

# Bertie County Board of Commissioners



June 4, 2018  
**4:00 PM**

Vice Chairman	Ronald "Ron" Wesson	District 1
	Stewart White	District II
	Tammy A. Lee	District III
	John Trent	District IV
Chairman	Ernestine (Byrd) Bazemore	District V

**BERTIE COUNTY BOARD OF COMMISSIONERS**  
**June 4, 2018**  
**Meeting Agenda**

*This agenda is only a tentative schedule of matters the Commissioners may address at their meeting and all items found on it may be deleted, amended or deferred. The Commissioners may also, in their absolute discretion, consider matters not shown on this agenda.*

**4:00** Hurricane Matthew Recovery Update by Chris Hilbert, Holland Consulting Planners

Break

Call to Order and Welcome by Chair Bazemore

Invocation and Pledge of Allegiance by Commissioner Wesson

Public Comments (3 minute time limit per speaker)

**(A)**

**\*\*\* APPOINTMENTS \*\*\***

- (1) Order of the Long Leaf Pine – presented to Wayne Attkisson, D.D.S.
- (2) Republic Services response to convenience site concerns by Joseph Dehner, General Manager
- (3) Broadband grant update by Curtis Wynn of Roanoke Electric Cooperative
- (4) Funding request by Jodey Sarey of the Bertie County Fire Association
- (5) Presentation of the proposed FY2018-2019 budget plan by County Manager, Scott Sauer

**Board Appointments (B)**

1. CPTA Board
2. ABC Board

**Consent Agenda (C)**

1. Approve Minutes for Regular Meeting 5-7-18
2. Approve Minutes for Special Meeting 5-15-18
3. Register of Deeds Fees Report – May 2018
4. Budget Amendments
5. County Management Records Retention and Disposition Schedule
6. Contract with Jeff Best, CPA – contract for auditing services for fiscal year ending June 30, 2018 – FY 2017-2018 audit cycle

**\*\*\*OTHER ITEMS\*\*\***

**Discussion Agenda (D)**

1. Review land acquisition (Lancaster property) status for public library and cooperative extension on South King Street in Windsor
2. Review land acquisition (County Farm Road) for firefighter training site in conjunction with Martin Community College and the Town of Windsor
3. Discuss status of local legislation for Teacher Housing Initiative
4. Discuss and consider 2 resolutions for NC Local Government Commission:  
a) compliance with changes to pre-audit certification requirements for electronic obligations and payments; and  
b) uniform guidance procurement standards effective July 1, 2018
5. Discuss approval of water shortage response plan for Bertie County Regional Water Districts
6. Review schedule of budget work sessions and public hearing on June 11<sup>th</sup> at 7:00 PM

**Commissioners' Reports (E)**

**County Manager's Reports (F)**

**County Attorney's Reports (G)**

**Public Comments Continued**

**Closed Session**

Pursuant to N.C.G.S. § 143-318.11(a)(3) to go into closed session to consult with the County Attorney in order to preserve the attorney-client privilege that exists between the attorney and this public body.

Pursuant to N.C.G.S. § 143-318.11(a)(4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations. The action approves the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session.

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Pursuant to N.C.G.S. § 143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of employment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

**Recess**

**9:00AM, Tuesday, June 5<sup>th</sup>**



# Bertie County

## Board of Commissioners

### ITEM ABSTRACT

**MEETING DATE:** June 4, 2018

**SECTION:** Work Session

**DEPARTMENT:** Governing Body

**TOPICS:** (1) Hurricane Matthew Recovery Update by Chris Hilbert, Holland Consulting Planners

#### **COUNTY MANAGER RECOMMENDATION OR COMMENTS:**

**Hurricane Matthew Recovery Efforts**—and joint leadership by Bertie County and Town of Windsor

\$ 6,000,000	HMGP—(Town of Windsor & Bertie County) multi-jurisdiction grant (buyouts & elevations)
\$ 1,000,000	HM—NC DRA (County) in state funds for up to \$50,000 repairs on 17 LMI houses
\$ 777,500	HM—CDBG DR (County) LMI for 2 reconstructions, 4 substantial rehab & library lease
\$ 1,200,000	HM—FY2017 FMA (Town of Windsor) for 10 repetitive loss list NFIP properties
\$ 229,000	HM—FY 2015 FMA (Town of Windsor) for 2 residential properties (funded prior to HM)
\$ 750,000	HM—CDBG NR (Town of Windsor) Neighborhood Revitalization—announced May 3, 2018

Timeline of Board action related to Hurricane Matthew recovery efforts

January 3, 2017	Board agrees to continue working cooperatively with the Town of Windsor on administration of recovery projects
January 17, 2017	Board receives draft Memorandum of Agreement (MoA)
March 23, 2017	MoA between Bertie County & the Town of Windsor for administration of HMGP program approved
March 31, 2017	<u>Hazard Mitigation Grant Program</u> DR-4285 (Hurricane Matthew) Letter of Interest for Multi-Jurisdictional HM Plan
May 5, 2017	Town of Windsor—Bertie County Multi-Jurisdictional Hazard Mitigation Plan submitted to NC EM and FEMA
June 12, 2017	Both boards approve joint resolution for priority ranking process based on State guidelines and criteria
June 28, 2017	HMGP allocation: \$6,000,000 announced by FEMA
June 29, 2017	Bertie County issues press release for HMGP \$6 million FEMA grant
July 10, 2017	Board of Commissioners review priorities approved for HMGP acquisitions (buyouts) and elevations <ul style="list-style-type: none"><li>• 102 applications submitted for properties in Bertie County and the Town of Windsor</li><li>• NC EM approves 55 properties for HMGP eligibility</li><li>• State indicates funds are adequate for 35 of the 55 properties</li><li>• Town and County are required to rank the remaining 20 properties for further consideration</li></ul>
September 18, 2017	Board of Commissioners receive update on HMGP final rankings and recommended allocations <ul style="list-style-type: none"><li>• \$1,707,626 for elevations (11 properties)</li><li>• \$4,256,788 for acquisitions “buyouts” (34 properties)</li></ul> \$5,964,414 total allocation for HMGP
October 2, 2017	Board of Commissioners approves Memorandum of Agreement with Town of Windsor and NCLOW for “Dynamics of Bertie County’s Coastal Drainage System.....” presented by Dr. Stan Riggs

October 26, 2017	Correspondence from NC Recovery & Resiliency Office—Dempsey Benton, Director “The \$100 million HMGP buyout/elevation program funded by the federal government is on track for federal approval by January 2018. Hopefully we can begin actual work by March 2018.”
October 30, 2017	Bertie County issues RFP for proposals for consultant services for planning and management of CDBG-DR and NC DRA-2017 program administration.
November 10, 2017	Four (4) proposals received, and following review and scoring based on the scope of services and rating criteria, Holland Consulting Planners is ranked first.
December 4, 2017	Board of Commissioners votes unanimously to approve Holland Consulting Planners for the planning and management services CDBG-DR and NC DRA 2017 as required by NC Emergency Management
January 21, 2018	} Publication dates for HMGP for utilization of FEMA funding to elevate 11 homes and acquisition (buyout) for 34 properties which were identified in the public notice.
February 4, 2018	
February 5, 2018	Board of Commissioners approves NC DRA 2017 Program guidelines & policies; Board also approves CDBG-DR grant funding agreement

**OTHER Hurricane Matthew grant and reimbursements**

\$ 51,540	<b>Hurricane Matthew (HM)</b> Kate B. Reynolds grant--expenses related to EMS at the Early College
72,707	<b>HM</b> Golden LEAF Foundation grant funding for NCSU Cashie River Basin Feasibility Study
500,000	<b>HM</b> Golden LEAF Foundation grant funding for Library & Cooperative Extension design phase
300,000	<b>HM</b> NC Commerce grant funding for EMS Station One (plus FEMA \$284,299 obligation)
\$ 284,299	<b>HM—FEMA</b> funding for EMS Station One (which is combined with NC Commerce 300K)
33,761	<b>HM—FEMA</b> reimbursement for Debris Removal
49,140	<b>HM—FEMA</b> reimbursement for emergency protective measures
5,700	<b>HM—FEMA</b> reimbursement for roads (NCDOT)
39,184	<b>HM—FEMA</b> reimbursement for county facilities (damage to various buildings)
****	<b>subtotal for FEMA reimbursement Bertie County is \$412,084</b>
33,674	<b>HM—FEMA</b> reimbursement for <u>Town of Aulander</u>
4,555	<b>HM—FEMA</b> reimbursement for <u>Town of Colerain</u>
101,332	<b>HM—FEMA</b> reimbursement for <u>Town of Windsor</u>

1 OF WINDSOR  
OX 508  
SOR NC 27983

Copy Line: WINDSOR HMGP PROGRAM  
Lines: 131  
Total Price: \$545.00

t 104506

Ticket: 215776

PUBLISHER'S AFFIDAVIT

.INA

Stortz affirms that he/she is clerk of Daily  
per published daily at Greenville, North Carolina, and that  
a true copy of which is hereto attached, entitled WINDSOR  
was published in said Daily Reflector on the following dates:

1, 2018  
1, 2018

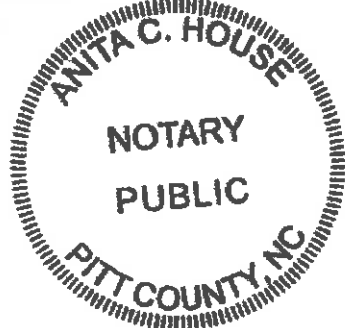
newspaper in which such notice, paper, document or legal  
published, was at the time of each and every publication, a  
all of the requirements and qualifications of Chapter 1, Sec-  
eral Statutes of North Carolina and was a qualified newspaper  
of Chapter 1, Section 597 of the General Statutes of North

[Signature]  
dated before me this 5th day of February 2018

[Signature]  
(Notary Public Signature)

House  
(Notary Public Printed Name)

dates 1/17/21



PUBLIC NOTICE

As appropriated by the Department of  
Homeland Security Appropriations Act  
2013, and issued by the Department of  
Homeland Security: Federal Emergen-  
cy Management Agency (FEMA), Fiscal  
Year (FY) 2017 Hazard Mitigation Grant  
Program, HMGP 4285 funds were made  
available to provide resources to assist  
states, tribal governments, territories  
and local communities in their efforts  
to reduce or eliminate the risk of re-  
petitive flood damage to buildings and  
structures insurable under the National  
Flood Insurance Program (NFIP) as au-  
thorized by the National Flood Insur-  
ance Act of 1968, as amended.

North Carolina Emergency Manage-  
ment (NCEM) will be utilizing FEMA  
funds for two separate but related  
activities; Acquisition (34) and Eleva-  
tion (11) in Town of Windsor. Town of  
Windsor is proposing to elevate sin-  
gle family dwellings located in a hurri-  
cane flood-prone and wind borne de-  
bris region and susceptible to frequent  
flooding. These properties have repeat-  
edly been inundated by flood waters  
and damaged numerous times over  
the years and have a high probability  
of flooding during severe rainfall and  
flood events. The proposed activities  
will mitigate any future flood related  
loss and provide 100 year flood protec-  
tion. The properties will be elevated to  
the locally mandated BFE or addition-  
al freeboard height, which will bring  
all structures up to the required base  
flood elevation (BFE) as established by  
FEMA. For those properties at or above  
the BFE, the structure will be elevat-  
ed to two feet above the current first  
floor elevation (FFE). Each property will  
be elevated on continuous block piers,  
or (if very near to the coast) pilings. All  
properties are located inland sound-  
side, so it is very likely that the majority  
will be continuous block elevations. For  
continuous block pier elevations, the  
depth of ground disturbance will be  
approximately 12"-24". For piling eleva-  
tions, the ground disturbance would be  
approximately 15"-20". All construc-  
tion will be conducted according to  
North Carolina building code and local  
building code requirements and specifi-  
cations. Environmental protection mea-  
sures, such as sediment barriers and  
other soil loss protection, will be taken.  
Each site will be dressed and graded to  
provide for positive drainage and ease  
of future maintenance. Acquisition will  
consist of the property and land being  
acquired, then demolished, with the  
land remaining as open (green) in per-  
petuity.

- 100 Block of Baker Street, Windsor
- 100 Block of South Queen Street, Wind-  
sor
- 300 Block of North King Street, Wind-  
sor
- 300 Block of US 13 North, Windsor
- 200 Block of North King Street, Wind-  
sor
- 100 Block of Thompson Street, Windsor
- 800 Block of Center Street, Windsor
- 300 Block of South Queen Street, Wind-  
sor
- 400 Block of South Queen Street, Wind-  
sor
- 700 Block of South Queen Street, Wind-  
sor
- 100 Block East Maple Street, Windsor
- 700 Block of Center Street, Windsor
- 100 Block of Joyner Street, Windsor
- 300 Block of Sutton Drive, Windsor
- 100 Block of Nichols Street, Windsor
- 100 Block of Thompson Street, Windsor
- 100 Block of West Maple Street, Wind-  
sor
- 200 Block of West Elm Street, Windsor
- 1100 Block of South King Street, Wind-  
sor
- 100 Block of East Maple Street, Windsor
- 100 Block of West Maple Street, Wind-  
sor
- 200 Block of Peterson Lane, Windsor

- Elevation:
- 800 Block of Governors Road, Windsor
  - 100 Block of East Pitt Street, Windsor
  - 0 Block of Governors Road, Windsor
  - 300 Block of South Queen Street, Wind-  
sor
  - 300 Block of Sutton Street, Windsor
  - 100 Block of Hoggard Mill Road, Wind-  
sor
  - 100 Block of Rhodes Avenue, Windsor
  - 300 Block of Sutton Drive, Windsor
  - 100 Block of West Gray Street, Windsor
  - 300 Block of Peterson Lane, Windsor

PUBLIC COMMENTS

Any individual, group, or agency dis-  
agreeing with the proposed projects  
and is wishing to comment on these  
projects may submit written comments  
to NCEM Hazard Mitigation Branch,  
Attn: EHP Specialist, 4238 Mail Ser-  
vice Center, Raleigh, NC 27699-4238.  
All comments received by February 20,  
2018, will be considered by the EHP  
Staff.  
01/21/18, 02/02/18

Acquisition:  
100 Block of Joyner Street, Windsor  
800 Block Governors Road, Windsor



**NORTH CAROLINA**

Recovery & Resiliency Office

Governor Roy Cooper

**MEMO TO: CITY AND COUNTY MANAGERS**

**FROM: DEMPSEY BENTON, DIRECTOR, HURRICANE RECOVERY,  
GOVERNOR'S OFFICE**

**DATE: 26 OCTOBER 2017**

Good afternoon. Here are updates on recovery efforts:

A comprehensive website has been launched. [Rebuild.nc.gov](http://Rebuild.nc.gov). Please check it out. Our efforts are to use this website to be transparent about the recovery activities, as well as be informative and accountable to you and the public. We expect to display all federal and state funds that are allocated for recovery. It will also be used to provide program updates and forms that residents would need to secure as they navigate the systems.

The Small Business Assistance initiative launched this week! Three nonprofit lending institutions have been selected to manage this effort. They are Carolina Small Business Development Fund, Center for Community Self-Help, and North Carolina Community Development Initiative.

Contacts: Carolina Small Business, Roxanne Bailey-Reed, 919-903-1437x403 and Greg Taylor, 910-759-7709x401

Self Help, Jessie Maxwell, 919-956-4684

CDI, Tara Campbell, 919-835-6002

Applicants can also contact Business Link North Carolina, 800-228-8443, for guidance and referral.

The small business assistance program is funded by the CDBGDR funds at \$7.5 million and with private funds that provide at least an equal match amount for a total of \$15 million in loan capacity. We expect to secure additional funds for this program from the CDBGDR amendment we are submitting to HUD on November 7, 2017. The loan funds would be a combination of deferred, forgivable loans and low interest loans. These funds are intended to create jobs or retain jobs that are vulnerable to being lost.



At the end of September, \$97.9 million in CDBGDR allocations were made to Robeson, Cumberland, Wayne and Edgecombe counties. These amounts are: Robeson-\$43,600,000: Cumberland- \$21,260,000: Wayne- \$15,440,000: Edgecombe- \$17,560,000.

Last week, we received additional applications from 18 counties for CDBGDR funds. The total requested amount is \$17,277,500. We are reviewing these and expect to act on them next week.

