A BILL TO BE ENTITLED
AN ACT RECOMMENDING IMPROVED EFFICIENCIES OF THE STATE'S ADMINISTRATIVE SERVICES, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Administration shall do the following:

(1) By December 1, 2018, report to the Joint Legislative Oversight Committee on General Government on the status of the Department's procurement of a contract management system for State agency administered contracted services. The Department shall report every six months thereafter until the implementation of the contract management system has been completed.

(2) By December 1, 2018, implement a new requirement for State agencies to obtain a ten percent (10%) reduction from the annual value of each contract as a condition of awarding an amendment that extends the length of the contract except as specifically authorized by the Department. The new requirement implemented by the Department shall not apply to those contracts entered into by the Department of State Treasurer under G.S. 147-69.3(g), 135-96, 142-17, 135-48.23(c), and 135-48.34 that are not subject to Article 3 of Chapter 143 of the General Statutes.

(3) By June 30, 2019, reduce by five percent (5%) the June 30, 2018, inventory of State-owned passenger motor vehicles that are under the management of the Department of Administration.

(4) By December 1, 2018, and each December 1 thereafter, report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on (i) prior fiscal year results for each identified performance measure set out in Program Evaluation Division Report No. 2018-04, Opportunities Exist to Improve the Efficiencies of the State's Administrative Services, and (ii) performance targets for the upcoming fiscal year.

SECTION 2. The Legislative Services Office shall assign an appropriate division of the General Assembly or contract with a vendor to do the following:

(1) In consultation with the Department of Administration, propose guidelines for determining employee office space usage requirements for each State-owned and leased office facility and make recommendations to ensure that the Department has valid and reliable information to enforce the space usage requirements. In making recommendations under this subdivision, the
assigned division or the contracted vendor shall consider the feasibility of requiring each State agency to enter the office space requirements and facility location of each of its employees into the Integrated HR/Payroll System, or the State's payroll system that supersedes the current system.

(2) Conduct a business case analysis to evaluate alternatives to reduce facility management costs and generate additional revenue through the sale or lease of the Old Revenue Building located at 2 South Salisbury Street, Raleigh, North Carolina.

(3) Conduct a business case analysis of facility management services performed by the Department of Administration, including consideration of expanded use of contracted facility management services.

(4) Conduct a business case analysis that uses the results from the document scanning pilot study performed by the Department of Revenue to explore potential savings through increased utilization of electronic mail scanning for incoming mail to State agencies.

(5) Conduct a business case analysis on available opportunities to increase revenue receipts from State-owned parking facilities, including consideration of increasing utilization of unreserved employee spaces and leasing underutilized employee spaces and visitor spaces to public and private entities.

(6) Each business case analysis conducted under this section shall include, at a minimum, each of the factors identified in Program Evaluation Division Report No. 2018-04, Opportunities Exist to Improve the Efficiencies of the State's Administrative Services. The assigned division or the contracted vendor shall report on any recommendations for proposed legislation to the Joint Legislative Oversight Committee on General Government by December 1, 2019.

SECTION 3. The Office of the State Auditor shall conduct a performance audit to identify alternatives to reduce outgoing mail service costs and report its findings to the Joint Legislative Oversight Committee on General Government by June 30, 2019.

SECTION 4. G.S. 143-55 reads as rewritten:

"§ 143-55. Requisitioning by agencies; must purchase through sources certified.

(a) Unless otherwise provided by law, where sources of supply have been established by contract and certified by the Secretary of Administration to the said departments, institutions and agencies as herein provided for, it shall be the duty of all departments, institutions and agencies to make requisition or issue orders on forms to be prescribed by the Secretary of Administration, through NC E-Procurement for purchases required by them upon the sources of supply so certified, and, except as herein otherwise provided for, it shall be unlawful for them, or any of them, to purchase from other sources than those certified by the Secretary of Administration. One copy of such requisition or order shall be furnished to and when requested by the Secretary of Administration. Requisitions from sources of supply established by contract and certified by the Secretary of Administration shall not be made using any other method except NC E-Procurement, including purchase cards or purchase orders, unless specifically authorized by the Secretary of Administration.

(b) Expired."

SECTION 5. Section 4 of this act becomes effective November 1, 2018, and applies to requisitions for purchases occurring on or after that date. The remainder of this act is effective when it becomes law.