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Short Title: Amend State Contract Review Laws.

(Public)

Sponsors:

Referred to:

February 5, 2013

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE CONTRACT MANAGEMENT SECTION OF THE DIVISION OF PURCHASE AND CONTRACT, DEPARTMENT OF ADMINISTRATION, TO AMEND THE LAWS REQUIRING NEGOTIATION AND REVIEW OF CERTAIN STATE CONTRACTS, TO PROVIDE OVERSIGHT AND REPORTING OF CERTAIN CONTRACT AWARDS, AND TO PROVIDE FOR CONTRACT MANAGEMENT AND ADMINISTRATION, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 114-8.3 reads as rewritten:

"§ 114-8.3. Attorney ~~General~~ General/General Counsel; to review certain contracts.

(a) Except as provided in ~~subsection~~ subsections (b) and (b1) of this section, the Attorney General or the Attorney General's designee shall perform the duties required pursuant to G.S. 143-49(3a) for review all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one five million dollars (\$1,000,000) (\$5,000,000). The designee shall confirm to ensure that the proposed contracts are (i) in proper legal form, (ii) contain all clauses required by North Carolina law, (iii) are legally enforceable, and (iv) accomplish the intended purposes of the proposed contract. The term "review" as used in this section shall designee's review does not constitute approval or disapproval of the policy merit or lack thereof of the proposed contract. For purposes of this subsection, the term "Attorney General's designee" shall include includes any attorney approved by the Attorney General to review contracts as provided in this subsection. The Attorney ~~General~~ General shall:

- (1) Establish procedures regarding the review of contracts subject to this section and shall provide any attorney designated under G.S. 143-49(3a) with guidelines to be used in reviewing contracts. shall require that any attorney designated under this subsection comply with any rules established by the Attorney General or the Department of Administration regarding the review of contracts.
- (2) Advise and assist the Contract Management Section of the Division of Purchase and Contract, Department of Administration, in establishing procedures and guidelines for the review of contracts pursuant to G.S. 143-50.1.

(b) For the constituent institutions of The University of North Carolina, the General Counsel of each institution or the General Counsel's designee shall review all proposed



1 contracts for supplies, materials, printing, equipment, and contractual services that exceed one
2 million dollars (\$1,000,000) to ensure that the proposed contracts are (i) in proper legal form,
3 (ii) contain all clauses required by North Carolina law, (iii) are legally enforceable, and (iv)
4 accomplish the intended purposes of the proposed contract. The term "review" as used in this
5 section ~~shall does~~ not constitute approval or disapproval of the policy merit or lack thereof of
6 the proposed contract. For purposes of this subsection, the term "General Counsel's designee"
7 ~~shall include~~ includes any attorney approved by the General Counsel to review contracts as
8 provided in this subsection. The General Counsel shall establish procedures regarding the
9 review of contracts subject to this section and shall require that any attorney designated under
10 this subsection comply with any ~~rules~~ procedures established by the Attorney General or the
11 Department of Administration regarding the review of contracts.

12 (b1) The General Counsel of the Department of State Treasurer or the General Counsel's
13 designee shall review all proposed investment contracts, as defined in subdivision (4) of this
14 subsection, and all proposed contracts for investment-related services entered pursuant to the
15 State Treasurer's authority under G.S. 147-69.3 not constituting consulting contracts, to confirm
16 that the proposed contracts (i) are in proper legal form, (ii) contain all clauses required by
17 North Carolina law, (iii) are legally enforceable to the extent governed by North Carolina law,
18 and (iv) accomplish the intended purposes of the proposed contract. The General Counsel shall
19 establish, in consultation with the Attorney General and the Department of Administration,
20 procedures regarding the review of contracts subject to this subsection. The following terms
21 and requirements apply to contracts under this subsection:

22 (1) The term "review" as used in this section does not constitute approval or
23 disapproval of the policy merit or lack thereof of the proposed contract.

