

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**SENATE BILL 522
House Committee Substitute Favorable 7/26/06**

Short Title: Procurement Preference/North Carolina Firms.

(Public)

Sponsors:

Referred to:

March 15, 2005

A BILL TO BE ENTITLED

1
2 AN ACT TO PROVIDE A RECIPROCAL PREFERENCE FOR NORTH CAROLINA
3 FIRMS PROVIDING ARCHITECTURAL, ENGINEERING, SURVEYING, AND
4 CONSTRUCTION MANAGEMENT AT RISK SERVICES FOR PUBLIC
5 PROJECTS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 143-64.31 reads as rewritten:

8 "**§ 143-64.31. Declaration of public policy.**

9 (a) It is the public policy of this State and all public subdivisions and Local
10 Governmental Units thereof, except in cases of special emergency involving the health
11 and safety of the people or their property, to announce all requirements for architectural,
12 engineering, surveying and construction management at risk services, to select firms
13 qualified to provide such services on the basis of demonstrated competence and
14 qualification for the type of professional services required without regard to fee other
15 than unit price information at this stage, and thereafter to negotiate a contract for those
16 services at a fair and reasonable fee with the best qualified firm. If a contract cannot be
17 negotiated with the best qualified firm, negotiations with that firm shall be terminated
18 and initiated with the next best qualified firm. Selection of a firm under this Article shall
19 include the use of good faith efforts by the public entity to notify minority firms of the
20 opportunity to submit qualifications for consideration by the public entity.

21 (a1) A resident firm providing architectural, engineering, surveying, or
22 construction management at risk services shall be granted a preference over a
23 nonresident firm, in the same manner, on the same basis, and to the extent that a
24 preference is granted in awarding contracts for these services by the other state to its
25 resident firms over firms resident in the State of North Carolina. For purposes of this
26 section, a resident firm is a firm that has paid unemployment taxes or income taxes in
27 North Carolina and whose principal place of business is located in this State.

1 (b) Public entities that contract with a construction manager at risk under this
2 section shall report to the Secretary of Administration the following information on all
3 projects where a construction manager at risk is utilized:

- 4 (1) A detailed explanation of the reason why the particular construction
5 manager at risk was selected.
- 6 (2) The terms of the contract with the construction manager at risk.
- 7 (3) A list of all other firms considered but not selected as the construction
8 manager at risk and the amount of their proposed fees for services.
- 9 (4) A report on the form of bidding utilized by the construction manager at
10 risk on the project.

11 The Secretary of Administration shall adopt rules to implement the provisions of this
12 subsection including the format and frequency of reporting."

13 **SECTION 2.** This act is effective when it becomes law.