contract for services reviewed pursuant to this subdivision must include
26 the signature of the General Counsel or the General Counsel's designee
27 confirming that the Department of State Treasurer has adhered to the
28 procedures established by the General Counsel regarding the review of such
29 contract. Except for any debt contract, or contracts entered into as part of
30 direct trading of bonds, instruments, equity securities, or other approved
31 securities, a contract that has not been signed as required by this subdivision
32 is voidable by the State, and any party or parties to the contract are entitled
33 to receive the value of services rendered prior to the termination of the
34 contract.

35 (4) For the purposes of this subdivision, "investment and debt contracts" means
36 any of the following:

37 a. Investments to be acquired, held, or sold, directly or indirectly, by or
38 for the State Treasurer, the Department of State Treasurer, or an
39 investment entity created by the Department of State Treasurer,
40 either on its own behalf or on behalf of another beneficial owner.

41 b. Investments administered by the North Carolina Supplemental
42 Retirement Board of Trustees.

43 c. Debt issued or to be issued by the State of North Carolina under the
44 supervision of the State Treasurer, debt issued or to be issued by the
45 North Carolina Capital Facilities Finance Agency, and debt and other
46 matters of finance subject to the approval or supervision of the Local
47 Government Commission, including, in each case, services required
48 for ongoing management and review of debt issues that have
49 previously been incurred or that are proposed to be incurred.

50 (c) All State agencies, the constituent institutions of The University of North Carolina,
51 or any person who will be entering into a contract on behalf of the State for supplies, materials,

1 printing, equipment, or contractual services that exceeds one million dollars (\$1,000,000) shall
2 notify the Secretary of the Department of Administration or the Secretary's designee of the
3 intent to enter into the contract and provide such information as required by the Department for
4 the purposes of maintaining a centralized log of such contracts and identifying the location of
5 the contract documents."

6 **SECTION 2.** G.S. 143-49 reads as rewritten:

7 **"§ 143-49. Powers and duties of Secretary.**

8 The Secretary of Administration shall have power and authority, and it shall be ~~his~~the
9 Secretary's duty, subject to the provisions of this Article:

10 ...

11 (3a) To ~~request, notify and~~the Attorney General of pending contracts for
12 contractual services exceeding a cost of five million dollars (\$5,000,000).
13 Upon notification, the Attorney General shall assign a representative of~~of~~from
14 within the office of the Attorney General, the Contract Management Section
15 of the Division of Purchase and Contract, Department of Administration, or
16 other qualified counsel to assist in negotiation for the award of ~~any~~the
17 contract. ~~contract for contractual services exceeding a cost of one hundred~~
18 ~~thousand dollars (\$100,000) that requires negotiation with prospective~~
19 ~~contractors.~~ It shall be the duty of such representative to assist and advise in
20 obtaining the most favorable contract for the State, to evaluate all proposals
21 available from prospective contractors for that purpose, to interpret proposed
22 contract terms and to advise the Secretary or his representatives of the
23 liabilities of the State and validity of the contract to be awarded. All
24 contracts and drafts of such contracts shall be ~~prepared~~reviewed by an
25 attorney from within the office of the Attorney General and copies thereof
26 shall be retained by such office for a period of three years following the
27 termination of such contracts. The term "contractual services" as used in this
28 subsection and G.S. 143-52.2 shall mean work performed by an independent
29 contractor requiring specialized knowledge, experience, expertise or similar
30 capabilities wherein the service rendered does not consist primarily of
31 acquisition by this State of equipment or materials and the rental of
32 equipment, materials and supplies. ~~The term "negotiation" as used in this~~
33 This subdivision shall not apply ~~be deemed to refer to contracts entered into~~
34 ~~or to be entered into as a result of a competitive bidding process. The~~
35 following procedures and requirements apply to contracts subject to this
36 subdivision:

37 a. The Secretary is not required to notify the Attorney General for the
38 appointment of a representative for any contracts for contractual
39 services to be entered into by the constituent institutions of The
40 University of North Carolina pursuant to G.S. 114-8.3(b), or for
41 contracts to be entered into by the Department of Treasurer pursuant
42 to G.S. 114-8.3(b1), unless requested to do so by the General
43 Counsel of The University of North Carolina or the General Counsel
44 of the Department of State Treasurer, respectively.

