

2016 Purchasing and Contracting Legislative Update

Norma Houston
2016 CAGP Regional Training

UNC SCHOOL OF GOVERNMENT

What Did NOT Happen in 2016






NO CHANGES

Description	Statute	Amount
General contract	§ 143-107	\$100,000
Construction contract	§ 143-108	\$100,000
Construction contract for building projects	§ 143-109	\$100,000
Construction contract for building projects	§ 143-110	\$100,000
Construction contract for building projects	§ 143-111	\$100,000
Construction contract for building projects	§ 143-112	\$100,000
Construction contract for building projects	§ 143-113	\$100,000
Construction contract for building projects	§ 143-114	\$100,000
Construction contract for building projects	§ 143-115	\$100,000
Construction contract for building projects	§ 143-116	\$100,000
Construction contract for building projects	§ 143-117	\$100,000
Construction contract for building projects	§ 143-118	\$100,000
Construction contract for building projects	§ 143-119	\$100,000
Construction contract for building projects	§ 143-120	\$100,000
Construction contract for building projects	§ 143-121	\$100,000
Construction contract for building projects	§ 143-122	\$100,000
Construction contract for building projects	§ 143-123	\$100,000
Construction contract for building projects	§ 143-124	\$100,000
Construction contract for building projects	§ 143-125	\$100,000
Construction contract for building projects	§ 143-126	\$100,000
Construction contract for building projects	§ 143-127	\$100,000
Construction contract for building projects	§ 143-128	\$100,000
Construction contract for building projects	§ 143-129	\$100,000
Construction contract for building projects	§ 143-130	\$100,000
Construction contract for building projects	§ 143-131	\$100,000
Construction contract for building projects	§ 143-132	\$100,000
Construction contract for building projects	§ 143-133	\$100,000
Construction contract for building projects	§ 143-134	\$100,000
Construction contract for building projects	§ 143-135	\$100,000
Construction contract for building projects	§ 143-136	\$100,000
Construction contract for building projects	§ 143-137	\$100,000
Construction contract for building projects	§ 143-138	\$100,000
Construction contract for building projects	§ 143-139	\$100,000
Construction contract for building projects	§ 143-140	\$100,000
Construction contract for building projects	§ 143-141	\$100,000
Construction contract for building projects	§ 143-142	\$100,000
Construction contract for building projects	§ 143-143	\$100,000
Construction contract for building projects	§ 143-144	\$100,000
Construction contract for building projects	§ 143-145	\$100,000
Construction contract for building projects	§ 143-146	\$100,000
Construction contract for building projects	§ 143-147	\$100,000
Construction contract for building projects	§ 143-148	\$100,000
Construction contract for building projects	§ 143-149	\$100,000
Construction contract for building projects	§ 143-150	\$100,000

What DID Happen in 2016



Retired Law Enforcement Service Animals



Automatic Contract Renewal Notice



Jail Food Redux



School Change Orders



School Food In-State Preference



Plumbing/Heating Technician

Retired Service Animals

S.L. 2016-101; H 550 Effective Oct 1, 2016

Raleigh Apodaca Service Dog Retirement Act

- Law enforcement, public safety, emergency services animal
- Transferred for price and conditions determined by local board
- Owner agrees to ownership, care, custody



Photo Source: WRAL.com



Eligible Owners:

1. Animal's handler
2. Surviving spouse or children of animal's handler
3. Organization supporting retired service animals

Automatic Renewal Notice

S.L. 2016-113; S770 Effective July 26, 2016 (*applies to contracts entered into on or after this date*)

If contract has auto renewal clause with renewal term longer than 60 days, **vendor** must:

- Give written notice prior to renewal
- In writing and delivered personally, electronically, or USPS first-class
- At least 15 but no more than 45 days prior to renewal
- Advise of changes in terms and conditions in 12-pt bold font
- Violation renders automatic renewal clause void

Exceptions:

Financial Institutions
Telecommunications
Public Utilities
Local Gov't franchisees



Automatic Renewal FAQ's

1. Are all contracts covered? **No. Only contracts with "person engaged in commerce" with auto renewal clause longer than 60 days**
 - Non-profits? **Probably not**
 - Other governmental units? **No**
 - Out-of-state commercial vendors? **Yes**
2. What about preexisting contracts renewed AFTER effective date? **Assume yes**
3. If escalation clause is included in renewal, is notice of escalation also required? **Yes**
4. Is contract automatically void if vendor fails to provide notice? **Yes**
5. What to do if vendor doesn't provide notice? **Enter into new contract to avoid operating under a void contract**

