



2023-2024 General Assembly

HOUSE BILL 600: Regulatory Reform Act of 2023, Sec. 43: Exempt from Public Contract Bidding Requirement Heating and Cooling System Repair Work Made Through a Competitive Bidding Group Purchasing Program

Committee:
Introduced by:
Analysis of: Sec. 43 of S.L. 2023-137

Date: December 11, 2023
Prepared by: Kyle Evans
Staff Attorney

OVERVIEW: *Section 43 of S.L. 2023-137 expands the competitive bidding group purchasing exemption to repair work of heating and cooling systems, including both installation labor and equipment acquisition, if the contract for the work meets certain requirements.*

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023, and applies to repair work procured on or after that date.

CURRENT LAW & BILL ANALYSIS:

[Article 8 \(Public Contracts\)](#) of Chapter 143 of the General Statutes governs how government entities can award or enter into contracts for construction, repair work, and the purchase of goods and services. That Article generally requires formal bidding of contracts for repair work with an estimated expenditure of \$500,000 or more in public funds.

[G.S. 143-129\(e\)](#) provides an exemption to formal public bidding requirements for purchases made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies.

Section 43 expands the competitive bidding group purchasing exemption to repair work of heating and cooling systems, including both installation labor and equipment acquisition. To fall under this exemption, the contract for repair work for heating and cooling systems cannot exceed a total cost of \$2 million, and must be procured using a competitive bidding group purchasing program that is qualified to sell to the United States of America or any agency thereof.

EFFECTIVE DATE: This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023, and applies to repair work procured on or after that date.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578