45 b. Any contract for services reviewed pursuant to this subdivision must
46 include the signature of the Attorney General or the Attorney
47 General's designee. If the contract commences without the required
48 signature, the State shall have the right to terminate the contract, and
49 the other party or parties to the contract shall only be entitled to the
50 value of all services provided to the State prior to the termination.

51"

1 SECTION 3. Article 3 of Chapter 143 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 143-50.1. Division of Purchase and Contract; Contract Management Section.**

4 (a) The Contract Management Section (CMS) is established in the Division of Purchase
5 and Contract, Department of Administration. The CMS shall include legal counsel with the
6 duties and responsibilities included in this section.

7 (b) Unless otherwise provided in G.S. 114-8.3(b) or (b1), or in this section, for all
8 proposed solicitations for supplies, materials, printing, equipment, or contractual services that
9 exceed one million dollars (\$1,000,000), the CMS shall:

10 (1) Participate and assist in the preparation of all proposed solicitations and
11 review all available proposals from prospective contractors, with the goal of
12 obtaining the most favorable contract for the State.

13 (2) Interpret proposed contract terms and advise the Secretary or the Secretary's
14 designee of the potential liabilities to the State.

15 (3) Review all proposed contracts to ensure that the contracts:

16 a. Are in proper legal form.

17 b. Contain all clauses required by law.

18 c. Are legally enforceable.

19 d. Require performance that will accomplish the intended purposes of
20 the proposed contract.

21 The review and evaluation required by this subsection shall not constitute approval or
22 disapproval of the policy merit or lack thereof of the proposed contract.

23 (c) With respect to proposed contracts for services which exceed five million dollars
24 (\$5,000,000), the CMS shall perform such duties as may be required by the Attorney General
25 under G.S. 143-49(3a).

26 (d) The CMS shall:

27 (1) Assist State departments, agencies, and institutions to establish formal
28 contract administration procedures and functions.

29 (2) Advise personnel in contracting specialist roles as to appropriate contract
30 management and administrative techniques and activities.

31 (3) Act as a general resource to State agencies on contracting issues related to
32 procurement, including contract drafting, clarification of terms and
33 conditions, proper solicitation and bid evaluation procedures, contract
34 negotiation, and such other matters as directed by the State Purchasing
35 Officer.

36 (4) Assist representatives of the Attorney General, agency counsel, and other
37 legal staff, as requested, in matters related to contracting for goods and
38 services.

39 (e) The Department of Administration shall adopt procedures for the record keeping of
40 the information provided by State agencies and which has been received by the Secretary or the
41 Secretary's designee pursuant to G.S. 114-8.3(c). The records shall be kept by the Department
42 and shall include a log with information that provides identification of individual contracts and
43 where the contract documents are located. The Secretary is authorized to require that entities
44 reporting pursuant to G.S. 114-8.39(c) provide such additional information that may be
45 required to identify the individual contracts.

46 (f) The CMS shall consist of personnel designated by the Secretary and perform such
47 other functions as directed by the Secretary that are not inconsistent with this section."

48 SECTION 4. G.S. 143-52.1 reads as rewritten:

49 **"§ 143-52.1. Board of Awards. Award recommendations; State Purchasing Officer action.**

50 (a) When the dollar value of a contract to be awarded under Article 3 of Chapter 143 of
51 the General Statutes exceeds the benchmark established pursuant to G.S. 143-53.1, an award

1 ~~recommendation shall be submitted to the State Purchasing Officer for approval or other action.~~
2 ~~The agency or institution making the recommendation, or for which the purchase is to be made,~~
3 ~~shall be notified promptly of the State Purchasing Officer's action.~~ There is created the Board of
4 Awards. The Board shall consist of three members at a time, appointed by the Chair of the
5 Commission. Members of the Board shall be appointed on a rotating basis from the
6 membership of the Commission and the Council of State. Two out of three members appointed
7 for each meeting of the Board shall constitute a quorum of the Board.

