

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 635
Apr 9, 2019
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH10362-LM-84

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

Sponsors: Representatives Ross and Holley (Primary Sponsors).

Referred to:

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

9 The General Assembly of North Carolina enacts:

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

11 "**§ 143-53. Rules.**

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

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

23 ...

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

34"

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

36 "**§ 143-57. Purchases of articles in certain emergencies.**



* D R H 1 0 3 6 2 - L M - 8 4 *

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

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

11 **"§ 143-57.1. Furniture requirements contracts.**

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

19 ...

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

34"

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

36 **"§ 146-27. The role of the Department of Administration in sales, leases, and rentals.**

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

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

47"

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