24 (2) The term "General Counsel's designee" includes any attorney employed or
25 retained by the General Counsel to review contracts as provided in this
26 subsection.

27 (3) Any contract for services reviewed pursuant to this subsection must include
28 the signature of the General Counsel or the General Counsel's designee
29 confirming that the Department of State Treasurer has adhered to the
30 procedures established by the General Counsel regarding the review of the
31 contract. Except for a contract entered into as part of direct trading of bonds,
32 instruments, equity securities, or other approved securities, a contract that
33 has not been signed as required by this subdivision is voidable by the State,
34 and any party or parties to the contract are entitled to receive the value of
35 services rendered prior to the termination of the contract.

36 (4) For the purposes of this subsection, "investment contract" means any of the
37 following:

38 a. Investments to be acquired, held, or sold, directly or indirectly, by or
39 for the State Treasurer, the Department of State Treasurer, or an
40 investment entity created by the Department of State Treasurer,
41 either on its own behalf or on behalf of another beneficial owner.

42 b. Investments administered by the North Carolina Supplemental
43 Retirement Board of Trustees.

44 (c) All State agencies, the constituent institutions of The University of North Carolina,
45 or any person who will be entering into a contract on behalf of the State for supplies, materials,
46 printing, equipment, or contractual services that exceeds one million dollars (\$1,000,000) shall
47 notify the Secretary of the Department of Administration or the Secretary's designee of the
48 intent to enter into the contract and provide information as required by the Department for the
49 purposes of maintaining a centralized log of contracts and identifying the location of the
50 contract documents."

51 **SECTION 2.** G.S. 143-49 reads as rewritten:

1 **"§ 143-49. Powers and duties of Secretary.**

2 The Secretary of Administration ~~shall have~~ has the power and authority, and it ~~shall be his~~
3 is the Secretary's duty, subject to the provisions of this Article:

4 ...

5 (3a) To ~~request, notify and~~ the Attorney General of pending contracts for
6 contractual services exceeding a cost of five million dollars (\$5,000,000) and
7 that are not otherwise excepted by this subdivision. Upon notification, the
8 Attorney General shall assign a representative of ~~from within~~ the office of
9 the Attorney General, the Contract Management Section of the
10 Division of Purchase and Contract, Department of Administration, or other
11 qualified counsel to assist in negotiation for the award of any the contract.
12 ~~contract for contractual services exceeding a cost of one hundred thousand~~
13 ~~dollars (\$100,000) that requires negotiation with prospective contractors. It~~
14 ~~shall be is~~ the duty of such the representative to assist and advise in
15 obtaining the most favorable contract for the State, to evaluate all proposals
16 available from prospective contractors for that purpose, to interpret proposed
17 contract terms and to advise the Secretary or his representatives of the
18 liabilities of the State and validity of the contract to be awarded. An attorney
19 from within the office of the Attorney General shall review all ~~all~~ contracts
20 and drafts of such contracts shall be prepared by the office of the Attorney
21 General contracts, and the office shall retain copies thereof shall be retained
22 by such office for a period of three years following the termination of such
23 the contracts. The term "contractual services" as used in this subsection and
24 G.S. 143-52.2 shall mean means work performed by an independent
25 contractor requiring specialized knowledge, experience, expertise or similar
26 capabilities wherein the service rendered does not consist primarily of
27 acquisition by this State of equipment or materials and the rental of
28 equipment, materials and supplies. The term "negotiation" as used in this
29 This subdivision shall does not apply be deemed to refer to contracts entered
30 into or to be entered into as a result of a competitive bidding process. In
31 order to be valid, any contract for services reviewed pursuant to this
32 subdivision must include the signature and title of the attorney designated
33 from within the office of the Attorney General to review the contract. If the
34 contract commences without the required signature, the State has the right to
35 terminate the contract, and the other party or parties to the contract shall only
36 be entitled to the value of all services provided to the State prior to the
37 termination. The Secretary is not required to notify the Attorney General for
38 the appointment of a representative for any contracts for contractual services
39 to be entered into by the constituent institutions of The University of North
40 Carolina pursuant to G.S. 114-8.3(b), or for contracts to be entered into by
41 the Department of Treasurer pursuant to G.S. 114-8.3(b1), unless requested
42 to do so by the General Counsel of The University of North Carolina or the
43 General Counsel of the Department of State Treasurer, respectively.