8 (b) ~~The Board shall meet weekly as called by the Chair of the Commission, except in~~
9 ~~weeks when no contracts have been submitted to the Board for review.~~

10 (c) ~~When the dollar value of a contract exceeds the benchmark established either~~
11 ~~pursuant to G.S. 143-53.1 or G.S. 147-33.101, the Board shall review and make a~~
12 ~~recommendation on action to be taken by the Secretary of Administration on contracts to be~~
13 ~~awarded under Article 3 of Chapter 143 of the General Statutes and on contracts to be awarded~~
14 ~~by the Chief Information Officer under Article 3D of Chapter 147 of the General Statutes, prior~~
15 ~~to the awarding of the contract.~~

16 (d) ~~The State Budget Officer shall designate a secretary for the Board. The Secretary of~~
17 ~~Administration and the State Chief Information Officer shall each submit their matters for~~
18 ~~consideration to the secretary for inclusion on the Board's agenda. Records shall be kept of each~~
19 ~~meeting and made public by the Secretary of Administration or State Chief Information~~
20 ~~Officer, as applicable unless the Secretary of Administration or State Chief Information~~
21 ~~Officer, as applicable, determines a specific record of the meeting needs to be confidential due~~
22 ~~to the nature of the contract. The Secretary of Administration or State Chief Information~~
23 ~~Officer, as applicable, may elect to proceed with the award of a contract without a~~
24 ~~recommendation of the Board in cases of emergencies or in the event that a Board is not~~
25 ~~available. In those cases, contracts awarded without Board review shall be reported to the next~~
26 ~~meeting of the Board as a matter of record.~~

27 (e) ~~Reports on recommendations made by the Board on matters presented by the State~~
28 ~~Chief Information Officer to the Board. A report of all contract awards greater than twenty-five~~
29 ~~thousand dollars (\$25,000) approved through the Division of Purchase and Contract shall be~~
30 ~~reported monthly by the Board State Procurement Officer to the chairs of the Joint Legislative~~
31 ~~Oversight Committee on Information Technology. Cochairs of the Joint Legislative Committee~~
32 ~~on Governmental Operations. The report shall include the amount of the award, the award~~
33 ~~recipient, the using agency, and a short description of the nature of the award."~~

34 **SECTION 5.** G.S. 147-33.101 reads as rewritten:

35 **"§ 147-33.101. Board of Awards review. Award recommendation; State Chief Information**
36 **Officer action.**

37 (a) When the dollar value of a contract for the procurement of information technology
38 equipment, materials, and supplies exceeds the benchmark established by the State Chief
39 Information Officer, an award recommendation shall be submitted to the State Chief
40 Information Officer for approval or other action. The agency or institution making the
41 recommendation, or for which the purchase is to be made, shall be notified promptly of the
42 State Chief Information Officer's action. ~~the contract shall be reviewed by the Board of Awards~~
43 ~~pursuant to G.S. 143-52.1 prior to the contract being awarded.~~

44 (b) Prior to submission of any contract for review ~~by the Board of Awards~~ pursuant to
45 this section for any contract for information technology being acquired for the benefit of the
46 Office and not on behalf of any other State agency, the Director of the Budget shall review and
47 approve the procurement to ensure compliance with the established processes, specifications,
48 and standards applicable to all information technology purchased, licensed, or leased in State
49 government, including established procurement processes, and compliance with the State
50 government wide technical architecture as established by the State CIO.

1 (c) A report of all contract awards greater than twenty-five thousand dollars (\$25,000)
2 approved through the Statewide IT Procurement Office shall be reported monthly by the State
3 CIOs to the Cochairs of the Joint Legislative Oversight Committee on Information Technology.
4 The report shall include the amount of the award, the award recipient, the using agency, and a
5 short description of the nature of the award."

