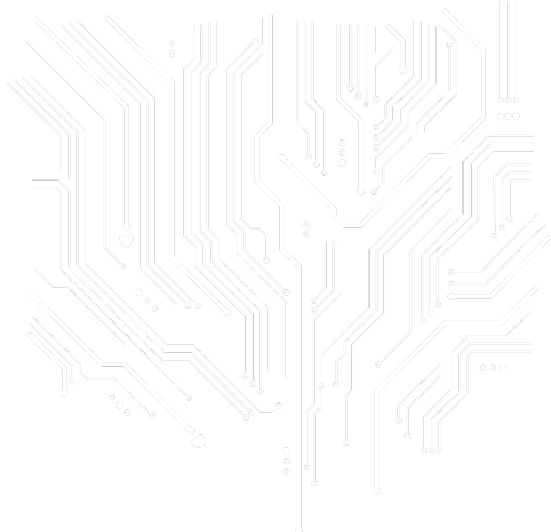


Compliance vs Procurement - Bridging the Divide

Belinda Preacher, DSPO





2026

- CPPO, NCPO, NCCM, NCP, CPM



Why Compliance Reviews?

North Carolina Administrative Code Title 1, Chapter 5, Section .1605 requires the Division of Purchase and Contract to conduct compliance reviews on purchasing practices at all agencies.

- Assess adherence to the North Carolina purchasing laws and regulations.
- Determine whether the delegation authority for procurement should be maintained or reduced.
- We review a year behind



Sources of Authority

Statutory (NCGS)

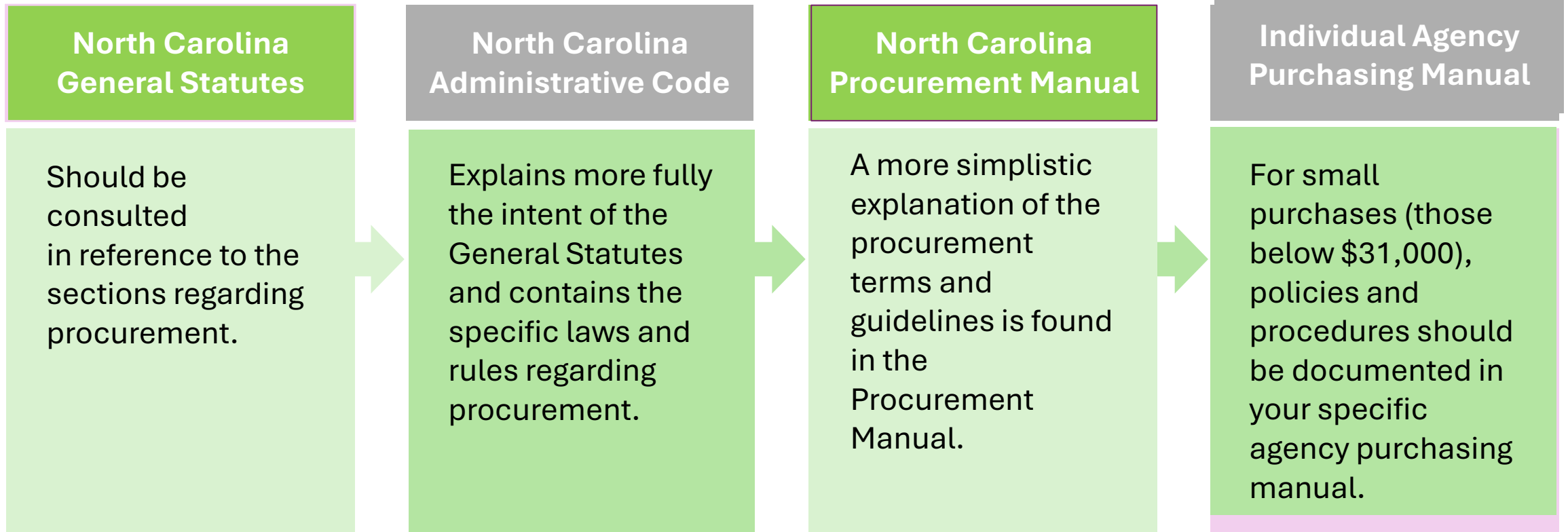
- General Statutes
- GS Chapter 143, Article 3

Administrative Code (NCAC)

- 01 NCAC 05A
- 01 NCAC 05B



Sources of Authority



Want to Procure This, How to stay Compliant

A quick path you can follow every time

- Available State Funds?
- Check STC
- Set Threshold
- Choose Method
- Avoid Improper Direct Pay
- Document Deviations
- Apply Guardrails

Available State Funds

- Budget Office
 - First stop
 - What company, account, center
 - Cover the life of the contract
- Compliance Reviews
 - State funds only

Check STC

- Use available STCs (State Term Contracts)

OR

- File an STC Exception

- Compliance Reviews
 - Avoids the most prevalent finding

Set Threshold

Small Purchase - \leq \$31K

Informal - $>$ \$31K – delegation
aka 3 Quotes & A Buy

Formal – Above delegation

Compliance confirms:

Agency Procurement Manual

Agency Procurement Manual + P&C
templates & Terms & Conditions

P&C Manual, NCAC, any NCGS

Choose Method

1. One of the procurement alphabets + P&C template & terms & conditions
2. Plan HUB Outreach

Compliance confirms:

1. Review contracts, template use & if TC's included
2. Check if HUB was included*

A B C

Avoid Improper Direct Pay

Compliance confirms:

Use for only allowed categories

[Direct Pay Guidance](#)

Direct Pay report, Seek to understand why direct pay was used instead of issuing a PO

Document Deviations

Compliance confirms:

- | | |
|----------------|---|
| 1. Emergencies | 1. CPO notified and/or notification in file |
| 2. Flexibility | 2. Confirm flexibility report |
| 3. Waivers | 3. Waivers, confirm based on exception form submitted |
| 4. Exceptions | 4. Exceptions, same as above |

Apply Guardrails

1. \$1M + Reviews
2. NCCM certifications
3. Protest procedure

Compliance confirms:

1. Confirm in file
2. Confirm with NCPA
3. Confirm with manuals

Scenarios

Scenario A

Office furniture, ≈ \$50K

STC exists? Yes → Use STC (no formal bid; leverage State's competitive work).

If STC doesn't fit: File STC Exception Request, document justification, proceed appropriately (likely Informal or Formal based on delegation)

Scenario B

Professional consulting, ≈ \$100K

Direct Pay? No (unallowable).

Choose **Formal** (IFB/RFP sealed), use P&C templates, HUB outreach, set evaluation criteria, complete P&C pre-posting and pre-award reviews.

- Ensure protest procedures have been added to agency manual...any protests at this level are handled by the agency

Scenario C

Emergency purchase (or pressing need)

Document the emergency under statute, use appropriate procurement route, keep written, dated, signed justification in the file, and follow post-event documentation steps.



Scenario C, cont'd

- Emergency
- Pressing Need
- Urgent/Just Go Get It

Regulatory Sources

G.S. Chapter 115, Article
Purchasing Flexibility

Special Delegation
01 NCAC 05B .1603

Exemptions
01 NCAC 05B .1601

Resources

Procurement Information Portal (PIP): your living guidance site (templates, job aids, eForms—incl. STC Exception and STC Performance Evaluation).

DOA P&C Website: your external resource for STCs and other pertinent procurement information.



PEAK
THANK YOU!

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