

# **LEA PURCHASING FLEXIBILITY, E-PROCUREMENT, AND SENATE BILL 620**

## **1. What is the new LEA purchasing flexibility under Senate Bill 620?**

Section 1 of Senate Bill 620 removes for LEAs the requirement to purchase or exchange all supplies, equipment, and materials in accordance with contracts made by or with the approval of the Department of Administration. In other words, the LEAs do not have to purchase these items from State contracts; however, the LEAs may use the State contracts at their convenience. Section 2 also repeals the "old" purchasing flexibility law for LEAs which basically allowed LEAs to purchase "off" (as in not from) State contracts, if the price was lower.

Important: Please note the effective date of these two sections in Question 2 below.

## **2. When does the new purchasing flexibility become effective for a LEA?**

It is effective for a LEA when the unit is certified as E-Procurement compliant, or April 1, 2004, whichever comes first.

## **3. What is the E-Procurement obligation for a LEA under Senate Bill 620?**

Basically, as of the date a LEA is certified E-Procurement compliant, it must expend at least thirty percent of its remaining unencumbered funds used to purchase supplies, equipment, materials, software, and other tangible equipment during that fiscal year through the NC E-Procurement Service. This percent requirement jumps to thirty-five percent in the first full year following becoming E-Procurement compliant, and to forty percent the second year. In the first and second years following certification as compliant, LEAs are encouraged (but not required) to purchase at least fifty and seventy percent, respectively, through the NC E-Procurement Service.

## **4. How does a LEA become E-Procurement compliant?**

Section 10 (a) of Senate Bill 620 requires the State Board of Education to "determine when a local school administrative unit (LEA) is E-Procurement compliant." In consultation with the Office of Information Technology Services, the Division of Purchase and Contract, and NC E-Procurement @ Your Service, DPI has established the following standards for determining when a LEA's purchasing process is E-Procurement compliant:

- All software required to interface NC E-Procurement @ Your Service (E-Procurement) with the LEA's financial software system has been installed.
- Users have been setup to process and approve requisitions and purchase orders through E-Procurement.
- User training on E-Procurement has been successfully completed for core purchasing personnel, and a training schedule has been prepared and submitted for the remaining user rollout over the following two months.

- A purchase order has been successfully submitted from E-Procurement to a registered vendor through the interface.
- The ability to report on purchase order activity to both E-Procurement vendors and non-E-Procurement vendors has been confirmed.

Note: An E-Procurement Certification form stating that the above standards have been met must be signed by the LEA finance officer, and forwarded to DPI. The NC E-Procurement @ Your Service team will be providing the form to a LEA.

**5. Will the E-Procurement system be interfaced to a LEA's accounting system?**

Yes. Section 10.C of Senate Bill 620 requires that the current ISIS and Sunpac purchasing software be interfaced with the NC E-Procurement Service system. It also requires that four pilot units - two of which use ISIS and two of which use Sunpac - must be certified as being E-Procurement compliant on or before December 1, 2003. Section 10.D requires that the Charlotte/Mecklenburg and Wake County purchasing software be interfaced, and that these two LEAs be certified as E-Procurement compliant on or before July 1, 2004.

**6. When are the other LEAs (other than the four pilots, Wake, and Charlotte/Mecklenburg) required to be E-Procurement compliant?**

The remaining 111 LEAs must be certified as E-Procurement compliant by January 1, 2005.

If you have any questions, please contact the NCDPI Purchasing and Contracts section at 919.807.3664.

You may view Senate Bill 620 at [www.ncga.state.nc.us/Sessions/2003/Bills/Senate/HTML/S620v7.html](http://www.ncga.state.nc.us/Sessions/2003/Bills/Senate/HTML/S620v7.html).