



JUDICIAL BRANCH PROCUREMENT POLICY

PROCUREMENT SERVICES DIVISION
AUGUST 2026



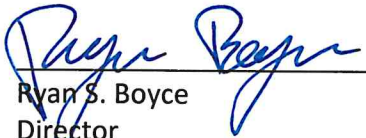
Judicial Branch

Procurement Policy

Pursuant to the authority in G.S. §§ 7A-343 and 143-336, the following Policy is adopted for purchases made and contracts entered by the North Carolina Judicial Department (Judicial Branch).

Whenever it is deemed by the Director (Director) of the Administrative Office of the Courts (AOC), his designee the Chief Operations Officer (COO), or the Procurement Services Officer (PSO) that it is in the best interest of the Judicial Branch to use the purchase and contract services of the North Carolina Department of Administration (DOA) Division of Purchase and Contract (P&C) or the Department of Information Technology (DIT), the Judicial Branch will do so in accordance with the laws and rules governing those purchases. When it is deemed by the Director, his designee or the PSO that it is in the best interest of the Judicial Branch to purchase or contract without the assistance of P&C or DIT the procedures outlined herein will be followed.

NORTH CAROLINA ADMINISTRATIVE OFFICE OF THE COURTS


Ryan S. Boyce
Director

August 25, 2026
Date



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Subchapter 1A - Procurement Services

Section .0100 - Scope and Definitions

.0101 Responsibility

The Director is charged with the responsibility of providing for the purchase and contract requirements of the Judicial Branch. The administration of this program is delegated to the PSO, who reports to the Chief Operations Officer.

.0102 Scope and Application

Procurement Services (PSD) administers the procurement of Goods and Services for the Judicial Branch based on sound procurement procedures, as set forth in this Policy, and which shall include the following:

- (1) Acquisition of Goods and Services for the Judicial Branch;
- (2) Entering leases for the rental of Goods and real property for the Judicial Branch;
- (3) Establishment and enforcement of purchase specifications;
- (4) Inspection and testing of Goods; and
- (5) Review of no-cost contracts.

This Policy does not cover the purchase of, or construction and repairs to, real property. For the purposes of this Policy, Judicial Branch is defined as all of those entities which now, or in the future, fall within the budget of the Judicial Branch.

.0103 Location

The principal offices of PSD are located at the North Carolina Judicial Center (Judicial Center), 901 Corporate Center Drive, Raleigh, NC 27607.

.0104 Forms; Procedures; Terms and Conditions

PSD establishes procedures for acquiring Goods and Services and prescribes forms, terms and conditions and advertising requirements applicable to such actions. The procedures, forms, consistent language, terms and conditions, and advertising requirements shall be established taking into consideration market conditions and trends, legal requirements, and factors determined to be in the best interest of the Judicial Branch.

PSD shall use solicitation templates approved by the Office of General Counsel. This includes Invitation for Bid (IFB), Request for Quote (RFQ), Request for Proposals (RFP) and Contractual Services templates.



.0105 Definitions

- (1) **“Agency Specific Term Contract”** also known as indefinite quantity or requirements contracts are used generally to establish suppliers and prices of Goods and Services for a period of time without guaranteed quantities being specified. Term contracts for the Judicial Branch are handled by PSD. The Judicial Branch must purchase Goods or Services from an Agency Specific Term Contract, once one is awarded. PSD shall determine, in its sole discretion, if there are times when it is in the best interest of the Judicial Branch not to buy off of an Agency Specific Term Contract.
- (2) **“Best Value Procurement”** is the selection of a Vendor based on a determination of which proposal offers the best trade-off between price and performance, where quality of the Goods and/or Services is considered an integral performance factor. The award decision is made based on multiple factors, including: total cost of ownership, meaning the cost of acquiring, operating, maintaining, and supporting a Good or Service over its projected lifetime; the evaluated technical merit of the vendor’s proposal; the vendor’s past performance; and the evaluated probability of performing the requirements stated in the solicitation on time, with high quality, and in a manner that accomplishes the stated business objectives and maintains industry standards compliance. Best Value Procurements shall be used for information technology pursuant to G.S. § 143-135.9(c).
- (3) **“Buyer”** is a Procurement Specialist, who is an employee of PSD.
- (4) **“Chief Operations Officer”** or **“COO”** is the designee of the Director for purposes of this Policy.
- (5) **“Contractor”** or **“Vendor”** is the entity awarded a contract.
- (6) **“Competitive Range”** is the range of all of the most highly ranked offers as established in the solicitation and as determined by the Judicial Branch during its evaluation of offers. The range shall be sufficient to establish adequate competition as determined by the PSO.
- (7) **“Consultant Services”** are work or tasks performed by State employees or independent contractors possessing specialized knowledge, experience, expertise, and professional qualifications to investigate assigned problems or projects, and to provide counsel, review, advice, or analysis in formulating or implementing improvements in programs or services.
- (8) **“Cost Proposal”** is the pricing information submitted by an Offeror in response to an RFP. In a Two-Step Proposal Process, the Cost Proposal is submitted with the Technical Proposal but the Cost Proposal is in a separate sealed envelope and is not opened unless the Offeror’s Technical Proposal is deemed acceptable.



- (9) **“Director”** has the responsibility for providing the purchase and contract requirements for the Judicial Branch. Any reference to the Director shall also mean the COO.
- (10) **“Goods”** include apparatus, supplies, materials, equipment, and other types of tangible property aside from real property. Goods are distinguished from Services.
- (11) **“IT”** means information technology.
- (12) **“Lowest Responsive Bid from a Responsible Bidder”** is the mandatory evaluation standard for certain procurements under North Carolina law (e.g., non-IT Goods totaling \$90,000 or more), which requires that contracts be awarded to the lowest bid that is both responsive to the solicitation and submitted by a responsible bidder with the demonstrated capability to perform the work.
 - a. **“Responsive”** means the bid conforms in all material aspects to the specifications, terms, and conditions of the solicitation (e.g., forms, pricing, scope).
 - b. **“Responsible”** means the bidder has the necessary integrity, experience, financial resources, technical ability, and past performance to satisfactorily complete the contract.
- (13) **“North Carolina Administrative Office of the Courts”** or **“NCAOC”** is the administrative arm of the Judicial Branch.
- (14) **“Offer”** is a response to an Invitation for Bid (IFB), Request for Proposals (RFP), or Request for Quotation (RFQ) or may be made during negotiations.
- (15) **“Offeror”** is the entity that submits an Offer in response to a Judicial Branch Solicitation Document or a proposal during a negotiation.
- (16) **“Operations Services Division”** or **“OSD”** provides facility and vehicle services, distribution services, and printing services for the Judicial Branch.
- (17) **“Office of General Counsel”** or **“OGC”** is the legal services division of the Judicial Branch.
- (18) **“Personal Services”** are services provided by a professional individual (person) on a temporary or occasional basis, including, but not limited to, services provided by a doctor, dentist, attorney, architect, professional engineer, scientist, or performer of the fine arts. The individual must use his/her professional skills to perform a professional task. A personal service may also be a Consulting Service.
- (19) **“Premium Price”** is the difference between the price of the lowest Offer and the one that the Judicial Branch believes offers the Best Value.
- (20) **“Procurement Services Division”** or **“PSD”** is the procurement services division of the NCAOC.