6 **SECTION 6.** G.S. 116-13(a) reads as rewritten:

7 "(a) The power and authority granted to the Board of Governors with regard to the
8 acquisition, operation, maintenance and disposition of real and personal property and services
9 shall be subject to, and exercised in accordance with, the provisions of Chapters 143 and 146 of
10 the General Statutes and related sections of the North Carolina Administrative Code, except
11 when a purchase is being made that is not covered by a State term contract and either:

- 12 (1) The funds used to procure personal property or services are not moneys
13 appropriated from the General Fund or received as tuition or, in the case of
14 multiple fund sources, moneys appropriated from the General Fund or
15 received as tuition do not exceed thirty percent (30%) of the total funds; or
16 (2) The funds used to procure personal property or services are contract and
17 grant funds or, in the case of multiple fund sources, the contract and grant
18 funds exceed fifty percent (50%) of the total funds.

19 When a special responsibility constituent institution makes a purchase under subdivision (1)
20 or (2) of this subsection, the requirements of Chapter 143, Article 3 shall apply, except the
21 approval or oversight of the Secretary of ~~Administration~~, Administration or the State
22 Purchasing Officer, ~~or the Board of Awards Officer~~ shall not be required, regardless of dollar
23 value."

24 **SECTION 7.** G.S. 120-36.6 reads as rewritten:

25 "**§ 120-36.6. Legislative Fiscal Research staff participation.**

26 The Legislative Services Officer shall designate a member of the Fiscal Research staff, and
27 a member of the General Research or Bill Drafting staff who may attend all meetings of the
28 ~~Board of Awards and Council of State~~, unless the ~~Board or Council~~ has voted to exclude them
29 from the specific meeting, provided that no final action may be taken while they are so
30 excluded. The Legislative Services Officer and the Director of Fiscal Research shall be notified
31 of all such meetings, hearings and trips in the same manner and at the same time as notice is
32 given to members of the ~~Board or Council~~. The Legislative Services Officer and the Director of
33 Fiscal Research shall be provided with a copy of all reports, memoranda, and other
34 informational material which are distributed to the members of the ~~Board or Council~~; these
35 reports, memoranda and materials shall be delivered to the Legislative Services Officer and the
36 Director of Fiscal Research at the same time that they are distributed to the members of the
37 ~~Board or Council~~."

38 **SECTION 8.** G.S. 143-52(a) reads as rewritten:

39 "(a) The Secretary of Administration shall compile and consolidate all such estimates of
40 goods and services needed and required by State departments, institutions and agencies to
41 determine the total requirements of any given commodity. Where such total requirements will
42 involve an expenditure in excess of the expenditure benchmark established under the provisions
43 of G.S. 143-53.1 and where the competitive bidding procedure is employed as hereinafter
44 provided, sealed bids shall be solicited by advertisement in a newspaper widely distributed in
45 this State or through electronic means, or both, as determined by the Secretary to be most
46 advantageous, at least once and at least 10 days prior to the date designated for opening. Except
47 as otherwise provided under this Article, contracts for the purchase of goods and services shall
48 be based on competitive bids and suitable means authorized by the Secretary as provided in
49 G.S. 143-49. The acceptance of bid(s) most advantageous to the State shall be determined upon
50 consideration of the following criteria: prices offered; best value, as the term is defined in
51 G.S. 143-135.9(a)(1); the quality of the articles offered; the general reputation and performance

1 capabilities of the bidders; the substantial conformity with the specifications and other
2 conditions set forth in the request for bids; the suitability of the articles for the intended use; the
3 personal or related services needed; the transportation charges; the date or dates of delivery and
4 performance; and such other factor(s) deemed pertinent or peculiar to the purchase in question,
5 which if controlling shall be made a matter of record. Competitive bids on such contracts shall
6 be received in accordance with rules and regulations to be adopted by the Secretary of
7 Administration, which rules and regulations shall prescribe for the manner, time and place for
8 proper advertisement for such bids, the time and place when bids will be received, the articles
9 for which such bids are to be submitted and the specifications prescribed for such articles, the
10 number of the articles desired or the duration of the proposed contract, and the amount, if any,
11 of bonds or certified checks to accompany the bids. Bids shall be publicly opened. Any and all
12 bids received may be rejected. Each and every bid conforming to the terms of the invitation,
13 together with the name of the bidder, shall be tabulated and that tabulation shall become public
14 record in accordance with the rules adopted by the Secretary. All contract information shall be
15 made a matter of public record after the award of contract. Provided, that trade secrets, test data
16 and similar proprietary information may remain confidential. A bond for the faithful
17 performance of any contract may be required of the successful bidder at bidder's expense and in
18 the discretion of the Secretary of Administration. When the dollar value of a contract for the
19 purchase, lease, or lease/purchase of goods exceeds the benchmark established by
20 G.S. 143-53.1, the contract shall be reviewed by the ~~Board of Awards~~ State Purchasing Officer
21 pursuant to G.S. 143-52.1 prior to the contract being awarded. After contracts have been
22 awarded, the Secretary of Administration shall certify to the departments, institutions and
23 agencies of the State government the sources of supply and the contract price of the goods so
24 contracted for."

