

## SECTION .0300 - PROCUREMENT AUTHORIZATION AND PROCEDURES

### 01 NCAC 05B .0301 CONTRACTING REQUIREMENTS

Except where a waiver, special delegation, exemption, or an emergency purchase is permitted by rule, all purchases involving the expenditure of public funds made by universities and other agencies for commodities, services and printing, not covered by statewide term contracts, shall comply with the following delegations and procedures:

- (1) **Small Purchases:** A small purchase is defined as the purchase of commodities, services or printing, not covered by a term contract, involving an expenditure of public funds of five thousand dollars (\$5,000) or less. The executive officer of each agency, or his designee, shall set forth, in writing, purchasing procedures for making small purchases. The using agency shall award contracts for small purchases. The SPO may require a copy of the small purchase procedures be sent to the Division of Purchase and Contract.
  - (2) **Purchases Governed by General Delegation or Statute:**
    - (a) For purchases made by a university or agency involving an expenditure of public funds over five thousand dollars (\$5,000), up to the benchmark established for a university under the provisions of G.S. 116-31.10, and up to the general delegation limit for agencies established by the SPO under the provisions of G.S. 143-53(a)(2):
      - (i) Competition shall be solicited;
      - (ii) Solicitation documents requesting or inviting offers shall be issued;
      - (iii) Solicitation documents shall include standard language, including terms and conditions as published by the Division of Purchase and Contract on its home web page, unless prior written approval is obtained from the Division for unusual requirements. If additional terms and conditions are used, they shall not conflict with the Division's standard terms and conditions, unless prior written approval is obtained from the Division for unusual requirements; and
      - (iv) Mailing lists, if available from the Division of Purchase and Contract, may be requested and used in addition to mailing lists maintained by the university or agency for the purpose of soliciting competition.
    - (b) Agencies and universities shall advertise their solicitations through the Division of Purchase and Contract for the following purchases:
      - (i) Agencies: For purchases involving an expenditure of public funds exceeding ten thousand dollars (\$10,000), up to the general delegation limit for an agency established by the SPO under the provisions of G.S. 143-53(a)(2);
      - (ii) Universities: For purchases involving an expenditure of public funds exceeding twenty-five thousand dollars (\$25,000), up to the benchmark established for a university under the provisions of G.S. 116-31.10.
- Agencies and universities may advertise solicitations on smaller dollar purchases through the Division of Purchase and Contract.
- (c) The using agency shall award contracts under the statutory limit for universities and the general delegation for all other agencies.
- (3) **Competitive Bidding Procedure:** Where the total requirements for commodities, services or printing jobs involve an expenditure of public funds in excess of the expenditure benchmark established under the provisions of G.S. 116-31.10 or the general delegations established by the SPO under the provisions of G.S. 143-53(a)(2), the competitive bidding procedure as defined in G.S. 143-52 shall be utilized as follows:
  - (a) Sealed offers for commodities and printing shall be solicited by the Division of Purchase and Contract via advertisement;
  - (b) For service contracts, the universities and other agencies shall solicit sealed offers for their university/agency in accordance with the rules established for Sub-items (2)(a) and (b) of this Rule. After opening and completing the evaluation of offers received, the agency shall prepare a written recommendation for award, and if over the benchmark established under G.S. 116-31.10 or the general delegations established by the SPO, shall submit a copy of all offers received and their recommendation of award or other action to the Division of Purchase and Contract for approval or other action deemed necessary by the SPO (Examples:

- cancellation, negotiation, etc.). Notice of the Division of Purchase and Contract's decision shall be sent to the agency. The using agency shall award contracts for services;
- (c) Sealed offers for statewide term contracts for commodities, printing and services shall be solicited by the Division of Purchase and Contract via advertisement.
- (4) For each service contract handled by the agency, the agency shall prepare a task description of the services and desired results. Task descriptions shall contain all of the following:
- (a) The date(s) of service (The contract shall not be for more than three years including extensions and renewals, without the prior approval of the SPO for unusual requirements);
  - (b) Detailed specifications or type and level of work required;
  - (c) What the State shall furnish;
  - (d) What the contractor shall furnish;
  - (e) The method, schedule, and procedures for billing and payments; and
  - (f) Other subject matters bearing on the conduct of the work.
- (5) Rules applying to service and printing contracts do not apply to local school administrative units or community colleges.

*History Note: Authority G.S. 143-49; 143-52; 143-53; 143-53.1;  
Eff. February 1, 1976;  
Readopted Eff. February 27, 1979;  
Amended Eff. February 1, 1996; January 1, 1985;  
Temporary Amendment Eff. February 15, 1998;  
Amended Eff. April 1, 1999;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016.*