MEMORANDUM

TO: All Purchasing Officers
State Agencies, Institutions, Community Colleges and Universities

FROM: Odessa McGlown

SUBJECT: General Delegation Increases, Waivers, Protests and Debriefings

October 27, 2020

On July 2, 2020, the Governor signed H902 into law. The law authorized the State Purchasing Officer to increase a Department’s general delegation up to $100,000; made the waiver approval and protest thresholds consistent with the general delegation level; and removed outdated language in the furniture statute to require conformance to specifications rather than to a qualified product list (QPL).

Some of you have requested an increase in your Department’s general delegation levels. You can be assured that we are excited to start assessments for delegation increases, but we need to make changes to the Administrative Code and create a reliable assessment process. The Department of Administration’s General Counsel and P&C’s Contract Management Section are working with the Rules Division of the Office of Administrative Hearings to update 01 NCAC 05B .1604 (GENERAL DELEGATIONS). The requested changes are progressing efficiently, which increases my confidence that the Rule should be approved and ready for implementation by early 2021.

While the Rule is under review, P&C is refining the assessment process and framework to review Department’s requests for delegation increases, which must include a consultation process with the Office of State Budget and Management (OSBM) and the State Auditor’s Office. Assessment factors are based on 01 NCAC 05B .1604, i.e., overall capabilities, including staff resources, organizational structure, training, purchasing compliance reviews, electronic communication capabilities, and audit reports. The framework will mimic the one used by Community Colleges, and will require a performance period between increases. Currently, we expect tiers to be structured as shown in the chart; however, consultation may result in a different outcome.

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While waiting for the Rule and the assessment framework, Agencies should implement guidance to support waiver of competition approvals and protests. These Agency responsibilities were effective on July 2, 2020.

Waivers of Competition: Each Department should have developed and implemented a process to review and approve waivers of competition up to $25,000, the current general delegation level for all Departments. Your Agency’s Procurement Manual should accurately reflect the process, contain examples of forms, and describe the approval workflow for waivers. During the compliance review, the Compliance Officer will document the existence of and compliance with your established process. For assistance with waivers of competition, contact Kimberly Williams. For compliance, contact Tony Vinogradov.

Protests: Each Department should have established a process for determining the validity of a protest, and subsequently hearing protests below $25,000. Protest procedures should be documented in the Agency’s Procurement Manual. At P&C, we have found that many vendors exercise their protest rights in order to be heard, or to gather information that will help to improve future bids. I encourage you to offer vendors a “debriefing” to meet the latter goal. P&C is in the process of creating debriefing guidance, and developing training to familiarize you with debriefing “best practices”. If you need assistance with debriefings or protests, contact Bob Smith or Liana Madison. For Procurement Education, David O’Neal.

Thank you for your support as we continue to improve North Carolina’s procurement processes.