25 **SECTION 9.** G.S. 143-59(b) reads as rewritten:

26 "(b) Reciprocal Preference. – For the purpose only of determining the low bidder on all
27 contracts for equipment, materials, supplies, and services valued over twenty-five thousand
28 dollars (\$25,000), a percent of increase shall be added to a bid of a nonresident bidder that is
29 equal to the percent of increase, if any, that the state in which the bidder is a resident adds to
30 bids from bidders who do not reside in that state. Any amount due under a contract awarded to
31 a nonresident bidder shall not be increased by the amount of the increase added by this
32 subsection. On or before January 1 of each year, the Secretary of Administration shall
33 electronically publish a list of states that give preference to in-State bidders and the amount of
34 the percent increase added to out-of-state bids. All departments, institutions, and agencies of
35 the State shall use this list when evaluating bids. If the reciprocal preference causes the
36 nonresident bidder to no longer be the lowest bidder, the Secretary of Administration ~~may, after~~
37 ~~consultation with the Board of Awards,~~ may waive the reciprocal preference. In determining
38 whether to waive the reciprocal preference, the Secretary of Administration ~~and the Board of~~
39 ~~Awards~~ shall consider factors that include competition, price, product origination, and available
40 resources."

41 **SECTION 10.** G.S. 143-318.18(10) is repealed.

42 **SECTION 11.** The Department of Administration shall provide an individualized
43 notice to the following State entities to ensure that the entities are aware of how the statutory
44 amendments made in S.L. 2010-194, Section 15 of S.L. 2011-326, and this act apply to them:

- 45 (1) The North Carolina State Lottery Commission, which is subject to
46 G.S. 18C-150.
- 47 (2) The Commissioner of Banks, who is subject to
48 G.S. 53-320(d), 53-326(d), 53-391, and 53-401.
- 49 (3) The Commissioner of Insurance, who is subject to
50 G.S. 53-401, 58-33-30(e)(4) and (5), 58-33-125(e), 58-33-130(a),
51 and 58-71-40(d).

- 1 (4) The Global TransPark Authority, which is subject to G.S. 63A-24. The
2 Secretary of Transportation shall be copied on the notice sent to the Global
3 TransPark Authority.
- 4 (5) The North Carolina State Bar Council, which is subject to G.S. 84-23(d).
- 5 (6) The North Carolina Board for Licensing of Geologists, which is subject to
6 G.S. 89E-5(e).
- 7 (7) The North Carolina Board for Licensing of Soil Scientists, which is subject
8 to G.S. 89F-5(d).
- 9 (8) The constituent institutions of The University of North Carolina, which are
10 subject to G.S. 114-8.3(b). For notification under this subdivision, the
11 Department of Administration may provide The University of North
12 Carolina System a notification to distribute to all of its constituent
13 institutions. If the Department of Administration does so, The University of
14 North Carolina System shall distribute those notifications to the System's
15 constituent institutions.
- 16 (9) The North Carolina Center for Applied Textile Technology, which is subject
17 to G.S. 115D-67.4.
- 18 (10) The North Carolina State Health Plan for Teachers and State Employees,
19 which is subject to G.S. 135-48.33(b).
- 20 (11) The Department of Transportation, which is subject to G.S. 136-28.1(h) and
21 G.S. 143-134(b).
- 22 (12) The North Carolina Turnpike Authority, which is subject to
23 G.S. 136-89.194(g)(1). The Secretary of Transportation shall be copied on
24 the notice sent to the Turnpike Authority.
- 25 (13) The Department of Health and Human Services, which is subject to
26 G.S. 143-48.1(c).
- 27 (14) The Division of Adult Correction of the Department of Public Safety, which
28 is subject to G.S. 143-134(b). The Secretary of Public Safety shall be copied
29 on the notice sent to the Division of Adult Correction.
- 30 (15) The North Carolina Code Officials Qualification Board, which is subject to
31 G.S. 143-151.16(d). The Commissioner of Insurance shall be copied on the
32 notice sent to the Code Officials Qualification Board.
- 33 (16) The Roanoke Island Commission, which is subject to
34 G.S. 143B-131.2(b)(15). The Secretary of Cultural Resources shall be
35 copied on the notice sent to the Roanoke Island Commission.
- 36 (17) Any other State entity subject to contract review under G.S. 114-8.3.