Jail Food Redux

S.L. 2016-20 (H 952); 2016-37 (S 831) Effective June 21, 2016

Food and food services supplies for county jails not subject to competitive bidding **ONLY** in these counties:

Alamance	Cleveland	Granville	Lincoln	Rockingham
Anson	Craven	Gaston	Madison	Sampson
Beaufort	Cumberland	Guilford	Onslow	Stanly
Caswell	Currituck	Haywood	Orange	Transylvania
Catawba	Dare	Henderson	Pamlico	Yancey
Cherokee	Davidson	Iredell	Pasquotank	Wake
Chowan	Duplin	Jones	Randolph	Washington

*Counties in black authorized in 2015; counties in **red** authorized in 2016*



Plumbing and Heating Technicians

S.L. 2016-105 (H742) Effective Oct 1, 2016

New License: “Plumbing and Heating Technician”

- Only available to state and local government employees
- Allows employee technician to perform plumbing and heating installation, repair, and replacement for their unit of government
- Issued by State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors



School Change Orders

S.L. 2016-58; S330 Effective Oct 1, 2016

Local School Board **MUST** Adopt Policy:

1. Process to submit change order
2. Individual(s) authorized to approve
3. Process for board approval (if required)
4. Process to notify board of all change orders and actions



Applies to:

1. Bldg. construction over \$300,000
2. CM@R
3. Design-build
4. Design-build bridging
5. P3

School Food In-State Preference

S.L. 2016-113; S770 Effective July 26, 2016

Local School Board **MAY** Adopt Policy:

1. Facilitating purchase of food grown in NC
2. Authorizing in-state percentage price preference in competitive bidding

Percentage Price Preference:

NC grower who is second low bidder may be awarded contract over out-of-state low bidder if NC grower's bid price is within a certain percentage of out-of-state low bidder



SOG Legislative Summaries

www.lrs.sog.unc.edu

The screenshot shows the Legislative Reporting Service website. At the top, it says "UNC SCHOOL OF GOVERNMENT Legislative Reporting Service". Below this is a "News Alert" section dated Jul 1, 2016, with the headline "The NCGA has adjourned sine die." To the right is a large banner for the "Legislative Reporting Service Daily Bulletin Online" featuring an image of the NCGA floor with flags. Below the banner is a "Subscriber Login" form with fields for email and password, and a "Log In" button. To the left of the login form is a "Tweets" section showing a tweet from @sog_lrs. Below the login form is a "Benefits of Subscribing to LRS" section with a bulleted list of advantages. To the right of the login form is an "About" section with links for "About", "LRS User Guide", "Subscription rates", "Contact us", "Subscribe now", and "Sample Digests". Below that is an "Other Resources" section with links for "Legislative Summaries", "Index of Legislation", and "General Assembly". At the bottom left of the page is the UNC School of Government logo.

Thanks!

2017 Session Convenes 1/11/2017

The screenshot shows the NCGA website. At the top is the "NCGA NORTH CAROLINA GENERAL ASSEMBLY" logo. Below the logo are search bars for "FULL SITE SEARCH", "SEARCH BILL TEXT", and "FIND A BILL". To the right of the search bars are navigation menus for "HOME", "HOUSE", "SENATE", "ABOUT THE LEGISLATURE", "AUDIO", "CALENARS", "COMMITTEES", "LEGISLATION/BILLS", "WHO REPRESENTS ME?", and "CITIZEN'S GUIDE". Below the navigation menus is a "Welcome to the official web site of the North Carolina General Assembly" message. To the left is a large image of the House Chamber. To the right is a "HOUSE:" section with the text "Convenes Wed, Jan 11, 2017 12:00PM" and links for "House Chamber Audio", "House Calendar", and "Chamber Dashboard". Below that is a "SENATE:" section with the text "Convenes Wed, Jan 11, 2017 12:00PM" and links for "Senate Chamber Audio", "Senate Calendar", and "Chamber Dashboard". To the right of the "HOUSE:" and "SENATE:" sections is a "Shortcuts" section with links for "General Statutes", "Table of Contents", "Session Laws", "House Standing Committee", "Senate Standing Committee", "Non-Standing Interim and Study Committees", "Redistricting", "Votes on Bills", "NCGA Mobile Website", and "Help". At the bottom left of the page is the UNC School of Government logo.

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