

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 654

Short Title: NC First.

(Public)

Sponsors: Representatives Queen, B. Turner, Goodman, and Salmon (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Judiciary I.

April 14, 2015

A BILL TO BE ENTITLED

AN ACT ESTABLISHING THE NC FIRST PREFERENCE WHICH AUTHORIZES THE SECRETARY OF ADMINISTRATION AND STATE AGENCIES WHEN PURCHASING GOODS OR SERVICES TO GIVE A PRICE-MATCH PREFERENCE TO NC BUSINESSES IF CERTAIN CONDITIONS ARE MET.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-59 reads as rewritten:

"§ 143-59. **Preference given to North Carolina products and citizens, and articles manufactured by State agencies; reciprocal preferences.**

(a) Preference. – The Secretary of Administration and any State agency authorized to purchase foodstuff or other products, shall, in the purchase of or in the contracting for foods, supplies, materials, equipment, printing or services give preference as far as may be practicable to such products or services manufactured or produced in North Carolina or furnished by or through citizens of North Carolina: Provided, however, that in giving such preference no sacrifice or loss in price or quality shall be permitted; and provided further, that preference in all cases shall be given to surplus products or articles produced and manufactured by other State departments, institutions, or agencies which are available for distribution.

(b) Reciprocal Preference. – For the purpose only of determining the low bidder on all contracts for equipment, materials, supplies, and services valued over twenty-five thousand dollars (\$25,000), a percent of increase shall be added to a bid of a nonresident bidder that is equal to the percent of increase, if any, that the state in which the bidder is a resident adds to bids from bidders who do not reside in that state. Any amount due under a contract awarded to a nonresident bidder shall not be increased by the amount of the increase added by this subsection. On or before January 1 of each year, the Secretary of Administration shall electronically publish a list of states that give preference to in-State bidders and the amount of the percent increase added to out-of-state bids. All departments, institutions, and agencies of the State shall use this list when evaluating bids. If the reciprocal preference causes the nonresident bidder to no longer be the lowest bidder, the Secretary of Administration may waive the reciprocal preference. In determining whether to waive the reciprocal preference, the Secretary of Administration shall consider factors that include competition, price, product origination, and available resources.

(b1) Price-Match Preference. – For any contract for foods, supplies, materials, equipment, printing, or services, the Secretary of Administration and any State agency shall give the lowest responsible, responsive resident bidder time, not to exceed three business days, to match the bid of the lowest responsible, responsive nonresident bidder if the bid of the



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1 resident bidder is within five percent (5%) or ten thousand dollars (\$10,000), whichever is less,
2 of the bid of the nonresident bidder. If the bid is matched, the lowest responsible, responsive
3 resident bidder shall be given the preference authorized in subsection (a) of this section.

4 (c) Definitions. – The following definitions apply in this section:

5 (1) Resident bidder. – A bidder that has paid unemployment taxes or income
6 taxes in this State ~~and~~or whose principal place of business is located in this
7 State.

8 (2) Nonresident bidder. – A bidder that is not a resident bidder as defined in
9 subdivision (1) of this subsection.

10 (3) Principal place of business. – The principal place from which the trade or
11 business of the bidder is directed or managed.

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13 **SECTION 2.** This act becomes effective July 1, 2015, and applies to all bids
14 received on or after that date.