- (21) **“Procurement Services Officer”** or **“PSO”** is the manager of the procurement services division of the NCAOC. The PSO shall have the same authority as the COO for solicitation awards.
- (22) **“Public Funds”** are money from any source, including, but not limited to, State, federal, local, grants, donations, or gifts, which are deposited in bank accounts controlled by the Judicial Branch for the general support of the Judicial Branch.
- (23) **“Purchase Request”** or **“PR”** is a formal request by the customer for Goods and/or Services submitted via the online store.
- (24) **“Sealed Bid(s)”** is an Offer enclosed in a sealed envelope and submitted in response to a Solicitation Document. Sealed Bids that are received on or before the deadline date are generally opened at a stated time and place (usually in the presence of anyone who may wish to be present) and evaluated for award of a contract.
- (25) **“Services”** are intangible actions, duties, access rights, continuous performance, specific functionality, or labor provided by a Vendor, including cloud-based software services.
- (26) **“Solicitation Document”** is an Invitation for Bid (IFB), Request for Proposal (RFP), Request for Quote (RFQ), or Request for Information (RFI) document used to solicit, invite offers, or request information regarding the acquisition of Goods or Services..
- (27) **“Statewide Term Contracts”** or **“STCs”** are established by Purchase and Contract for State departments and most State agencies as well as higher education institutions. These contracts may also be utilized by non-mandatory State agencies and other eligible entities such as local municipalities and schools. STCs are strategically planned for a comprehensive procurement need and competitively solicited.
- (28) **“Technical Proposal”** is an Offeror’s response to an RFP that lists, defines, and explains the Offeror’s approach and plan to address the technical requirements of the RFP.
- (29) **“One-Step Procurement Process”** (for IFBs or RFPs): The vendor submits one sealed package. At the date and time specified in the solicitation, bids from each responding vendor will be opened publicly, and the name of the vendor and costs offered will be announced.
- (30) **“Two-Step Procurement Process”** is used to evaluate Offers submitted in response to most RFPs. In a Two-Step Procurement Process the vendor submits two sealed packages containing (1) the technical proposal and (2) the cost proposal. At the date and time specified in the solicitation, technical proposals from each responding vendor will be publicly opened and the name of each vendor announced publicly. A notation will also be made



indicating whether a separate sealed cost proposal has been received. Cost proposals will be placed in safekeeping until publicly opened at a later date. Vendors shall be given at least two working days' advance notice of the date and time for the public opening of cost proposals.

Subchapter 1B - Procurement Procedures

Section .0100 – Requests for Purchases and Interactions with Vendors

.0101 Procedure

Entities within the Judicial Branch shall only request procurement actions through PSD, which shall be made by submitting a Purchase Request (PR) via the NCAOC Online Store.

.0102 Verbal Requests

Verbal or email requests to PSD are not satisfactory substitutes for purchase requests except in emergencies.

.0103 Confidentiality

All information and documentation relative to the development of a contractual document, including, but not limited to, RFQ, IFB, RFP, waiver of competition, or negotiations for a proposed procurement or contract shall be deemed confidential in nature, except as deemed necessary by the Buyer to develop a complete Solicitation Document. Such material shall remain confidential until the award of the contract, if any.

.0104 Limits on Communications with Vendors

- (1) To ensure fairness, transparency, and compliance with Judicial Branch procurement requirements, Judicial Branch officials and employees must not engage in discussions with current or prospective vendors relating to a future prospective procurement without a PSD representative present. All communications with a current or prospective vendor – whether verbal, written, virtual, or in person – must be coordinated through PSD. This requirement applies to communications relating to new procurements, expansions of existing contracts, contract renewals, changes to pricing, demonstration or proof of concept endeavors, or any other matter that could materially influence a future procurement decision. Employees should direct prospective vendors and existing Vendors with upcoming renewals to the appropriate PSD representative when contact is initiated outside of established procurement processes or direct the vendor to purchasing@nccourts.org.



- (2) The requirements of subsection (1) do not apply to communications with current Contractors on topics related to installations, execution of the goods or services already procured and contracted for, on-going maintenance, or product performance.
- (3) Unauthorized vendor engagement may compromise the integrity of competitive bidding, create the appearance of preferential treatment, or expose the Judicial Branch to compliance risks. Judicial Branch officials and employees are expected to adhere strictly to this process to maintain a fair and transparent procurement environment.

.0105 Gifts Disallowed

- (1) Judicial Branch officials and employees shall not knowingly request, accept, or receive any gift, favor, service, reward, meal, or other thing of value from a prospective vendor, Contractor, subcontractor, supplier, or any entity reasonably expected to bid on a contract or under contract and shall immediately report any such offers received to PSD. Offers to provide gifts or favors by such parties, and the acceptance of such gifts or favors by Judicial Branch officials and employees, violate Judicial Branch policy and may violate G.S. § 133-32(a) (a violation of which constitutes a Class 1 misdemeanor).
- (2) Employees must not accept:
 - a. Meals or lunches;
 - b. Gifts, rewards, or incentives;
 - c. Entertainment (e.g., sporting events, tickets, recreational outings);
 - d. Travel, lodging, or transportation; or
 - e. Any other gift or favor that could create the reasonable appearance of influence or favoritism in procurement or contracting decisions.
- (3) The following exceptions are permitted pursuant to G.S. § 133-32(d):
 - a. Meals provided at a professional conference, training program, or banquet to all invitees, which must include invitees other than just Judicial Branch officials and employees; and
 - b. Refreshments (e.g., coffee and donuts) or promotional items or souvenirs of nominal value (e.g., pens or lanyards).

.0106 Conflicts of Interest Disallowed

Pursuant to G.S. § 14-234(a) (a violation of which constitutes a Class 1 misdemeanor):

- (1) No Judicial Branch official or employee who is involved in making or administering a contract on behalf of the Judicial Branch, or any subdivision thereof, may derive a direct benefit from the contract except as provided in G.S. § 14-234(b).



- (2) A Judicial Branch official or employee who will derive a direct benefit from a contract but who is not involved in making or administering the contract shall not attempt to influence any other person who is involved in making or administering the contract.
- (3) No Judicial Branch official or employee may solicit or receive any gift, favor, reward, service, or promise of reward, including a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a contract.

Section .0200 - Specifications

.0201 Types of Specifications

There shall be two general types of specifications. A standard specification shall be originated and developed by PSD. It shall be comprehensive in nature and intended for repeated use. The other type of specification shall be originated by the user and modified as necessary. Other types of specifications may be used, including, but not limited to, "brand name or equal" or "brand specific".

.0202 Need

PSD is authorized to inquire into the need for and the level of quality of the items and services requested.

.0203 Development of Specifications

- (1) A specification is intended for general use, applicable insofar as practicable to the needs of the Judicial Branch, and kept current by PSD or the user, as appropriate. In formulating such a specification, advisory committees made up of personnel from various entities within the Judicial Branch and the private sector may be employed for advice and assistance. This type of specification may be offered for review and comment by manufacturers and suppliers who may participate in future bidding on the items in question.
- (2) Buyers shall use specifications and requirements that reasonably satisfy the need, are not unduly restrictive, encourage competition in the open market, and result in the best possible contract for the Goods or Services.

.0204 North Carolina Goods

The Judicial Branch shall, in any procurement process for Goods or Services, give preference as far as may be practicable to such items or services manufactured or produced in North Carolina. Provided, however, that in giving such preference no sacrifice or loss in price or quality shall be permitted; and provided further, that preference in all



cases shall be given to surplus Goods produced and manufactured by other State departments, institutions, or agencies available for distribution.

.0205 Confidentiality

All information relative to the development of a specification shall be deemed confidential until the award of contract, if any.

