



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 635: Purchase & Contracts Benchmarks/Property.

2019-2020 General Assembly

Committee:	Senate State and Local Government. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 16, 2020
Introduced by:	Reps. Ross, Holley	Prepared by:	Brad Krehely
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: House Bill 635 would implement the expenditure benchmarks established under G.S. 143-53.1 as the monetary thresholds to review protests on contracts, waivers of competition, and mandate that reports on emergency purchases by State departments, institutions, and agencies be submitted to the Division of Purchase and Contracts. The bill would also expedite the State property disposition process by mandating written notice to the Joint Legislative Commission on Government Operations at least 30 days prior to disposing of State property with a value of at least \$25,000.

CURRENT LAW/BILL ANALYSIS:

Section 1: Generally, statewide term contracts are established through a competitive bid process. Currently, when a bidder chooses to protest a contract awarded by the Secretary of Administration (Secretary), or by an agency (excluding universities), over \$25,000, the bidder must submit a written request, within 30 days of the award, to the state purchasing officer with the Division of Purchase and Contract (Division). The request must contain specific reasons and any supporting documentation for the protest.

The competitive bid process may also be waived under certain circumstances. Under current law, 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 \$10,000.

Section 1 of the bill would implement the expenditure benchmarks established under G.S. 143-53.1 as the monetary thresholds to require (1) the Division of Purchase and Contract to review a protest on an award of a contract, and (2) the Secretary to review a waiver of competition.

Section 2: The Secretary has the power to procure necessary supplies, materials, equipment, printing or services for immediate delivery to any State agency, department, or institution in times of emergency. A report on the circumstances of the emergency must be made a matter of record immediately thereafter. If the expenditure exceeds \$10,000, the report must also be submitted to the Division. Section 2 of the bill would implement the expenditure benchmark established under G.S. 143-53.1 as the monetary threshold to require that a report be submitted to the Division after emergency purchases.

Section 3: Section 3 of the bill would remove obsolete language regarding furniture requirement contracts under G.S. 143-57.1.

Section 4: Currently, dispositions of land with an appraised value of at least \$25,000 may not occur until consulting with the Joint Legislative Commission on Governmental Operations. To acquire land with an appraised value of \$25,000 or more, written notice is required to be provided to certain entities, including the Joint Legislative Commission on Governmental Operations, at least 30 days prior to the acquisition.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House Bill 635

Page 2

Section 4 of the bill would expedite the State property disposal process on land with an appraised value of at least \$25,000 by requiring written notice be provided to the Joint Legislative Commission on Governmental Operations at least 30 days prior to the disposition. This change would also parallel the requirements to acquire property with an appraised value of at least \$25,000.

EFFECTIVE DATE: Section 4 of this act would become effective July 1, 2019, and apply to dispositions proposed on or after that date. The remainder of this act would be effective when it becomes law.

*Nicholas Giddings, Staff Attorney for the Legislative Analysis Division, contributed substantially to this summary.