

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 3
Committee Substitute Favorable 3/19/01

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. – On all contracts for equipment, materials, supplies,
20 and services valued over twenty-five thousand dollars (\$25,000), a percent increase
21 shall be added to bids from nonresident bidders that is equal to the percent of the
22 preference given in the bidders' home states. On or before January 1 of each year, the
23 Secretary of Administration shall electronically publish a list of states that give
24 preference to in-state bidders and the amount of the percent increase added to
25 out-of-state bids. All departments, institutions, and agencies of the State shall use this
26 list when evaluating bids. If the reciprocal preference causes the nonresident bidder to
27 no longer be the lowest bidder, the Secretary of Administration may, upon consultation
28 with the Board of Award, waive the reciprocal preference. In determining whether to
29 wave the reciprocal preference, the Secretary of Administration and the Board of

1 Award shall consider factors that include competition, price, product origination, and
2 available resources.

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

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

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

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

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

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

15 **SECTION 3.** This act becomes effective January 1, 2002.