Section .0300 - Procurement Authorization and Procedures

.0301 Contracting Requirements for Goods

Except as stated otherwise in this Policy, all purchases involving the expenditure of Public Funds made by the Judicial Branch for Goods shall comply with the following delegations and procedures:

- (1) Small Purchases (less than \$30,000.00). A small purchase is defined as the purchase of Goods involving an expenditure of Public Funds of less than \$30,000. For IT Goods, the Best Value Procurement evaluation criteria shall apply. For non-IT Goods, there is no statutorily mandated selection method. Small purchases of non-IT goods shall be fair and reasonable.
- (2) Informal Bidding Purchases (\$30,000.00 to less than \$90,000.00). For purchases of Goods made by the Judicial Branch involving an expenditure of Public Funds of \$30,000.00 or more but less than \$90,000.00:
 - a. Competition shall be solicited;
 - b. Solicitation Documents requesting or inviting offers shall be issued;
 - c. Solicitation Documents shall include standard language, including standard terms and conditions prepared in consultation with OGC;
 - d. Solicitation Documents shall include applicable evaluation criteria. For non-IT Goods, the evaluation standard shall be Lowest Responsive Bid from a Responsible Bidder considering “quality, performance, and the time specified in the bids.” G.S. § 143-131. For IT Goods, the Best Value Procurement evaluation criteria shall apply pursuant to G.S. § 143-135.9(c); and
 - e. The PSO may require that a purchase of \$30,000.00 or more but less than \$90,000.00 be solicited using a Sealed Bid.
- (3) Formal Bidding Purchases (\$90,000.00 or more):
 - a. Sealed Bid(s) and public advertisement are required for any procurement of Goods having a dollar value of \$90,000.00 or more.
 - b. The Judicial Branch will accomplish the required advertising by using the web site maintained by DOA for this purpose;
 - c. Solicitation Documents requesting or inviting offers shall be issued;



- d. Solicitation Documents shall include standard language, including standard terms and conditions prepared in consultation with OGC; and
- e. Solicitation Documents shall include applicable evaluation criteria. For non-IT Goods, the Lowest Responsive Bid from a Responsible Bidder shall be used pursuant to G.S. § 143-129. For IT Goods, the Best Value Procurement evaluation criteria shall apply pursuant to G.S. § 143-135.9(c).

.0302 Evaluation Criteria

The evaluation criteria to be used in determining the award of contract shall be identified in the Solicitation Document.

- (1) Best Value Procurement Method (required for IT Goods and optional for non-IT Goods less than \$90,000.00):

The selection of a Vendor is based on a determination of which proposal offers the best trade-off between price and performance, where quality of the Goods and/or Services is considered an integral performance factor. The award decision is made based on multiple factors, including: total cost of ownership, meaning the cost of acquiring, operating, maintaining, and supporting a Good or Service over its projected lifetime; the evaluated technical merit of the vendor's proposal; the vendor's past performance; and the evaluated probability of performing the requirements stated in the solicitation on time, with high quality, and in a manner that accomplishes the stated business objectives and maintains industry standards compliance. Best Value Procurements shall be used for information technology pursuant to G.S. § 143-135.9(c).

- (2) Lowest Responsive Bid from a Responsible Bidder (required for non-IT Goods totaling \$90,000 or more):

The contract shall be awarded to the lowest bid that is both responsive to the solicitation and submitted by a responsible bidder with the demonstrated capability to perform the work.

- a. "Responsive" means the bid conforms in all material aspects to the specifications, terms, and conditions of the solicitation (e.g., forms, pricing, scope).
- b. "Responsible" means the bidder has the necessary integrity, experience, financial resources, technical ability, and past performance to satisfactorily complete the contract.



.0303 Competitive Source Selection

Competitive source selection may be conducted as follows:

- (1) Procurement Document is developed and advertised consistent with other sections of this Policy.
- (2) Scheduled conferences or site visits are held in accordance with the Procurement Document.
- (3) Offers are received and a public bid opening is conducted. For solicitations that allow for negotiation after the receipt of offers, only the names of the responding bidders are revealed. Price information shall be made public after evaluation and award.
- (4) An evaluation committee evaluates offers in accordance with the evaluation factors stated in the Solicitation Document. For solicitations that include a Best Value ranking process, scoring and ranking may be determined by using any consistent rating methodology including adjectival, numerical or ordinal rankings, which process shall be included in the Procurement Document. Relative strengths, deficiencies, weaknesses, and risks supporting the evaluation shall be documented in the contract file. Evaluation factors may include, but are not limited to, quality factors; delivery and implementation schedule; maximum facilitation of data exchange and systems integration; warranties, guarantees, and return policies; vendor financial stability; consistency of the proposed solution with the Judicial Branch's strategic program direction; effectiveness of the business solution and approach; industry and program experience; prior record of vendor performance; vendor expertise with similar projects; proven development methodologies and tools; and innovative use of technologies.
- (5) Clarifications or negotiations may be conducted with Offerors after receipt of offers in accordance with instructions and procedures set forth in the Solicitation Document and as appropriate to the method source selection chosen. In those cases where negotiation is permitted by procedures set forth in the Solicitation Document, Offerors may be allowed to submit best and final offers subsequent to negotiated changes in the initial offer or previous offer.
- (6) The evaluation committee shall determine a final ranking of all offers under consideration using only the evaluation criteria set forth in the Solicitation Document.

.0304 Public Opening

Formal, sealed bids shall be publicly opened at the time, date and place identified in the Solicitation Document. Public openings may be held virtually via videoconference at the discretion of the PSO. Openings of formal, sealed bids may be conducted as either a one-step or two-step method. The method required depends on the type of Solicitation



Document used and the evaluation criteria. At the time of opening, the names of the Offerors, the manufacturer(s), and catalog number(s) of the item(s) they have offered and the prices, deliveries, and payment terms they have submitted shall be tabulated and this tabulation shall become public record, except as provided in part (2) below.

- (1) One-Step Procurement Method (IFBs or RFPs): The Offeror submits one sealed bid on or before the date and time specified in the Solicitation Document. All responsive bids will be reviewed, and award or awards will be based on the bid that meets the specification to include any required verifications set forth in the Solicitation Documents, such as, but not limited to, past performance, references, and financial documents.
- (2) Two-Step Procurement Method (RFPs): The Offeror submits two sealed responses containing separately (1) the Technical Proposal and (2) the Cost Proposal. Responses shall be received in PSD on or before the bid opening date and time in order to be considered. The Technical Proposal is opened at the bid opening and becomes public record. The Cost Proposal is not opened at the bid opening and remains confidential during the evaluation of the Technical Proposals. All timely received Technical Proposals are then evaluated for compliance with the RFP's technical requirements. The Cost Proposals of the Offerors whose Technical Proposals are deemed acceptable shall be publicly opened and shall become public record at that time. The Cost Proposals from Offerors whose Technical Proposals are deemed unacceptable shall not be opened. The date and time of the Cost Proposal opening shall be furnished to all Offerors whose Cost Proposals will be opened at least two (2) working days prior to the opening. In the event that all of the Offerors whose Cost Proposals are to be opened waive their right to be present for the opening, the Cost Proposals may be immediately opened, the results tabulated, and at that time the tabulation shall become a public record.

.0305 Electronic Offers

Electronically transmitted Offers shall be accepted in response to a Sealed Bid unless the Solicitation Document requires hard copies.

.0306 Recall of Offers

Offers may be recalled prior to opening upon signed request from an authorized agent of the Offeror.

.0307 Late Offers, Modifications, Withdrawals

No late Offer, late modification, or late withdrawal shall be considered unless received before contract award, and the Offer, modification, or withdrawal would have been



timely but for the action or inaction of Judicial Branch personnel. The Offeror shall have his or her offer delivered on time, regardless of the mode of delivery used.

.0308 Error/Clarification

When an offer appears to contain an obvious error or otherwise where an error is suspected, the circumstances may be investigated and then considered and acted upon. Any action taken shall not prejudice the rights of the public or other Offerors. Where Offers are submitted substantially in accordance with the Solicitation Document but are not entirely clear as to intent or to some particular fact or where there are ambiguities, PSD may seek and accept clarification from the Offeror, provided that, in doing so, no improvement in the Offeror's competitive position is permitted and no change is permitted in prices.

