

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1357*

Short Title: Best Value Info. Tech. Procurements.

(Public)

Sponsors: Representatives Reynolds; Baker, Brawley, Clary, Dickson, Earle, Eddins, Gray, Hurley, McComas, Rayfield, Sexton, Shubert, Tolson, Weatherly, and G. Wilson.

Referred to: Judiciary I.

May 20, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY
3 PROCUREMENTS.

4 The General Assembly of North Carolina enacts:

5 Section 1. Chapter 143 of the General Statutes is amended by adding a new
6 section to read:

7 "**§ 143-135.9. 'Best Value' information technology procurements.**

8 (a) For purposes of this section:

9 (1) 'Information technology' includes electronic data processing and
10 telecommunications goods and services, microelectronics, software,
11 information processing, office systems, any services related to the
12 foregoing, and consulting or other services for design and/or redesign of
13 business processes.

14 (2) 'Best Value' procurement means the selection of a contractor based on a
15 determination of which proposal offers the best trade-off between price
16 and performance, where quality is considered an integral performance
17 factor. The award decision is made based on multiple factors,
18 including: total cost of ownership, meaning the cost of acquiring,
19 operating, maintaining, and supporting a product or service over its

1 projected lifetime; the evaluated technical merit of the vendor's
2 proposal; the vendor's past performance; and the evaluated probability
3 of performing the requirements stated in the solicitation on time, with
4 high quality, and in a manner that accomplishes the stated business
5 objectives.

6 (3) 'Solution-Based Solicitation' means a solicitation in which the
7 requirements are stated in terms of how the product or service being
8 purchased should accomplish the business objectives, rather than in
9 terms of the technical design of the product or service.

10 (4) 'Government-Vendor Partnership' means a mutually beneficial
11 contractual relationship between State government and a contractor,
12 wherein the two share risk and reward, and value is added to the
13 procurement of complex technology.

14 (b) The intent of 'Best Value' Information Technology procurement is to enable
15 contractors to offer and the agency to select the most appropriate solution to meet the
16 business objectives defined in the solicitation and to keep all parties focused on the
17 desired outcome of a procurement. Business process reengineering, system design, and
18 technology implementation may be combined into a single solicitation.

19 (c) The acquisition of information technology by the State of North Carolina shall
20 be conducted using the 'Best Value' procurement method. For acquisitions which the
21 procuring agency and the Division of Purchase and Contracts deem to be highly complex
22 or determine that the optimal solution to the business problem at hand is not known, the
23 use of Solution-Based Solicitation and Government-Vendor Partnership is authorized and
24 encouraged."

25 Section 2. The Division of Purchase and Contracts shall develop and
26 implement no later than December 31, 1998, policies and procedures to ensure the use of
27 "Best Value" Procurement and, as applicable, Solution-Based Procurement and
28 Government-Vendor Partnership in the procurement of information technology by State
29 agencies.

30 Section 3. The Division of Purchase and Contracts and the Department of
31 Commerce, Information Technology Services, shall jointly develop and implement no
32 later than December 31, 1998, policies, procedures, and/or programs to ensure that
33 agency and Division of Purchase and Contracts personnel involved in the development of
34 solicitations, development of specifications, evaluation of proposals, selection of vendors,
35 administration of contracts, and management of information technology projects receive
36 high-quality training in the principles of "Best Value" Procurement, Solution-Based
37 Procurement, Government-Vendor Partnership, contract administration, and project
38 management.

39 Section 4. The Division of Purchase and Contract and the Department of
40 Commerce, Information Technology Services, shall report to the Technology Committee
41 of the House of Representatives and the comparable committee in the Senate on the
42 results of the implementation of G.S. 143-135.9 at its first meeting during the 1999
43 Session of the General Assembly.

1 Section 5. Section 1 of this act becomes effective July 1, 1998. The remaining
2 sections of this act are effective when this act becomes law.