The 17-18 state budget allocated \$20,000,000 for housing projects. Earlier this month, \$8.2 million of these funds were awarded to 10 counties. We are budgeting \$1.5 million of these funds to assist the Volunteer home repair organizations which are doing such good work in the recovery communities. If you know of such groups which would like to be considered for these funds, let us know. Approximately \$ 7.6 million is being allocated to the buyout/elevate effort which should be operational in February.

The \$100 million HMGP buyout/elevate program funded by the federal government is on track for federal approval by January,2018. Hopefully we can begin actual work by March,2018.

We are requesting that approximately \$25 million in the "new" CDBGDR funds be allocated to the Buyout/elevate effort. We should receive HUD approval by end of this year.

Next month we will focus on the home repair efforts with emphasis on marketing, public awareness and preparing residents and local governments for the intake process to help residents understand and apply for these services.

Our Recovery Office contact information:

Dempsey Benton; 919-814-2015 email: [dempsey.benton@nc.gov](mailto:dempsey.benton@nc.gov)

Ryan Flynn; 919-814-2078 email: [ryan.flynn@nc.gov](mailto:ryan.flynn@nc.gov)

Mary Scott Winstead; 919-814-2038 email: [maryscott.winstead@nc.gov](mailto:maryscott.winstead@nc.gov)

Best wishes,

Dempsey Benton

# Bertie County Board of Commissioners



June 4, 2018  
**6:00 PM**

Vice Chairman	Ronald "Ron" Wesson	District 1
	Stewart White	District II
	Tammy A. Lee	District III
	John Trent	District IV
Chairman	Ernestine (Byrd) Bazemore	District V

**BERTIE COUNTY BOARD OF COMMISSIONERS**

**June 4, 2018**

**Meeting Agenda**

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**\*\*\* APPOINTMENTS \*\*\***

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**Board Appointments (B)**

- 1. CPTA Board
- 2. ABC Board

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**\*\*\*OTHER ITEMS\*\*\***

**Discussion Agenda (D)**

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  - a) compliance with changes to pre-audit certification requirements for electronic obligations and payments; and
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**Commissioners' Reports (E)**

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**Public Comments Continued**

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**Recess**

**9:00AM, Tuesday, June 5<sup>th</sup>**



# Bertie County

## Board of Commissioners

### ITEM ABSTRACT

**MEETING DATE:** June 8, 2018

**SECTION:** Appointments

**DEPARTMENT:** Governing Body

**TOPICS:**

- (1) Order of the Long Leaf Pine – presented to Wayne Attkisson, D.D.S.
- (2) Republic Services response to convenience site concerns by Joseph Dehner, General Manager
- (3) Broadband grant update by Curtis Wynn of Roanoke Electric Cooperative
- (4) Funding request by Jodey Sarey of the Bertie County Fire Association
- (5) Presentation of the proposed FY2018-2019 County budget by County Manager, Scott Sauer

**COUNTY MANAGER RECOMMENDATION OR COMMENTS:**

**SUMMARY OF AGENDA ITEM AND/OR NEEDED ACTION(S):**

**ATTACHMENTS:** Yes

**LEGAL REVIEW PENDING:** N/A

**ITEM HISTORY:** ---



# **Bertie County**

**Board of Commissioners**

## **ITEM ABSTRACT**

**MEETING DATE:** June 4, 2018

**SECTION:** Board Appointments

**DEPARTMENT:** Governing Body

**TOPICS:**

1. CPTA Board
2. ABC Board

**COUNTY MANAGER RECOMMENDATION OR COMMENTS:** Recommend approval.

**SUMMARY OF AGENDA ITEM AND/OR NEEDED ACTION(S):** Recommend approval.

**ATTACHMENTS:** Yes

**LEGAL REVIEW PENDING:** N/A

**ITEM HISTORY:** ---



B-1

**Choanoke Public Transportation Authority (CPTA)**

**Immediate Vacancies:** 1 reappointment is being sought, and 1 vacancy is available due to one individual that does not desire reappointment

**Position Vacancy:**

<b>Board</b>	<b>Term</b>	<b>Name</b>	<b>Began</b>	<b>End</b>
CPTA	2 years	Lewis Hoggard, III.	3/11/2010	6/30/2018

**Special requirements:** N/A

**Notes:** The individual listed above has been recommended for an additional term per Pamela Perry, Executive Director, CPTA. (see letter included).

**Attendance of Current Members:** N/A

**Applications Received:**

Mr. Hoggard has applied for reappointment. No additional applications have been received for these positions.

**Current Members (unexpired):**

1. ---



**APPLICATION FOR BERTIE COUNTY AUTHORITIES, BOARDS, COMMISSIONS, AND COMMITTEES**

Name: Lewis C Hoggard III

Home Phone Number: \_\_\_\_\_ Mobile: 252-724-1665

Home Fax Number: \_\_\_\_\_

Email Address: lchoggard7059@roanokechowan.edu

Home Address: 401 Ghent Street Windsor NC 27983

Mailing Address: \_\_\_\_\_

Are you a full-time resident of Bertie County? Yes X No \_\_\_\_

How long have you been a full-time resident of Bertie County? 50+ years

Do you live within any corporate or town limits? YesX No \_\_\_\_ Which: Windsor

County Commissioner District: 1

(This information can be obtained from the Bertie County Board of Elections at 252-794-5306)

Occupation: NCWorks Career Center Manager Employer: Roanoke Chowan Community College

Business Address: 109 Community College Rd. Ahoskie NC 27910

Business Phone Number: 252-862-1277 Business Fax:   

Please list in order of preference the Boards/Commissions/Committees on which you would like to serve:

- |          |          |
|----------|----------|
| 1. _____ | 3. _____ |
| 2. _____ | 4. _____ |

Qualification for specific category: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Name of any Bertie County Board/Commission/Committee on which you presently serve:

CPTA, Mid-East Commission, NCWorks Committee (WFDB)  
\_\_\_\_\_  
\_\_\_\_\_



If reapplying for a position you presently hold, how long have you served? 8 years

Based on your qualifications and experiences, briefly describe why your services on this Authority/Board/Commission/Committee would be beneficial to the County:

As a former Bertie County Commissioner, and understanding of county government and transportation barriers that we face in our rural counties, has afforded me the opportunity to learn and become a valuable asset to the CPTA Board of Directors.

Do you have any delinquent Bertie County taxes?    Yes    NoX

Other information you consider pertinent: (i.e., education, occupational background, civic memberships, related work experiences, etc.) If necessary, you may add additional pages:

**CODE OF ETHICS**

By submitting this application and by my signature below, I pledge that, if appointed, I agree to comply with the attached Code of Ethics as adopted by the Bertie County Board of Commissioners.

Date: \_\_\_\_\_ Applicant's Signature: \_

Return application to:

Sarah S. Tinkham  
PO Box 530  
106 Dundee Street  
Windsor, NC 27983  
Fax: (252) 794-5327  
[sarah.tinkham@bertie.nc.gov](mailto:sarah.tinkham@bertie.nc.gov)

Note:

- \*All information on this document is subject to the Public Records Law and will be released to the public upon request.
- \*\*Interest to Service forms remain current for two years. Following that, the applicant may wish to contact the Clerk to the Board's Office for an updated form.
- \*\*\*Applications must be on file in the Clerk to the Board's Office 7 days prior to consideration for appointment.



B-2

## ABC Board

**Immediate Vacancies:** 1 reappointment is being sought, and 1 vacancy is available due to one individual that does not desire reappointment.

**Position Vacancy:**

<b>Board</b>	<b>Term</b>	<b>Name</b>	<b>Began</b>	<b>End</b>
ABC Board	3 years	Mike Freeman	7/1/1999	6/30/2018

**Special requirements:** N/A

**Notes:** Mr. Freeman is eligible for reappointment.

**Attendance of Current Members:** N/A

**Applications Received:**

Mr. Freeman has applied for reappointment.

**Current Members (unexpired):**

1. Miles Davis
2. James Pugh

This document will expire on  
6/30/17



**APPLICATION FOR BERTIE COUNTY AUTHORITIES, BOARDS, COMMISSIONS, AND COMMITTEES**

Name: William M. Freeman

Home Phone Number: 252.482.4949 Mobile: 252.799.7125

Home Fax Number: \_\_\_\_\_

Email Address: wmfreeman@sitestar.net

Home Address: 1015 NC Hwy 45 South

Mailing Address: PO Box 127 Merry Hill, NC 27957

Are you a full-time resident of Bertie County? Yes  No \_\_\_\_\_

How long have you been a full-time resident of Bertie County? 60 yrs

Do you live within any corporate or town limits? Yes \_\_\_\_\_ No  Which: \_\_\_\_\_

County Commissioner District: 2

(This information can be obtained from the Bertie County Board of Elections at 252-794-5306)

Occupation: Retired Employer: \_\_\_\_\_

Business Address: \_\_\_\_\_

Business Phone Number: \_\_\_\_\_ Business Fax: \_\_\_\_\_

Please list in order of preference the Boards/Commissions/Committees on which you would like to serve:

- 1. ABC Board
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

Qualification for specific category: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of any Bertie County Board/Commission/Committee on which you presently serve:  
Board of Election; ABC Board; Workforce Development

If reapplying for a position you presently hold, how long have you served? 12 yrs

Based on your qualifications and experiences, briefly describe why your services on this Authority/Board/Commission/Committee would be beneficial to the County:  
My previous accomplishments as an ABC Board member/chairman have proven to be a benefit to the County. The store has been made profitable, enabling us to provide additional funds to the County. The store has also been remodeled and upgraded.

Do you have any delinquent Bertie County taxes? \_\_\_ Yes  No

Other information you consider pertinent: (i.e., education, occupational background, civic memberships, related work experiences, etc.) If necessary, you may add additional pages:  
Small Business Owner

**CODE OF ETHICS**

By submitting this application and by my signature below, I pledge that, if appointed, I agree to comply with the attached Code of Ethics as adopted by the Bertie County Board of Commissioners.

Date: 5/10/15 Applicant's Signature: [Signature]

Return application to:

Misty Gibbs, Assistant County Manager/Clerk to the Board  
PO Box 530  
106 Dundee Street  
Windsor, NC 27983  
Fax: (252) 794-5327  
[misty.gibbs@bertie.nc.gov](mailto:misty.gibbs@bertie.nc.gov)

Note:

- \*All information on this document is subject to the Public Records Law and will be released to the public upon request.
- \*\*Interest to Service forms remain current for two years. Following that, the applicant may wish to contact the Clerk to the Board's Office for an updated form.
- \*\*\*Applications must be on file in the Clerk to the Board's Office 7 days prior to consideration for appointment.

FOR OFFICE USE ONLY

Date Received: 5/14/2015 Received By: Carol S. Tinkham



# Bertie County

## Board of Commissioners

### ITEM ABSTRACT

**MEETING DATE:** June 4, 2018

**SECTION:** Consent

**DEPARTMENT:** Governing Body

**TOPICS:**

1. Approve Minutes for Regular Meeting 5-7-18
2. Approve Minutes for Special Meeting 5-15-18
3. Register of Deeds Fees Report – May 2018
4. Budget Amendments
5. County Management Records Retention and Disposition Schedule
6. Contract with Jeff Best, CPA – contract for auditing services for fiscal year ending June 30, 2018 – FY 2017-2018 audit cycle

**COUNTY MANAGER RECOMMENDATION OR COMMENTS:**

**SUMMARY OF AGENDA ITEM AND/OR NEEDED ACTION(S):**

**ATTACHMENTS:** Yes

**LEGAL REVIEW PENDING:** N/A

**ITEM HISTORY:** ---



C-1

**Windsor, North Carolina**  
**May 7, 2018**  
**REGULAR MEETING**

The Bertie County Board of Commissioners met for their regular meeting today inside the Commissioners Room, 106 Dundee Street, Windsor, NC. The following members were present or absent:

Present:        Ronald “Ron” Wesson, District I  
                  Stewart White, District II  
                  Tammy A. Lee, District III  
                  John Trent, District IV  
                  Ernestine (Byrd) Bazemore, District V

Absent:         None

Staff Present: County Manager Scott Sauer  
                  Clerk to the Board Sarah Tinkham  
                  County Attorney Lloyd Smith  
                  Finance Officer William Roberson  
                  Network Administrator Joe Wilkes  
                  ICMA/NCACC Management Fellow Dominique Walker

Gene Motley of the Roanoke-Chowan News Herald and Thadd White of the Bertie-Ledger Advance were present from the media.

**CALL TO ORDER**

Chair Bazemore called the meeting to order.

**INVOCATION/PLEDGE OF ALLEGIANCE**

Commissioner Lee led the Invocation and Pledge of Allegiance.



## PUBLIC COMMENTS

Marie Hendricks of 720 US 13 North in Windsor was present to reiterate her concern about the stability of her home near the new high school. She stated that she believes the home facing structural damage due to the construction needs that were present during the school's building phase. She also mentioned that she was dissatisfied with the response she has received so far from the building's engineering firm, and she strongly requested a commissioner see her home for themselves and to assist her in any way possible. Chair Bazemore asked that she leave her contact information with the Clerk to the Board and stated that she would see to it that someone from the County Board of Commissioners or pertinent staff visits her home to see the damages first hand.

Nancy Harden of Old US 17 N in Windsor presented her concerns about the Hardentown convenience site. In a letter addressed to the Board, she discussed the presence of severe potholes at the entrance of the site, as well as on the grounds of the convenience site. The site is also reportedly very small and avoiding potholes is not an option. She also mentioned that the site does not seem to be large enough to handle the amount of traffic turn into the entrance which makes it also very difficult for cars to exit the site. She respectfully asked for the Board's assistance in forwarding these concerns to the appropriate individuals to hopefully remedy the problems. Lastly, she requested that the Board consider speaking with NCDOT about the possible addition of a caution light at the intersection of Old US 17 North and the new 13/17 bypass, and that she felt the current state of the intersection was unsafe.

Caleb Eller, representing the Peanut RPO Board, was present to introduce himself as the area's representative. He discussed his background and asked for the Board's patience as he assumed his current position in January. Commissioner Lee commended Mr. Eller and stated that since January, Mr. Eller had "hit the ground running" and was doing a great job.

## APPROVAL OF AGENDA

Chair Bazemore called for a motion to approve the agenda as prepared. Commissioner Trent made a **MOTION** to approve the agenda as prepared. Commissioner Lee **SECONDED** the motion. The **MOTION PASSED** unanimously.

## **APPOINTMENTS**

### **(1) Order of the Long Leaf Pine – presented to Wayne Attkisson, D.D.S.**

This item was deferred until June 4, 2018.

### **(2) Opportunity Zone presentation by Mary Kelley, NC Office of State Budget and Management**

Mary Kelley of the NC Office of State Budget and Management was present to unveil Governor Roy Cooper's newest initiative entitled, "Hometown Strong." The program's goal is to better connect rural communities with their state legislature, and therefore, additional state resources for growth and needed improvements.

In printed out slides, Ms. Kelley discussed the initiative's core principles and the importance of "community focused partnerships." Maps of the "opportunity zones" submitted on behalf of Bertie County were reviewed and the opportunity zone that was certified is the Aulander and Snake Bite area.

After some discussion, the Board and County Manager inquired if this zone could be changed in the future. At this time, Ms. Kelley mentioned that there was no guarantee that a change could be made, but that the Board could draft a resolution discussing an area that they feel would be better suited as an opportunity zone.

The Board agreed that it would be beneficial to invite Ms. Kelley back to an upcoming work session to continue discussing this initiative.

### **(3) YMCA Annual Report presentation by Executive Director, Casey Owens**

Casey Owens, Executive Director of the Bertie County YMCA, presented a brief annual report to the Board, as well as showed a short video which showcased the year's best children's activities and sports teams.

Mr. Owens also discussed the various camps that the Bertie County funding allotment is used to provide including Campy Happy, Aulander Hoops, and mental health initiatives for kids.

In summary, 400 children participated in the Bertie YMCA basketball league, 34 participated in cheerleading, and that volunteers are always needed to coach the various sports teams.

Mr. Owens thanked the Board their continued support, and the Board commended Mr. Owens for his hard work and dedication to the youth and family of Bertie.

### **(4) FY2018-2019 Budget Presentation by Superintendent of Schools, Dr. Catherine Edmunds**

Dr. Catherine Edmunds, Superintendent, presented an overview of academic performance for each school and noted several program highlights for the most recent academic year.