.0309 Extension of Acceptance Time

When in the public interest, Offerors may be requested to extend the time offered for acceptance of offers.

.0310 Evaluation

- (1) In determining the award of contracts, bona fide Offers shall be considered and evaluated. The evaluation criteria to be used in determining the award of contract shall be identified in the Solicitation Document.
- (2) An unexecuted offer or an offer without a delivery time shall be rejected.
- (3) During the period of evaluation and prior to an award, only the information provided in the tabulation is public record. Possession of offers, including any accompanying information submitted with the offers, shall be limited to persons who are responsible for handling the offers and accompanying information, and others deemed necessary by the Judicial Branch for the purpose of evaluation and award of contract. Offeror participation in the evaluation shall not be permitted. Any communication with an Offeror that may be necessary for the purpose of clarification of its offer shall be conducted by PSD. After award of the contract, the complete file shall be available to any interested party with the exception of trade secrets subject to the provisions of section .1301 of this subchapter.

.0311 Notification of Award

If a solicitation is advertised through the website of DOA, then notice of the resulting contract award will be posted publicly on the NC electronic Vendor Portal (eVP) web site. In addition, after contracts are awarded, successful Offerors shall be notified in writing, or electronically, by the Judicial Branch.



.0312 Lack of Competition

The purpose of soliciting offers is both to seek and obtain competition; the responsibility is dual. Where only a single offer is received or, otherwise, where reasonable and available competition is not obtained, the reason may be ascertained and made a matter of record.

.0313 Tabulations and Abstracts

Telephone requests for detailed or written tabulations and abstracts of offers shall not be honored.

.0314 Solicitation Documents

- (1) An alternate procurement method to the IFB is an RFP. An RFP may be handled as a One- or Two-Step Procurement Process.
- (2) The Judicial Branch shall use the IFB or RFP for all solicitations for Goods valued at over \$90,000.00, except as provided for in Section .0400 of this subchapter. Any Solicitation Document used for this purpose shall require the Offerors to certify that each Offer is submitted competitively and without collusion.

.0315 Division of Requirements

Requirements shall not be divided for the purpose of avoiding the use of the appropriate procurement mechanism, based on the dollar value of the transaction. In the case of a group of similar or related items, the dollar value of the total transaction, and not that of any individual item, shall govern.

.0316 Advertisement Requirements

- (1) When required, procurements shall be advertised at least once, at least 10 calendar days prior to the designated opening date. This advertisement will be accomplished by using the web site of the DOA.
- (2) Notwithstanding this section, if there is an attachment to a Solicitation Document that PSD determines will not be transmitted electronically, then the Solicitation Document shall contain instructions which the Offeror may follow to obtain the attachment.

.0317 Mandatory Conference/Site Visits

- (1) When a Solicitation Document requires potential Offerors to attend a mandatory conference or site visit, the date, time, location, and other details of the conference or site visit shall be given in the Solicitation Document and in the advertisement.
- (2) If only one potential Offeror attends the mandatory conference/site visit, the conference/site visit may continue as planned, but the solicitation shall be



cancelled immediately following the mandatory conference/site visit. If it is determined that there is no competition available, then the procurement may be handled as a waiver as permitted by this Policy.

- (3) Any and all questions by a potential Offeror regarding a Solicitation Document shall be addressed to the Procurement Specialist named on the Solicitation Document. Any and all revisions to the Solicitation Document shall be made only by written addendum from PSD. Verbal communications from whatever source are of no effect.

Section .0400 - Rejection of Offers

.0401 Basis for Rejection

In soliciting Offers, any and all Offers received may be rejected in whole or in part, for any lawful reason. Basis for rejection may include, but not be limited to, the offer being deemed unsatisfactory as to quantity, quality, delivery, price or service offered; the offer not complying with conditions of the Solicitation Document or with the intent of the proposed contract; lack of competitiveness by reason of collusion or otherwise or knowledge that reasonably available competition was not received; error(s) in the specification or indications that revisions would be to the Judicial Branch's advantage; cancellation of or changes in the intended project or other determination that the proposed requirement is no longer needed; limitation or lack of available funds; circumstances which prevent the determination of the lowest responsible or most advantageous offer; any determination that rejection would be to the best interest of the Judicial Branch.

.0402 Public Record

The reason(s) for rejecting offers in whole or in part shall be a matter of public record.

.0403 Negotiation

If the Judicial Branch does not receive a satisfactory response to a solicitation and all Offers are rejected and, if it is determined by the Judicial Branch that soliciting offers again would serve no purpose, negotiations may be conducted with all known sources of supply that may be capable of satisfying the requirement. The negotiations shall be conducted in writing and shall include standard language and terms and conditions used by the Judicial Branch, unless otherwise provided by this Policy. Negotiations, including the procurement method known as Competitive Negotiation, may also be conducted under conditions that merit a waiver of competition, or in other situations that are advantageous as determined by the PSO.



Section .0500 - Purchase of Used Items

.0501 General Procedures

When it appears that the acquisition of used Goods is in the public interest, the parts of this Policy regarding seeking competition shall be followed wherever feasible.

.0502 Acquisition in the Best Interest of the Judicial Branch

Solicitation Documents on used items may or may not include a request for prices on like new Goods, but in either case acquisition may be made based on that which is considered most advantageous for the intended purpose.

Section .0600 - Removal of Certain Items from General Construction

The Judicial Branch shall review the items being included in a construction/renovation project and remove any items that it considers are non-related to the actual construction/renovation of the building. Items that are considered Goods, and that would complete the project for use by the Judicial Branch, shall be handled in accordance with this Policy. Goods that are usually removed from construction/renovation projects include, but are not limited to, carpet; office panel systems; food service equipment; and furniture. If the Judicial Branch determines that one of these items, or any item that is normally handled as a purchase of Goods, is best suited for inclusion in a construction/renovation project, the Judicial Branch's justification shall be documented in writing for the public record.

Section .0700 - Inspection and Testing

.0701 Responsibility

For material, equipment, and supplies shipped directly to entities of the Judicial Branch, it is the responsibility of the receiving entity, upon delivery, to ensure compliance with the contract requirements and specifications. However, when the contract requires shipment to the Judicial Center, a representative of OSD shall conduct an initial packaging inspection. The end user shall conduct an inspection of the Goods to determine that they are compliant with the contract specifications.

.0702 Selection

OSD may periodically inspect any items to ensure that specifications are met.

.0703 Re-inspections

The Judicial Branch may re-inspect any item or service and reverse an entity's decision when justified.



.0704 Samples

When samples are required in response to a Solicitation Document issued by PSD, PSD shall test, or have tested, those samples. Samples shall not be sent directly to laboratories outside the Judicial Branch, unless it is determined by PSD that such action is necessary due to lack of capability, time, or expertise.

.0705 Specifications

When it is determined to be advantageous, PSD may authorize revisions to a contract specification, including any cost adjustment associated with any such revision, as a part of contract administration.

.0706 Report of Discrepancy

Where delivered Goods or Services fail to meet the specifications or contract requirements, the discrepancy shall be resolved by PSD.

Section .0800 - Guarantees and Warranties

.0801 Enforcement

PSD shall enforce the contractual guarantee or warranty applying to Goods purchased.

Section .0900 - Term Contracts

.0901 Use

- (1) An Agency Specific Term Contract is a binding agreement between buyer and seller to buy and sell certain Goods or Services at certain prices under stipulated terms and conditions. It is neither an “approved list” nor a list of approved or ceiling prices.
- (2) Where available, an Agency Specific Term Contract shall be based upon competition.

.0902 Determining Factors

In determining whether Goods should be on a term contract, PSD shall consider such factors as volume, nature of the Goods, repetitiveness of use, relative stability of prices, and transportation costs.

