



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

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Fiscal Analysis

To conform and update a rule to a current process, the North Carolina Department of Transportation (NCDOT) is proposing to amend:

- 19A NCAC 02D .0803 Advertisement and Invitations for Bids

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Statutory Authority: G.S. 136-28.1; 143-129

Impact Summary: Federal Government – No
State Government – Yes
Local Government – No
Substantial Impact – No

Necessity: NCDOT is proposing to amend this rule to reflect a process change on the requirements to bid on federal and state funded highway/bridge construction projects.

Historically, the Department has required prospective bidders who wish to bid on highway/bridge construction projects to purchase specific documents for a fee of \$25 for proposals, \$40 for half size project plans, or \$100 for full size plans. The Department is enhancing the technology used in the bidding process and is eliminating or reducing the current expenses associated with bidding on NCDOT highway/bridge construction projects while maintaining the same level of communication and customer service. This necessitates a change to 19A NCAC 02D .0803.

In the future, prime contractors and subcontractors will be able to bid on projects without being required to purchase plans or proposals. This will benefit many contractors with smaller budgets. Although plans and proposals are available on the agency's website for the project, contractors who want to bid on projects can still opt to purchase plans or proposals from the Department. As of March 2022, this impacts 1,781 Prequalified Bidders and Subcontractors; in addition, this will impact 2,296 Disadvantaged Business Enterprises and 597 Small Business Enterprises who will be able to sign up on the Interested Parties List to indicate their interest to those who bid on projects. Overall impacting 4,674 total Contractors.

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This process change will reduce a financial burden on the regulated public and its financial impact to the Department is not substantial.

The new process will include the following: On the date of advertisement, an invitation to bid shall be made available on the Department's website. Prospective bidders who desire to bid on projects identified in the invitation to bid shall be added to the Authorized Bidders List. The Authorized Bidders List is composed of contractors that are prequalified bidders that have also added themselves to the Interested Parties List found on the Department's website.

The difference between the Interested Parties List and Authorized Bidders List is as follows:

- Interested Parties List – any person or company that has interest in a project.
- Authorized Bidders List – a prequalified bidder on the Interested Parties List for a project.

The Department manages multiple interested parties lists, such as DMV. This Interested Parties List will be on the Bidding and Letting website on connect.ncdot.gov and will be associated with project interest.

The agency's overall yearly budget is \$6 billion. As listed below in the breakdown of revenue trends for the last three years, a loss of \$121,416 in revenue is not a substantial impact to the agency. Any loss in revenue will, in turn, be a reduction in paper, toner, and wear and tear on equipment due to reduced printing requirements. The Department will break even in any reduction in purchasing of bid documents due to purchases being processed at cost. The Department does not expect the revenue to move from an average of \$121,416 to \$0 as there will continue to be an option for contractors to purchase proposals and plans through NCDOT. It is expected that many contractors will continue to take advantage of this service.

Contractor charges for plans and proposals for the last 11 years (2010-2021) are represented in the table below. This shows that the proposed rule change will not have a substantial impact to the agency's funds.

| | |
|----------------------|------------|
| Minimum Posting Date | 1/15/2010 |
| Maximum Posting Date | 12/13/2021 |

| | Start Date | End Date | Contractor Charges (Plans and Proposals) | Notes |
|------|------------|------------|--|-----------|
| 2010 | 1/1/2010 | 12/31/2010 | 193,725 | Full Year |
| 2011 | 1/1/2011 | 12/31/2011 | 132,295 | Full Year |
| 2012 | 1/1/2012 | 12/31/2012 | 248,234 | Full Year |
| 2013 | 1/1/2013 | 12/31/2013 | 182,755 | Full Year |
| 2014 | 1/1/2014 | 12/31/2014 | 138,491 | Full Year |
| 2015 | 1/1/2015 | 12/31/2015 | 116,780 | Full Year |
| 2016 | 1/1/2016 | 12/31/2016 | 80,765 | Full Year |
| 2017 | 1/1/2017 | 12/31/2017 | 79,860 | Full Year |
| 2018 | 1/1/2018 | 12/31/2018 | 67,486 | Full Year |

| | | | | |
|--|----------|------------|-----------|--------------------------------|
| 2019 | 1/1/2019 | 12/31/2019 | 39,670 | Full Year |
| 2020 | 1/1/2020 | 12/31/2020 | 26,217 | *No charges May through August |
| 2021 | 1/1/2021 | 12/31/2021 | 55,513 | Full Year |
| Total | | | 1,361,790 | |
| Total Less Non-Partial Year | | | 1,335,573 | |
| Average (11 Years, less 2020 Non-Partial Year) | | | 121,416 | |
| Average for 12 year of history | | | 113,483 | |

1 19A NCAC 02D .0803 is proposed for amendment without substantive changes as follows:

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3 **19A NCAC 02D .0803 ADVERTISEMENT AND INVITATIONS FOR BIDS**

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5 (a) All projects shall be advertised in daily newspapers throughout the state prior to the bid ~~opening-opening~~ as set
6 forth in G.S. 136-28.1 and 143-129.

7 (b) On the date of advertisement, an invitation to bid shall be made available to interested parties on the Department's
8 ~~web site~~ website at connect.ncdot.gov/letting.

9 (c) The invitation to bid shall indicate the contract identification number and description of the projects to be ~~let~~, let
10 to contract, a general summary of the items and approximate quantities of work to be performed, and the time and
11 place for the public opening and reading of the bids received. Information concerning the cost and the availability of
12 bid documents shall also be provided in the invitation to bid.

13 (d) Prospective bidders who desire to bid on projects identified in the invitation to bid shall ~~purchase~~ be added to the
14 Authorized Bidders List. The Authorized Bidder's List is composed of contractors that are prequalified bidders as set
15 forth in Rule .0801 of this Section that have also added themselves to the Interested Parties List found on the
16 Department's website at connect.ncdot.gov/letting. the project specific bid documents from the Department containing
17 information necessary to submit the bid. Other interested parties may also purchase project specific bid documents
18 from the Department. Documents may be purchased at cost from the Department.

19 (e) Authorized bidders shall sign up for the Interested Parties List to receive letting information by:

- 20 1. visiting connect.ncdot.gov/letting;
- 21 2. clicking on the "Interested Parties" link;
- 22 3. entering a firm name;
- 23 4. entering a contact name; and
- 24 5. entering an email address for the contact.

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26 *History Note: Authority G.S. 136-28.1; 143-129;*

27 *Eff. April 3, 1981;*

28 *Amended Eff. February 1, 2008; December 1, 1993; November 1, 1991;*

29 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September*
30 *6, ~~2016~~ 2016;*

31 *Amended Eff. _____, 2022.*

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