Finance Officer Lisa Nowlin reviewed the findings of the June 30, 2017 audit and explained the Board of Education's progress in addressing the five-year deficit reduction plan.

The Board of Commissioners praised the school leadership and the Board of Education for their diligence in addressing the financial condition of the school system.

The proposed FY2018-2019 school budget includes a request of \$3,027,671 for current expense and \$475,000 for capital outlay.

## **BOARD APPOINTMENTS**

### **Voluntary Agricultural District Board**

Commissioner Lee made a **MOTION** to reappoint the following individuals to the Voluntary Agricultural District Board that were recommended by Cooperative Extension Director, Billy Barrow: Blount Knowles, Tyrone James, George Perry, III. Vice Chairman Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

## **CONSENT AGENDA**

The Consent Agenda was approved as follows:

1. **Minutes** – Regular Session 4-16-18, Closed Session 4-16-18, Joint Session 4-16-18
2. **Fees Report** – April 2018
3. **Tax Release Journals** - April 2018
4. **Budget Amendment**
5. **Workforce Development Area Play** – FYI only.
6. **ARHS 2017 Annual Child Fatality Prevention Team Report** – FYI only.

The Board had no discussion about any of the items above. Commissioner Trent made a **MOTION** to approve the Consent Agenda in its entirety. Commissioner Lee **SECONDED** the motion. The **MOTION PASSED** unanimously.

## DISCUSSION AGENDA

### **Review vehicle use policy for community partner organizations and priority use for County departments and sponsored programs**

Commissioner Wesson began by stating that he was in favor of County staff or the Legal Team writing a vehicle use policy giving priority use for County departments and sponsored programs. However, he felt that it would not be unreasonable to allow outside organizations to use County Parks and Recreation vans for their purposes if they adhered to the rules of the policy, paid the required fee, secured a County employee driver, etc.

The Board briefly discussed the request for van use currently under consideration.

Commissioner Wesson reiterated that since the request has been made in a timely manner that he felt they should be accommodated if the vans were available on the date they are needed.

Commissioner Lee inquired with the County Attorney regarding the insurance policy and if the County would have coverage if outside groups were to use the vans.

County Attorney Smith mentioned that the County would be covered as long as a County employee accompanied each outside group, but that he strongly encouraged the Board “to draw a line” as to not open up the use of these vans for religious or political groups as such in other County facility policies (Senior Center).

To settle the matter of the current request for an outside group to rent the County Parks and Recreation vans on June 20<sup>th</sup>, Vice Chairman Wesson made a **MOTION** to grant the van use request on June 20<sup>th</sup> to the requestee. Commissioner Trent **SECONDED** the motion. There was continued discussion and concerns raised by Commissioner Lee regarding “insurance and liability limits.”

Chair Bazemore noted a motion was still **ON THE FLOOR** and **CALLED FOR A VOTE**.

Commissioner Trent and Vice Chairman Wesson voted **IN FAVOR** of the motion. Chair Bazemore then called for those opposed. Commissioner Lee and Commissioner White voted **AGAINST** the motion. A **SPLIT-VOTE** of 2-2 remained on the floor.

Chair Bazemore broke the tie **IN FAVOR** of the request. The **MOTION PASSED** in a 3-2 vote.

There was no further discussion on this matter.

**Review Republic Services franchise renewal timetable and discuss proposed calendar for public hearings**

County Attorney, Lloyd Smith, briefly discussed the need for a public hearing sometime in the month of July so that the Board could meet the needed requirements in considering a franchise renewal with Republic Services.

County Manager Sauer explained the need to meet soon with Republic Services to review the franchise amendment and landfill host agreement extension which requires action before October 2018.

The Board was not ready to move forward with additional discussion of this item and deferred until the next Board Work Session.

Commissioner Trent made a **MOTION** for this item to be discussed at the next Work Session. Vice Chairman Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

**NC Local Government Commission pending action items:**

- a. **Changes to pre-audit certification requirements for electronic obligations and payments**
- b. **Uniform guidance procurement standards effective July 1, 2018**

These items were simply informational for now and they would need to be placed on an upcoming Work Session agenda for future discussion.

**Discuss latest site alternatives for joint Bertie County Public Library/Cooperative Extension facility**

The Board continued its discussion on new potential sites for the joint use Cooperative Extension and Public Library facility. Ultimately, County staff has been in contact with several land owners about different properties for sale in Windsor, but conditions have not been ideal in order to move forward with an option to purchase.

At this time, County staff briefly brainstormed with the Board on new prospective sites including an 8-acre lot located at South King Street and Lancaster Street in Windsor. The Board also may consider a County owned property where the old DSS and Health Department Buildings stand vacant.

The Chair direct County staff and the Legal Team to reach out to land owners to gauge their level of interest in selling.

**Discuss recommendations by the Planning Board pertaining to a height restriction ordinance at the Tri-County Airport**

County Manager Sauer stated that this item is informational for now, and that many counties around our area have moved forward with a similar ordinance.

Commissioner Lee noted that since she sits on the Tri-County Airport Authority Board that she could provide this information and recommendation to that Board for their review.

**COUNTY MANAGER'S REPORTS**

Mr. Sauer noted that Governor Cooper's visit could possibly be postponed, but no further word has been received.

## **COUNTY ATTORNEY REPORTS**

County Attorney Smith briefly reviewed an item that has recently surfaced from 2007 regarding Wayne Spruill and access to Jasper Bazemore Avenue.

The County owns a narrow strip of land between the road pavement and the corner lot on King Street which currently prohibits access from the Jasper Bazemore Avenue. A recommendation will be forthcoming to resolve this matter.

## **PUBLIC COMMENTS**

There were no public comments during this session.

## **COMMISSIONERS REPORTS**

### **Chair Bazemore**

Chair Bazemore briefly discussed figures she had received at the latest North Carolina Association of County Commissioners (NCACC) meeting regarding EMS Medicaid reimbursement and debt set off for Bertie County.

The NCACC annually reports on the EMS Enhanced Federal Medicaid Settlement Program and the Local Government Delinquent Debt Set Off Program for each county in the State.



According to this year's report, as of 2016, the EMS Enhanced Federal Medicaid Settlement program has returned funds to Bertie County in the amount of \$235,923. Since the program began, an amount of \$818,715 has been returned to the County.

The EMS Enhanced Federal Medicaid Settlement Program is an annual cost reporting program that allows for reimbursement of a portion of a participating units annual operation cost as they relate to Medicaid eligible emergency ambulance services. This program is administered by the NCACC as well as the NC Department of Health and Human Services.

Also, Chair Bazemore discussed funding that had been returned to the County for debt set off purposes via the Local Government Delinquent Debt Setoff program. It was listed that in 2017, a total of \$11,866 had been returned to the County, and for the life of the program, an amount of \$1,097,000 had been dispersed to the County for delinquent debt purposes.

### **Commissioner Trent**

Commissioner Trent announced that construction on the new EMS Building was slated to begin on June 4<sup>th</sup> and that construction should not exceed 160 days, but updates would be provided as they are received.

### **Commissioner Lee**

Commissioner Lee discussed confirmation that she had received from Henry Joyner of the Tri-County Airport Authority. She stated that she was happy to announce the approval from the Northeast Division of Aviation of \$800,000 for the construction of a new airport terminal. This was the maximum amount that could have been secured for the project.

She also reminded all of those present about Friday, May 19<sup>th</sup> being Relay for Life Day in Bertie County at the old Bertie High School.

**Commissioner White**

Commissioner White gave no remarks at this time.

**Vice Chairman Wesson**

Vice Chairman Wesson announced that a charitable trust, the Bertie-Hertford Community Foundation, had received an endowment fund to cover 1 Bertie project, as well as 1 Hertford project. The Bertie project selected was the Blue Jay Recreation Park. The amount has not yet been disclosed but will grow each year as long as the Recreation Park is in existence.

He also announced that he had just been sworn in as Vice President of the Mid-East Commission.

**ADJOURN**

Chair Bazemore **ADJOURNED** the meeting at 8:15 PM.

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Ernestine Bazemore, Chair

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Sarah S. Tinkham, Clerk to the Board



C-2

**Windsor, North Carolina  
May 15, 2018  
REGULAR MEETING**

The Bertie County Board of Commissioners met for a special meeting today inside the Commissioners Room, 106 Dundee Street, Windsor, NC. The following members were present or absent:

Present: Ronald "Ron" Wesson, District I  
Tammy A. Lee, District III  
John Trent, District IV  
Ernestine (Byrd) Bazemore, District V

Absent: Stewart White, District II

Staff Present: County Manager Scott Sauer  
Clerk to the Board Sarah Tinkham  
County Attorney Lloyd Smith  
Finance Officer William Roberson  
ICMA/NCACC Management Fellow Dominique Walker

There were no media members present.

**CALL TO ORDER**

Chair Bazemore called the **SPECIAL MEETING** to order.

In addition to those items noted in the Board Chair’s email, other current items to review included:

**UPDATES**

**Teacher Housing Initiative—local legislation needs a sponsor**

County Manager Sauer recommended that the County’s primary focus in the next few weeks should be to seek a local legislator willing to sponsor needed legislation so that the County is statutorily permitted to further pursue this project.

The County Manager also noted that the State Employees Credit Union Foundation will likely vote on the Teacher Housing Initiative financing in July.

It was discussed and agreed that Vice Chairman Wesson would contact Representative Howard Hunter and Senator Smith regarding the needed legislative sponsorship for this project.

**EMS Station 1—Project tracking since TS Julia/Hurricane Matthew**

County Manager Sauer reviewed the County’s recent request for a 6-month extension from FEMA and the NC Department of Public Safety regarding the EMS Station One project. In recent days, a new representative from FEMA responded requesting clarification of why the extension was requested.

Briefly, Mr. Sauer reviewed a timeline that was submitted to FEMA and the Board. The summary as outlined below:

**Leased facilities for EMS Station One at Bertie Early College—beginning September 22, 2016**

**Lease approved May 15, 2017**

**Kate B. Reynolds Charitable Trust**  
**Health Care Division—Grant # 2017-088**  
**Grant Award: \$51,450**

**Purpose: Driveway improvement, lease payments and utilities**  
**Date Approved: December 12, 2016**  
**Progress Report: July 28, 2017**  
**Final Report Submitted: April 6, 2018**

**EMS “temporary facility” construction schedule and reporting requirements for FEMA and NC Commerce grants.**

**Physical Address: 225 County Farm Road, Windsor, NC 27983**

**FEMA-4285-DR-NC**

**2-B0366 Emergency Protective Measures Temp Location**

**Applicant ID#: 015-99015-00**

**PW-00535(0) \$284,299.39 submitted April 11, 2017**

**Date Awarded: June 19, 2017 (received June 29, 2017)**

**Project period of performance start: 10-10-16**

**Project period of performance end: 04-10-17**

**NC Department of Commerce—Disaster Recovery Act of 2016 S.L.2016-124**

**Contract Ref#: 2017-144-3214-2593**

**Title: “EMS Station One”**

**Announced by Governor Cooper June 20, 2017 in Windsor, NC**

**Correspondence dated June 21, 2017 from Secretary Anthony Copeland (received 6-29-17)**

**FY 16/17 Disaster Recovery Infrastructure Award notification for \$300,000**

**Grant application was initially submitted to the Golden Leaf Foundation on May 1, 2017**

**EMS Station One--Project Timeline:**

**May 1, 2017 Board of Commissioners approves engagement for Smith Engineering and Design, P.A. Per NCGS 143-64.32 “Mini Brooks” Act**

**May 9, 2017 NCDCCR-SHPO correspondence received with comments—“we do not recommend any archaeological work be conducted in association with this undertaking.”**

**July 10, 2017 Board of Commissioners authorizes preparation of bid specs and construction bids for 50’ x 100’ steel building and interior buildout by individual construction trade. Board minutes note: *County will oversee this project as an owner/general contractor***

**August 4, 2017** Permitting, survey and geotechnical work begins at 225 County Farm Road.

**November 1, 2017** Sealed bids received:

\$424,682	Revelle Builders
\$394,950	Kee Builders
\$386,431	Swimme & Son Co.

**November 6, 2017** Board reviewed, and rejected all bids noting inconsistencies. All bidders were encouraged to review bids and resubmit proposals based on design documents

**December 5, 2017** NCDEQ Wastewater collection system extension approved.  
Permit No. WQ0039664

**December 22, 2017** NCDEQ Erosion & Sedimentation Control Plan approved per NCAC, Title 15A, Chapter 4B.0127(b) Bertie-2018-003, Acres approved 2.8

**February 9, 2018** Revised bids received:

\$617,484	Revelle Builders
\$546,593	Kee Builders
\$461,092	Swimme & Son Co.

**February 13, 2018** Board of Commissioners reviewed and rejected all bids due to budget constraints. Staff directed to review scope of work as originally approved. Consensus of the Board that Commissioner Trent review the scope of each project and work with staff to make adjustments to reduce costs and keep these projects in budget, including during review of subcontractor proposals and construction.



March 2018

Project bidding by trade group with  
County serving as owner/contractor

Bids received for metal building structure and  
concrete pad

Review period and cost analysis—30 days

\$152,509	Harrellsville Metal
\$201,128	Kee Builders
<b>\$120,826</b>	<b>Alexander Builders</b>

(April 4, 2018 funds encumbered)

Bids received for site preparation, grading, erosion  
& sedimentation control

\$111,000	Phelps Construction
\$110,126	Crabb Trucking
<b>\$ 99,950</b>	<b>Boyd Copeland Co</b>

(April 25, 2018 funds encumbered)

May 10, 2018

Site work commenced

Vice Chairman Wesson stated that he was fine with the information received here, however, he was not comfortable committing funds to this without budget numbers in hand first.

Finance Officer, William Roberson, assured the Board that funding for this project was secure in a separate, stand alone account.

County Manager Sauer replied that he was confident that within the current budget supports the needs of this project, as well as the needs of the Blue Jay Recreation Park, with the existing appropriation. This included HVAC, plumbing, and walls for the interior of this new recreational community building.

As a result of this discussion, the consensus of the Board was its confidence in the project and the cost controls in place to stay within the approved budget.

### **Courthouse Security renovations**

County Manager Sauer explained that this project was still coming in under budget, and the renovations are progressing using local contractors.

### **Land acquisition for library and cooperative extension**

The second most pressing priority for the Board should be finding a suitable location for this joint facility for the library and cooperative extension offices.

Commissioner Trent stated that per a discussion from the last meeting, he had made contact with a land owner of the 8-acres at the intersection of King Street and Lancaster Drive. He stated that he had been asked by the Chair to make this contact. Mr. Trent said that the owners would be visiting the County from Jacksonville, NC this week for a first meeting.

### **Review recent property appraisals and potential transactions**

County Manager Sauer discussed appraisals that have been received for the old DSS building, and a 26-acre tract that abuts the golf course on County Farm Road which was previously shared with the Board. The former DSS building was appraised at \$150,000, and the 26-acre piece near the golf course has appraised for \$30,000.

The County Manager reminded the Board of the partnership with the Town of Windsor and Martin Community College to establish a firefighter training facility, on property to be donated by the County for this project on County Farm Road behind the Sheriff's Office.

Commissioner Trent stated that he thought it was important for the Board to consider moving forward with the 26-acre tract and begin preliminary negotiations with the owner.

The Board agreed collectively to allow Vice Chairman Wesson to begin the negotiations with the respective owners of the County Farm Road tract with the expectation that he would bring back updates on the discussions as necessary.

### **Wrap-up for Spruill tract contamination**

This item was very briefly discussed, and County Attorney, Lloyd Smith, advised that all necessary notifications have occurred and this matter is closed.

### **Animal Shelter**

County Manager Sauer discussed the need for a new full-time position at the Bertie County Animal Shelter to assist in care for the animals on a more consistent basis.

The volunteers were commended for their ability to network effectively very well in securing fosters and other rescues for the animals to avoid euthanasia.

Additionally, a potential contractor has offered to assist in fixing up the shelter with the funding that was already set aside in the current budget. At the urging of Vice Chairman Wesson, it was the consensus of the Board to have this position included in the County Manager's proposed budget.