44 ...

45 (13) To ~~implement a quality management system equivalent to the International~~
46 ~~Organization for Standardization (ISO) 9001:2008 to ensure that citizen and~~
47 ~~agency customer requirements are met. By September 1, 2012, and more~~
48 ~~frequently as requested, the Secretary shall report to the Joint Legislative~~
49 ~~Commission on Governmental Operations, the Program Evaluation Division,~~
50 ~~and the Fiscal Research Division concerning the progress of the~~
51 ~~Department's effort to comply with the provisions of this subdivision.~~

1 ...
2 (16) To work in conjunction with the University of North Carolina School of
3 Government to study and recommend improvements to State procurement
4 laws, including the feasibility of adopting the provisions of the American
5 Bar Association Model Procurement Code. The recommendations shall be
6 reported by the Secretary to the Joint Legislative Commission on
7 Governmental Operations and the Program Evaluation Division by June 30,
8 2014.

9"

10 **SECTION 3.** Article 3 of Chapter 143 of the General Statutes is amended by
11 adding a new section to read:

12 **"§ 143-50.1. Division of Purchase and Contract; Contract Management Section.**

13 (a) The Contract Management Section (CMS) is established in the Division of Purchase
14 and Contract, Department of Administration. The CMS shall include legal counsel with the
15 duties and responsibilities included in this section.

16 (b) Unless otherwise provided in G.S. 114-8.3(b) or (b1), or in this section, for all
17 proposed solicitations for supplies, materials, printing, equipment, or contractual services that
18 exceed one million dollars (\$1,000,000), the CMS shall:

- 19 (1) Participate and assist in the preparation of all proposed solicitations, and
20 review all available proposals from prospective contractors, with the goal of
21 obtaining the most favorable contract for the State.
22 (2) Interpret proposed contract terms and advise the Secretary or the Secretary's
23 designee of the potential liabilities to the State.
24 (3) Review all proposed contracts to ensure that the contracts:
25 a. Are in proper legal form.
26 b. Contain all clauses required by law.
27 c. Are legally enforceable.
28 d. Require performance that will accomplish the intended purposes of
29 the proposed contract.

30 The review and evaluation required by this subsection does not constitute approval or
31 disapproval of the policy merit or lack thereof of the proposed contract.

32 (c) With respect to proposed contracts for services that exceed five million dollars
33 (\$5,000,000), the CMS shall perform the duties required under G.S. 143-49(3a).

34 (d) The CMS shall:

- 35 (1) Assist State departments, agencies, and institutions to establish formal
36 contract administration procedures and functions.
37 (2) Advise personnel in contracting specialist roles as to appropriate contract
38 management and administrative techniques and activities.
39 (3) Act as a general resource to State agencies on contracting issues related to
40 procurement, including contract drafting, clarification of terms and
41 conditions, proper solicitation and bid evaluation procedures, contract
42 negotiation, and other matters as directed by the State Purchasing Officer.
43 (4) Assist representatives of the Attorney General, agency counsel, and other
44 legal staff, as requested, in matters related to contracting for goods and
45 services.

46 (e) The Department of Administration shall adopt procedures for the record keeping of
47 the information provided by State agencies and that has been received by the Secretary or the
48 Secretary's designee pursuant to G.S. 114-8.3(c). The Department shall keep the records, and
49 shall include a log with information that provides identification of individual contracts and
50 where the contract documents are located. The Secretary is authorized to require that entities

1 reporting pursuant to G.S. 114-8.39(c) provide additional information that may be required to
2 identify the individual contracts.

