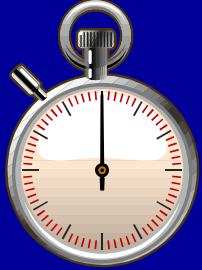


State Purchasing and Contracting: Legislative Options



April 28, 2010

John Turcotte



20 Minutes
Plus
Discussion

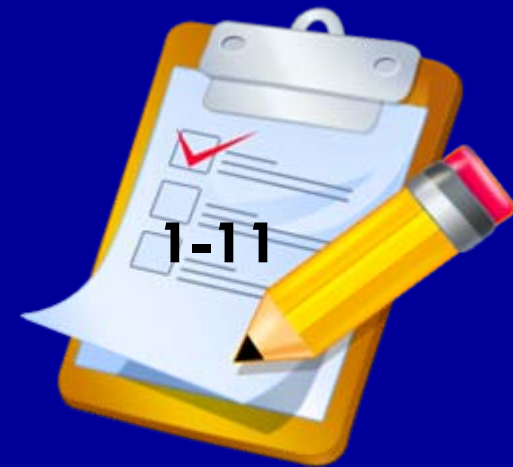
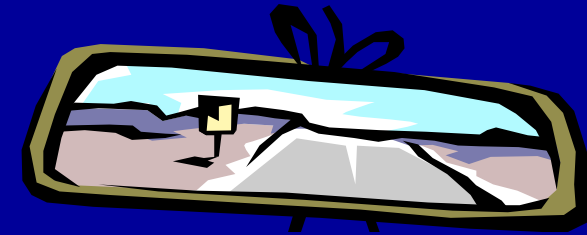
Overview

Project Background

1. July 2009 State Auditor Presentation to joint committee
2. August 2009 joint committee hearing on purchasing and contracting—committee requested options for legislation

Eleven Legislative Options

Joint committee may select certain options for bill drafting



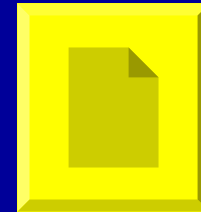
Handouts

1. A brief report



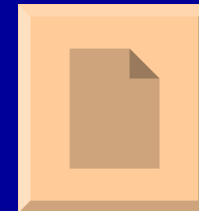
Green

2. Slides



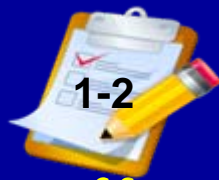
Yellow

3. *Minutes* and summary of August 2009 Joint Committee hearing on state purchasing and contracting



Salmon

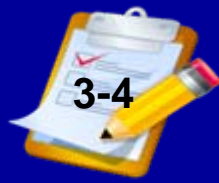
Legislative Options



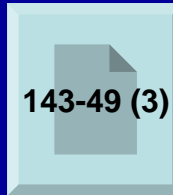
1. Require the Attorney General to review and sign off on all proposed statewide term contracts for services or personal property, and all other service contracts over \$1,000,000 opining that the proposed contract is in proper legal form, contains required clauses, provides for sufficient monitoring and performance penalties, and should accomplish the contract's intended purposes
2. Require all state agencies, without exception, to obtain review by the Attorney General or by an attorney approved by the Attorney General of proposed contracts for proper legal form, inclusion of required clauses and provision for sufficient monitoring and performance penalties



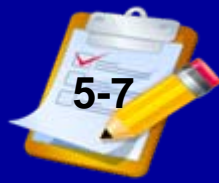
Legislative Options



3. Amend § 143-49 (3) to expand Attorney General's authority and responsibility over contracts over \$100,000 to include:
 - a. negotiated and non-negotiated contracts
 - b. statewide-term and agency-term contracts for commodities and equipment
4. Require a standard clause in all state contracts specifying that the State Auditor and agency internal auditors may audit contractor records to verify accounts and data affecting fees or performance



Legislative Options



5. Prohibit “cost plus percentage of cost” contracts

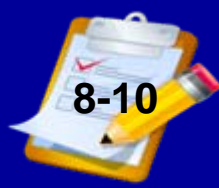


FEE= Cost + % Cost

6. Specify that the Department of Administration is responsible for monitoring and enforcing statewide term contracts and may not delegate this authority
7. Require that Department of Administration regulations specify how state agencies will monitor and enforce all non-term and agency-term state contracts



Legislative Options



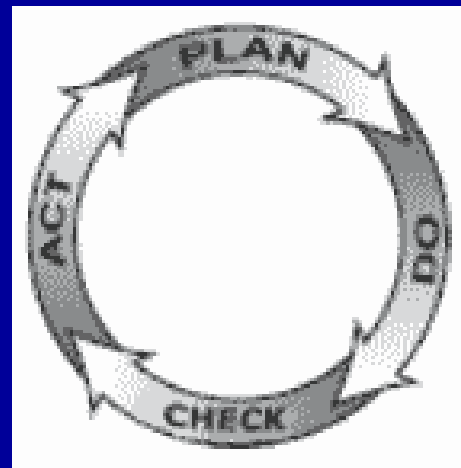
8. Require the Office of State Personnel to create a *Contracting Specialist* career path
9. Require OSP, P&C, and UNC School of Government to develop a rigorous contract management training and certification program for state employees administered by OSP
10. Require the School of Government to study and recommend improvements to state procurement laws including the feasibility of conforming laws to the *American Bar Association Model Procurement Code*



Legislative Options



11. Require the Department of Administration to implement a quality management system equivalent to ISO 9001: 2008 to assure meeting taxpayer and agency customer requirements, and to report progress to General Assembly by 2012



Source: American Society for Quality