.0903 Special Items

In situations where a general type of item is covered by an Agency Specific Term Contract, but a special type of item is needed for a particular application, PSD may proceed with the purchase of the special type of item in accordance with this Policy. The need for the



special type of item in lieu of the general type of item shall be justified in writing and placed in the file for the public record.

. 0904 Extension of Agency Specific Term Contract Termination Dates

When in the interest of the Judicial Branch, Vendors may be requested to extend the scheduled termination dates of contracts.

Section .1000 - Multiple Awards

.1001 Use

- (1) Partial, progressive, or multiple awards may be made by reasons including, but not limited to, insufficient funds, legislative mandates, where it is advantageous to award separately by items, or where more than one supplier is needed to provide the contemplated requirements as to quantity, quality, delivery, service(s) or geographical areas.
- (2) Notwithstanding the necessity for awards to more than one Offeror in the case of some indefinite quantity requirements, such awards shall be limited to the number of Offerors deemed necessary to reasonably satisfy the intended requirements. Extreme care shall be exercised to protect the character and principles of competition. Quantities shall not be divided among Vendors on definite quantity requirements unless and except as provided in the Solicitation Document.

Section .1100 - Waiver of Competition

.1101 Policy

Under conditions listed in this Policy, and otherwise if deemed to be in the public interest by the PSO, competition may be waived. Conditions permitting waiver include, but are not limited to:

- (1) Cases where performance or price competition is not available;
- (2) Where needed Goods or Services are available from only one source of supply;
- (3) Where a pressing need is indicated;
- (4) Where competition has been solicited but no satisfactory offer is received;
- (5) Where standardization or compatibility is the overriding consideration;
- (6) Where a donation predicates the source of supply;
- (7) Where personal or particular Professional Services are required;
- (8) Where particular medical Goods or Services, or a prosthetic appliance, is needed;



- (9) Where Goods or Services are needed for the blind or severely disabled and there are overriding considerations for its use;
- (10) Where additional Goods or Services are needed to complete an ongoing job or task;
- (11) Where Goods are bought for “over the counter” resale;
- (12) Where particular Goods or Services are desired for educational, training, experimental, developmental, or research work;
- (13) Where equipment is already installed, connected and in service, and it is determined advantageous to purchase it;
- (14) Where items are subject to rapid price fluctuation, or immediate acceptance;
- (15) Where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which thwarts normal competitive procedures;
- (16) Where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a satisfactory price is available from a previous contract;
- (17) Where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable non-profit organization(s); and,
- (18) Where a used item is available on short notice and subject to prior sale.

Although competition may be waived pursuant to Subchapter 1B.1101 of this Policy, competition is required wherever practicable. Where waiver is contemplated, the Judicial Branch may negotiate with a potential vendor(s) in an effort to acquire the quality of Goods or Services needed at the best possible price, delivery and terms and conditions.

.1102 Pre-Negotiated Contracts

A buyer may forego the competitive process if the desired good or service is available via a pre-negotiated contract such as a Statewide Term Contract (STC), General Services Administration Contract (GSA), or purchasing consortiums, i.e., NASPO or OMNIA.

Section .1200 - Miscellaneous Provisions

.1201 Confidentiality

Trade secrets that the Offeror does not wish disclosed shall be identified as follows: each page containing trade secret information shall be identified in boldface at the top and bottom as “CONFIDENTIAL”. Cost information is not confidential. Offeror shall not mark the entire proposal “CONFIDENTIAL”. Despite what the Offeror marks as



“CONFIDENTIAL”, the determination as to whether the information is confidential or not shall be made in accordance with North Carolina law.

.1202 Payment Plans

Purchase contracts may provide for payment over a period of time. Such instances, however, shall be fully justified, kept to a minimum and carry written approval of the Director. The Judicial Branch shall see that statutory or other prohibitions are not violated. The intended plan of payment shall be included in the Solicitation Document.

.1203 Funds from Different Sources

All funds irrespective of source, whether special, grant funds, federal, local, gifts, bequests, receipts, fees, or State appropriated, used for the purchase, rental, lease, installment purchase and/or lease/purchase of Goods and Services shall be handled under the provisions of this Policy.

.1204 Conditional Grants in Public Procurement

Where a grant, donation, or special discount is predicated upon making a purchase from the grantor, the proposed transaction shall be explained in writing and shall have the prior approval of the PSO. Prior to the approval the PSO shall consider the conditions placed on the grant, donation, or special discount, and how they will affect the Judicial Branch and the State; the cost of agreeing to such conditions, and the marketplace conditions. When a donation from private sources is predicated upon making the purchase or lease from a specific source, the purchase or lease may be made without prior approval of the PSO.

.1205 Change in Corporate Structure

In cases where Vendors are involved in corporate consolidations, acquisitions or mergers, PSD may negotiate agreements for the transfer of contractual obligations and the continuance of contracts within the framework of the new corporate structure but with the understanding that the State’s contracts are not instruments for sale and shall not be assigned.

.1206 Procurement From or Through Judicial Branch Employees

Every reasonable effort shall be made to avoid making purchases from or through employees of the Judicial Branch. Prior written approval from the COO is required in any instance which may develop of doing business with such personnel. In deciding whether to grant approval, the COO shall consider the type of item or service needed, the prevailing market conditions, whether competition is available, the cost involved, and the effects of doing business with the employee.



.1207 Use of Procurement Power for Private Gain

- (1) The procurement power of the State or the Judicial Branch shall not be used for private gain or advantage. Purchases under contracts made by the State or the Judicial Branch, except those in accordance with G.S. § 143-58.1, shall not be allowed for personal use out of private funds nor shall the Judicial Branch place orders for articles for ownership by employees or other individuals.
- (2) This prohibition shall not apply if:
 - a. The department, institution, or agency through which the property or services are procured had theretofore established policies and procedures permitting such purchases or procurement by a class or classes of persons to provide for the mutual benefit of such persons and the department, institution or agency involved, or the public benefit or convenience; and,
 - b. Such policies and procedures, including any reimbursement policies, are complied with by the person permitted thereunder to use the purchasing or procurement procedures described in this Policy.

.1208 Antitrust Violations

In instances of identical offers or where there are otherwise indications of collusion, awards may be made in a manner intended to discourage or prevent its continuance as deemed to represent the Judicial Branch's best interest. Instances of suspected antitrust violation shall be reported to appropriate law enforcement authorities by the Judicial Branch.

.1209 Cooperative Procurement

Where the Judicial Branch is a participant in an authorized cooperative project with another governmental agency or with a charitable non-profit organization, goods and services necessary to the project shall be acquired according to this Policy; provided, however, that if the interest of the Judicial Branch would be better served by one of the following acquisition methods, the PSO may authorize that acquisition method to be used:

- (1) By making acquisition on behalf of such governmental agency or charitable non-profit organization; or
- (2) By authorizing acquisition on the Judicial Branch's behalf under the provisions of G.S. Chapter 143, Article 8; or
- (3) By authorizing acquisition on the Judicial Branch's behalf under the provisions of another State or another governmental entity, provided due consideration is given by the PSO to the differences in Procurement rules, regulations, and procedures of the contracting entity.



.1210 Advertising

The Contractor shall neither use the fact that the Contractor has a contract with the Judicial Branch or the State in any advertising nor imply that the Judicial Branch or the State endorses the Contractor or its Goods or Services.

.1211 Default Proceedings; Debarment

- (1) The Judicial Branch may find a Contractor in default of contract for failing to perform in accordance with the contract requirements, terms, and conditions. If a Contractor is found in default of contract, the Judicial Branch may take action, immediate, if necessary, to purchase Goods or Services on the open market and charge any additional costs for the Goods or Services and the expense for doing so to the defaulting Contractor. If the Judicial Branch finds a Contractor in default, such action and the circumstances shall be recorded in writing for the public record. This does not limit any other remedy available to the Judicial Branch.
- (2) The Judicial Branch may remove the Contractor from any mailing lists which may be utilized and debar the Contractor from doing business with the Judicial Branch for a period of time at the discretion of the Judicial Branch.