### **Water District III loan closing and debt service payments begin**

FYI – loan closing occurred on schedule. This required substantial paper work, and the required items were hand delivered to ensure that all needed items were submitted. Finance Officer William Roberson noted that the first debt service payments is established for June 1, 2018.

### **Republic Services Franchise Agreement**

County Attorney, Lloyd Smith, discussed his review of the latest franchise agreement, and that this process was still ongoing. No recommendation was made at this time.

The Board, however, did discuss the ramifications of extending the life of a contract based on existing volume limits and future volume of disposals. There were also concerns shared about out of state disposals being deposited into the landfill.

County Manager Sauer suggested that a work group could collaborate with the legal team to assist in furthering the discussions. He suggested Chair Bazemore sit in on this group so that this process could continue moving forward as productively as possible. Chair Bazemore requested that Vice Chairman Wesson and Commissioner Trent take the lead on this effort and report back to the Board.

The Board directed County Attorney Smith to set up a meeting with Republic Services on the afternoon of June 14<sup>th</sup> and to share information with the Board at the completion of that meeting.

## **BOARD ACTION ITEMS**

### **Senior Center facility use and rental guidelines—proposed revisions**

Mr. Sauer reported that several complaints had been received regarding events that had been hosted at the Bertie County Senior Center. Alcohol consumption outside the Center as well as noise inside the Center have been big issues in recent months. Complaints have been received from residents nearby, and the Board discussed having law enforcement notified and present for events to protect the County property. Council on Aging Director, Venita Thompson, will be preparing stricter facility rules and exploring the possibility of staff coverage at these events.

### **Noise Ordinances (2)**

This item was deferred.

### **Public Safety Access for Private Roads**

Item was tabled indefinitely at the February meeting. County Attorney Smith highly recommended that the Board take action in some way on this item and suggested that the Board revisit a draft the legal team had written several years back. This item could be revisited at an upcoming work session.

### **Credit Card payments for county services and taxes**

Based on Board questions, and citizen requests, there is still strong interest in accepting credit card payments. It was discussed though that there are security concerns involved. The Board also briefly discussed a “convenience fee” that has been applied to water and tax payments if citizens choose to pay via credit card online, and how Commissioner Lee had received complaints that the amount is too high.

Vice Chairman Wesson called for the Board to express their interest once and for all so that action can be taken to move forward or table the issue entirely.

Commissioner Lee asked if research could be completed to assess whether or not another company could provide online payment services but with a smaller fee.

### **Latest Audit received by Jeff Best, CPA**

Commissioner Trent discussed his concerns which were reviewed on the February work session agenda regarding the latest audit services completed by Jeff Best, CPA. He stated that he would hope the Board would consider bidding out the services for the Board to consider alternative firms in the future. The general consensus was that due to timing, it was not in the best interest of the County to seek a new firm at this time, and that the County will reengage with Jeff Best, CPA for the next audit cycle.

### **Tri-County Airport height regulation ordinance**

Commissioner Lee requested that this item be discussed further. The County Attorney and County Manager stated that a public hearing would need to be hosted and additional information would need to be obtained before this measure could be ready for Board approval.

Additionally, Commissioner Lee announced that she had been nominated as chair of the Tri-County Airport Authority.

### **Recreation van use policy**

County Manager Sauer discussed his strong concerns with “renting” vans to private groups, and the need for a County employee to complete these trips using their vacation days.

Additionally, the County Manager reminded the Board that the individual making the request been untruthful regarding his conversation with each Board member. At the suggestion of Chair Bazemore, a criminal records review was obtained from the NC Public Offender website and shared with the Board.

The Commissioners reiterated their support for action taken at the prior meeting to approve this item and no further action was taken.

## **FY 2018-2019 BUDGET PLANNING OUTLINE OF PRELIMINARY DISCUSSION** **ITEMS**

Vice Chairman Wesson discussed his desire to see an actual budget document instead of receiving a verbal summary based on information from February. Currently the budget is still being assembled and County Manager Sauer stressed that the process is still ongoing and that it will be presented to the Board on June 1<sup>st</sup>, per statutory requirement, and that the formal budget presentation will be on June 4<sup>th</sup> at the Board's regular meeting.

Vice Chairman Wesson expressed that he felt it was difficult to set priorities at this time without seeing a written, preliminary FY2018-2019 budget document.

Finance Officer, William Roberson, noted that in past years the budget has not been available to the governing body until somewhere between the 16<sup>th</sup> and 25<sup>th</sup> of May.

### **Assistant County Manager (special project coordinator) proposal**

County Manager, Scott Sauer, included and reviewed the agenda and actions items from the February 12<sup>th</sup> planning session, and the Board noting that the Board had discussed adding an Assistant County Manager position in the upcoming budget if funding was available.

County Manager Sauer reminded the Board that the planning session and priorities established, set the road map for the most recent ninety days of staff work leading up to the budget.

The County Manager will attempt to add this item to the budget per Board request to see if this could be affordable without a tax increase and the Board concurred. Mr. Sauer reminded the Board that there are several prior commitments approved by the Board which will limit the ability to add new expenses without funding new revenue.

### **Hurricane Matthew CADA workers added to County staff—100% local funding**

CADA disaster recovery staff will be absorbed into the new budget as well. Those participants are currently in Maintenance, Cooperative Extension, and the Council on Aging as approved by the Board and will require full funding in the new fiscal year.

### **Sheriff's Office—staggered staffing for Court Security and Telecommunicator—100% funding**

County Manager Sauer discussed the eight (8) new positions in FY2017-2018 which were hired on phased-in partial funding and will require full funding in FY2018-2019 and will limit the budget's expansion in other areas.

### **Albemarle Regional Health Services—long range funding plan**

County Manager Sauer reminded the Board that since its merger with Albemarle Regional Health Services (ARHS), Bertie County's annual contribution remained flat at \$96,000 per year for eight years. The long-range plan proposed by ARHS is an incremental increase of approximately three percent (3%) annually.

### **TGOW—public access road utilizing existing farm path**

County Manager Sauer discussed the efforts of Parks and Recreation Director, Donna Mizelle, who “took to heart” a discussion she had with Chair Bazemore regarding creating public access to the TGOW 137-acre tract of land by installing a two-lane gravel road from Bal Gra Road to the waterfront, including two parking areas and handicap accessibility.

It was also discussed the Mrs. Mizelle had been working with a contractor who had a good working relationship with CAMA and who was very familiar with their requirements. This is a project that would bring a two-lane road utilizing an existing farm path for not more than \$250,000 including two (2) parking lots.

After a brief discussion, the Board came to a consensus that they would like to include this project in the budget and to hear more from this contractor and receive any sort of proposals received in the Parks and Recreation Department for this project, and that they would like to see plans to move forward if the project could be completed for under \$250,000.

### **Schools—verify ADM, capital outlay needs, teacher supplement (recent failure of referendum on May 8<sup>th</sup> primary ballot)**

Next, the Board discussed the budget proposed that was just presented by Superintendent, Dr. Catherine Edmonds, and the Board also discussed the latest ¼ cent pending sales tax referendum that just failed in the May 8<sup>th</sup> primary election.

Mr. Sauer expressed that he believes we should rely on current teachers and retirees of the school system to promote this initiative.

Vice Chairman Wesson said that he felt this item was not well promoted and referenced the eventual success of this initiative in Washington County.

Chair Bazemore reiterated her interest in hosting a Town Hall meeting to also assist in promoting this initiative on the November general election ballot.

Chair Bazemore also presented a NCACC update listing the counties that added the local option sales tax referenda to their May 2018 and the outcome:

2018 quarter-cent sales tax referenda			
County		Date on Ballot	Result
Bertie		May 2018	Unsuccessful
Clay		May 2018	Successful
Gaston		May 2018	Successful
Jones		May 2018	Successful
Lenoir		May 2018	Unsuccessful
Lincoln		May 2018	Successful
Pasquotank		May 2018	Successful
Person		May 2018	Unsuccessful
Rockingham		May 2018	Successful
Rutherford		May 2018	Successful
Washington		May 2018	Unsuccessful
Watauga		May 2018	Unsuccessful

Source: <https://www.ncacc.org/227/Local-Option-Sales-Tax-Referenda>

**BCPS School Resource Officers and security recommendations**

Nothing new yet, but \$100,000 in new capital is currently in the hands of the State legislature.

**Forestry Service—staff increase (local match only)**

The Board briefly discussed a needed staff member to serve the local area in the forestry service, which was included in the original budget request.

**BMRJ—staff retention funding**

It was discussed that an increased appropriation would be required and numbers are being assessed now based on the joint meeting with the Martin County Commissioners on March 26<sup>th</sup>, where there was a consensus to address jail staffing and the current vacancies.

**Revaluation—added operational expenses**



Tax Administrator, Jodie Rhea, via County Manager Sauer, has included additional funds to address the additional need for mailings and notification about the revaluation coming up in 2020. “Drive by” evaluations are due to begin soon per the County’s selected revaluation firm.

**Retiree health insurance—trend?**

County Manager Sauer discussed that the cost of retiree health insurance is currently \$400,000 for about 20 retired employees, and this could rise pending any changes on healthcare costs.

**Employee health insurance—estimated increase?**

It is not known at this time what the exact increase would be but it is estimated at anywhere between 3 and 7% but could be higher.

**Better Beginnings—status**

Vice Chairman Wesson discussed that \$40,000 had been received as a “gift” for the program, and that the program would be transitioned back into the local school system.

Superintendent, Dr. Edmonds, also has interested in maintaining Bobbi Holley as Executive Director of the organization.

Commissioner Lee also stated her interest to continue having representative from Better Beginnings to share other related resources with parents and families.

**Demolition—Old DSS/Health, Lawrence Memorial Library, Cooperative Extension**

It was discussed that Maintenance Superintendent, Anthony Rascoe, was currently reviewing “competitive” bids for the demolition of these buildings, and more information would be brought to the Board soon.

County Manager Sauer mentioned that Maintenance Director Anthony Rascoe was obtaining budget estimates for demolition costs related to the Lawrence Memorial Library facility, the former Cooperative Extension office building on Queen Street, the former DSS/Health Department buildings on the County’s Wayland Street property.

Mr. Sauer mentioned that local resident Russ Russell had expressed interest in seeing the old Granville Hotel relocated and positioned on top of the former library structure on Dundee Street which would elevate the historic building above any future flood waters that may occur.

Commissioner Trent suggested that the former library structure is not likely built to support that type of load mass. Mr. Sauer also shared a strategy for the temporary Cooperative Extension

offices (the former Sheriff's Office next to the County Administration building) when the staff are moved to the new facility (library and cooperative extension). The federal offices of the Farm Service Agency, USDA and Soil and Water Conservation could be relocated into the former Sheriff's office and housed together as a single service point for agriculture related services.

Mr. Sauer suggested that the Board of Elections staff could then occupy this space in the County Administration building and provide direct access to the Commissioners Room where election night results are posted for the public.

This would also be a convenient location for early voting stations given the available space in the current FSA office area. There was also some discussion among the Commissioners regarding the Sheriff's potential use of the current Board of Elections offices for the task force unit located in a nearby residential area.

### **Fire Service Evaluation—consultant study**

County Manager Sauer discussed his recommendation to Emergency Services Director, Mitch Cooper, for a fire department consultant study and the potential, long term need of consolidating some of the fire departments. A consultant could provide recommendations on how to better equip each fire department with the needed resources and equipment either via fire tax, service area tax, or overall consolidation.

Mr. Sauer also commended Jodey Sarey, President of the Bertie County Firefighters Association for his leadership and ability to bring fire chiefs from all over the County to discuss long term solutions.

Chair Bazemore also highly recommended that citizen input be solicited when the time became appropriate.

### **Teacher Pay Supplements**

The Board discussed if they would like the ¼ cent sales tax increase on the November, general election ballot.

Commissioner Trent made a **MOTION** to petition for the referendum to be placed on the ballot for the general election in November. Vice Chairman Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

Additionally, the Board expressed their desire to advertise this referendum as well as seek information on publishing an annual report. Vice Chairman Wesson made a **MOTION** to move forward with both as mentioned. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **Recreation Comprehensive Plan program & facility recommendations**

The latest draft of the recreation comprehensive master plan has been reviewed, and the County Manager expressed his concerns with the drafted plan. The current draft plan has various areas that need to be reviewed including local area recreation photos and a better representation of Bertie County.

The County Manager also shared an aerial photo of the County's 99-acre former landfill site and recommended it be included in the comprehensive recreation plan. Commissioner Trent indicated this site would be an ideal location for an ATV park, and the consensus of the Board was to review the concept in the near future.

### **Site X funding commitment in partnership with Windsor**

It was discussed that \$25,000 would be appropriated under Special Appropriations in the FY2018-2019 budget in keeping with the recent agreement at the joint meeting with the Town of Windsor.

### **JCPC Program**

Vice Chairman Wesson made a **MOTION** to include the following programs into the FY2018-2019 MHFC Vocational and Educational, Second Chance Counts, Children Matters, JCPC Administration, and the Bertie County Conflict Resolution Teen Court. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **Roanoke Chowan Community College—firefighter training accident**

County Manager Sauer discussed his observations in the response to the accident that seriously injured a Kelford Volunteer Fire Department firefighter.

In Mr. Sauer's words, it was discovered that the "ball was dropped" by Roanoke Chowan Community College regarding communication for workers compensation, insurance coverage, and who maintains liability for the incident.

The fire training instructor at RCCC confirmed the college's responsibility for filing a claim soon after the accident since it was their training exercise. The County Manager, and Emergency

Services Director, Mitch Cooper have met with RCCC President Dr. Stanley Elliot to review the situation.

Chair Bazemore reported that a local business man that she was aware of, is contributing monthly payments to assist the firefighter and his family.

### **OTHER REPORTS**

Commissioner Lee discussed her trip to Charleston, SC for the NACo Justice and Public Safety meeting.

Vice Chairman Wesson stated that he had just been made aware that Bertie County was the only county that had not applied for middle income housing grant that is currently available through the Mid-East Commission.

### **ADJOURN**

Chair Bazemore **ADJOURNED** the **SPECIAL MEETING** at 12:00 Noon.

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Ernestine Bazemore, Chair

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Sarah S. Tinkham, Clerk to the Board



C-4

# BUDGET AMENDMENT

# 18-11

		INCREASE			DECREASE
10-6100-5695-20	\$	7,432		12-5380-5399-94	\$ 7,432
10-0025-4585-04	\$	7,432		12-0025-4531-10	\$ 7,432
REALLOCATE FUNDS FROM WF EMPLOYMENT TO RGP					

**From:** Melissa Surgeon  
**Sent:** Thursday, March 01, 2018 4:11 PM  
**To:** Odum, Crystal L <[clodum@ncdot.gov](mailto:clodum@ncdot.gov)>  
**Subject:** Request to Transfer Funds

Good Afternoon,

Attached you will find a request from Bertie County DSS to transfer EMP funds to the RGP transportation program.

Thanks,

Melissa Surgeon  
Administrative Officer  
[melissa.surgeon@bertie.nc.gov](mailto:melissa.surgeon@bertie.nc.gov)  
Bertie County DSS  
110 Jasper Bazemore Avenue  
PO Box 627  
Windsor, NC 27983  
Telephone: (252) 794-5320, Ext. 6274  
Fax: (252) 794-5344

"Pursuant to North Carolina General Statutes Chapter 132, Public Records, this electronic message and any attachments hereto, as well as any electronic mail message(s) that may be sent in response to it may be considered public record and as such are subject to request and review by third parties."

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These communications and contents are subject to the NC Public Records Law and may be disclosed to third parties.



**BERTIE COUNTY**  
**Department of Social Services**  
PO Box 627  
110 Jasper Bazemore Ave.  
WINDSOR, NORTH CAROLINA 27983

**TELEPHONE:**  
**252-794-5320**  
**Cindy Perry**  
**Director**

February 27, 2018

Crystal Odum  
NC DOT-Public Transportation Division  
1550 Mail Service Center  
Raleigh, NC 27699-1550

Dear Ms. Odum,

Bertie County is requesting your approval to transfer Employment Transportation Assistance (EMP) funds for FY 2017-2018 to the Rural General Public (RGP) Transportation Program to utilize all of the funds allocated to Bertie County.

The Bertie County Department of Social Services receives the EMP funds and is unable to use the \$7,432.00.