37 The Department of Administration, as part of its notice, shall provide a means by
38 which an entity may acknowledge receipt and understanding of the notice. If the Department of
39 Administration has not received an acknowledgement from a State entity within 30 days of
40 sending the notice, the Department of Administration shall send a second notice. If the
41 Department of Administration has not received an acknowledgement from a State entity within
42 30 days of sending the second notice, the Department of Administration shall notify (i) the
43 Joint Legislative Program Evaluation Oversight Committee and (ii) the House Appropriations
44 Subcommittee on General Government and the Senate Appropriations Committee on General
45 Government and Information Technology.

46 **SECTION 12.** The Attorney General's Office, the Department of Administration,
47 the Office of the General Counsel for The University of North Carolina, and the Department of
48 State Treasurer shall establish procedures to implement the provisions of this act no later than
49 June 30, 2013.

50 **SECTION 13.** G.S. 143-49 reads as rewritten:

51 "§ 143-49. Powers and duties of Secretary.

1 The Secretary of Administration shall have power and authority, and it shall be his duty,
2 subject to the provisions of this Article:

- 3 ...
- 4 (13) To ~~implement~~ implement, by January 1, 2014, a quality management system
5 equivalent to the International Organization for Standardization (ISO)
6 9001:2008 to ensure that citizen and agency customer requirements are met.
7 By ~~September 1, 2012, June 1, 2013,~~ and more frequently as requested, the
8 Secretary shall report to the Joint Legislative Commission on Governmental
9 Operations, the Program Evaluation Division, and the Fiscal Research
10 Division concerning the progress of the Department's effort to comply with
11 the provisions of this subdivision.
- 12 (14) To work in conjunction with the Office of State Personnel to create a
13 Contracting Specialist career path to provide for the ~~designation~~ designation,
14 by September 1, 2013, of one or more employees within each department,
15 agency, or institution of the State to serve as the Contracting Specialist for
16 the department, agency, or institution. Employees on the Contracting
17 Specialist career path shall receive training and guidance as to the provisions
18 of this Article.
- 19 (15) To work in conjunction with the Office of State Personnel, the Division of
20 Purchase and Contract, and the University of North Carolina School of
21 Government to ~~develop~~ implement, by July 1, 2014, a rigorous contract
22 management training and certification program for State employees. The
23 program shall be administered by the Office of State Personnel.
- 24 (16) To work in conjunction with the University of North Carolina School of
25 Government to study and recommend improvements to State procurement
26 laws, including the feasibility of adopting the provisions of the American
27 Bar Association Model Procurement Code. The recommendations shall be
28 reported by the Secretary to the Joint Legislative Commission on
29 Governmental Operations and the Program Evaluation Division by
30 September 1, 2013.
- 31 (17) To establish procedures to permit State government, or any of its
32 departments, institutions, or agencies, to join with any federal, State, or local
33 government agency, entity, or subdivision, or any nonprofit organization in
34 cooperative purchasing plans, projects, arrangements, or agreements if the
35 interest of the State would be served thereby."

36 **SECTION 14.** Sections 1 through 3 of this act become effective October 1, 2013,
37 and apply to contracts entered into on or after that date. The remainder of this act is effective
38 when it becomes law.