3 (f) The CMS shall consist of personnel designated by the Secretary and perform other
4 functions as directed by the Secretary that are not inconsistent with this section."

5 **SECTION 4.** G.S. 143-52.1 reads as rewritten:

6 **"§ 143-52.1. Board of Awards. Award recommendations; State Purchasing Officer action.**

7 (a) Award Recommendation. – When the dollar value of a contract to be awarded under
8 Article 3 of Chapter 143 of the General Statutes exceeds the benchmark established pursuant to
9 G.S. 143-53.1, an award recommendation shall be submitted to the State Purchasing Officer for
10 approval or other action. The State Purchasing Officer shall promptly notify the agency or
11 institution making the recommendation, or for which the purchase is to be made, of the action

12 ~~taken. There is created the Board of Awards. The Board shall consist of three members at a~~
13 ~~time, appointed by the Chair of the Commission. Members of the Board shall be appointed on a~~
14 ~~rotating basis from the membership of the Commission and the Council of State. Two out of~~
15 ~~three members appointed for each meeting of the Board shall constitute a quorum of the Board.~~

16 (b) ~~The Board shall meet weekly as called by the Chair of the Commission, except in~~
17 ~~weeks when no contracts have been submitted to the Board for review.~~

18 (c) ~~When the dollar value of a contract exceeds the benchmark established either~~
19 ~~pursuant to G.S. 143-53.1 or G.S. 147-33.101, the Board shall review and make a~~
20 ~~recommendation on action to be taken by the Secretary of Administration on contracts to be~~
21 ~~awarded under Article 3 of Chapter 143 of the General Statutes and on contracts to be awarded~~
22 ~~by the Chief Information Officer under Article 3D of Chapter 147 of the General Statutes, prior~~
23 ~~to the awarding of the contract.~~

24 (d) ~~The State Budget Officer shall designate a secretary for the Board. The Secretary of~~
25 ~~Administration and the State Chief Information Officer shall each submit their matters for~~
26 ~~consideration to the secretary for inclusion on the Board's agenda. Records shall be kept of each~~
27 ~~meeting and made public by the Secretary of Administration or State Chief Information~~
28 ~~Officer, as applicable unless the Secretary of Administration or State Chief Information~~
29 ~~Officer, as applicable, determines a specific record of the meeting needs to be confidential due~~
30 ~~to the nature of the contract. The Secretary of Administration or State Chief Information~~
31 ~~Officer, as applicable, may elect to proceed with the award of a contract without a~~
32 ~~recommendation of the Board in cases of emergencies or in the event that a Board is not~~
33 ~~available. In those cases, contracts awarded without Board review shall be reported to the next~~
34 ~~meeting of the Board as a matter of record.~~

35 (e) Reporting. – Reports on recommendations made by the Board on matters presented
36 by the State Chief Information Officer to the Board shall be reported monthly by the Board. The
37 State Procurement Officer shall provide a monthly report of all contract awards greater than
38 twenty-five thousand dollars (\$25,000) approved through the Division of Purchase and
39 Contract to the chairs of the Joint Legislative Oversight Committee on Information
40 Technology. Cochairs of the Joint Legislative Committee on Governmental Operations. The
41 report shall include the amount of the award, the award recipient, the using agency, and a short
42 description of the nature of the award."

43 **SECTION 5.** G.S. 147-33.101 reads as rewritten:

44 **"§ 147-33.101. Board of Awards review. Award recommendation; State Chief Information**
45 **Officer action.**

46 (a) Award Recommendation. – When the dollar value of a contract for the procurement
47 of information technology equipment, materials, and supplies exceeds the benchmark
48 established by the State Chief Information Officer, an award recommendation shall be
49 submitted to the State Chief Information Officer for approval or other action. The State Chief
50 Information Officer shall promptly notify the agency or institution making the
51 recommendation, or for which the purchase is to be made, of the action taken. the contract shall

1 be reviewed by the Board of Awards pursuant to G.S. 143-52.1 prior to the contract being
2 awarded.

