

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2001**

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**HOUSE BILL 1500\***

Short Title: Local Gov't Reverse Auctions.

(Public)

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Sponsors: Representative Tolson.

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Referred to: Local Government I.

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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.