

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 1500*

Short Title: Local Gov't Reverse Auctions.

(Public)

Sponsors: Representative Tolson.

Referred to: Local Government I.

June 3, 2002

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE LOCAL GOVERNMENT PURCHASING LAWS
3 UNDER THE LAWS RELATING TO PUBLIC CONTRACTS FOR CITIES AND
4 TOWNS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Article 8 of Chapter 143 of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 143-129.9. Alternative competitive bidding methods.**

9 A political subdivision of the State may use any of the following methods to obtain
10 competitive bids for the purchase of apparatus, supplies, materials, or equipment as an
11 alternative to the otherwise applicable requirements in this Article. The requirements for
12 advertisement of bidding opportunities, timeliness of the receipt of bids, the standard for
13 the award of contracts, and all other requirements in this Article that are not inconsistent
14 with the methods authorized in this section shall apply to contracts awarded under this
15 section.

16 (1) Reverse auction. – For purposes of this section, "reverse auction"
17 means a real-time purchasing process in which bidders compete to
18 provide goods at the lowest selling price in an open and interactive
19 environment. The bidders' prices may be revealed during the reverse
20 auction. A reverse auction may be conducted by the political
21 subdivision or by a third party under contract with the political
22 subdivision. A political subdivision may also conduct a reverse auction
23 through the State electronic procurement system, and compliance with
24 the procedures and requirements of the State's reverse auction process
25 satisfies the political subdivision's obligations under this Article.

26 (2) Electronic bidding. – A political subdivision may receive bids
27 electronically in addition to or instead of paper bids. Procedures for
28 receipt of electronic bids for contracts that are subject to the
29 requirements of G.S. 143-129 shall be designed to ensure the security,

1 authenticity, and confidentiality of the bids to at least the same extent
2 as is provided for with sealed paper bids."

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