3 (b) Review. – Prior to submission of ~~any contract~~ for review by the Board of Awards
4 pursuant to this section ~~for~~ of any contract for information technology being acquired for the
5 benefit of the Office and not on behalf of any other State agency, the Director of the Budget
6 shall review and approve the procurement to ensure compliance with the established processes,
7 specifications, and standards applicable to all information technology purchased, licensed, or
8 leased in State government, including established procurement processes, and compliance with
9 the State government wide technical architecture as established by the State CIO.

10 (c) Reporting. – The State CIOs shall provide a report of all contract awards approved
11 through the Statewide IT Procurement Office as indicated below. The report shall include the
12 amount of the award, the contract term, the award recipient, the using agency, and a short
13 description of the nature of the award.

14 (1) For contract awards greater than twenty-five thousand dollars (\$25,000), to
15 the Cochairs of the Joint Legislative Oversight Committee on Information
16 Technology on a monthly basis.

17 (2) For all contract awards outside the established purchasing system, to the
18 Secretary of the Department of Administration on a quarterly basis."

19 **SECTION 6.** G.S. 116-13(a) reads as rewritten:

20 "(a) The power and authority granted to the Board of Governors with regard to the
21 acquisition, operation, maintenance and disposition of real and personal property and services
22 shall be subject to, and exercised in accordance with, the provisions of Chapters 143 and 146 of
23 the General Statutes and related sections of the North Carolina Administrative Code, except
24 when a purchase is being made that is not covered by a State term contract and either:

25 (1) The funds used to procure personal property or services are not moneys
26 appropriated from the General Fund or received as tuition or, in the case of
27 multiple fund sources, moneys appropriated from the General Fund or
28 received as tuition do not exceed thirty percent (30%) of the total funds; or

29 (2) The funds used to procure personal property or services are contract and
30 grant funds or, in the case of multiple fund sources, the contract and grant
31 funds exceed fifty percent (50%) of the total funds.

32 When a special responsibility constituent institution makes a purchase under subdivision (1)
33 or (2) of this subsection, the requirements of Chapter 143, Article 3 shall apply, except the
34 approval or oversight of the Secretary of ~~Administration, Administration or the State~~
35 ~~Purchasing Officer, or the Board of Awards Officer shall not be~~ is not required, regardless of
36 dollar value."

37 **SECTION 7.** G.S. 120-36.6 reads as rewritten:

38 "**§ 120-36.6. Legislative Fiscal Research staff participation.**

39 The Legislative Services Officer shall designate a member of the Fiscal Research staff, and
40 a member of the General Research or Bill Drafting staff who may attend all meetings of the
41 ~~Board of Awards and Council of State, unless the Board or Council has voted to exclude them~~
42 from the specific meeting, provided that no final action may be taken while they are so
43 excluded. The Legislative Services Officer and the Director of Fiscal Research shall be notified
44 of all such meetings, hearings and trips in the same manner and at the same time as notice is
45 given to members of the ~~Board or Council~~. The Legislative Services Officer and the Director of
46 Fiscal Research shall be provided with a copy of all reports, memoranda, and other
47 informational material which are distributed to the members of the ~~Board or Council~~; these
48 reports, memoranda and materials shall be delivered to the Legislative Services Officer and the
49 Director of Fiscal Research at the same time that they are distributed to the members of the
50 ~~Board or Council.~~"

51 **SECTION 8.** G.S. 143-52(a) reads as rewritten:

