



# HOUSE BILL 635: Purchase & Contracts Benchmarks/Property.

2019-2020 General Assembly

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<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	June 17, 2020
<b>Introduced by:</b>	Reps. Ross, Holley	<b>Prepared by:</b>	Brad Krehely
<b>Analysis of:</b>	Second Edition		Staff Attorney

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**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.*

## 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.

**EFFECTIVE DATE:** The act would be effective when it becomes law.

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