

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

**HOUSE BILL 749
RATIFIED BILL**

AN ACT TO IMPLEMENT EFFICIENCIES WITHIN THE UNIVERSITY SYSTEM
AND STATE GOVERNMENT AS RECOMMENDED BY THE PRESIDENT'S
ADVISORY COMMITTEE ON EFFICIENCY AND EFFECTIVENESS (PACE).

The General Assembly of North Carolina enacts:

PART I. INCREASE INFORMAL LIMIT FOR SMALL CONSTRUCTION

SECTION 1. G.S. 133-1.1(a) reads as rewritten:

"(a) In the interest of public health, safety and economy, every officer, board, department, or commission charged with the duty of approving plans and specifications or awarding or entering into contracts involving the expenditure of public funds in excess of:

- (1) Three hundred thousand dollars (\$300,000) for the repair of public buildings where such repair does not include major structural change in framing or foundation support systems, or five hundred thousand dollars (\$500,000) for the repair of public buildings by The University of North Carolina or its constituent institutions where such repair does not include major structural change in framing or foundation support systems,
- (1a) One hundred thousand dollars (\$100,000) for the repair of public buildings affecting life safety systems,
- (2) One hundred thirty-five thousand dollars (\$135,000) for the repair of public buildings where such repair includes major structural change in framing or foundation support systems, or
- (3) One hundred thirty-five thousand dollars (\$135,000) for the construction of, or additions to, public buildings or State-owned and operated utilities,

shall require that such plans and specifications be prepared by a registered architect, in accordance with the provisions of Chapter 83A of the General Statutes, or by a registered engineer, in accordance with the provisions of Chapter 89C of the General Statutes, or by both architect and engineer, particularly qualified by training and experience for the type of work involved, and that the North Carolina seal of such architect or engineer together with the name and address of such architect or engineer, or both, be placed on all these plans and specifications."

SECTION 2. G.S. 143-64.34(b) reads as rewritten:

"(b) A capital improvement project of The University of North Carolina under G.S. 116-31.11 where the estimated expenditure of public money is less than ~~three hundred thousand dollars (\$300,000)~~ five hundred thousand dollars (\$500,000) is exempt from this Article if all of the following apply:

- (1) The architectural, engineering, or surveying services to be rendered are under an open-end design agreement.
- (2) The open-end design agreement has been publicly announced.
- (3) The open-end design agreement complies with procedures adopted by the University and approved by the State Building Commission under G.S. 116-31.11(a)(3)."

SECTION 3. G. S. 143-128(g) reads as rewritten:

- "(g) Exceptions. – This section shall not apply to:
- (1) The purchase and erection of prefabricated or relocatable buildings or portions thereof, except that portion of the work which must be performed at the construction site.
 - (2) The erection, construction, alteration, or repair of a building when the cost thereof is three hundred thousand dollars (\$300,000) or less.
 - (3) The erection, construction, alteration, or repair of a building by The University of North Carolina or its constituent institutions when the cost thereof is five hundred thousand dollars (\$500,000) or less.

Notwithstanding the other provisions of this subsection, subsection (f1) of this section shall apply to any erection, construction, alteration, or repair of a building by a public entity."

SECTION 4. G.S. 143-129(a) reads as rewritten:

"(a) Bidding Required. – No construction or repair work requiring the estimated expenditure of public money in an amount equal to or more than three hundred thousand dollars (\$300,000) or purchase of apparatus, supplies, materials, or equipment requiring an estimated expenditure of public money in an amount equal to or more than ninety thousand dollars (\$90,000) may be performed, nor may any contract be awarded therefor, by any board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, unless the provisions of this section are complied ~~with~~ with; provided that The University of North Carolina and its constituent institutions may award contracts for construction or repair work that requires an estimated expenditure of less than five hundred thousand dollars (\$500,000) without complying with the provisions of this section.

For purchases of apparatus, supplies, materials, or equipment, the governing body of any political subdivision of the State may, subject to any restriction as to dollar amount, or other conditions that the governing body elects to impose, delegate to the manager, school superintendent, chief purchasing official, or other employee the authority to award contracts, reject bids, or readvertise to receive bids on behalf of the unit. Any person to whom authority is delegated under this subsection shall comply with the requirements of this Article that would otherwise apply to the governing body."