.1212 Faithful Performance

- (1) A bond or other suitable means of ensuring faithful performance may be required of the Contractor at the Contractor's expense.
- (2) As a means of ensuring faithful performance from the Contractor, liquidated damages in the form of a monetary penalty for late delivery may be provided for in the contract.

.1213 Credit Cards/Procurement Cards

The COO, in his or her sole discretion, may issue a procurement card for use by Judicial Branch personnel. The use of procurement cards, consistent with small purchase policies contained in this Policy or the Procurement Card Policy, is authorized. A credit card transaction which exceeds this Policy may be authorized by the PSO.

.1214 Work Performed Outside of the United States

- (1) All work performed pursuant to a contract with the Judicial Branch shall occur in the United States.
- (2) An Offeror submitting an Offer shall disclose in a statement, provided contemporaneously with the Offer, where services will be performed under the contract sought, including any subcontracts, and whether any services under that contract, including any subcontracts, are anticipated to be



performed outside the United States. Nothing in this section is intended to contravene any existing treaty, law, agreement, or regulation of the United States.

Section .1300 - Exemptions, Emergencies and Special Delegations

.1301 Exemptions

- (1) Procurements for the following items and services are exempt from this Policy:
 - a. Alcoholic beverages are not purchased by the Judicial Branch;
 - b. Perishable articles such as fresh meats;
 - c. Published books, manuscripts, subscriptions to periodicals and other printed materials, packaged copyrighted software products, and like material;
 - d. Services provided by individuals with direct employment contracts with the Judicial Branch;
 - e. Public utility services (gas, water, electricity);
 - f. Telephone, telegraph, and cable services furnished by those companies;
 - g. Services which are subject to published tariff rates as established by the North Carolina Utilities Commission;
 - h. Services which are merely incidental to the purchase of Goods such as installation services;
 - i. Contracts for the construction of and structural changes to public buildings;
 - j. Personal Services; and,
 - k. Services provided directly by an agency of the State, federal or local government, or their employees when performing the service as a part of their normal governmental function.
- (2) In addition to Goods and Services exempted by this Policy, the PSO may exempt other Goods or Services from this Policy provided that the PSO makes findings:
 - a. That competition will not enhance the price that the Judicial Branch would receive for the Goods or Services; and,
 - b. That competition will not enhance the quality of the Goods or Services the Judicial Branch would receive.

.1302 Emergencies

- (1) The Judicial Branch may make purchases of Goods or Services in the open market in the case of emergency or pressing need. For this purpose, a pressing need is one arising from unforeseen causes including, but not limited to, delay by Contractors; delay in transportation; breakdown in machinery; or



unanticipated volume of work; while emergencies are defined as situations which endanger lives, property, or the continuation of a vital program and which can only be rectified by immediate purchases or rental of Goods or Services.

- (2) The Judicial Branch may negotiate with a potential Contractor(s) in an effort to acquire the quality of Goods or Services needed at the best possible price, delivery, terms, and conditions. A Solicitation Document requesting or inviting offers may be issued if circumstances permit.
- (3) When emergency or pressing need action is necessary, the circumstances shall be recorded in writing for the public record.

.1303 General Delegations

The COO may elect to grant delegations to agencies within the Judicial Branch. Such delegations are made at the discretion of the COO.

Section .1400 - Inventories and Stores

.1401 Supervision

OSD has responsibility for the supervision of storerooms and stores operated by the Judicial Branch; for the supervision of inventories of tangible personal property belonging to the Judicial Branch; and for reports of stocks on hand.

Section .1500 - Records and Files

.1501 Record Maintenance

Except where State law provides to the contrary, after the award of a contract, the purchasing records of an agency are public documents, and these documents shall be maintained for a period of five years after the expiration date of the contract.

.1502 Files

- (1) Each procurement file shall be identified individually so it can be readily located and identified.
- (2) All purchase transactions shall be documented. As applicable, each file shall include:
 - a. The Solicitation Document;
 - b. Original offer in writing, or written documentation of verbal offers received;
 - c. Reason for award or cancellation;
 - d. Worksheets/evaluations;
 - e. Mailing list, if used;



- f. Written justification for waiver or emergency purchase;
 - g. Tabulation of offers received;
 - h. Copy of purchase order(s);
 - i. Related correspondence;
 - j. Negotiated contracts; and,
 - k. Reasons for not accepting technical proposals.
- (3) After award of contract, all material in the file, except confidential information, shall be furnished in accordance with the Public Records Act.
- (4) Procurement Card Transactions shall have the following documentation:
- a. Purchase Request (PR)
 - b. Invoice/Receipt
 - c. Bank of America Statement

Subchapter 1C - Consultant Contracts

Section .0100 - Contracting Procedure for Consultants

.0101 General Statement of Policy

The Judicial Branch shall acquire Consultant Services only when the contract is in the best interest of the Judicial Branch. In acquiring such services, competition shall be sought whenever practicable as determined by the PSO. The Judicial Branch may not contract for services of a consultant nature except in accordance with the provisions of this subchapter.

.0102 Consultant Contracts with Other Agencies of Government

Whenever possible, Consultant Services shall be obtained from other governmental agencies when the services available substantially meet the reasonable specifications of the Judicial Branch.

.0103 Request for Authority to Contract with Consultants

Prior authorization to seek Consultant Services must be obtained from the Director. The written justification shall, at a minimum, explain what services the Judicial Branch desires to secure; why the work to be performed by the consultant cannot reasonably be accomplished by employees of the Judicial Branch; how the work to be performed relates to the proper functions of the Judicial Branch; what benefits the Judicial Branch expects to receive from the consultant's services; what the Judicial Branch estimates the cost of the services sought will be; and what potential sources of the consultant services, if any, have been identified. If the request is to contract with a consultant from outside of government, the request shall also detail what potential sources of those services exist



within government and explain why the desired services were not available from those sources.

.0104 Review of Requests

The documents submitted requesting authority to retain consultants will be reviewed by the PSO. Upon completion of this review, the Judicial Branch will be advised, subject to such conditions as may be prescribed by the PSO, to:

- (1) Canvass additional sources within government; or,
- (2) Issue a Solicitation Document; or,
- (3) Execute a negotiated contract(s) without competitive proposals if the PSO determined that performance or price competition is not available, or that the requirement is for an authorized cooperative project with another governmental unit(s) or a public or private nonprofit organization(s), or that the contract price is too small to justify soliciting competitive proposals; or
- (4) Abandon the project for being outside the scope of the Judicial Branch's responsibilities or for having insufficient benefit to the Judicial Branch relative to the potential expenditure of funds.

.0105 Competitive Proposals

- (1) When the Judicial Branch receives approval to solicit proposals for consultant services it shall, through PSD:
 - a. Prepare a request for proposals in accordance with this Policy and disseminate among prospective service providers;
 - b. Publicly open all proposals received at a date and time set in the request for proposals; however, in a Two-Step Procurement Process evaluation process, only the technical proposal shall be opened on the opening date. The cost proposal is opened only if the technical proposal is determined by the Judicial Branch to be acceptable;
 - c. Review all proposals received based on evaluation criteria significantly related to the function to be performed and equally applied to all proposals received.
- (2) The final recommendation shall be submitted by the PSO to the Director who shall make the final decision.

.0106 Negotiated Consultant Contracts

When the Judicial Branch is authorized to enter into a negotiated contract(s) for consultant services without soliciting competitive proposals, the proposed contract must be reviewed by the PSO prior to execution.



