



1 In the operation of their public school food programs, the public schools shall  
2 participate in the National School Lunch Program established by the federal  
3 government. The program shall be under the jurisdiction of the Division of School Food  
4 Services of the Department of Public Instruction and in accordance with federal  
5 guidelines as established by the Child Nutrition Division of the United States  
6 Department of Agriculture.

7 Each school may, with the approval of the local board of education, sell soft drinks  
8 to students so long as soft drinks are not sold (i) during the lunch period, (ii) at  
9 elementary schools, or (iii) contrary to the requirements of the National School Lunch  
10 Program.

11 All school food services shall be operated on a nonprofit basis, and any earnings  
12 therefrom over and above the cost of operation as defined herein shall be used to reduce  
13 the cost of food, to serve better food, or to provide free or reduced-price lunches to  
14 indigent children and for no other purpose. The term "cost of operation" shall be defined  
15 as actual cost incurred in the purchase and preparation of food, the salaries of all  
16 personnel directly engaged in providing food services, and the cost of nonfood supplies  
17 as outlined under standards adopted by the State Board of Education. "Personnel" shall  
18 be defined as food service supervisors or directors, bookkeepers directly engaged in  
19 food service record keeping and those persons directly involved in preparing and  
20 serving food: Provided, that food service personnel shall be paid from the funds of food  
21 services only for services rendered in behalf of lunchroom services. Any cost incurred  
22 in the provisions and maintenance of school food services over and beyond the cost of  
23 operation shall be included in the budget request filed annually by local boards of  
24 education with boards of county commissioners. It shall not be mandatory that the  
25 provisions of ~~G.S. 115C-522(a) and 143-129~~ G.S. 143-129 be complied with in the  
26 purchase of supplies and food for such school food services."

27 **SECTION 4.** G.S. 143-48.3 reads as rewritten:

28 "**§ 143-48.3. Electronic procurement.**

29 . . .

30 (b) The Department of Administration, in conjunction with the Office of the State  
31 Controller and the Office of Information Technology Services may, upon request,  
32 provide to all State agencies, universities, ~~local school administrative units, and the~~ and  
33 community colleges, training in the use of the electronic procurement system.

34 . . .

35 (d) This section does not otherwise modify existing law relating to procurement  
36 between The University of North Carolina, UNC Health Care, ~~local school~~  
37 ~~administrative units~~, community colleges, and the Department of Administration.

38 . . .

39 (f) Any State ~~entity, local school administrative unit, entity~~ entity or community  
40 college operating a functional electronic procurement system established prior to  
41 September 1, 2001, may until May 1, 2003, continue to operate that system  
42 independently or may opt into the North Carolina E-Procurement Service. Each entity  
43 subject to this section shall notify the Information Resources Management Commission

1 by January 1, 2002, and annually thereafter, of its intent to participate in the North  
2 Carolina E-Procurement Service."

3 **SECTION 5.** G.S. 143-49 reads as rewritten:

4 **"§ 143-49. Powers and duties of Secretary.**

5 The Secretary of Administration shall have power and authority, and it shall be his  
6 duty, subject to the provisions of this Article:

7 . . .

8 (6) To make available to nonprofit corporations operating charitable  
9 hospitals, to local nonprofit community sheltered workshops or centers  
10 that meet standards established by the Division of Vocational  
11 Rehabilitation of the Department of Health and Human Services, to  
12 private nonprofit agencies licensed or approved by the Department of  
13 Health and Human Services as child placing agencies, residential  
14 child-care facilities, private nonprofit rural, community, and migrant  
15 health centers designated by the Office of Rural Health and Resource  
16 Development, to private higher education institutions that are defined  
17 as "institutions" in G.S. 116-22(1), and to counties, cities, towns, local  
18 school administrative units, governmental entities and other  
19 subdivisions of the State and public agencies thereof in the expenditure  
20 of public funds, the services of the Department of Administration in  
21 the purchase of materials, supplies and equipment under such rules,  
22 regulations and procedures as the Secretary of Administration may  
23 adopt. In adopting rules and regulations any or all provisions of this  
24 Article may be made applicable to such purchases and contracts made  
25 through the Department of Administration, and in addition the rules  
26 and regulations shall contain a requirement that payment for all such  
27 purchases be made in accordance with the terms of the contract. Prior  
28 to adopting rules and regulations under this subdivision, the Secretary  
29 of Administration may consult with the Advisory Budget Commission.

30 . . .

31 (8) To establish and maintain a procurement card program for use by State  
32 agencies, community colleges, ~~nonexempted constituent institutions of~~  
33 ~~The University of North Carolina, and local school administrative~~  
34 ~~units and nonexempted constituent institutions of The University of~~  
35 North Carolina. The Secretary of Administration may adopt temporary  
36 rules for the implementation and operation of the program in  
37 accordance with the payment policies of the State Controller, after  
38 consultation with the Office of Information Technology Services.  
39 These rules would include the establishment of appropriate order limits  
40 that leverage the cost savings and efficiencies of the procurement card  
41 program in conjunction with the fullest possible use of the North  
42 Carolina E-Procurement Service. Prior to implementing the program,  
43 the Secretary shall consult with the State Controller, the UNC General  
44 Administration, the Community Colleges System Office, the State

1 Auditor, the Department of Public Instruction, a representative chosen  
2 by the local school administrative units, and the Office of Information  
3 Technology Services. The Secretary may periodically adjust the order  
4 limit authorized in this section after consulting with the State  
5 Controller, the UNC General Administration, the Community Colleges  
6 System Office, the Department of Public Instruction, and the Office of  
7 Information Technology Services."

8 **SECTION 6.** G.S. 143-53 reads as rewritten:

9 **"§ 143-53. Rules.**

10 (a) The Secretary of Administration may adopt rules governing the following:

11 . . .

12 (2) Prescribing the routine, including consistent contract language, for  
13 securing bids on items that do not exceed the bid value benchmark  
14 established under the provisions of G.S. 143-53.1 or G.S. 116-31.10.  
15 The purchasing delegation for securing offers (excluding the special  
16 responsibility constituent institutions of The University of North  
17 Carolina), for each State department, institution, agency, ~~community~~  
18 ~~college, and public school administrative unit and community college~~  
19 shall be determined by the Director of the Division of Purchase and  
20 Contract. For the State agencies this shall be done following the  
21 Director's consultation with the State Budget Officer and the State  
22 Auditor. The Director for the Division of Purchase and Contract may  
23 set or lower the delegation, or raise the delegation upon written request  
24 by the agency, after consideration of their overall capabilities,  
25 including staff resources, purchasing compliance reviews, and audit  
26 reports of the individual agency. The routine prescribed by the  
27 Secretary shall include contract award protest procedures and  
28 consistent requirements for advertising of solicitations for securing  
29 offers issued by State departments, institutions, universities (including  
30 the special responsibility constituent institutions of The University of  
31 North Carolina), agencies, community colleges, and the public school  
32 administrative units."

33 **SECTION 7.** This act becomes effective May 1, 2003.