All of the employment transportation needs have been met and these remaining funds would be best used in the RGP Transportation Program because their funds run out early in the year and they continue to serve all of the population of Bertie County. Please approve this request to transfer funds to better serve the community.

Sincerely,

A handwritten signature in cursive script that reads "William Roberson".

William Roberson  
Bertie County Finance Director

CC: Venita Thompson  
Aging Services Director

An Equal Opportunity / Affirmative Action Employer



## William Roberson

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**From:** Melissa Surgeon  
**Sent:** Monday, May 7, 2018 3:41 PM  
**To:** William Roberson  
**Subject:** FW: Request to Transfer Funds  
**Attachments:** Scan Move EMP Funds FY 17-18.pdf; ROAP Program Administration Guide 20170809.docx

**From:** Freitag, Carolyn M  
**Sent:** Monday, May 07, 2018 1:38 PM  
**To:** Melissa Surgeon <[melissa.surgeon@bertie.nc.gov](mailto:melissa.surgeon@bertie.nc.gov)>  
**Subject:** FW: Request to Transfer Funds

Hi Melissa, here is the ROAP program guide I was telling you about. The information related to your transfer request is on page 10 or so. The only requirement on transferring funds to the RGP program is that it has to go to the Community Transportation System and for you that is CPTA. Also, when the annual ROAP report is completed the funds transfer will have to be shown on the transfer tab.

If you have any other questions give me a call.

Carolyn

**Carolyn M. Freitag**  
Transportation Program Planner  
Public Transportation Division  
Transportation

919 707 4677 office  
[cmfreitag@ncdot.gov](mailto:cmfreitag@ncdot.gov)

1 S Wilmington Street, Room 534  
1550 Mail Service Center  
Raleigh, NC 27699-1550



**From:** Melissa Surgeon  
**Sent:** Friday, April 13, 2018 9:37 AM  
**To:** Vereen, Phillip L <[plvereen@ncdot.gov](mailto:plvereen@ncdot.gov)>  
**Subject:** Request to Transfer Funds

Resending



C-5

## County Management Records Retention and Disposition Schedule

The records retention and disposition schedule and retention periods governing the records series listed herein are hereby approved. In accordance with the provision of Chapters 121 and 132 of the *General Statutes of North Carolina*, it is agreed that the records do not and will not have further use or value for official business, research, or reference purposes after the respective retention periods specified herein and are authorized to be destroyed or otherwise disposed of by the agency or official having custody of them without further reference to or approval of either party to this agreement. The local government agency agrees to comply with 07 NCAC 04M .0510 when deciding on a method of destruction. Confidential records will be destroyed in such a manner that the records cannot be practicably read or reconstructed. However, records subject to audit or those legally required for ongoing official proceedings must be retained until released from such audits or official proceedings, notwithstanding the instructions of this schedule. *Public records, including electronic records, not listed in this schedule are not authorized to be destroyed.*


This local government agency and the Department of Cultural Resources agree that certain records series possess only brief administrative, fiscal, legal, research, and reference value. These records series have been designated by retention periods which allow these records to be destroyed when "*administrative value ends.*" The local government agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Cultural Resources has scheduled with the disposition instruction "*destroy when administrative value ends.*" If a county does not establish internal policies and retention periods, the county is not complying with the provisions of this retention schedule and is not authorized by the Department of Cultural Resources to destroy the records with the disposition instruction "*destroy when administrative value ends.*"

The local government agency and the Department of Cultural Resources concur that the long-term and/or permanent preservation of electronic records require additional commitment and active management by the agency. The agency agrees to comply with all policies, standards, and best practices published by the Department of Cultural Resources regarding the creation and management of electronic records.

It is further agreed that these records may not be destroyed prior to the time periods stated; however, for sufficient reason they may be retained for longer periods. This schedule is to remain in effect from the date of approval until it is reviewed and updated.

### APPROVAL RECOMMENDED

\_\_\_\_\_  
Chief Administrative Officer/  
County Manager

  
Sarah E. Koonts, Director  
Division of Archives and Records

### APPROVED

\_\_\_\_\_  
Chairman, Bd. County Commissioners

  
Susan W. Kluttz, Secretary  
Department of Cultural Resources

County: \_\_\_\_\_

April 15, 2013

## EXECUTIVE SUMMARY

- ✓ According to G.S. §121-5 and G.S. §132-3, you may only destroy public records with the consent of the Department of Cultural Resources (DCR). The State Archives of North Carolina is the division of DCR charged with administering a records management program. This schedule is the primary way the State Archives of North Carolina gives its consent. Without approving this schedule, your county is obligated to obtain the State Archives of North Carolina's permission to destroy *any* record, no matter how insignificant.
- ✓ Each records series listed on this schedule has specific disposition instructions which will indicate how long that series must be kept in your offices. In some cases, the disposition instructions are simply "Retain in office permanently," which means that those records must be kept in your offices forever. In other cases, the retention period may be "destroy in office when administrative value ends." Administrative value is defined as, "the usefulness of records to support ancillary operations and the routine management of an organization." Your agency must establish and enforce internal policies by setting minimum retention periods for the records that the State Archives of North Carolina has scheduled with the disposition instructions, "destroy when administrative value ends."
- ✓ Email is a record as defined by G.S. §121-5 and G.S. §132. It is the content of the email that is critical when determining the retention period of a particular email, including attachments, not the media in which the records were created. Email should be retained in the same manner as its paper counterpart. It is important for all agency employees and officials to determine the appropriate records series for specific emails and retain them according to the disposition instructions.
- ✓ The State Archives of North Carolina recommends that all county employees and officials take our online tutorials in order to familiarize themselves with records management principles and practices. The State Archives of North Carolina's online tutorials include topics such as records management, utilizing the retention schedule, email management, and scanning guidelines.
- ✓ The State Archives of North Carolina provides microfilming of the minutes of major decision-making boards and commissions in a county. Once those records are filmed, we will store the silver negative (original) in our security vault. There is a nominal fee for filming and duplicating film. Contact the Records Management Analyst in charge of microfilm coordination for the most current information.



C-6

CONTRACT TO AUDIT ACCOUNTS

Of Bertie County
Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 15th day of May, 2018

Auditor: Jeff Best CPA, PLLC Auditor Mailing Address: P.O. Box 399

382 Pamlico Street, Belhaven, N.C. 27810 Hereinafter referred to as The Auditor

and Board of Commissioners (Governing Board(s)) of Bertie County (Primary Government)

and N/A hereinafter referred to as the Governmental Unit(s), agree as follows: (Discretely Presented Component Unit)

- 1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with Government Auditing Standards if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). County and Multi-County Health Departments: The Office of State Auditor (OSA) will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by OSA and in accordance with the instructions and timeline provided by OSA.
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unqualified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

Contract to Audit Accounts (cont.) Bertie County

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end.  
Audit report is due on October 31, 2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. **(Note: Fees listed on Fees page.)** This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue



Contract to Audit Accounts (cont.) Bertie County

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the SLGFD.

The SLGFD's process for submitting contracts, audit reports and invoices is subject to change. Auditors shall use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <http://nctreasurer.slgfd.leapfile.net> No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.



- 16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.
- 17. Special provisions should be limited. Please list any special provisions in an attachment.
- 18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
- 19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <http://nctreasurer.slgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
- 20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
- 21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
- 22. **E-Verify.** Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
- 23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item #16 for clarification).

**SIGNATURE PAGES FOLLOW FEES PAGE**

Contract to Audit Accounts (cont.) Bertie County  
Primary Government Unit  
N/A  
Discretely Presented Component Unit (DPCU) if applicable

**FEES – PRIMARY GOVERNMENT**

AUDIT: \$ 37,800

WRITING FINANCIAL STATEMENTS: \$ 12,600

ALL OTHER NON-ATTEST SERVICES: \$ \_\_\_\_\_

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ 37,800  
\*\* NA if there is to be no interim billing

**FEES – DPCU (IF APPLICABLE)**

AUDIT: \$ N/A

WRITING FINANCIAL STATEMENTS: \$ N/A

ALL OTHER NON-ATTEST SERVICES: \$ \_\_\_\_\_

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ N/A  
\*\* NA if there is to be no interim billing

Contract to Audit Accounts (cont.) Bertie County  
Primary Government Unit  
N/A  
Discretely Presented Component Unit (DPCU) if applicable

*Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.*

**Audit Firm Signature:**  
Jeff Best CPA, PLLC

Name of Audit Firm  
By Jeff Best, CPA

Authorized Audit firm representative name: Type or print

  
Signature of authorized audit firm representative

Date 5.17.18

jbest@jeffbestcpa.com  
Email Address of Audit Firm

**Governmental Unit Signatures:**  
Bertie County

Name of Primary Government  
By Ernestine B. Bazemore - Chairperson  
Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A  
Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson \*\*

Date N/A

*\*\* If Governmental Unit has no audit committee, mark this section "N/A"*

**PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)**

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

By William Roberson - Finance Officer  
**Primary Government Unit Finance Officer:**  
Type or print name

Primary Government Finance Officer Signature  
Date \_\_\_\_\_  
*(Pre-audit Certificate must be dated.)*

william.roberson@bertie.nc.gov  
Email Address of Finance Officer

**Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)**

**\*\*\*Please provide us the most current email addresses available as we use this information to update our contact database\*\*\***



Contract to Audit Accounts (cont.) Bertie County  
Primary Government Unit  
N/A  
Discretely Presented Component Unit (DPCU) if applicable

**\*\* This page to only be completed by Discretely Presented Component Units If Applicable \*\***

*Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.*

**DPCU Governmental Unit Signatures:**

N/A  
Name of Discretely Presented Component Unit

By \_\_\_\_\_  
**DPCU Board Chairperson:** Type or print name and title

\_\_\_\_\_  
Signature of Chairperson of DPCU governing board

Date \_\_\_\_\_

By \_\_\_\_\_ N/A  
Chair of Audit Committee - Type or print name

\_\_\_\_\_  
Signature of Audit Committee Chairperson \*\*

Date \_\_\_\_\_  
**\*\* If Governmental Unit has no audit committee, mark this section "N/A"**

**PRE-AUDIT CERTIFICATE: Required by G.S. 159-28**

**(a)**  
This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

By \_\_\_\_\_ N/A

**DPCU Finance Officer:**  
Type or print name

\_\_\_\_\_  
DPCU Finance Officer Signature

Date \_\_\_\_\_  
*(Pre-audit Certificate must be dated.)*

\_\_\_\_\_  
*Email Address of Finance Officer*

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

**\*\*\*Please provide us the most current email addresses available as we use this information to update our contact database\*\*\***

### Steps to Completing the Audit Contract

1. Complete the header information – If a DPCU is subject to the audit requirements found in the Local Government Budget and Fiscal Control Act and a separate report is being issued for that DPCU, a separate audit contract for the DPCU is required. If a separate report is not being issued for the DPCU – it is being included in the Primary Government’s audit – the DPCU shall be named with the Primary Government on the audit contract for the Primary Government. The Board Chairperson of the DPCU shall sign the audit contract in addition to the elected leader of the Primary Government.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 –Please note that the new fee section has been moved to page 5.
6. Item No. 16 – Has the engagement letter been attached to the contract that is being submitted to SLGFD?
  - a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *“In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence.”*
  - b. Does the engagement letter contain an indemnification clause? **The audit contract shall not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the fees page; please note:
  - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year’s total audit fee. If the contract fee is partially variable, we shall compare the authorized interim payment on the contract to 75% of last year’s actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: [https://www.nctreasurer.com/slg/lfm/audit\\_acct/Pages/default.aspx](https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/default.aspx) select “audit fees”

Please call or email Lorna Hodge at 919-814-4299 [lorna.hodge@nctreasurer.com](mailto:lorna.hodge@nctreasurer.com) if you have any questions about the fees on this list.

  - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

Discretely Presented Component Unit (DPCU) if applicable

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)
  - If there is to be no interim billing, please indicate N/A instead of leaving the line blank.
8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Please only send the page(s) that are applicable to your Unit of Government and do not include the instructions pages. Make sure all signatures have been obtained, and properly dated. **The contract shall be approved by Governing Boards pursuant to G.S. 159-34(a).** If this contract includes the audit for a DPCU that is a Public Authority that falls under the Local Government Budget and Fiscal Control Act, it shall be named in this contract and the Board Chairperson of the DPCU also shall sign the contract in the area indicated. If the DPCU is filing a separate audit, a separate audit contract is required for that DPCU.
9. Please place the date the Primary Government’s Governing Board and the DPCU’s Governing Board (if applicable) approved the audit contract in the space provided.
- a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
  - b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?
  - c. Has the name and title of the Mayor or Chairperson of the Unit’s Governing Board and the DPCU’s Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor’s signature?
10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.
11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.
12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to PDF. **When submitting for approval combine and send the documents as one PDF file to include the Audit contract, any applicable addendums, the engagement letter and Peer Review Report.** Submit these documents using the most current submission process which can be obtained at the NC Treasurer’s web site  
<https://www.nctreasurer.com/slg/Audit%20Forms%20and%20Resources/Instructions%20for%20Contract%20Submission.pdf>
13. If an audit cannot be completed by the due date, the Auditor or Governmental Unit shall file an Amended Contract form (Amended LGC-205). This form shall be signed by the Governmental Unit representative and the Auditor. The explanation for the delay in completing the audit is part of this contract amendment form and shall be provided. The parties that signed the original audit contract shall sign the amended contract form as well. If the signing representatives are unable to sign the amended contract, please include an explanation for this in the submitted amended contract form.





Jeff Best, CPA, P.L.L.C.  
Certified Public Accountants

May 16, 2018

Bertie County  
PO Box 530  
Windsor, North Carolina 27983

We are pleased to confirm our understanding of the services we are to provide Bertie County for the year ended June 30, 2018. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Bertie County as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Bertie County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Bertie County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Law Enforcement Officer's special Separation Allowance
- 3) Other Postemployment Benefits (OPEB)
- 4) Local Governmental Employees' Retirement System
- 5) Register of Deeds Supplemental Pension Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Bertie County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal and State awards
- 2) Combining and Individual Fund Financial Statements
- 3) Other Schedules
- 4) Budgetary Comparison Schedules



## Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners of Bertie County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

## Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the

overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and,

accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Bertie County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Bertie County's major programs. The purpose of these procedures will be to express an opinion on Bertie County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Bertie County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review when we begin the audit.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of



federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the

event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to Bertie County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Jeff Best CPA, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Jeff Best CPA, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the [Name of Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity]. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 25, 2018 and to issue our reports no later than October 31, 2018. Jeff Best, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be as defined in our Local Government Commission Contract with Bertie County for the year July 1, 2017 through June 30, 2018. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Bertie County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



RESPONSE:

This letter correctly sets forth the understanding of Bertie County.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# Bertie County

## Board of Commissioners

### DISCUSSION ITEMS

**MEETING DATE:** June 4, 2018

**DEPARTMENT:** Governing Body

**TOPICS:**

1. Review land acquisition (Lancaster property) status for public library and cooperative extension on South King Street in Windsor
2. Review land acquisition (County Farm Road) for firefighter training site in conjunction with Martin Community College and the Town of Windsor
3. Discuss status of local legislation for Teacher Housing Initiative
4. Discuss and consider 2 resolutions for NC Local Government Commission: a) compliance with changes to pre-audit certification requirements for electronic obligations and; b) payments and uniform guidance procurement standards effective July 1, 2018
5. Discuss approval of water shortage response plan for Bertie County Regional Water Districts
6. Review schedule of budget work sessions and public hearing on June 11<sup>th</sup> at 7:00 PM

