

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1997

SESSION LAW 1998-194  
HOUSE BILL 1371

AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT  
LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE  
PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-522.1 reads as rewritten:

**"§ 115C-522.1. ~~Pilot program for provision of equipment from other sources.~~  
Purchasing flexibility.**

(a) ~~The State Board of Education shall develop and implement a pilot program allowing selected local school administrative units to purchase supplies, equipment, and materials from noncertified sources. In developing the program, the State Board shall collaborate with the Department of Administration on establishing standards, specifications, and any other measures necessary to implement and evaluate the pilot program. The State Board shall initially select twelve (12) local school administrative units that are diverse in geography and size to participate in the pilot program. If the State Board thereafter determines that the pilot program is effective, efficient, and in the best interest of the public schools, the State Board shall have the authority to expand the pilot program to additional local school administrative units.~~

(b) ~~Local school administrative units participating in the pilot program shall have the authority to purchase the same supplies, equipment, and materials from noncertified sources as are available under State term contracts, subject to the following conditions:~~

- (1) ~~The purchase price, including the cost of delivery, is less than the cost under the State term contract;~~
- (1a) The items are the same or substantially similar in quality, service, and performance as items available under State term contracts;
- (2) ~~The cost of the purchase shall not exceed the bid value benchmark established under G.S. 143-53.1;~~
- (3) ~~The local school administrative unit documents in writing maintains written documentation of the cost savings; and~~
- (4) ~~The local school administrative unit shall provide annually by August 15 an itemized report of the cost savings to the State Board of Education.~~
- (5) The local school administrative unit notifies the Department of Administration of any purchases of items it made that are substantially equivalent to and not the same as items under State term contracts.

(c) The requirements listed in subsection (b) of this section shall not apply to purchases from noncertified sources that fall below the economic ordering quantity of a State term contract.

(d) ~~The State Board of Education shall provide to the~~ Upon the request of the Department of Administration Administration, copies of the itemized annual reports produced by the local school administrative units participating in the pilot program. The State Board shall evaluate the information provided by the participating units and shall report its findings and recommendations to the Joint Legislative Education Oversight Committee by October 1, 1997, and annually thereafter. a local school administrative unit shall provide the written documentation of cost savings required under subdivision (3) of subsection (b) of this section.

(e) The State Board shall adopt rules to exempt from this section supplies, equipment, and materials related to student transportation. The State Board shall adopt guidelines regarding the interpretation and implementation of this section."

Section 2. G.S. 115C-522(a) reads as rewritten:

**"§ 115C-522. Provision of equipment for buildings.**

(a) ~~It~~ Except as provided in G.S. 115C-522.1, it shall be the duty of local boards of education to purchase or exchange all supplies, equipment and materials in accordance with contracts made by or with the approval of the Department of Administration. Title to instructional supplies, office supplies, fuel and janitorial supplies, enumerated in the current expense fund budget and purchased out of State funds, shall be taken in the name of the local board of education which shall be responsible for the custody and replacement: Provided, that no contracts shall be made by any local school administrative unit for purchases unless provision has been made in the budget of the unit to pay for the purchases, unless surplus funds are on hand to pay for the purchases, or unless the contracts are made pursuant to G.S. 115C-47(28) and G.S. 115C-528 and adequate funds are available to pay in the current fiscal year the sums obligated for the current fiscal year, and in order to protect the State purchase contractor, it is made the duty of the governing authorities of the local units to pay for these purchases promptly and in accordance with the terms of the contract of purchase."

Section 3. G.S. 115C-47(23) reads as rewritten:

"(23) To Purchase Equipment and Supplies. – Local boards shall contract for equipment and supplies pursuant to the provisions of under G.S. 115C-522(a) 115C-522(a), 115C-522.1, and 115C-528."

Section 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of October, 1998.

s/ Dennis A. Wicker  
President of the Senate

s/ Harold J. Brubaker  
Speaker of the House of Representatives

s/ James B. Hunt, Jr.

Governor

Approved 2:06 p.m. this 24th day of October, 1998