

## **HOUSE BILL 975 Summary:**

**SYNOPSIS.** The origin of this legislation stems from the university system's desire to respond quickly and efficiently in our ever-increasing competitive environment. This legislation gives the UNC system more flexibility (and responsibility) for purchasing decisions.

HB 975 gives us the flexibility to purchase items of "best value". We are relieved from general statutes relating to the exclusiveness of state contracts when.....

- a. Funding is NOT general fund or tuition money (1-xxxxx accts UNCW).
- b. If split funding, State funding portion does NOT exceed 30%.
- c. Funding is Contract & Grants.
- d. If split funding with contract & grants funds, state funding does not exceed 50%.
- e. No matter what the funding source if:
  1. price is less than on state contract
  2. for same or substantially similar items
  3. total price does not exceed our benchmark
  4. we notify DOA of any item(s) consistently purchased off contract

This legislation also allows us:

- a. to generate UNC contracts among ourselves
- b. to access GSA (federal contract) pricing in a sole source condition

This flexibility does NOT mean that we can ignore general statutes with regard to competition. In actuality, this flexibility will increase bidding opportunities.

State Contracts continue to offer attractive pricing. It should and would be used whenever possible, but now we can go beyond that avenue when we have the opportunity for better pricing or the department can define value beyond price.

I announce this with caution due to the nature of expectations. To take advantage of this flexibility, timing may increase with requisitions due to a bidding situation that may occur with the change. The Legislation cautions that we still need to be good stewards of the State's precious resources. The policies and procedures of the university and good purchasing practices in general, will remain in effect.

Questions may be addressed with Purchasing Officers or Mary Forsythe in Purchasing Services at extension 3158.

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