**COUNTY MANAGER RECOMMENDATION OR COMMENTS:** Discussion requested.

**SUMMARY OF AGENDA ITEM AND/OR NEEDED ACTION(S):** Approval as recommended.

**ATTACHMENTS:** Yes

**LEGAL REVIEW PENDING:** N/A

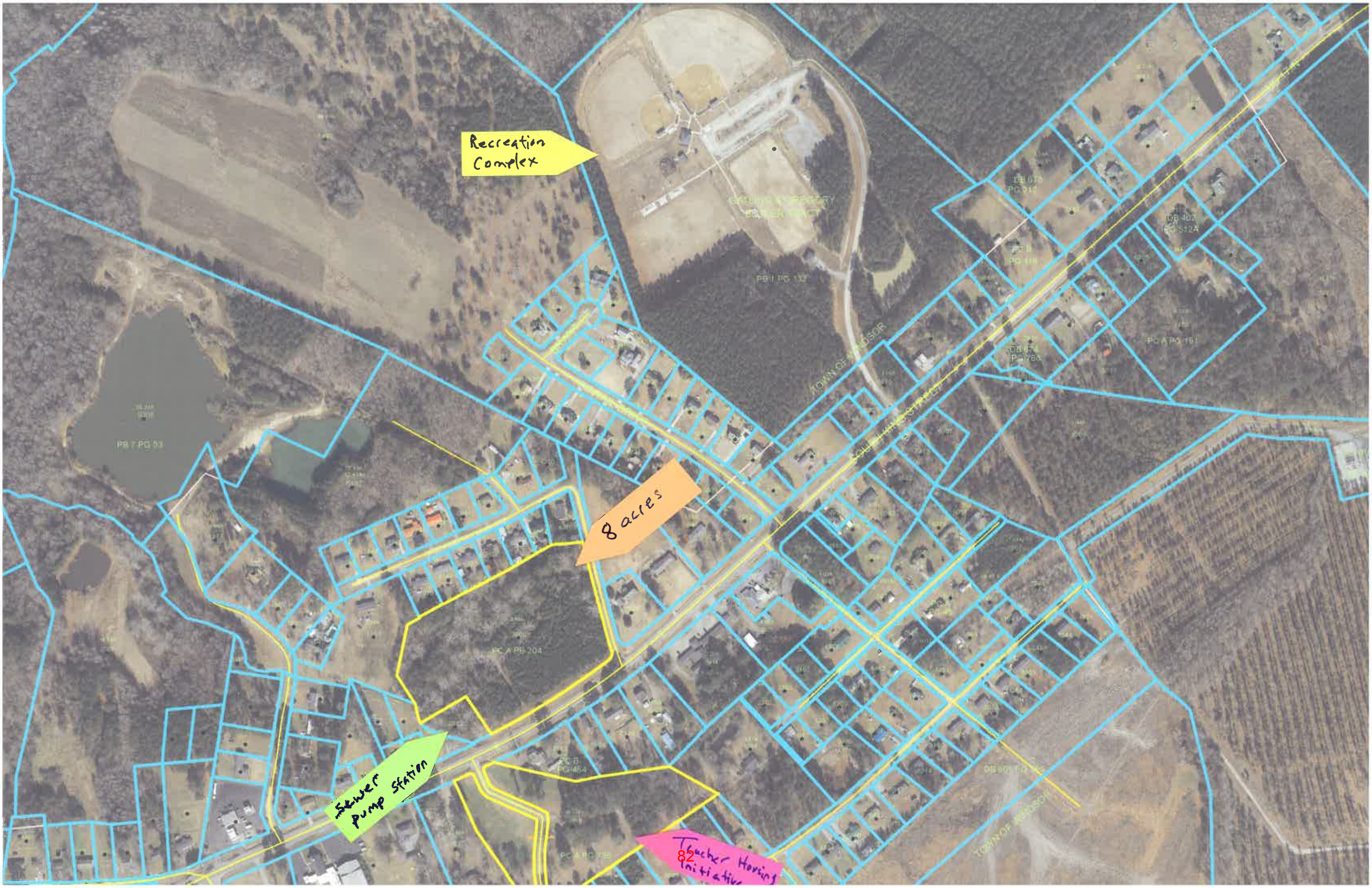
**ITEM HISTORY:** ---





D-1





Recreation Complex

8 acres

Sewer pump station

Teacher Housing Initiative

82





D-2









D-3

March 19, 2018

The Honorable Erica D. Smith

N.C. Senate  
16 W Jones Street, Room 1118  
Raleigh, NC 27601-2808

RE: Local bill for Bertie County – Teacher Housing Initiative

Dear Senator Smith,

On behalf of the Bertie County Board of Commissioners, I am writing to request your assistance and support for local legislation in the upcoming short session to expand the authority of the Windsor Township Development Commission, and to authorize Bertie County to have the ability for management oversight for the Bertie County Teacher Housing Initiative.

Enclosed for your review are the following items:

- 1) A draft proposal for the requested legislation prepared by the County Attorney
- 2) The Memorandum of Understanding adopted by the Bertie County Board of Commissioners, the Town of Windsor Board of Commissioners, the Windsor Township Development Commission, and the Bertie County Board of Education
- 3) Session Law 2006-61 Senate Bill 1896 previously ratified for the Bertie County Board of Education and a specific location for teachers and other local government employees
- 4) Session Law 2006-86 Senate Bill 1903 previously ratified for the Hertford County Board of Education to construct and provide affordable rental housing for teachers and other local government employees
- 5) Session Law 2007-239 House Bill 489 previously ratified for the City of Asheville to provide housing for teachers, police officers and firefighters

Page Two

Bertie County's Teacher Housing Initiative is a top priority for our entire community as evidenced by the united effort of local elected governing bodies. The Town of Windsor has donated the land, the County has secured a \$240,000 grant from the Golden LEAF Foundation for infrastructure improvements at the site, and the Windsor Township Development Commission has agreed to serve as the owner and the applicant for construction financing through the State Employees Credit Union.

Senator Smith, we need your leadership and support to advance this legislation in a timely manner. Our goal is to have this 24-unit apartment complex ready for occupancy by May 2019.

With kind regards,

Scott T. Sauer

County Manager

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AN ACT TO EXPAND THE POWERS AND DUTIES OF THE WINDSOR TOWNSHIP DEVELOPMENT COMMISSION TO ALLOW FOR THE CONSTRUCTION AND PROVISION OF AFFORDABLE RENTAL HOUSING UNITS FOR TEACHERS AND OTHER LOCAL GOVERNMENT EMPLOYEES AND TO AUTHORIZE BERTIE COUNTY TO ENTER INTO LEASES, MANAGEMENT AGREEMENTS, OR SIMILAR ARRANGEMENTS TO MANAGE SAID UNITS.

The General Assembly of North Carolina enacts:

**Section 1.** Notwithstanding G.S. Chapter 153A, Chapter 160A, or any other provisions of law and subject to the restrictions set out in this Act, Bertie County may enter into leases, management agreements, or similar arrangements with the Windsor Township Development Commission, which is constructing affordable rental housing units for teachers or other local government employees to manage, lease, and maintain said units after completion of construction of said units by the Windsor Township Development Commission.

**Section 2.** Notwithstanding G.S. 66-58, Chapters 153A and 160A, or any other provisions of law and subject to the restrictions set out in this Act, the Windsor Township Development Commission, a public authority created by 1965 H.B. 718, will have the following additional powers and duties:

A. To acquire and hold title to real and personal property for public purposes, specifically including acquiring real and personal property for the construction and maintenance of affordable rental housing units for Bertie County teachers, local government employees, and state employees living in Bertie County.

B. To borrow money and incur debt, whether secured or unsecured, for public purposes, specifically including the construction and maintenance of affordable rental housing units for Bertie County teachers and other local government employees, under such terms as its governing body determines reasonable.

C. To enter into leases, management agreements, or similar arrangements with Bertie County to manage, lease, and maintain the public housing units, which the Windsor Township Development Commission will construct.

D. To accept such grants or donations of money as may be given to the Windsor Township Development Commission for public purposes.

**Section 3.** In renting said affordable housing units, Bertie County and Windsor Township Development Commission shall give priority to Bertie County Public School teachers, shall restrict the renting of such units exclusively to such teachers, unless

there is a vacancy in said units which cannot be filled by a Bertie County Public School Teacher, in which event said vacant unit shall be rented to local government employees of Bertie County or the Town of Windsor or to state employees living in Bertie County.

**Section 4.** This Act shall not exempt any affordable housing units constructed pursuant to this Act from compliance with applicable building codes, zoning ordinances, or other health and safety statutes, rules, or regulations.

**Section 5.** This Act is effective when it becomes law.

In the General Assembly read three times and ratified this the \_\_\_\_\_ day of \_\_\_\_\_, 2018.



## MEMORANDUM OF UNDERSTANDING

Bertie County Board of Commissioners  
Town of Windsor Board of Commissioners  
Windsor Township Development Commission  
Bertie County Board of Education

**WHEREAS**, the aforementioned public bodies recognize the strategic value of improving the recruitment and retention of public school teachers; and

**WHEREAS**, the above-named parties have discussed and evaluated the viability of advancing a teacher housing initiative, utilizing Hertford County's successful business model which includes fourteen years of operations; and

**WHEREAS**, the Mid-East Commission (Region Q Council of Government) prepared a market analysis of rental unit availability and conducted a survey of Bertie County school faculty members and staff regarding the need for high quality rental apartments, which resulted in a very favorable scoring of support for creating the availability of apartment housing in Bertie County; and

**WHEREAS**, the Town of Windsor and Bertie County evaluated three potential sights (two owned by the County and one owned by the Town), and following extensive public input, have jointly approved selection of the 6.33-acre tract owned by the Town; and

**WHEREAS**, the Town of Windsor has agreed to donate this property (6.33 acres) to the Windsor Township Development Commission for the purpose of providing high quality rental apartments for Bertie County teachers and staff; and

**WHEREAS**, a working group of community leaders have participated in the development and review of a financial plan and fifteen (15) year business pro forma to support and sustain this project through construction and operation; and

**WHEREAS**, the Windsor Township Development Commission has agreed to serve as the owner and applicant in order to seek project financing from the State Employees Credit Union Foundation; and

**WHEREAS**, Bertie County has agreed to handle the day-to-day management of the apartment complex under formal contract with the Windsor Township Development Commission at no management fee to the WTDC utilizing existing staff capacity; and

**WHEREAS**, the Bertie County Board of Commissioners has successfully prepared a grant application for the Gold LEAF Foundation, and secured a grant amount of \$240,000 to assist with the publicly owned onsite utilities, which will reduce the amount of financing and debt service costs for the project; and


**THEREFORE, BE IT UNDERSTOOD**, that the parties to this agreement, hereby pledge their respective commitment, collective energy and enthusiasm in order to successfully facilitate the construction and operation of the proposed twenty-four-unit apartment complex on the "Harrell Heights" property consisting of 6.33 acres donated by the Town of Windsor.

**BE IT FURTHER UNDERSTOOD**, that the Bertie County school system will promote and encourage the availability of these housing units for its staff and teachers.

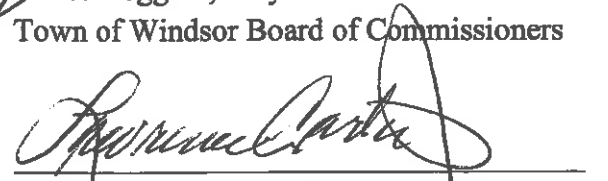
**BE IT NOW UNDERSTOOD**, that the representatives of the aforementioned parties, will commence with final preparation of the loan application and submittal to the SECU Foundation.


This the 13<sup>th</sup> day of February, 2018.

**SIGNED:**

  
\_\_\_\_\_  
Ernestine Bazemore, Chair  
Bertie County Board of Commissioners

  
\_\_\_\_\_  
James Hoggard, Mayor  
Town of Windsor Board of Commissioners

  
\_\_\_\_\_  
Lawrence Carter, Jr., Chair  
Windsor Township Development Commission

  
\_\_\_\_\_  
Bobby Oceana, Chair  
Bertie County Board of Education

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**SESSION LAW 2006-61  
SENATE BILL 1896**

AN ACT TO AUTHORIZE THE BERTIE COUNTY BOARD OF EDUCATION TO  
CONSTRUCT AND PROVIDE AFFORDABLE RENTAL HOUSING FOR  
TEACHERS AND OTHER LOCAL GOVERNMENT EMPLOYEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Notwithstanding G.S. 66-58, G.S. 115C-518, or any other provision of law, and subject to the restrictions set out in this act, the Bertie County Board of Education may contract with any person, partnership, corporation, or other business entity to construct, provide, or maintain affordable rental housing on property owned or leased by the Bertie County Board of Education.

**SECTION 2.** Notwithstanding G.S. 66-58, G.S. 115C-518, or any other provision of law, the Bertie County Board of Education may rent housing units owned by the Board pursuant to this act for residential use. In renting these housing units, the Board shall give priority to Bertie County public school teachers and shall restrict the rental of such units exclusively to such teachers or other Bertie County School System employees. The Board shall have the authority to establish reasonable rents for any such housing units and may in its discretion charge below-market rates.

**SECTION 3.** This act shall not exempt any affordable housing units constructed pursuant to this act from compliance with applicable building codes, zoning ordinances, or health and safety statutes, rules, or regulations.

**SECTION 4.** This act authorizes the Board to construct and maintain an affordable housing project located at 249 White Oak Road, Windsor, North Carolina

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 6<sup>th</sup> day of July, 2006.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**SESSION LAW 2007-239  
HOUSE BILL 489**

AN ACT TO REDUCE THE TERMS OF THE HOUSING AUTHORITY OF THE CITY OF ASHEVILLE FROM FIVE YEARS TO FOUR YEARS AND TO AUTHORIZE THE CITY OF ASHEVILLE AND THE ASHEVILLE CITY BOARD OF EDUCATION TO CONSTRUCT AND PROVIDE AFFORDABLE HOUSING FOR TEACHERS, POLICE OFFICERS, AND FIREFIGHTERS.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 157-5(d) reads as rewritten:

"(d) The mayor shall designate overlapping terms of not less than one nor more than five years for the commissioners first appointed. Thereafter, the term of office shall be ~~five-four~~ years. A commissioner shall hold office until his or her successor has been appointed and has qualified. Vacancies shall be filled for the unexpired term. A majority of the commissioners shall constitute a quorum. The mayor shall file with the city clerk a certificate of the appointment or reappointment of any commissioner and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner. A commissioner shall receive no compensation for his or her services but he or she shall be entitled to the necessary expenses including traveling expenses incurred in the discharge of his or her duties."

**SECTION 1.(b)** This section applies to the City of Asheville only.

**SECTION 1.(c)** This section applies to terms of office commencing on or after the date it becomes law.

**SECTION 2.(a)** Notwithstanding G.S. 66-58, G.S. 115C-518, and Article 12 of Chapter 160A of the General Statutes, or any other provision of law, and subject to the restrictions set out in this section, the City of Asheville and the Asheville City Board of Education may enter into a partnership, joint venture, land trust, or similar arrangement with each other to construct and provide affordable housing on property now owned by the City of Asheville or the Asheville City Board of Education.

**SECTION 2.(b)** Notwithstanding G.S. 66-58, G.S. 115C-518, and Article 12 of Chapter 160A of the General Statutes, or any other provision of law, this section authorizes the City of Asheville and the Asheville City Board of Education to convey property they own to such partnership, joint venture, land trust, or similar entity for the purposes of constructing, providing, and maintaining affordable housing for Asheville City Schools teachers and City of Asheville police officers and firefighters, and, if units remain available, to Asheville City Schools professional staff. The City of Asheville and the Asheville City Board of Education shall not transfer to the partnership, joint

venture, land trust, or other entity created pursuant to this act, property acquired on or after the effective date of this act through the exercise of eminent domain.

**SECTION 2.(c)** Notwithstanding G.S. 66-58, G.S. 115C-518, and Article 12 of Chapter 160A of the General Statutes, or any other provision of law, the City of Asheville, the Asheville City Board of Education, or the partnership, joint venture, land trust, or similar entity referenced above may contract with any person, partnership, corporation, or other business entity to finance, construct, or maintain such affordable housing.

**SECTION 2.(d)** Notwithstanding G.S. 66-58, G.S. 115C-518, and Article 12 of Chapter 160A of the General Statutes, or any other provision of law, the City of Asheville, the Asheville City Board of Education, or the partnership, joint venture, land trust, or similar entity referenced above may rent or sell such housing units for residential use; provided that the rental or sale of such units is exclusively restricted to Asheville City Schools teachers and to City of Asheville police officers and firefighters, and, if units remain not leased or sold, to Asheville City Schools professional staff; provided further that, while the housing units may be rented or sold, the land may only be leased and not sold. The City, the Board, and the partnership, joint venture, land trust, or similar entity referenced above shall have the authority to establish reasonable rents or sales prices for any such housing units and may in their discretion charge below-market rates and offer below-market financing so as to provide housing for families earning less than one hundred percent (100%) of the area median income for families of the same size for which they pay no more than thirty percent (30%) of their gross household income. The City, the Board, and the partnership, joint venture, land trust, or similar entity referenced above may also place reasonable restrictions and buyback provisions on the resale of the housing units to maintain the purposes set forth in this section.

