



HOUSE BILL 416: Robeson County/Local Business Preference.

2017-2018 General Assembly

Committee:	House State and Local Government II	Date:	April 24, 2017
Introduced by:	Reps. C. Graham, Pierce, Goodman, Brenden Jones	Prepared by:	Nicholas Giddings Committee Counsel
Analysis of:	Second Edition		

OVERVIEW: House Bill 416 would provide Robeson and Columbus Counties, and the municipalities within those Counties, the option to give preference to local bidders when letting certain contracts if (i) the bid of the lowest local bidder is no greater than 5% or \$10,000, whichever is less, of the lowest nonlocal bidder; and (ii) the lowest local bidder matches the bid of the lowest nonlocal bidder. The winning bidder would also be required to give preference to local businesses and residents when performing the contract.

[As introduced, this bill was identical to S277, as introduced by Sen. Britt, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: Local governments are required to award formally and informally bid contracts to the lowest responsible, responsive bidder. Local governments only have the authority to negotiate with bidders on such contracts if the lowest responsible, responsive bid comes in higher than the funds available for the project or purchase.

BILL ANALYSIS: House Bill 416 would allow Robeson and Columbus Counties, and the municipalities within those Counties, to give preference to the lowest responsible, responsive local bidder when contracting for construction or repair work or for the purchase of apparatus, supplies, materials, or equipment under certain circumstances. Local preference would only be allowed if the bid of the lowest responsible, responsive local bidder is no greater than 5% or \$10,000, whichever is less, of the bid of the lowest responsible, responsive nonlocal bidder and the lowest local bidder matches the bid of the lowest nonlocal bidder.

The bill would also require any local or nonlocal bidder awarded a contract with Robeson or Columbus Counties, or the municipalities within those Counties, to give preference to local businesses and local residents in contracting, subcontracting, purchasing and employment in certain circumstances. Lastly, contractors would be required to submit a Community Preference Plan within 30 days of being awarded a contract outlining the steps the contractor is taking, or has taken, to give preference to local businesses and residents.

EFFECTIVE DATE: This act would be effective when it becomes law and would apply to bids received on or after that date.

BACKGROUND: In 2010, Governor Purdue signed Executive Order 50, Enhanced Purchasing Opportunities for North Carolina Businesses. The Executive Order applies only to State agencies and directed the Division of Purchase and Contract of the Department of Administration to develop a price-matching system that provides qualified North Carolina businesses whose bids are within a certain range – 5% or \$10,000 (whichever is less) – of the lowest qualified bid, an opportunity to price-match the

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lowest qualified bid and secure the contract award. Executive Order 50 does not apply to municipalities, counties, schools, water and sewer authorities, hospital authorities, or other local governments.