MEMORANDUM

TO: All Deputy Secretaries, Chief Financial Officers, Procurement Directors
   State Agencies, Institutions, Community Colleges and Universities

FROM: Machelle Sanders

SUBJECT: Procurement Actions to support Executive Order 143

On June 4, 2020, Governor Cooper signed Executive Order 143 (EO 143) to address the disproportionate impact of COVID-19 on minority communities and established the North Carolina Pandemic Recovery Office (NCPRO) to ensure equitable delivery of COVID-19 related stimulus and resources.

Public procurement’s award decisions have significant impact on the State’s economy. As public procurement professionals, you are required to support and encourage the participation of small businesses in the goods and services arena as they are essential to North Carolina communities and economy. Research has confirmed that small businesses are the “backbone” of our economy. The inclusion of small businesses sustains the State’s overall economy and vitalizes our local communities.

Executive Order 143 challenges us to be more intentional in our inclusion efforts. The Order tasks the Office of Historically Underutilized Businesses (HUB) with assisting NCPRO and NC Department of Health and Human Services (NCDHHS) in ensuring that historically underutilized small businesses have access to all available economic recovery funds and contract opportunities. It states, in part, that the HUB Office will:

“Work directly with the State Construction Office and State Purchasing Office to identify construction, purchasing and professional services contracts by state agencies that do not exceed $250,000 to increase access to opportunities for small businesses. To further enhance and improve the State’s good faith efforts to recruit diverse businesses for participation in public projects, the State Construction Office and State Purchasing Office shall develop a rule to require all projects to include at least one bid or proposal from a certified small historically underutilized business. Exceptions to this rule must be approved by the Secretary of the Department of Administration or her designee.”
So, what does this mean for the goods and services procurement community? The following guidance is provided to assist you in accomplishing the tenets of EO 143.

1. To identify goods and services contracting opportunities, the Division of Purchase and Contract (P&C) is in the process of developing a Procurement Planning Survey. Each agency is asked to complete the survey and return it by August 15, 2020. You should expect to receive the survey no later than Friday, July 17, 2020. The information you submit will be aggregated and provided to the HUB Office to increase access to opportunities for small businesses.

2. To enhance and improve participation by HUBs in goods and services contracting opportunities, the following is provided:
   a. For contracts below the agency’s delegation, you are required to submit a monthly report of all awards to the DOA Secretary. The report should provide the following details: transaction number, commodity code, contract amount, awarded vendor, awarded vendor HUB status (Small HUB, HUB, None). P&C will provide a template to assist with your reporting.

   If the awarded vendor HUB status is None, then provide the list of HUB vendors that submitted bids and justification to explain why the HUB vendor was not awarded the contract.

   If there are no HUBs in the bid packet, then those awards must be approved by the Secretary of Administration prior to award.

   b. For contracts above the agency’s delegation, you are required to provide a detailed explanation in your Recommendation for Award to justify your decision. If the award recommendation is for a non-HUB vendor, you must provide justification to support your decision.

   Each bid received must have at least one HUB vendor in the packet. If after bid opening, it is discovered that no HUB vendors submitted bids, then the contract award cannot be certified by P&C until after approval by the Secretary of Administration.

I sincerely appreciate your support of Executive Order 143. If we work together, we can achieve its stated purpose.

Please direct your questions or concerns to your agency’s Executive or the State Purchasing Officer.