**SECTION 2.(e)** This section shall not exempt any affordable housing units constructed pursuant to this act from compliance with applicable building codes, zoning ordinances, or any other health and safety statutes, rules, or regulations.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of July, 2007.

s/ Beverly E. Perdue  
President of the Senate

s/ Joe Hackney  
Speaker of the House of Representatives



**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**SESSION LAW 2006-86  
SENATE BILL 1903**

AN ACT TO AUTHORIZE THE HERTFORD COUNTY BOARD OF EDUCATION  
TO CONSTRUCT AND PROVIDE AFFORDABLE RENTAL HOUSING FOR  
TEACHERS AND OTHER LOCAL GOVERNMENT EMPLOYEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Notwithstanding G.S. 66-58, G.S. 115C-518, and Article 12 of Chapter 160A of the General Statutes, or any other provision of law, and subject to the restrictions set out in this act, the Hertford County Board of Education may contract with any person, partnership, corporation, or other business entity to construct, provide, or maintain affordable rental housing on property owned or leased by the Hertford County Board of Education or by any other person, partnership, corporation, or other business entity.

**SECTION 2.** Notwithstanding G.S. 66-58, G.S. 115C-518, and Article 12 of Chapter 160A of the General Statutes, or any other provision of law, the Hertford County Board of Education may rent housing units owned by the Board pursuant to this act for residential use. In renting such housing units, the Board shall give priority to Hertford County public schoolteachers and shall restrict the rental of such units exclusively to such teachers or other Hertford County Schools professional staff. The Board shall have the authority to establish reasonable rents for any such housing units and may in its discretion charge below-market rates.

**SECTION 3.** This act shall not exempt any affordable housing units constructed pursuant to this act from compliance with applicable building codes, zoning ordinances, or any other health and safety statutes, rules, or regulations.

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 10<sup>th</sup> day of July, 2006.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives



D-4a



# Bertie County

## Board of Commissioners

### ITEM ABSTRACT

**MEETING DATE:** June 4, 2018

**SECTION:** D-4a

**DEPARTMENT:** Governing Body

**SUBJECT:** Changes to Pre-audit Certification Requirements for Electronic Obligations and Payments; Administrative Code - 20NCAC 03 .0409 and 20 NCAC 03 .0410

**BACKGROUND:** The NC Local Government Commission issued Memorandum #2018-5 on March 12, 2018 directing local governments to take appropriate action to comply with the NC General Assembly's 2015 legislation which modified GS 159-28 (d2) (local governments) and 115C-441(d2) (local school administrative units) to allow the Local Government Commission (LGC) to adopt rules to address the execution of the pre-audit and disbursement process related to electronic transactions for local government and local school administrative units. The new pre-audit and disbursement rules were effective as of November 1, 2017 and exist as part of the North Carolina Administrative Code (20 NCAC 03.0409 and 20 NCAC 03.0410). Units of government can now be exempt from the pre-audit certificate and disbursement certificate requirements on electronic transactions if they follow the requirements as detailed in the new administrative code rules. The purpose of this memorandum is to briefly outline the requirements that will allow local governments to take advantage of these changes for electronic transactions utilizing the following: (1) charge cards; (2) credit cards; (3) debit cards; (4) gas cards; (5) procurement cards; or (6) electronic funds transfers.

**COUNTY MANAGER RECOMMENDATION OR COMMENTS:** Recommend approval.

**SUMMARY OF AGENDA ITEM AND/OR NEEDED ACTION(S):** MOTION to approve the following:

- 1) MOTION to approve the following resolution
- 2) Appropriate staff review of NC LGC Memorandum #2018-5

**ATTACHMENTS:** Yes

**LEGAL REVIEW PENDING: N/A**

**ITEM HISTORY: ---**



**BERTIE COUNTY**  
106 DUNDEE STREET  
POST OFFICE BOX 530  
WINDSOR, NORTH CAROLINA 27983  
(252) 794-5300  
FAX: (252) 794-5327  
WWW.CO.BERTIE.NC.US

**BOARD OF  
COMMISSIONERS**  
ERNESTINE (BYRD) BAZEMORE, Chair  
RONALD "RON" WESSON, Vice Chairman  
JOHN TRENT  
TAMMY A. LEE  
STEWART WHITE

**RESOLUTION AUTHORIZING BERTIE COUNTY TO ENGAGE IN  
ELECTRONIC PAYMENTS AS DEFINED BY  
G.S. 159-28 OR G.S. 1150-441**

**WHEREAS**, it is the desire of the Bertie County Board of Commissioners that Bertie County Local Government Offices are authorized to engage in electronic payments as defined by G.S. 159-28 or G.S. 115c-441

**WHEREAS**, it is the responsibility of the Finance Officer, who is appointed by and serves at the pleasure of the Bertie County Board of Commissioners to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409;

**WHEREAS**, it is the responsibility of the Finance Officer, who is appointed by and serves at the pleasure of the Bertie County Board of Commissioners, to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410;

**NOW, THEREFORE, BE IT RESOLVED**, by the Bertie County Board of Commissioners of Bertie County, NC:

*Section 1. Authorizes Bertie County to engage in electronic payments as defined by G.S. 159-28 or G.S. 1150-441;*

*Section 2. Authorizes the Finance Officer to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409;*

*Section 3. Authorizes the Finance Officer to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410; and*

*Section 4. This resolution shall take effect immediately upon its passage.*

---

Ernestine Bazemore, Chair  
Bertie County Board of Commissioners

I, Sarah Tinkham, Clerk to the Bertie County Board of Commissioners do hereby certify that the foregoing resolution is a true and exact copy of the “Resolution authorizing Bertie County to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441” duly adopted by the Bertie County Board of Commissioners at their regular meeting thereof duly called and held with a quorum present on this the 4<sup>th</sup> day of June, 2018.

Witness my hand in Bertie County, NC on this 4<sup>th</sup> day of June, 2018.

ATTEST:

---

Sarah Tinkham, Clerk to the Board  
Bertie County Board of Commissioners



STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

GREGORY C. GASKINS  
DEPUTY TREASURER

**Memorandum # 2018-05**

To: Finance Officers of Local Governments and LEAs

From: Sharon Edmundson, Director, Fiscal Management Section

Subject: Changes to Pre-audit Certification Requirements for Electronic Obligations and Payments; Administrative Code - 20NCAC 03 .0409 and 20 NCAC 03 .0410

Date: March 12, 2018

The 2015 legislature modified GS 159-28 (d2) (local governments) and 115C-441(d2) (local school administrative units) to allow the Local Government Commission (LGC) to adopt rules to address the execution of the pre-audit and disbursement process related to electronic transactions for local government and local school administrative units. The new pre-audit and disbursement rules were effective as of November 1, 2017, and exist as part of the North Carolina Administrative Code ([20 NCAC 03.0409](#) and [20 NCAC 03.0410](#)).

Units of government can now be exempt from the pre-audit certificate and disbursement certificate requirements on electronic transactions ***if they follow the requirements as detailed in the new administrative code rules.*** The purpose of this memorandum is to briefly outline the requirements that will allow local governments to take advantage of these changes for electronic transactions utilizing the following:

- (1) charge cards;
- (2) credit cards;
- (3) debit cards;
- (4) gas cards;
- (5) procurement cards; or
- (6) electronic funds transfers

It is important to note that ***none of these rule changes exempt a unit of government from going through the pre-audit process;*** the rules only exempt a unit from affixing the certificate of pre-audit on electronic transactions IF the unit abides by the rules set forth in the administrative code.

### **Requirements to Take Advantage of Pre-Audit Certificate Exemption on Electronic Obligations**

There are multiple steps a unit of government must take in order to take advantage of the rule change for electronic **obligations**. These steps are:

1. The unit's governing board shall adopt a resolution authorizing the unit to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441 (see Addendum A for a sample resolution).
2. The unit's board must adopt policies and procedures for electronic obligations or delegate the authority and responsibility for writing those policies and procedures to the finance officer.
3. The written policy must outline the basic procedures for pre-auditing obligations incurred by electronic transactions. The written policy and any procedures developed by the finance officer must provide sufficient internal controls over the obligation process, which must include the following:
  - a. Ensure that there is an appropriate budget ordinance or project/grant ordinance appropriation authorizing the obligation;
  - b. ensure that sufficient monies remain within the appropriation to cover the amount that is expected to be paid out during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project or grant ordinance.
  - c. Record the amount of the transaction in the unit's encumbrance system.
4. The unit must provide training to all personnel about the written policy and the procedures that must be followed before undertaking an electronic transaction.
5. If a governmental unit is not already doing so, the unit of government must present to its governing board at least quarterly a budget to actual statement by fund that includes budgeted accounts, actual payments made, amounts encumbered (including electronic obligations) and the amount of the budget that is unobligated.
6. The unit's written policy and procedures must include a method to track obligations, commonly called an encumbrance system. The system can be manual or maintained as part of the unit's accounting system or any combination thereof.

### **Requirements to Take Advantage of Disbursement Certificate Exemption on Electronic Payments**

Likewise there are multiple steps a unit of government must take in order to take advantage of the rule change for electronic **payments**. These steps are:

1. The unit's governing board shall adopt a resolution authorizing the unit to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441 (see Addendum A for a sample resolution).



2. The unit's board must adopt policies and procedures for electronic payments or delegate the authority and responsibility for writing those policies and procedures to the finance officer.
3. The unit must adopt a written policy outlining basic procedures for disbursing public funds electronically. The written policy must provide sufficient internal controls to ensure the following:
  - a. ensure that the amount claimed is payable;
  - b. ensure that there is an appropriate budget ordinance or project/grant ordinance appropriation authorizing the expenditure;
  - c. ensure that sufficient monies remain within the appropriation to cover the amount that is due to be paid out during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project/grant ordinance; and
  - d. ensure that the unit has sufficient cash to cover the payment.

Some of the questions we have received about this new process, along with our responses, are noted below.

**Q** *Does the board's delegation of authority to the finance officer to develop the policies and procedures need to be in writing?*

**A.** Yes.

**Q.** *My unit already publishes monthly budget-to-actual financial reports on its website – will these suffice for the requirement to provide these reports to the board?*

**A.** We believe so if they meet all the other requirements listed.

While these changes do not address all the business challenges that local governments face in operating in an increasingly electronic environment, they should provide a way for entities to more easily operate within the requirements of the General Statutes in this particular area.

If you have any questions or concerns about this publication, please contact us at (919) 814-4299 or via email at [Sharon.edmundson@nctreasurer.com](mailto:Sharon.edmundson@nctreasurer.com)



D-4b



# Bertie County

## Board of Commissioners

### ITEM ABSTRACT

**MEETING DATE:** June 4, 2018

**SECTION:** D-4b

**DEPARTMENT:** Governing Body

**SUBJECT:** Uniform Procurement Guidelines per Title 2 U.S. Code of Federal Regulations, Part 200

**BACKGROUND:** The NC Local Government Commission issued Memorandum #2018-6 on March 20, 2018 reminding all NC local governments of the new federal Uniform Guidance procurement requirements (2 C.F.R. Part 200, Subpart D) which go into effect on July 1, 2018. These requirements apply to most categories of federal grant and loan funds, including FEMA recovery funds.

**COUNTY MANAGER RECOMMENDATION OR COMMENTS:** Recommend approval.

**SUMMARY OF AGENDA ITEM AND/OR NEEDED ACTION(S):** MOTION to approve the following:

- 1) **Uniform Guidance procurement policy compliance statement:**  
“Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable Federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200),” including the following:

Equal Employment Opportunity (41 C.F.R. Part 60); Davis-Bacon Act (40 U.S.C. 3141-3148); Copeland “Anti-Kickback” Act (40 U.S.C. 3145); Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708); Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387); Debarment and Suspension (Executive Orders 12549 and 12689); Byrd Anti-Lobbying Amendment (31 U.S.C. 1352); Procurement of Recovered Materials (2 C.F.R. § 200.322); and Record Retention Requirements (2 CFR § 200.324)

- 2) Bertie County Uniform Guidance Procurement Policy as recommended by NC Local Government Commission Memorandum #2018-6.
- 3) Bertie County Uniform Guidance Conflicts and Gifts Policy as recommended by NC Local Government Commission Memorandum #2018-6.
- 4) By reference, Appendix II of (**2 C.F.R. Part 200**), including the use of the “short form” as recommended by the UNC School of Government --

**FEDERAL FUNDS: If the source of funds for this contract is federal funds, the following federal provisions apply pursuant to 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II (as applicable)**

- 5) Appropriate staff review of “Comparison of Federal and State Procurements for North Carolina Local Governments”
- 6) Appropriate staff review of NC LGC Memorandum #2018-6

**Links for online access:**

<https://www.nctreasurer.com/slgl/Single%20Audit%20Documents/FederalandStateProcurementComparisonChart.pdf>

<https://www.sog.unc.edu/resources/microsites/local-government-purchasing-and-contracting/federal-procurement-requirements>

[https://www.sog.unc.edu/sites/www.sog.unc.edu/files/general\\_media/Most%20Restrictive%20Rule%20summary.pdf](https://www.sog.unc.edu/sites/www.sog.unc.edu/files/general_media/Most%20Restrictive%20Rule%20summary.pdf)

**ATTACHMENTS:** Yes

**LEGAL REVIEW PENDING:** N/A

**ITEM HISTORY:** ---

## **Bertie County Uniform Guidance Procurement Policy For North Carolina Local Governments**

*Comment: When spending federal grant and loan award funds, local governments are required to adopt written procurement policies that confirm to applicable federal law and the Uniform Guidance. (2 C.F.R. § 200.318(a)) This sample policy contains language found in the relevant sections of the Uniform Guidance, 2 C.F.R. Part 200, relating to procurement requirements. Local governments should review their own local policies and consult with their attorneys to make modifications as needed to conform to local purchasing practices (such as approval processes and use of purchasing cards and purchase orders) when adopting this policy. For individual contracts, local governments also should consult their grant award documents and with their federal grantor agency to determine whether additional procurement requirements apply.*

### **I. Purpose**

The purpose of this Policy is to establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract.

### **II. Policy**

- A. **Application of Policy.** This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any subrecipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

- B. **Compliance with Federal Law.** All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200-326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. Bertie County will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should Bertie County have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.
- C. **Contract Award.** All contracts shall be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract.
- D. **No Evasion.** No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.

- E. **Contract Requirements.** All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.
- F. **Contractors' Conflict of Interest.** Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.
- G. **Approval and Modification.** The administrative procedures contained in this Policy are administrative and may be changed as necessary at the staff level to comply with state and federal law.

### III. General Procurement Standards and Procedures:

Either the Purchasing Department or the Requesting Department shall procure all contracts in accordance with the requirements of this Section of the Policy.

- A. **Necessity.** Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items. The Purchasing Department and/or the Requesting Department should check with the federal surplus property agency prior to buying new items when feasible and less expensive. Strategic sourcing should be considered with other departments and/or agencies who have similar needs to consolidate procurements and services to obtain better pricing.
- B. **Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.
- C. **Notice of Federal Funding.** All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.
- D. **Compliance by Contractors.** All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.
- E. **Fixed Price.** Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this

Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a “Not to Exceed” amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.

- F. Use of Brand Names.** When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and “or equal” must be included in the description.
- G. Lease versus Purchase.** Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.
- H. Dividing Contract for M/WBE Participation.** If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.
- I. Documentation.** Documentation must be maintained by the Purchasing Department and/or the Requesting Department detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor’s responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.
- J. Cost Estimate.** For all procurements costing \$150,000 or more, the Purchasing Department and/or Requesting Department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.
- K. Contract Requirements.** The Requesting Department must prepare a written contract incorporating the provisions referenced in Section II.C of this Policy.
- L. Debarment.** No contract shall be awarded to a contractor included on the federally debarred bidder’s list.

- M. Contractor Oversight.** The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.
- N. Open Competition.** Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for “or equal” products, or other unnecessary requirements that have the effect of restricting competition.
- O. Geographic Preference.** No contract shall be awarded on the basis of a geographic preference.