.0107 Consultant Contract Modification

Any modification to an approved contract shall be subject to the same approval requirements as the original contract(s). The Director may at his option, during the process of reviewing requests for contract modifications, waive any of the requirements of part .0103 of this section.

.0108 Format

All contracts for Consultant Services shall be in writing, and in a format approved by the Judicial Branch. Contracts must be executed by the Director or his designee.

Subchapter 1D – Contracts for Services

Section .0100 - Services

.0101 Applicability

This Subchapter does not apply to Personal Service Contracts, to contracts entered into with the School of Government, or to contracts entered into by an entity of the Judicial Branch pursuant to specific statutory authority, which in the opinion of the PSO, provides a specific alternative procedure for the selection and award of such contracts.

Section .0200 - Contracting Procedure

.0201 General Statement of Policy

Contracts for Services are an efficient and economical means of obtaining various services for the Judicial Branch. Services are intangible actions, duties, access rights, continuous performance, specific functionality, or labor provided by a Vendor. Services may include deliverables. This Policy classifies cloud-based technology, such as software-as-a-service (SaaS), as a Service because the Vendor hosts the software in the cloud, and no Goods are transferred to the Judicial Branch. Although the General Statutes do not require competitive bidding for the procurement of Services, PSD has the discretion to determine the appropriate procurement method for the acquisition of a Service based on the type of service anticipated; its general availability in the marketplace; and its anticipated cost.

.0202 Most Services Are Exempt from Competitive Bidding Requirements.

The procurement of Services is not subject to competitive bidding requirements. However, some special procedures are required for construction-related Services listed in Subsection .0203 below.



.0203 Construction-Related Services Requiring Special Procedures

Special procedures are required for contracts for architects, engineers, and surveyors and for contracts involving alternate construction delivery methods (e.g., construction management at risk, design-build, design-build bridging, and public-private partnership). See G.S. §§ 143-64.31, -128 through -128.1C, and -135.26.

.0204 Procurement Procedures for Services

Agencies within the Judicial Branch wishing to obtain Services shall submit to PSD a description of the Services required, and the results which are desired. Descriptions shall contain all of the following:

- (1) Proposed date(s) of Service. The contract shall not be for more than three (3) years including extensions or renewal options without the prior written approval of the PSO.
- (2) Detailed specifications or type and level of work required.
- (3) For Services other than those listed in Subsection .0203 and if known, the proposed Contractor name, address, telephone number, and email address of Contractor key personnel.
- (4) What the Judicial Branch shall furnish.
- (5) What the Contractor shall furnish.
- (6) Other subject matter(s) bearing on the conduct of the work.
- (7) Funding Source.
- (8) Assigned contract administrator.
- (9) Proposed contract cost.
- (10) Whether or not the Contractor will be reimbursed for travel.
- (11) Location of the performance of Services.
- (12) Any other information requested by PSD.

.0205 Speaker engagements

The maximum fee allowable for professional speaking, lecturing, training, or presentation services is strictly capped at \$10,000.00.

Purchase requests that exceed the monetary cap specified in .0205 will not be honored unless accompanied by a formal exception.

To obtain an exception, the requestor must submit a written request detailing the business necessity with written approval from the Director.



Subchapter 1E– No Cost Contracts

Section .0100

.0101 General

Because all contracts, whether there is an expenditure of State funds or not, contain risk for the Judicial Branch and need to be evaluated for non-monetary obligations the contract places on the Judicial Branch, except for those persons specifically set out in this Policy, no Judicial Branch employee has the authority to enter into a contract on behalf of the Judicial Branch. These types of contracts include, but are not limited to, a click-through agreement for trial versions of software, or a written contract for a no-cost subscription to a service. If you need to enter into such an Agreement, contact PSD for assistance and contract review.

Subchapter 1F– Protest Procedures

Section .0100

.0101 General

The Judicial Branch recognizes the right of Offerors who feel that an incorrect decision was made regarding the award of a contract to have their grievance heard. This subsection is intended to create a simple and informal method for the consideration of complaints.

.0102 Procedure

If an Offeror disagrees with the award decision for any contract that has a value of \$30,000 or more awarded by the Judicial Branch, Offeror shall proceed as follows:

- (1) Not later than 15 calendar days after award of the contract, Offeror shall send a letter to the PSO stating in detail the act or omission or other circumstance which allegedly harmed the Offeror and request the opportunity for a protest meeting.
- (2) Not later than 15 days after receipt of the letter, the PSO shall respond in writing to the Offeror by either refusing the protest meeting request or scheduling an opportunity for the Offeror to be heard in a protest meeting. The protest meeting shall be held not less than 30 days after the PSO's receipt of the Offeror's letter.
- (3) The Offeror may be accompanied by counsel. If the Offeror brings their counsel the Judicial Branch will also be represented by counsel. There shall be



no record made of the protest meeting. The protest meeting is intended to be an informal discussion as opposed to a formal judicial proceeding.

- (4) The PSO will have 30 calendar days after the close of the informal discussion to render a written summary of his or her findings, and a decision regarding the Offeror's claims.
- (5) The PSO is authorized to take what action he or she deems appropriate to resolve the concern, including, but not limited to, denying the claim; overturning the award in favor of a different award; or voiding the initial award and ordering a re-bid.
- (6) Not later than 15 calendar days after receipt of the PSO's decision, Offeror shall send a letter to the COO stating in detail the reasons Offeror disagrees with the PSO's decision.
- (7) Not later than 15 days after receipt of the letter from the Offeror, the COO or Director shall respond in writing to the Offeror by either refusing the protest meeting request or scheduling an opportunity for the Offeror to be heard in a protest meeting. The protest meeting shall be held not less than 30 days after the COO's receipt of the Offeror's letter.
- (8) The COO or Director will have 30 calendar days after the close of the informal discussion to render a written summary of his findings, and a decision regarding the Offeror's claims.
- (9) The COO or Director is authorized to take what action he or she deems appropriate to resolve the concern, including, but not limited to, denying the claim; overturning the award in favor of a different award; or voiding the initial award and ordering a re-bid.

.0103 Appeals

If the COO or Director denies the request, challenges to awards may only be made by filing a civil complaint in the Superior Court, Wake County, Raleigh, North Carolina. Statements and notes from the informal review proceeding are inadmissible in any subsequent legal proceeding.



Subchapter 1G- Surplus Property

Section .0100 - Application

.0101 General

The Judicial Branch recognizes the requirement for accounting for the personal property acquired by the Judicial Branch for the use of its employees. To that end, the following procedures are put in place for personal property that is no longer needed by the Judicial Branch.

.0102 Applicability

These procedures are applicable to all personal property in the possession of the Judicial Branch that is no longer needed by the Judicial Branch.

Section .0200 - Disposition of Surplus Property

.0201 Disposition by Means Other Than Sale

Surplus property may, in certain circumstances, be transferred by the Judicial Branch to authorized recipients. Authorized recipients include other State Agencies and political subdivisions of the State, including cities and counties.

.0202 Disposition by Sale

For disposition of Judicial Branch property by sale, the Judicial Branch may use the services of the DOA's Division of Surplus Property. The COO may, in his or her discretion, waive this requirement.



APPENDIX A: JUDICIAL BRANCH PROCUREMENTS WITH FEDERAL FUNDS

A. Purpose

The purpose of this Addendum (“Policy Addendum”) to the Judicial Branch Procurement Policy is to establish the procurement standards that apply when the North Carolina Administrative Office of the Courts (NCAOC) uses federal funds, in whole or in part, to procure goods, services, or construction or repair work. This Addendum ensures compliance with the federal requirements applicable to State entities while maintaining alignment with North Carolina law and established Judicial Branch procurement procedures.

