

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1357\*  
Committee Substitute Favorable 6/22/98

Short Title: Best Value Info. Tech. Procurements.

(Public)

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Sponsors:

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Referred to:

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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 and maintains industry standards compliance.

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.