

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 3
Committee Substitute Favorable 3/19/01
Third Edition Engrossed 3/22/01
Senate Commerce Committee Substitute Adopted 6/6/01

Short Title: Encourage Reciprocity in Bidding Process.

(Public)

Sponsors:

Referred to:

January 25, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO ALLOW THE SECRETARY OF ADMINISTRATION AND STATE
3 AGENCIES TO ADD A PERCENT INCREASE TO BIDS OF NONRESIDENT
4 BIDDERS WHERE THE NONRESIDENT BIDDERS' HOME STATES GRANT
5 PREFERENCES TO IN-STATE BIDDERS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 143-59 reads as rewritten:

8 "**§ 143-59. Preference given to North Carolina products and citizens, and articles**
9 **manufactured by State agencies-~~agencies~~; reciprocal preferences.**

10 (a) Preference. – The Secretary of Administration and any State agency
11 authorized to purchase foodstuff or other products, shall, in the purchase of or in the
12 contracting for foods, supplies, materials, equipment, printing or services give
13 preference as far as may be practicable to such products or services manufactured or
14 produced in North Carolina or furnished by or through citizens of North Carolina:
15 Provided, however, that in giving such preference no sacrifice or loss in price or quality
16 shall be permitted; and provided further, that preference in all cases shall be given to
17 surplus products or articles produced and manufactured by other State departments,
18 institutions, or agencies which are available for distribution.

19 (b) Reciprocal Preference. – For the purpose only of determining the low bidder
20 on all contracts for equipment, materials, supplies, and services valued over twenty-five
21 thousand dollars (\$25,000), a percent of increase shall be added to a bid of a nonresident
22 bidder that is equal to the percent of increase, if any, that the state in which the bidder is
23 a resident adds to bids from bidders who do not reside in that state. Any amount due
24 under a contract awarded to a nonresident bidder shall not be increased by the amount
25 of the increase added by this subsection. On or before January 1 of each year, the
26 Secretary of Administration shall electronically publish a list of states that give
27 preference to in-State bidders and the amount of the percent increase added to

1 out-of-state bids. All departments, institutions, and agencies of the State shall use this
2 list when evaluating bids. If the reciprocal preference causes the nonresident bidder to
3 no longer be the lowest bidder, the Secretary of Administration may, after consultation
4 with the Board of Awards, waive the reciprocal preference. In determining whether to
5 wave the reciprocal preference, the Secretary of Administration and the Board of
6 Awards shall consider factors that include competition, price, product origination, and
7 available resources.

8 (c) Definitions. – The following definitions apply in this section:

9 (1) Resident bidder. – A bidder that has paid unemployment taxes or
10 income taxes in this State and whose principal place of business is
11 located in this State.

12 (2) Nonresident bidder. – A bidder that is not a resident bidder as defined
13 in subdivision (1) of this subsection.

14 (3) Principal place of business. – The principal place from which the trade
15 or business of the bidder is directed or managed.

16 (d) Exemptions. – Subsection (b) of this section shall not apply to contracts
17 entered into under G.S. 143-53(a)(5) or G.S. 143-57.

18 (e) When a contract is awarded by the Secretary using the provisions of
19 subsection (b) of this section, a report of the nature of the contract, the bids received,
20 and the award to the successful bidder shall be posted on the Internet as soon as
21 practicable."

22 **SECTION 2.** The Secretary of Administration may adopt temporary rules to
23 implement this act.

24 **SECTION 3.** This act becomes effective January 1, 2002, and expires
25 December 31, 2007.