

NC Price Match Opportunity-- FAQs

Bids submitted for the purchase of goods by the State are subject to [Executive Order No. 50](#)(EO 50) effective since March 1, 2010, a directive by Gov. Bev Perdue to help protect and grow North Carolina jobs. EO 50 directed the Division of Purchase and Contract to develop a price-matching system that provides qualified North Carolina businesses whose bids are within a certain range - 5 percent or \$10,000 (whichever is less) - of the lowest qualified bid, an opportunity to price-match the lowest qualified bid and secure the contract award.

The following FAQ is offered to assist you in learning more about NC's price matching opportunity and how it benefits North Carolina resident vendors.

1. Q: Does this price-match opportunity apply to all state contracts?

A: No. The price-match process applies only to bids for goods, since such bids are usually awarded on a "lowest price meeting specifications" basis and, therefore, are objective and easy to measure. Also, price matching does not apply to bids for construction, services and any information technology products. Nevertheless, the State is looking for other ways to provide business opportunities for North Carolina vendors.

2. Q: How will you determine whether a firm is resident in North Carolina and eligible to benefit from NC price-match?

A: North Carolina law defines a resident firm as one that pays taxes in North Carolina and has its principal place of business located here. Businesses that operate here but have their headquarters and/or top executives located out of state are not eligible. The goal is to keep North Carolina dollars in North Carolina. Each bidder who wishes to take advantage of the price match opportunity will complete and submit a certification form that will be used to determine that bidder's eligibility.

3. Q: How can I determine the principal office address for my business to determine if I qualify for NC price-match consideration?

A: Information is available by clicking on the [Corporation Search function](#) of the N.C. Department of the Secretary of State web site. In most cases this information is correct, but in a few cases, the wrong data may have been entered. If your business has facilities or offices outside North Carolina, ask your management for confirmation of where the main office or headquarters is located.

4. Q: How will NC price-match opportunity protect and grow North Carolina jobs?

A: This executive order is about the state investing in its own people and businesses. When an out-of-state vendor receives a contract award, some or all of the money paid by the State leaves North Carolina to be invested or spent elsewhere. By allowing qualified in-state business to meet the non-resident bidder's price, more of that money stays within North Carolina without the State having to pay a higher price for its purchase. By making North Carolina-based companies more competitive for state contracts, we create an environment in which they have a better opportunity to succeed, stay in business, and potentially expand.

5. Q: Will North Carolina companies be allowed to substitute products of a lesser quality to meet the low bid of another company?

A: No. N.C. General Statute 143.59 allows the Secretary of Administration and appropriate state agencies to keep business in the State *so long as price and quality are not compromised*. In other words, all qualified bidders still must comply with all terms and requirements of the State's solicitation for bids in order to receive an award.

6. Q: Does this price-match process mean that a North Carolina bidder now can be added to an existing term contract?

A: No. The only time to request the opportunity to match the lowest price

7. Q: How can bidders submit questions regarding the preference procedures?

A: Under the current process for handling questions concerning a bid, which has been in place for some time, the bidder can email the P&C purchaser who has released the bid solicitation. Questions regarding the price-match procedure will be addressed and if necessary a bid addendum will be issued.

8. Q: If a North Carolina firm was awarded the contract and could not comply, will the award then go to the out-of-state low bid or would it be rebid?

A: EO50 does not change that part of the process. Action by the State in response to the failure of any contractor to comply with the contract - whether a North Carolina bidder or not - will be taken in accordance with existing policy and procedures.

9. Q: How will the bid process change?

A: The revised bid process will require bidders who want to be considered under the Executive Order to complete a short form included with the bid solicitation. Then, if a bidder who has requested consideration and meets the requirements of the Solicitation and is the low in-state bidder within the allowable price range, that bidder will then be provided with an opportunity ("right of first refusal") to meet the non-resident bidder's lowest price.

10. Q: If a North Carolina resident requests consideration for price matching, is that request an agreement to meet the lowest price if offered the opportunity?

A: No. Simply requesting the opportunity does not mean a bidder must agree to a price match. Once all bids are evaluated and ranked and that process indicates that a price-match is available, then the lowest in-state bidders will be notified and given an opportunity to decide whether to match the lowest price at that time. No decision is needed before the resident vendor knows the price that it must match.

11. Q: Will the next-highest in-state bidder automatically be notified if they are qualified for the price match option.

A. If several North Carolina bidders qualify within the 5% or \$10,000 range, an opportunity will be provided individually to each qualified resident bidder, in the same order as the bid ranking,

if the lower-priced in-state bidders decline to match the lowest bid. A bidder does not have to take any further action, once they have submitted a bid requesting a price-match opportunity, other than to indicate its decision whether to accept or decline to match lowest price offered.

12. Q: Will new forms or documents be required?

A: The form now required for bid submittal for goods is still the Invitation For Bids (IFB) form, which has been revised to provide the additional information that is required to determine qualification for a price-match request. The section concerning EO 50 includes a detailed explanation of the bidding process as modified to accommodate the price match process, and it must be fully completed and signed by any in-state bidder that wishes to participate.

13. Q: The IFB now requires notarization on the EO 50 form titled “Resident Bidder’s Certification for Price Matching Opportunity Under Executive Order 50”. Is this notarization intended to apply to the entire bid?

A: No. It applies only to the EO 50 qualification, not to the entire bid.

14. Q: Are there any commodities exempt from Executive Order 50?

A: Yes, the Secretary of the Department of Administration has exercised his discretion to exempt from the application of Executive Order 50 the procurement process for aggregates, plant-mix asphalt (bituminous concrete) and plant-mix wet concrete. Other product categories or specific solicitations may be excluded in the future. If so, the EO 50 section will not be included in the bid solicitation document.