B. Applicability and Federal Requirements

Under 2 C.F.R. § 200.317, State entities are exempt from the procurement standards in 2 C.F.R. §§ 200.318–200.326. Accordingly, when procuring property or services with federal funds, NCAOC will:

1. Follow the same procurement policies and procedures that apply to procurements using non-federal funds;
2. Comply with the federal requirements in 2 C.F.R. §§ 200.321, 200.322, 200.323, and 200.327 as detailed in this Addendum; and
3. Ensure all federally funded contracts and purchase orders include the contract provisions required by 2 C.F.R. § 200.327, Appendix II of 2 C.F.R. Part 2, and the specific requirements contained in the federal award.

Any subrecipient of NCAOC that is *not* a State entity must follow the full procurement standards in 2 C.F.R. §§ 200.318–200.327.

C. Requirements Applicable to the Judicial Branch

1. Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms (2 C.F.R. § 200.321)

NCAOC must take affirmative steps to ensure the inclusion of minority businesses, women’s business enterprises, small businesses, and labor surplus area firms whenever possible. These steps include:



- a. Maintaining solicitation lists that include qualified small and minority businesses and women’s business enterprises;
- b. Actively soliciting such entities whenever they may serve as potential sources;
- c. Dividing procurements into smaller components, when feasible, to encourage broader participation;
- d. Establishing delivery schedules that facilitate participation by these businesses;
- e. Using the services of organizations such as the Small Business Administration and the Minority Business Development Agency; and
- f. Requiring prime contractors to take these same affirmative steps when subcontracting.

NCAOC staff must document all affirmative steps in the procurement file.

2. Domestic Preferences for Procurements (2 C.F.R. § 200.322)

To the greatest extent practicable and consistent with law, NCAOC shall provide a preference for the purchase, acquisition, or use of U.S.–produced goods, products, or materials when federal funds are used. This requirement must also be incorporated into all federally funded subawards, contracts, and purchase orders.

For this section:

- “Produced in the United States” means that, for iron and steel products, all manufacturing processes—from initial melting through coating—occur within the United States.
- “Manufactured products” include items or construction materials composed in whole or in part of non-ferrous metals, plastics and polymers, concrete, glass (including optical fiber), and lumber.

3. Procurement of Recovered Materials (2 C.F.R. § 200.323)

When using federal funds, NCAOC and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, including:

- a. Procuring items designated by the Environmental Protection Agency (EPA) in 40 C.F.R. Part 247 that contain the highest practicable percentage of recovered materials, when the purchase price or total annual value exceeds \$10,000;



- b. Procuring solid waste management services that maximize energy and resource recovery; and
- c. Maintaining an affirmative procurement program for recovered-material products designated in EPA guidelines.

4. Required Contract Provisions (2 C.F.R. § 200.327 and Appendix II)

Contracts funded in whole or in part with federal funds must include applicable provisions from Appendix II to 2 C.F.R. Part 200, including, but not limited to:

- a. **Remedies** (contracts > \$250,000): Administrative, contractual, and legal remedies for breach, including sanctions and penalties.
- b. **Termination for Cause and Convenience** (contracts > \$10,000): Terms specifying how termination will occur and how settlements will be handled.
- c. **Equal Employment Opportunity**: Required for all federally assisted construction contracts as defined in 41 C.F.R. § 60-1.3.
- d. **Davis-Bacon Act (where applicable)**: Required wage rates, weekly pay requirements, wage determinations, and anti-kickback protections for certain federally funded construction contracts over \$2,000.
- e. **Contract Work Hours and Safety Standards Act**: Overtime and safety requirements for contracts over \$100,000 involving mechanics or laborers.
- f. **Rights to Inventions**: Compliance with 37 C.F.R. Part 401 when the federal award constitutes a “funding agreement.”
- g. **Clean Air Act and Federal Water Pollution Control Act**: Required in contracts and subgrants above \$150,000.
- h. **Debarment and Suspension**: Verification that contractors are not listed on SAM.gov’s exclusions list.
- i. **Byrd Anti-Lobbying Amendment**: Certifications and disclosures required for awards exceeding \$100,000.
- j. **Prohibition on Certain Telecommunications and Video Surveillance Equipment (2 C.F.R. § 200.216)**: Prohibits purchase or use of covered equipment or services from Huawei, ZTE, Hytera, Hikvision, Dahua, or any other prohibited entity.
- k. **Domestic Preferences for Procurements**: As described in Section III.2 above.
- l. **Procurement of Recovered Materials**: As described in Section III.3 above.

D. Conflicts of Interest

Because NCAOC is a State entity, it is exempt from the federal conflicts-of-interest requirements in 2 C.F.R. § 200.318(c). However, when federal funds are used, all NCAOC



personnel involved in procurement remain fully subject to North Carolina conflict-of-interest laws and the Judicial Branch Conflicts of Interest Policy. Applicable State conflict-of-interest laws include:

- **G.S. § 133-32 (Gifts and Favors Regulated)**
Prohibits contractors, subcontractors, or suppliers from giving gifts or favors to employees involved in preparing, awarding, administering, inspecting, or supervising public contracts; similarly prohibits such employees from accepting these gifts. Violations are Class 1 misdemeanors. Certain nominal gifts (e.g., professional association items or personal gifts among friends/family not tied to business) are exempt, but any permissible gifts from vendors must be reported to the agency head.
- **G.S. § 14-234 (Public Officers/Employees Benefiting from Public Contracts)**
Prevents public officers or employees involved in making or administering contracts from deriving any direct benefit (e.g., ≥10% ownership, income, commission, or property) from those contracts. It also prohibits soliciting or receiving gifts or promises to influence contract decisions. Violations are Class 1 misdemeanors; contracts entered into in violation are generally void, with limited statutory exceptions.

Additionally:

- Covered persons must comply with the North Carolina State Government Ethics Act (Chapter 138A).
- Judicial Branch attorneys must comply with the North Carolina Rules of Professional Conduct and State Bar Formal Ethics Opinions.
- Judges must follow the North Carolina Code of Judicial Conduct.
- Magistrates must adhere to the North Carolina Rules of Conduct for Magistrates.

This section ensures that, although federal conflict-of-interest rules do not apply to the State under § 200.317, NCAOC maintains the same high ethical standards required for all Judicial Branch procurements.

E. Requirements Applicable to NCAOC's Subrecipients

NCAOC's subrecipients that are not State entities must comply with the full set of procurement standards in 2 C.F.R. §§ 200.318–200.327, including federal conflict-of-interest rules, competitive procurement standards, cost/price analysis, and applicable contract provisions.



NCAOC must ensure that all such requirements are flowed down into subaward agreements.

F. Documentation and Recordkeeping

NCAOC must maintain documentation sufficient to demonstrate compliance with:

- All applicable Judicial Branch procurement policies;
- Federal requirements described in this Addendum;
- Affirmative steps for small/minority businesses;
- Domestic preference and recovered materials rules when applicable;
- All required contract provisions; and
- Conflict-of-interest disclosures and recusals.

Documentation must meet the retention and access standards in 2 C.F.R. § 200.334.

G. Requirements Specific to the Federal Award

Federal funding awards, including grant awards, frequently contain requirements specific to the award and must be reviewed for such additional requirements prior to making purchases. For example, (i) grants from U.S. Department of Justice limit hourly rates paid to contractors and require the contract to include a license for the Department of Justice to use any publications paid for with federal funds; (ii) awards under the American Rescue Plan Act require records retention for five (5) years from the date of submission of their final report, rather than the standard three (3) years under 2 C.F.R. § 200.234 (all subject to longer retention periods if there are litigation, claims, or audit findings involving the records have been resolved); and (iii) many expenditures require express pre-approval from the federal agency, such as conference expenses.

