

Supplemental Materials

This handout contains information and statutes mentioned in the staff presentation. Highlights, bolding, and underlines denote staff emphasis for clarity.

ITEM 1 – NORTH CAROLINA STATE CONSTITUTION EXCERPT

Sec. 7. Drawing public money.

(1) **State treasury. No money shall be drawn from the State treasury but in consequence of appropriations made by law, and an accurate account of the receipts and expenditures of State funds shall be published annually.**

(2) Local treasury. No money shall be drawn from the treasury of any county, city or town, or other unit of local government except by authority of law.

ITEM 2 – RELEVANT STATE BUDGET ACT EXCERPTS

§ 143C-1-2. Appropriations: constitutional requirement; reversions.

(a) Appropriation Required to Withdraw State Funds From the State Treasury. - In accordance with Section 7 of Article V of the North Carolina Constitution, no money shall be drawn from the State treasury but in consequence of appropriations made by law. **A law enacted by the General Assembly that authorizes the expenditure of money from the State treasury is an appropriation; however, an enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.**

§ 143C-6-8. State agencies may incur financial obligations only if authorized by the Director of the Budget and subject to the availability of appropriated funds.

(a) Limitation. - **Unless otherwise authorized by the Director as provided by law, purchase orders, contracts, salary commitments, and any other financial obligations by State agencies shall be subject to the availability of appropriated funds or available funds that are not State funds as defined in this Chapter.** Any employment contract or salary commitment that is paid in whole or in part with State funds shall also be subject to this limitation.

(b) Notice. - Any written purchase order, contract, salary commitment, or other financial obligation subject to this section shall include a clause that sets forth the limitation imposed by subsection (a) of this section. Where this section applies but there is no written document to which the limitation may be added, the entity that administers the State funds at issue shall notify the person or entity of the limitation. (2006-203, s. 3; 2012-142, s. 6.13(a).)

ITEM 3 – E-COMMERCE FEE AUTHORIZING STATUTE

§ 66-58.12. Agencies may provide access to services through electronic and digital transactions; fees authorized.

(a) Public agencies are encouraged to maximize citizen and business access to their services through the use of electronic and digital transactions. A public agency may determine, through program and transaction analysis, which of its services may be made available to the public through electronic means, including the Internet. The agency shall identify any inhibitors to electronic transactions between the agency and the public, including legal, policy, financial, or privacy concerns and specific inhibitors unique to the agency or type of transaction. An agency shall not provide a transaction through the Internet that is impractical, unreasonable, or not permitted by laws pertaining to privacy or security.

(b) **An agency may charge a fee to cover its costs of permitting a person to complete a transaction through the World Wide Web or other means of electronic access. The fee may be applied on a per transaction basis and may be calculated either as a flat fee or a percentage fee, as determined under an agreement between a person and a public agency. The fee may be collected by the agency or by its third party agent.**

(c) The fee imposed under subsection (b) of this section must be approved by the Office of State Budget and Management, in consultation with the State Chief Information Officer and the Joint Legislative Commission on Governmental Operations. The revenue derived from the fee must be credited to a nonreverting agency reserve account. **The funds in the account may be expended only for e-commerce initiatives and projects approved by the State Chief Information Officer, in consultation with the Joint Legislative Oversight Committee on Information Technology.** For purposes of this subsection, the term "public agencies" does not include a county, unit, special district, or other political subdivision of government.

ITEM 4: E-Commerce Project Cost Schedule						
Item (Vendor)	FY 2019-2020		FY 2020-2021		FY 2021-2022	
	R	NR	R	NR	R	NR
SAP Ariba licenses and Subscriptions for (1) Sourcing, (2) Buying, and (3) Contract Management (SAP/Ariba)	\$1,356,105		\$1,356,105		\$1,356,105	
On-site functional consulting support and on-site technical support SAP/Ariba				\$2,072,428		
Consulting Services fees (SAP/Ariba)				\$664,588		
Overall Project Management: Plan, Analyze, Design, Build, Test, and Deploy Ariba Buying, Ariba Contracts, and Ariba Sourcing, and produce the required deliverables (Accenture)		\$722,000		\$6,662,000		\$516,000
Recurring operational expense covers 24 hours /7 days per week- statewide customer support for vendors, agencies, universities, community colleges, and local education agencies.* ¹ (Accenture)	\$9,600,000		\$9,600,000		\$9,600,000	
The NC E-Procurement legacy data retention approach requires the State to leverage GDAC resources and tools to host and report against the required procurement data. This will link all spend data – into one repository. Figures provided are estimates.(GDAC) ²				\$678,000	\$1,000,000	
Annual Expenditures: Please see previous notes/ explanation provided via email on all expenditure line items; includes IT support, IT Project Management, IT Server Support, Maintenance Agreements for eProcurement equipment, NCID, email, calendar, LAN, WAN, IT Managed Desktop Services Support, etc.	\$3,227,334		\$3,227,334		\$2,727,334	
TOTAL	\$14,183,439	\$722,000	\$14,183,439	\$10,077,016	\$14,683,439	\$516,000

Source: Dept. of Administration, 2/25/2020

1 The operational/service delivery model was defined at the inception of eProcurement. This is an annual cost that is billed and paid monthly. This includes application, functional, technical, customer and billing/collection support, overall operations management. Operational support services will be delivered in accordance with the NC E-Procurement @ Your Service Delivery Specification (SDS), which will be reviewed and adjusted prior to implementation of each new workstream, as appropriate, to account for changes related to the SAP Ariba Buying, Sourcing, and Contracts implementation(s).

2 Schedule and costs will be negotiated and confirmed once the body of work is defined. DIT and DOA are responsible for the work and costs of GDAC related efforts to accomplish the NC E-Procurement legacy data retention approach, including GDAC personnel time and the use, licensing, or subscription costs of GDAC resources and tools.