

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 759*
State and Local Government Committee Substitute Adopted 6/12/18

Short Title: DOA Efficiency/PED.

(Public)

Sponsors:

Referred to:

May 30, 2018

1 A BILL TO BE ENTITLED
2 AN ACT RECOMMENDING IMPROVED EFFICIENCIES OF THE STATE'S
3 ADMINISTRATIVE SERVICES, AS RECOMMENDED BY THE JOINT LEGISLATIVE
4 PROGRAM EVALUATION OVERSIGHT COMMITTEE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** The Department of Administration shall do the following:

- 7 (1) By December 1, 2018, report to the Joint Legislative Oversight Committee on
8 General Government on the status of the Department's procurement of a
9 contract management system for State agency administered contracted
10 services. The Department shall report every six months thereafter until the
11 implementation of the contract management system has been completed.
- 12 (2) By December 1, 2018, implement a new requirement for State agencies to
13 obtain a ten percent (10%) reduction from the annual value of each contract
14 as a condition of awarding an amendment that extends the length of the
15 contract except as specifically authorized by the Department. The new
16 requirement implemented by the Department shall not apply to those contracts
17 entered into by the Department of State Treasurer under G.S. 147-69.3(g),
18 135-96, 142-17, 135-48.23(c), and 135-48.34 that are not subject to Article 3
19 of Chapter 143 of the General Statutes.
- 20 (3) By June 30, 2019, reduce by five percent (5%) the June 30, 2018, inventory
21 of State-owned passenger motor vehicles that are under the management of
22 the Department of Administration.
- 23 (4) By December 1, 2018, and each December 1 thereafter, report to the Joint
24 Legislative Oversight Committee on General Government and the Fiscal
25 Research Division on (i) prior fiscal year results for each identified
26 performance measure set out in Program Evaluation Division Report No.
27 2018-04, Opportunities Exist to Improve the Efficiencies of the State's
28 Administrative Services, and (ii) performance targets for the upcoming fiscal
29 year.

30 **SECTION 2.** The Legislative Services Office shall assign an appropriate division of
31 the General Assembly or contract with a vendor to do the following:

- 32 (1) In consultation with the Department of Administration, propose guidelines for
33 determining employee office space usage requirements for each State-owned
34 and leased office facility and make recommendations to ensure that the
35 Department has valid and reliable information to enforce the space usage
36 requirements. In making recommendations under this subdivision, the



1 assigned division or the contracted vendor shall consider the feasibility of
2 requiring each State agency to enter the office space requirements and facility
3 location of each of its employees into the Integrated HR/Payroll System, or
4 the State's payroll system that supersedes the current system.

- 5 (2) Conduct a business case analysis to evaluate alternatives to reduce facility
6 management costs and generate additional revenue through the sale or lease
7 of the Old Revenue Building located at 2 South Salisbury Street, Raleigh,
8 North Carolina.
- 9 (3) Conduct a business case analysis of facility management services performed
10 by the Department of Administration, including consideration of expanded
11 use of contracted facility management services.
- 12 (4) Conduct a business case analysis that uses the results from the document
13 scanning pilot study performed by the Department of Revenue to explore
14 potential savings through increased utilization of electronic mail scanning for
15 incoming mail to State agencies.
- 16 (5) Conduct a business case analysis on available opportunities to increase
17 revenue receipts from State-owned parking facilities, including consideration
18 of increasing utilization of unreserved employee spaces and leasing
19 underutilized employee spaces and visitor spaces to public and private entities.
- 20 (6) Each business case analysis conducted under this section shall include, at a
21 minimum, each of the factors identified in Program Evaluation Division
22 Report No. 2018-04, Opportunities Exist to Improve the Efficiencies of the
23 State's Administrative Services. The assigned division or the contracted
24 vendor shall report on any recommendations for proposed legislation to the
25 Joint Legislative Oversight Committee on General Government by December
26 1, 2019.

27 **SECTION 3.** The Office of the State Auditor shall conduct a performance audit to
28 identify alternatives to reduce outgoing mail service costs and report its findings to the Joint
29 Legislative Oversight Committee on General Government by June 30, 2019.

30 **SECTION 4.** G.S. 143-55 reads as rewritten:

31 "**§ 143-55. Requisitioning by agencies; must purchase through sources certified.**

32 (a) Unless otherwise provided by law, where sources of supply have been established by
33 contract and certified by the Secretary of Administration to the said departments, institutions and
34 agencies as herein provided for, it shall be the duty of all departments, institutions and agencies
35 to make requisition ~~or issue orders on forms to be prescribed by the Secretary of Administration,~~
36 through NC E-Procurement for purchases required by them upon the sources of supply so
37 certified, and, except as herein otherwise provided for, it shall be unlawful for them, or any of
38 them, to purchase from other sources than those certified by the Secretary of Administration.
39 ~~One copy of such requisition or order shall be furnished to and when requested by the Secretary~~
40 ~~of Administration.~~ Requisitions from sources of supply established by contract and certified by
41 the Secretary of Administration shall not be made using any other method except NC
42 E-Procurement, including purchase cards or purchase orders, unless specifically authorized by
43 the Secretary of Administration.

44 (b) Expired."

45 **SECTION 5.** Section 4 of this act becomes effective November 1, 2018, and applies
46 to requisitions for purchases occurring on or after that date. The remainder of this act is effective
47 when it becomes law.