

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 31
Committee Substitute Favorable 3/18/97

Short Title: Competitive Government Initiative.

(Public)

Sponsors:

Referred to:

February 4, 1997

A BILL TO BE ENTITLED
AN ACT ESTABLISHING THE NORTH CAROLINA GOVERNMENT
COMPETITION COMMISSION TO PROVIDE FOR BETTER GOVERNMENT IN
NORTH CAROLINA THROUGH A COMPREHENSIVE STATE GOVERNMENT
COMPETITION INITIATIVE.

The General Assembly of North Carolina enacts:

Section 1. The General Statutes are amended by adding a new Chapter to read:

"Chapter 143C.

"North Carolina Government Competition Act of 1997.

"§ 143C-1. Short title.

This Chapter shall be known and may be cited as the 'North Carolina Government Competition Act'.

"§ 143C-2. Definitions.

As used in this Chapter, unless the context otherwise requires:

(1) 'Commission' means the North Carolina Government Competition Commission.

(2) 'State agency' means any State department, agency, or institution.

"§ 143C-3. North Carolina Government Competition Commission created; duties.

1 (a) There is hereby created the North Carolina Government Competition
2 Commission. The purpose of the Commission is to be the catalyst to cause the use of
3 competition to improve the delivery of State government services, to make State
4 government more effective and more efficient, and to reduce the costs of government to
5 taxpayers.

6 (b) The Commission shall:

- 7 (1) Develop an institutional framework for a statewide competition
8 initiative to encourage innovation and competition within State
9 government.
- 10 (2) Establish a system to encourage the use of feasibility studies and
11 innovation to determine where competition could reduce government
12 costs without adversely affecting essential services.
- 13 (3) Monitor the activities, products, and services of State agencies to bring
14 an element of competition and to ensure a spirit of innovation and
15 entrepreneurship to compete with the private sector to increase the
16 quality of services or reduce costs to taxpayers.
- 17 (4) Identify any barriers to competition in State government and
18 recommend actions to overcome those barriers.
- 19 (5) Promote acceptance of competition by State government officials and
20 State employees as a viable alternative to in-house operations for
21 delivering State government services where savings to the State may be
22 realized through competition, including the development and
23 implementation of State employee adjustment and incentive programs.
- 24 (6) Advocate, develop, and accelerate implementation of a competitive
25 program for State agencies to ensure competition for the provision or
26 production of government services from both public sector and private
27 sector entities.
- 28 (7) Establish approval, planning, and reporting processes required to carry
29 out the functions of the Commission.
- 30 (8) Determine the competition potential of a State program or activity,
31 perform cost and benefit analyses, and conduct public and private
32 competition analyses.
- 33 (9) Devise evaluation criteria to be used in conducting performance reviews
34 of any State program or activity which is subject to a competition
35 recommendation.
- 36 (10) Assess the short-term and long-term results of State government
37 competition efforts.
- 38 (11) Appoint, as needed, ad hoc committees relating to specific matters
39 within the Commission's purview.

40 **"§ 143C-4. Membership; appointment; terms; vacancies; chair; quorum;**
41 **compensation.**

42 (a) The Commission shall be composed of nine members to be appointed as
43 follows:

1 (1) Three members appointed by the Governor, one of whom shall be a
2 State employee and two of whom shall be members of the private
3 sector, and one of these private sector members shall have large scale
4 purchasing experience.

5 (2) Three members appointed by the Speaker of the House of
6 Representatives, two of whom shall be members of the private sector.

7 (3) Three members appointed by the President Pro Tempore of the Senate,
8 two of whom shall be members of the private sector.

9 Members of the Commission shall serve two-year terms. In making the initial
10 appointments to the Commission, the respective appointing authorities shall appoint at
11 least one member for a one-year term so that subsequent terms stagger.

12 (b) All initial appointments shall be effective July 1, 1997. The initial members'
13 terms shall end on June 30 of the applicable year in which a term expires, with the
14 subsequent term beginning on July 1 of that year. No member may serve more than two
15 consecutive terms. Vacancies shall be filled by the appointing authority for any unexpired
16 portion of a term. Members shall receive subsistence, per diem, and travel allowances as
17 provided by G.S. 138-5.

18 (c) A majority of the members shall constitute a quorum. The Commission shall
19 annually elect its chair and vice-chair from among its members.

20 **"§ 143C-5. Cooperation of other State agencies.**

21 All State agencies shall cooperate with the Commission and, upon request, assist the
22 Commission in the performance of its duties and responsibilities. The Commission shall
23 not impose unreasonable burdens or costs in connection with requests of State agencies.

24 **"§ 143C-6. Staff support; application for and acceptance of gifts and grants;**
25 **authority to enter into contract.**

26 (a) The Office of State Budget and Management shall provide staff support to the
27 Commission to enable it to perform its duties as provided by this Chapter.

28 (b) The Commission may apply for, accept, and expend gifts, grants, or donations
29 from public or private sources to enable it to better carry out its objectives. No entity
30 which provides a gift, donation, or grant shall be eligible for a contract award which
31 results from action of a Commission recommendation.

32 (c) The Commission may enter into contracts for professional or consultant
33 service. Any consultant awarded a contract under this subsection shall be ineligible for a
34 contract award resulting from the consultant's recommendations.

35 **"§ 143C-7. Public-private competition analysis; proposals for competition.**

36 (a) The Governor or the General Assembly may direct any State agency to
37 perform a public-private competition analysis covering any service for which the
38 Commission has received a qualifying unsolicited proposal for competition from a
39 private entity which is consistent with the Commission's purposes and duties as provided
40 by this Chapter.

41 (b) The Commission may solicit competition proposals from private entities in
42 order to make cost comparison decisions. Any State agency may submit proposals to the
43 Commission for cost comparison decisions.

1 **"§ 143C-8. Duties of the Office of State Budget and Management.**

2 The Office of State Budget and Management shall determine the amount of an
3 existing appropriation that would no longer be needed by a State agency as the result of
4 savings realized through competition and shall report annually, by February 1, the nature
5 and amount of the savings to the Governor and to the General Assembly.

6 **"§ 143C-9. Reports to the Governor and General Assembly.**

7 The Commission shall report annually, by February 1, its findings and
8 recommendations to the Governor and to the General Assembly and may make other
9 interim reports it deems advisable. By February 1, 1999, the Commission shall make a
10 special report of its progress to the Governor and to the General Assembly."

11 Section 2. This act is effective when it becomes law and expires June 30,
12 2001.