1 "(a) The Secretary of Administration shall compile and consolidate all ~~such~~-estimates of
2 goods and services needed and required by State departments, institutions and agencies to
3 determine the total requirements of any given commodity. Where ~~such~~the total requirements
4 will involve an expenditure in excess of the expenditure benchmark established under the
5 provisions of G.S. 143-53.1 and where the competitive bidding procedure is employed as
6 hereinafter provided, sealed bids shall be solicited by advertisement in a newspaper widely
7 distributed in this State or through electronic means, or both, as determined by the Secretary to
8 be most advantageous, at least once and at least 10 days prior to the date designated for
9 opening. Except as otherwise provided under this Article, contracts for the purchase of goods
10 and services shall be based on competitive bids and suitable means authorized by the Secretary
11 as provided in G.S. 143-49. The acceptance of bid(s) most advantageous to the State shall be
12 determined upon consideration of the following criteria: prices offered; best value, as the term
13 is defined in G.S. 143-135.9(a)(1); the quality of the articles offered; the general reputation and
14 performance capabilities of the bidders; the substantial conformity with the specifications and
15 other conditions set forth in the request for bids; the suitability of the articles for the intended
16 use; the personal or related services needed; the transportation charges; the date or dates of
17 delivery and performance; and such other factor(s) deemed pertinent or peculiar to the purchase
18 in question, which if controlling shall be made a matter of record. Competitive bids on ~~such~~
19 contracts shall be received in accordance with rules and regulations to be adopted by the
20 Secretary of Administration, which rules and regulations shall prescribe for the manner, time
21 and place for proper advertisement for such bids, the time and place when bids will be received,
22 the articles for which such bids are to be submitted and the specifications prescribed for ~~such~~
23 the articles, the number of the articles desired or the duration of the proposed contract, and the
24 amount, if any, of bonds or certified checks to accompany the bids. Bids shall be publicly
25 opened. Any and all bids received may be rejected. Each and every bid conforming to the terms
26 of the invitation, together with the name of the bidder, shall be tabulated and that tabulation
27 shall become public record in accordance with the rules adopted by the Secretary. All contract
28 information shall be made a matter of public record after the award of contract. Provided, that
29 trade secrets, test data and similar proprietary information may remain confidential. A bond for
30 the faithful performance of any contract may be required of the successful bidder at bidder's
31 expense and in the discretion of the Secretary of Administration. When the dollar value of a
32 contract for the purchase, lease, or lease/purchase of goods exceeds the benchmark established
33 by G.S. 143-53.1, the contract shall be reviewed by the ~~Board of Awards~~State Purchasing
34 Officer pursuant to G.S. 143-52.1 prior to the contract being awarded. After contracts have
35 been awarded, the Secretary of Administration shall certify to the departments, institutions and
36 agencies of the State government the sources of supply and the contract price of the goods so
37 contracted for."

38 **SECTION 9.** G.S. 143-59(b) reads as rewritten:

39 "(b) Reciprocal Preference. – For the purpose only of determining the low bidder on all
40 contracts for equipment, materials, supplies, and services valued over twenty-five thousand
41 dollars (\$25,000), a percent of increase shall be added to a bid of a nonresident bidder that is
42 equal to the percent of increase, if any, that the state in which the bidder is a resident adds to
43 bids from bidders who do not reside in that state. Any amount due under a contract awarded to
44 a nonresident bidder shall not be increased by the amount of the increase added by this
45 subsection. On or before January 1 of each year, the Secretary of Administration shall
46 electronically publish a list of states that give preference to in-State bidders and the amount of
47 the percent increase added to out-of-state bids. All departments, institutions, and agencies of
48 the State shall use this list when evaluating bids. If the reciprocal preference causes the
49 nonresident bidder to no longer be the lowest bidder, the Secretary of Administration ~~may, after~~
50 ~~consultation with the Board of Awards,~~ may waive the reciprocal preference. In determining
51 whether to waive the reciprocal preference, the Secretary of Administration ~~and the Board of~~

1 Awards shall consider factors that include competition, price, product origination, and available
2 resources."

3 **SECTION 10.** G.S. 143-318.18(10) is repealed.

