

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH50322-MA-318A* (3/12)

Short Title: Bidding Process Changes/Maintenance and Op.

(Public)

Sponsors: Representative Martin.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE MAXIMUM AMOUNT AT WHICH PROJECTS MAY
3 UNDERGO AN INFORMAL BIDDING PROCESS AND TO CLARIFY THE
4 APPLICATION OF THIS PROCESS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 136-28.1 reads as rewritten:

7 **"§ 136-28.1. Letting of contracts to bidders after advertisement; exceptions.**

8 (a) All contracts over one million two hundred thousand dollars (\$1,200,000) that the
9 Department of Transportation may let for ~~construction~~construction, maintenance, or repair
10 necessary to carry out the provisions of this Chapter shall be let to a responsible bidder after
11 public advertising under rules and regulations to be made and published by the Department of
12 Transportation. The right to reject any and all bids shall be reserved to the Board of
13 Transportation. Contracts for construction or repair for federal aid projects entered into
14 pursuant to this section shall not contain the standardized contract clauses prescribed by 23
15 U.S.C. § 112(e) and 23 C.F.R. § 635.109 for differing site conditions, suspensions of work
16 ordered by the engineer or significant changes in the character of the work. For those federal
17 aid projects, the Department of Transportation shall use only the contract provisions for
18 differing site conditions, suspensions of work ordered by the engineer, or significant changes in
19 the character of the work developed by the North Carolina Department of Transportation and
20 approved by the Board of Transportation.

21 (b) In those cases in which the amount of work to be let to contract for highway
22 ~~construction, maintenance,~~construction or repair is one million two hundred thousand dollars
23 (\$1,200,000) or less, and for highway maintenance that is one million two hundred thousand
24 dollars (\$1,200,000) per year or less, at least three informal bids shall be solicited. The term
25 "informal bids" is defined as bids in writing, received pursuant to a written request, without
26 public advertising. All such contracts shall be awarded to the lowest responsible bidder. The
27 Secretary of Transportation shall keep a record of all bids submitted, which record shall be
28 subject to public inspection at any time after the bids are opened.

29 (c) The construction, maintenance, and repair of ferryboats and all other marine floating
30 equipment and the construction and repair of all types of docks by the Department of
31 Transportation shall be deemed highway construction, maintenance, or repair for the purpose of
32 G.S. 136-28.1 and Chapter 44A and Chapter 143C of the General Statutes, the State Budget
33 Act. In cases of a written determination by the Secretary of Transportation that the requirement
34 for compatibility does not make public advertising feasible for the repair of ferryboats, the
35 public advertising as well as the soliciting of informal bids may be waived.



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1 (d) The construction, maintenance, and repair of the highway rest area buildings and
2 facilities, weight stations and the Department of Transportation's participation in the
3 construction of welcome center buildings shall be deemed highway construction, maintenance,
4 or repair for the purpose of G.S. 136-28.1 and 136-28.3 and Chapter 143C of the General
5 Statutes, the State Budget Act.

6 (e) The Department of Transportation may enter into contracts for construction,
7 maintenance, or repair without complying with the bidding requirements of this section upon a
8 determination of the Secretary of Transportation or the State Highway Administrator that an
9 emergency exists and that it is not feasible or not in the public interest for the Department of
10 Transportation to comply with the bidding requirements.

11 (f) Notwithstanding any other provision of law, the Department of Transportation may
12 solicit proposals under rules and regulations adopted by the Department of Transportation for
13 all contracts for professional engineering services and other kinds of professional or specialized
14 services necessary in connection with ~~highway construction, maintenance, or repair~~ the
15 planning, design, maintenance, repair, and construction of transportation infrastructure. In order
16 to promote engineering and design quality and ensure maximum competition by professional
17 firms of all sizes, the Department may establish fiscal guidelines and limitations necessary to
18 promote cost-efficiencies in overhead, salary, and expense reimbursement rates. The right to
19 reject any and all proposals is reserved to the Board of Transportation.

20 (g) The Department of Transportation may enter into contracts for research and
21 development with educational institutions and nonprofit organizations without soliciting bids or
22 proposals.

23 (h) The Department of Transportation may enter into contracts for applied research and
24 experimental work without soliciting bids or proposals; provided, however, that if the research
25 or work is for the purpose of testing equipment, materials, or supplies, the provisions of Article
26 3 of Chapter 143 of the General Statutes shall apply. The Department of Transportation is
27 encouraged to solicit proposals when contracts are entered into with private firms when it is in
28 the public interest to do so.

29 (i) The Department of Transportation may negotiate and enter into contracts with
30 public utility companies for the lease, purchase, installation, and maintenance of generators for
31 electricity for its ferry repair facilities.

32 (j) Repealed by Session Laws 2002-151, s. 1, effective October 9, 2002.

33 (k) The Department of Transportation may accept bids under this section by electronic
34 means and may issue rules governing the acceptance of these bids. For purposes of this
35 subsection "electronic means" is defined as means relating to technology having electrical,
36 digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

37 (l) The Department of Transportation may enter into as many as two pilot contracts for
38 public private participation in providing litter removal from State right-of-way. Selection of
39 firms to perform this work shall be made using a best value procurement process and shall be
40 without regard to other provisions of law regarding the Adopt-A-Highway Program
41 administered by the Department. Acknowledgement of sponsors may be indicated by
42 appropriate signs that shall be owned by the Department of Transportation. The size, style,
43 specifications, and content of the signs shall be determined in the sole discretion of the
44 Department of Transportation. The Department of Transportation may issue rules and policies
45 necessary to implement this section.

46 (m) The Department of Transportation may enter into as many as two pilot contracts for
47 public-private participation in providing real-time traveler information at State-owned rest
48 areas. Selection of firms to perform this work shall be made using a best value procurement
49 process. Recognition of sponsors in the program may be indicated by appropriate
50 acknowledgment for any services provided. The size, style, specifications, and content of the
51 acknowledgment shall be determined in the sole discretion of the Department. Revenues

1 generated pursuant to a contract initiated under this subsection shall be shared with Department
2 of Transportation at a predetermined percentage or rate, and shall be earmarked by the
3 Department to maintain the State owned rest areas from which the revenues are generated. The
4 Department of Transportation may issue guidelines, rules, and policies necessary to administer
5 a pilot program initiated under this subsection."

6 **SECTION 2.** G.S. 136-28.10(a) reads as rewritten:

7 "(a) Notwithstanding the provisions of G.S. 136-28.4(b), for Highway Fund or Highway
8 Trust Fund construction and repair projects of five hundred thousand dollars (\$500,000) or less,
9 and maintenance projects of five hundred thousand dollars (\$500,000) or less per year, the
10 Board of Transportation may, after soliciting at least three informal bids in writing from Small
11 Business Enterprises, award contracts to the lowest responsible bidder. The Department of
12 Transportation may identify projects likely to attract increased participation by Small Business
13 Enterprises, and restrict the solicitation and award to those bidders. The Board of
14 Transportation may delegate full authority to award contracts, adopt necessary rules, and
15 administer the provisions of this section to the Secretary of Transportation."

16 **SECTION 3.** This act becomes effective July 1, 2009.