PART II. INCREASE FORCE ACCOUNT LIMITS

SECTION 5. G.S. 143-135 reads as rewritten:

"§ 143-135. Limitation of application of Article.

Except for the provisions of G.S. 143-129 requiring bids for the purchase of apparatus, supplies, materials or equipment, this Article shall not apply to construction or repair work undertaken by the State or by subdivisions of the State of North Carolina (i) when the work is performed by duly elected officers or agents using force account qualified labor on the permanent payroll of the agency concerned and (ii) when either the total cost of the project, including without limitation all direct and indirect costs of labor, services, materials, supplies and equipment, does not exceed one hundred twenty-five thousand dollars (\$125,000) or the total cost of labor on the project does not exceed fifty thousand dollars ~~(\$50,000)~~ (\$50,000); provided that, for The University of North Carolina and its constituent institutions, force account qualified labor may be used (i) when the work is performed by duly elected officers or agents using force account qualified labor on the permanent payroll of the university and (ii) when either the total cost of the project, including, without limitation, all direct and indirect costs of labor, services, materials, supplies, and equipment, does not exceed two hundred thousand dollars (\$200,000) or the total cost of labor on the project does not exceed one hundred thousand dollars (\$100,000). This force account work shall be subject to the approval of the Director of the Budget in the case of State agencies, of the responsible commission, council, or board in the case of subdivisions of the State. Complete and accurate records of the entire cost of such work, including without limitation, all direct and indirect costs of labor, services, materials, supplies and equipment performed and furnished in the prosecution and completion thereof, shall be maintained by such

agency, commission, council or board for the inspection by the general public. Construction or repair work undertaken pursuant to this section shall not be divided for the purposes of evading the provisions of this Article."

PART III. REPEAL AND MODIFY CERTAIN REPORTING REQUIREMENTS

SECTION 6. G. S. 116-30.6 is repealed.

SECTION 7. G.S. 143-64.70(a) reads as rewritten:

"(a) By January 1 of each year, each State department, agency, and institution shall make a detailed written report to the Office of State Budget and Management and the Office of State Personnel on its utilization of personal services contracts that have an annual expenditure greater than ~~five thousand dollars (\$5,000)~~ twenty-five thousand dollars (\$25,000). The report by each State department, agency, and institution shall include the following:

- (1) ~~The total number of personal services contractors in service during the reporting period. Identification of the department and employee responsible for oversight of the performance of the contract.~~
- (2) ~~The type, duration, status, and cost of each contract. Vendor or contractor name, object of expenditure description, contract award amount, purchase order or contract number, purchase order start and end date, source of funds, and amount disbursed during the fiscal year.~~
- (3) ~~The number of contractors utilized per contract.~~
- (4) ~~A description of the functions and projects requiring contractual services.~~
- (5) ~~The number of contractors for each function or project.~~
- (6) ~~Identification of the State employee responsible for oversight of the performance of each contract and the number of contractors reporting to each contract manager or supervisor.~~
- (7) ~~The budget code, fund number, and expenditure account number from which the contract funds were disbursed."~~

PART IV. ELIMINATE REQUIREMENT FOR PRIOR APPROVAL OF AN EMPLOYEE'S HOME AS THE EMPLOYEE'S DUTY STATION

SECTION 8. G.S. 138-6(a)(1) reads as rewritten:

"(a) Travel on official business by the officers and employees of State departments, institutions and agencies which operate from funds deposited with the State Treasurer shall be reimbursed at the following rates:

- (1) For transportation by privately owned automobile, the business standard mileage rate set by the Internal Revenue Service per mile of travel and the actual cost of tolls paid. Any other law which sets a mileage rate by referring to the rate set herein, instead establishes a rate of twenty-five cents (25¢) per mile. No reimbursement shall be made for the use of a personal car in commuting from an employee's home to his duty station in connection with regularly scheduled work hours. ~~Any designation of an employee's home as his duty station by a department head shall require prior approval by the Office of State Budget and Management on an annual basis."~~

PART V. CONSTRUCTION AND LEASING

SECTION 9. Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-31.12. Acquisition of real property by lease.