4 **SECTION 11.** The Department of Administration shall provide an individualized
5 notice to the following State entities to ensure that the entities are aware of how the statutory
6 amendments made in S.L. 2010-194, Section 15 of S.L. 2011-326, and this act apply to them:

- 7 (1) The North Carolina State Lottery Commission, which is subject to
8 G.S. 18C-150.
- 9 (2) The Commissioner of Banks, who is subject to
10 G.S. 53-320(d), 53-326(d), 53-391, and 53-401.
- 11 (3) The Commissioner of Insurance, who is subject to
12 G.S. 53-401, 58-33-30(e)(4) and (5), 58-33-125(e), 58-33-130(a),
13 and 58-71-40(d).
- 14 (4) The Global TransPark Authority, which is subject to G.S. 63A-24. The
15 Secretary of Transportation shall be copied on the notice sent to the Global
16 TransPark Authority.
- 17 (5) The North Carolina State Bar Council, which is subject to G.S. 84-23(d).
- 18 (6) The North Carolina Board for Licensing of Geologists, which is subject to
19 G.S. 89E-5(e).
- 20 (7) The North Carolina Board for Licensing of Soil Scientists, which is subject
21 to G.S. 89F-5(d).
- 22 (8) The constituent institutions of The University of North Carolina, which are
23 subject to G.S. 114-8.3(b). For notification under this subdivision, the
24 Department of Administration may provide The University of North
25 Carolina system a notification to distribute to all of its constituent
26 institutions. If the Department of Administration does so, The University of
27 North Carolina system shall distribute those notifications to the system's
28 constituent institutions.
- 29 (9) The North Carolina Center for Applied Textile Technology, which is subject
30 to G.S. 115D-67.4.
- 31 (10) The North Carolina State Health Plan for Teachers and State Employees,
32 which is subject to G.S. 135-48.33(b).
- 33 (11) The Department of Transportation, which is subject to G.S. 136-28.1(h) and
34 G.S. 143-134(b).
- 35 (12) The North Carolina Turnpike Authority, which is subject to
36 G.S. 136-89.194(g)(1). The Secretary of Transportation shall be copied on
37 the notice sent to the Turnpike Authority.
- 38 (13) The Department of Health and Human Services, which is subject to
39 G.S. 143-48.1(c).
- 40 (14) The Division of Adult Correction of the Department of Public Safety, which
41 is subject to G.S. 143-134(b). The Secretary of Public Safety shall be copied
42 on the notice sent to the Division of Adult Correction.
- 43 (15) The North Carolina Code Officials Qualification Board, which is subject to
44 G.S. 143-151.16(d). The Commissioner of Insurance shall be copied on the
45 notice sent to the Code Officials Qualification Board.
- 46 (16) The Roanoke Island Commission, which is subject to
47 G.S. 143B-131.2(b)(15). The Secretary of Cultural Resources shall be
48 copied on the notice sent to the Roanoke Island Commission.
- 49 (17) Any other State entity subject to contract review under G.S. 114-8.3.

50 The Department of Administration, as part of its notice, shall provide a means by
51 which an entity may acknowledge receipt and understanding of the notice. If the Department of

1 Administration has not received an acknowledgement from a State entity within 30 days of
2 sending the notice, the Department of Administration shall send a second notice. If the
3 Department of Administration has not received an acknowledgement from a State entity within
4 30 days of sending the second notice, the Department of Administration shall notify (i) the
5 Joint Legislative Program Evaluation Oversight Committee and (ii) the House Appropriations
6 Subcommittee on General Government and the Senate Appropriations Committee on General
7 Government and Information Technology.

8 **SECTION 12.** The Attorney General's Office, the Department of Administration,
9 and the Office of the General Counsel for The University of North Carolina shall establish
10 procedures to implement the provisions of this act no later than October 1, 2013.

11 **SECTION 13.** Sections 1 through 3 of this act become effective October 1, 2013,
12 and apply to contracts entered into on or after that date. The remainder of this act is effective
13 when it becomes law.