Notwithstanding G.S. 143-341(4), the Board of Governors may authorize the constituent institutions and the General Administration to acquire real property by lease if the lease is for a term of not more than 10 years. The Board of Governors shall establish a policy for acquiring an interest in real property for the use of The University of North Carolina and its constituent institutions by lease. This policy may delegate authorization of the acquisition of real property by lease to the boards of trustees of the constituent institutions or to the President of The University of North Carolina. The

Board of Governors shall submit all initial policies adopted pursuant to this section to the State Property Office for review prior to adoption by the Board. Any subsequent changes to these policies adopted by the Board of Governors shall be submitted to the State Property Office for review. Any comments by the State Property Office shall be submitted to the President of The University of North Carolina. After the acquisition of an interest in real property by lease, The University of North Carolina shall promptly file a report concerning the acquisition to the Secretary of Administration. Acquisitions of an interest in real property by lease pursuant to this section shall not be subject to the provisions of Article 36 of Chapter 143 of the General Statutes or to the provisions of Article 6 of Chapter 146 of the General Statutes."

SECTION 10. G.S. 120-76.1(b) reads as rewritten:

"(b) Any agency, board, commission, or other entity required under G.S. 120-76(8) or any other provision of law to consult with the Commission prior to taking an action shall submit a detailed report of the action under consideration to the Chairs of the Commission, the Commission Assistant, and the Fiscal Research Division of the General Assembly. If the Commission does not hold a meeting to hear the consultation within 90 days of receiving the submission of the detailed report, the consultation requirement is satisfied. With regard to capital improvement projects of The University of North Carolina, if the Commission does not hold a meeting to hear the consultation within 30 days of receiving the submission of the detailed report, the consultation requirement of G.S. 120-76(8)e. is satisfied."

SECTION 11. G.S. 146-22 reads as rewritten:

"§ 146-22. All acquisitions to be made by Department of Administration.

Every acquisition of land on behalf of the State or any State agency, whether by purchase, condemnation, lease, or rental, shall be made by the Department of Administration and approved by the Governor and Council of State; provided that if the proposed acquisition is a purchase of land with an appraised value of at least twenty-five thousand dollars (\$25,000), and the acquisition is for other than a transportation purpose, the acquisition may only be made after written notice to the Joint Legislative Commission on Governmental Operations given to the Chairs of the Commission at least 30 days prior to the acquisition, who shall forward a copy of the notice to the members of the Commission within three days of their receipt of the notice, and provided further, that acquisitions on behalf of the University of North Carolina Health Care System shall be made in accordance with G.S. 116-37(i), acquisitions on behalf of the University of North Carolina Hospitals at Chapel Hill shall be made in accordance with G.S. 116-37(a)(4), acquisitions on behalf of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill shall be made in accordance with G.S. 116-37(a)(4), ~~and~~ acquisitions on behalf of the Medical Faculty Practice Plan of the East Carolina University School of Medicine shall be made in accordance with ~~G.S. 116-40.6(d)~~ G.S. 116-40.6(d), and acquisitions by lease on behalf of The University of North Carolina shall be made in accordance with G.S. 116-31.12. In determining whether the appraised value is at least twenty-five thousand dollars (\$25,000), the value of the property in fee simple shall be used. The State may not purchase land as a tenant-in-common without consultation with the Joint Legislative Commission on Governmental Operations if the appraised value of the property in fee simple is at least twenty-five thousand dollars (\$25,000)."

SECTION 12. The University of North Carolina shall report to the Joint Legislative Commission on Governmental Operations by July 1, 2008, on the implementation of Sections 10 through 11 of this act.

SECTION 13. This act is effective when it becomes law. Sections 1 through 4 of this act apply to construction projects for which bids or proposals are solicited on or after that date. Section 5 of this act applies to construction or repair work commenced on or after that date.

In the General Assembly read three times and ratified this the 19th day of July, 2007.

Beverly E. Perdue
President of the Senate

Joe Hackney
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____ .m. this _____ day of _____, 2007