#### **IV. Specific Procurement Procedures**

Either the Purchasing Department or the Requesting Department shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

- A. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing less than \$3,500** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:
1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
  2. To the extent practicable, purchases must be distributed among qualified suppliers.
- B. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing \$3,500 up to \$90,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:
1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
  2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
  3. Cost or price analysis is not required prior to soliciting bids.
  4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).
  5. Award the contract to the lowest responsive, responsible bidder.
- C. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing \$90,000 and above** shall be procured using a combination of the most restrictive



requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be made available to all bidders.
3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for “sound documented reasons.”

**D. Service Contracts** (except for A/E professional services) **costing \$150,000 and above** may be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an “adequate number” of qualified firms.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
7. Award the contract on a fixed-price or cost-reimbursement basis.

**E. Construction and repair contracts costing less than \$3,500** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, contracts must be distributed among qualified suppliers.

**F. Construction and repair contracts costing \$3,500 up to \$150,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
4. Award the contract on a fixed-price or not-to-exceed basis.
5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.

**G. Construction and repair contracts costing \$150,000 up to \$500,000** shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Publically advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for “sound documented reasons.”

**H. Construction and repair contracts costing \$500,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid”

procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
  2. Complete specifications must be made available to all bidders.
  3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
  4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
  5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.
  6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
  7. Award the contract on a firm fixed-price basis.
  8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject and all bids only for “sound documented reasons.”
- I. **Construction or repair contracts involving a building costing \$300,000 and above** must comply with the following additional requirements under state law:
1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.
  2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
  3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).
- J. **Contracts for Architectural and Engineering Services costing under \$150,000** shall be procured using the state “Mini-Brooks Act” requirements (G.S. 143-64.31) as follows:
1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
  2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321.
  3. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Purchasing Department and/or Requesting Department.

4. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation. Preference may be given to in-state (but not local) firms.
5. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
6. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

**K. Contracts for Architectural and Engineering Services costing \$150,000 or more** shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:

1. Publically advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
8. Price cannot be a factor in the initial selection of the most qualified firm.
9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

## **V. Exceptions**

Non-competitive contracts are allowed **only** under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

- A. Sole Source.** A contract may be awarded without competitive bidding when the item is available from only one source. The Purchasing Department and/or Requesting Department shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.
- B. Public Exigency.** A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.
- C. Inadequate Competition.** A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.
- D. Federal Contract.** A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.
- E. Awarding Agency Approval.** A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.

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## **Bertie County Uniform Guidance Conflict of Interest and Gift Policy For North Carolina Local Governments**

*Comment: When spending federal award funds, local governments are required to adopt written policies governing conflicts of interest and gifts. 2 C.F.R. § 200.318(c)(1). This sample policy contains language found in the relevant sections of the Uniform Guidance, 2 C.F.R. Part 200, relating to conflicts of interest and gifts. Local governments should review their own local policies and consult with their attorneys when adopting this policy.*

### **I. Purpose**

The purpose of this policy is to establish conflicts of interest guidelines that meet or exceed the requirements under state law and local policy when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects paid for in part or whole by federal funds and required under 2 C.F.R. § 200.318(c)(1).

### **II. Policy**

This policy applies when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects funded in part or whole with federal financial assistance (direct or reimbursed). This policy also applies to any subrecipient of the funds.

The employee responsible for managing the federal financial assistance award shall review the notice of award to identify any additional conflicts of interest prohibitions or requirements associated with the award, and shall notify all employees, officers, and agents, including subrecipients, of the requirements of this policy and any additional prohibitions or requirements.

**A. Conflicts of Interest.** In addition to the prohibition against self-benefiting from a public contract under G.S. 14-234, no officer, employee, or agent of the Bertie County Government may participate directly or indirectly in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. A real or apparent conflict exists when any of the following parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for award of a contract:

1. the employee, officer, or agent involved in the selection, award, or administration of a contract;
2. any member of his or her immediate family;
3. his or her partner; or
4. an organization which employs or is about to employ any of these parties.

Any officer, employee, or agent with an actual, apparent, or potential conflict of interest as defined in this policy shall report the conflict to his or her immediate



supervisor. Any such conflict shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable Federal awarding agency policy.

- B. Gifts.** In addition to the prohibition against accepting gifts and favors from vendors and contractors under G.S. 133-32, officers, employees, and agents of the Bertie County are prohibited from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties to subcontracts. Items of nominal value valued at less than \$10.00 which fall into one of the following categories may be accepted:
1. promotional items;
  2. honorariums for participation in meetings; or
  3. meals furnished at banquets.

Any officer, employee or agent who knowingly accepts an item of nominal value allowed under this policy shall report the item to his or her immediate supervisor.

### **III. Violation**

Employees violating this policy will be subject to discipline up to and including termination. Contractors violating this policy will result in termination of the contract and may not be eligible for future contract awards.

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## Uniform Guidance Required Contract Provisions

*Comment: This document provides contract provisions required under the Uniform Guidance, 2 C.F.R. Part 200, Appendix II. The text of Appendix II is reprinted below. Local governments should review their notice of award and confirm with their federal awarding agency regarding these provisions and any additional contract provisions required by the awarding agency. Local governments should consult with their attorneys in developing contract provisions.*

**Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards** [https://www.ecfr.gov/cgi-bin/text-idx?SID=04e61f4e0a8317140a9ec150bb2ac195&mc=true&node=pt2.1.200&rgn=div5#ap2.1.200\\_1521.ii](https://www.ecfr.gov/cgi-bin/text-idx?SID=04e61f4e0a8317140a9ec150bb2ac195&mc=true&node=pt2.1.200&rgn=div5#ap2.1.200_1521.ii)

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The

decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989

Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See §200.322 Procurement of recovered materials.

**§200.322 Procurement of recovered materials.**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014]

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## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE
<p><b>Scope</b></p> <p>All federal grants and sub-grants are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Rules), codified at 2 C.F.R. part 200. This includes the standards for procurement under grants, which applies to contracts for services, procurement of goods (such as supplies and equipment), and construction or repair. Additional materials referenced in this document include:</p> <ul style="list-style-type: none"> <li>• <i>2 C.F.R. § 200.326 and Appendix II to 2 C.F.R. pt. 200; 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II, Required Contract Clauses (2017)</i></li> </ul> <p>Local governments must follow local policies and applicable state law except to the extent that federal requirements are more restrictive than local policies and state law. If there is an overlap with local, state, and federal rules, and none of the rules are more restrictive than another, the federal rules will apply.</p> <p><i>2 C.F.R. § 200.318(a)</i></p> <p>This document does not describe all the nuances and interpretations applicable to federal procurement rules. Please consult the federal granting agency for more information and guidance</p>	<p>State law procurement requirements apply when state or local funds are used, and still apply even when federal funds are used except to the extent that state law is inconsistent with federal law.</p> <p>More detail about the state procurement methods outlined below is provided under the “Procurement Methods” heading (beginning on page 4).</p>
<p><b>Follow the “Most Restrictive Rule” for contracts involving federal grant funds:</b></p> <p><b><i>When comparing state and federal procurement requirements, apply the requirement that is most restrictive.</i></b></p>	

**Citation Notes:**

1. Federal Procurement Requirements: Citations are from 2 C.F.R. part 200, subpart D, sections 200.318-.326. This document focuses primarily on **procurement** requirements under the federal uniform rules; recipients and subrecipients should consult with the federal granting agency for more information and agency-specific guidelines.
2. North Carolina State Law: Most state procurement requirements applicable to local governments are found in Article 8 of G.S. Chapter 143. Specific statutory citations are listed within the document.



## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE
<b>Pre-Solicitation Requirements</b>	
Maintain a contract administrative system for oversight of contract compliance. <a href="#">2 C.F.R. § 200.318(b)</a>	Not required under state law.
Avoid unnecessary/duplicative purchases <a href="#">2 C.F.R. § 200.318(d)</a>	Not required under state law.
Consider consolidating or breaking out procurements to achieve a more economical purchase. <a href="#">2 C.F.R. § 200.318(d)</a>	Not required under state law; cannot divide a contract for the purpose of avoiding competitive bidding requirements.
Analyze benefits of purchase versus lease where appropriate. <a href="#">2 C.F.R. § 200.318(d)</a>	Not required under state law.
Procurement of Recovered Materials <ul style="list-style-type: none"> <li>• Applies to: <ul style="list-style-type: none"> <li>○ Items where the purchase price exceeds \$10,000 or the value of the quantity procured during the prior fiscal year exceeded \$10,000</li> <li>○ Items designated by the Environmental Protection Agency (EPA) at 40 C.F.R. part 247</li> </ul> </li> <li>• Requirement: <ul style="list-style-type: none"> <li>○ Procure such items that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition</li> </ul> </li> </ul>	Not required under state law.
<a href="#">2 C.F.R. § 200.322</a>	
Solid Waste Management Services <ul style="list-style-type: none"> <li>• Requirement: Procure solid waste management services in a manner that maximizes energy and resource recovery</li> </ul>	Not required under state law.
<a href="#">2 C.F.R. § 200.322</a>	

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

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<p>Affirmative Procurement Program</p> <ul style="list-style-type: none"> <li>Requirement: Establish an affirmative procurement program for procurement of recovered materials as designated by the EPA</li> </ul> <p><b>2 C.F.R. § 200.322</b></p> <p>Encouraged to use inter-local and cooperative agreements where appropriate. Joint procurements are allowed</p> <p><b>2 C.F.R. § 200.318(e)</b></p> <p>Using other entities' contracting resources: Federal rules do not allow exceptions for the requirements of full and open competition applicable to local governments, even for state purchasing programs and piggybacking.</p> <ul style="list-style-type: none"> <li>Use of state purchasing program is only allowed if state contracts were procured in compliance with the rules applicable to local governments under 2 C.F.R. §§ 200.318-.326 (see <i>PDAT Supplement</i> at VI-10 to VI-11)</li> <li>Assignment of contract rights (also known as "piggybacking") is discouraged and subject to several restrictions (see <i>PDAT Supplement</i> at VI-12 to VI-13)</li> </ul> <p>Encouraged to use federal surplus property where feasible instead of purchasing new property.</p> <p><a href="http://www.surpluspropertydivision.com/">http://www.surpluspropertydivision.com/</a></p> <p><b>2 C.F.R. § 200.318(f)</b></p> <p>Encouraged to use value engineering for construction contracts where applicable.</p> <p><b>2 C.F.R. § 200.318(g)</b></p> <p>Local government is responsible for resolution of all disputes related to the procurement and contract in accordance with good administrative practice and sound business judgment.</p> <p><b>2 C.F.R. § 200.318(k)</b></p>	<p>Not required under state law.</p> <p>Not required under state law; interlocal agreements authorized under Article 20 of G.S. Chapter 160A.</p> <p>Using other entities' contracting resources: exceptions to competitive purchasing requirements include:</p> <ul style="list-style-type: none"> <li>Group purchasing programs <b>G.S. 143-129(e)(3)</b></li> <li>State and federal contracts <b>G.S. 143-129(e)(9), (9a)</b></li> <li>Piggy-backing exception <b>G.S. 143-129(g)</b></li> </ul> <p>Not required under state law; related exceptions to competitive purchasing requirements include:</p> <ul style="list-style-type: none"> <li>Purchases from other units of government <b>G.S. 143-129(e)(1)</b></li> <li>Used items <b>G.S. 143-129(e)(10)</b></li> </ul> <p>Not required under state law.</p> <p>Bid protect procedure not required under state law; dispute resolution procedure required for all construction/repair contracts regardless of cost.</p> <p><b>G.S. 143-128(f1)</b></p>

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

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<p><b>Cost and Price Requirements</b></p>	
<p>Must perform a cost or price analysis for every procurement action above the simplified acquisition (\$150,000 as of 3/21/2017) or local/state equivalent threshold if more restrictive; requirement also applies to contract modifications. The method and degree of the cost or price analysis is dependent on the facts of the procurement.  <a href="#">2 C.F.R. § 200.323(a)</a></p>	<p>Not required under state law.</p>
<p>Must conduct an independent estimates of costs for every procurement action prior to receiving bids or proposals.  <a href="#">2 C.F.R. § 200.323(a)</a></p>	
<p>Must negotiate profit as a separate element of price for each contract when price competition is lacking and in all cases where a cost analysis is performed.  <a href="#">2 C.F.R. § 200.323(b)</a></p>	
<p>Cost or prices based on estimated costs for contracts are only allowable if they are allowable under the cost principles part of the Uniform Rules, located at 2 C.F.R. §§ 200.400-475.  <a href="#">2 C.F.R. § 200.323(c)</a></p>	
<p><b>Procurement Procedures – General</b></p>	
<p>Must ensure full and open competition and avoid measures that restrict competition, including:</p> <ul style="list-style-type: none"> <li>• Unreasonable requirements</li> <li>• Unnecessary experience and bonding requirements</li> <li>• Noncompetitive pricing between companies</li> <li>• Noncompetitive awards to consultants on retainer</li> <li>• Organizational conflicts of interest</li> <li>• Specifying only brand name without permitting equal products</li> <li>• Arbitrary actions</li> </ul> <p><a href="#">2 C.F.R. § 200.319(a)</a></p>	<p>Must comply with all applicable procurement requirements:</p> <ul style="list-style-type: none"> <li>• Purchase and construction/repair contracts in informal bidding range are subject to informal bidding requirements. <a href="#">G.S. 143-131</a></li> <li>• Purchase and construction/repair contracts in the formal bidding range are subject to formal bidding requirements. <a href="#">G.S. 143-129</a></li> <li>• Construction/repair contracts involving buildings costing \$300,000 or more subject to additional bidding requirements. <a href="#">G.S. 143-128</a></li> <li>• Engineer, architect, survey, and alternative construction delivery methods are subject to the qualifications-based selection process under the Mini-Brooks Act. <a href="#">G.S. 143-64.31</a></li> <li>• Others as applicable under state law.</li> </ul>

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE
	Limitations on brand name specifications for construction/repair contracts. <i>G.S. 133-3</i>
<p>Must have written selection procedures that:</p> <ul style="list-style-type: none"> <li>incorporate a clear and accurate description of good/service; and</li> <li>identify all bidder/proposer requirements and all evaluation criteria</li> </ul> <p><i>2 C.F.R. § 200.319(c)</i></p> <p>If prequalified bidder lists are used, enough qualified firms must be included to ensure maximum competition; cannot preclude potential bidders from qualifying during the solicitation period. <i>2 C.F.R. § 200.319(d)</i></p>	<p>No similar requirement in state law; purchase and construction/repair contracts in the formal bidding range subject to certain public notice requirements under <i>G.S. 143-129(b)</i>; optional RFP procedure for procuring information technology goods and services must include evaluation criteria in the RFP. <i>G.S. 143-129.8</i></p>
<p><b>Procurement Methods</b></p> <p><b>“Micro-Purchase”</b></p> <ul style="list-style-type: none"> <li>Applies to: <ul style="list-style-type: none"> <li>All purchase of goods and services, including construction</li> <li>Up to the micro-purchase threshold (\$3,500 as of 3/21/2017) or the equivalent local/state threshold if more restrictive</li> </ul> </li> <li>Process: Can award contract without competition if price is considered fair and reasonable</li> <li>Must distribute micro-purchases equitably among qualified suppliers to the extent practicable</li> <li>Cannot divide contract to lower cost below micro-purchase threshold to avoid competitive bidding requirements</li> </ul> <p><i>2 C.F.R. §§ 200.67, 200.320(a)</i></p>	<p>Prequalification not statutorily authorized for purchase contracts or contracts subject to Mini-Brooks Act; bidders may be prequalified for construction projects. <i>G.S. 143-135.8</i></p>
<p><b>“Small Purchase” Procedure</b></p> <ul style="list-style-type: none"> <li>Applies to: <ul style="list-style-type: none"> <li>All purchases of goods and services, including construction</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No comparable provision in state law.</li> <li>Purchase and service contracts costing less than \$30,000 are not subject to state competitive bidding requirements.</li> </ul>
	<p><b>Informal Bidding Procedure</b></p> <ul style="list-style-type: none"> <li>Applies to: <ul style="list-style-type: none"> <li>Purchase of goods between \$30,000 and \$90,000</li> </ul> </li> </ul>

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE
<ul style="list-style-type: none"> <li>○ Up to the simplified acquisition threshold (\$150,000 as of 3/21/2017) or the equivalent local/state threshold if more restrictive; <u>and</u></li> <li>○ Fixed price or not-to-exceed contract type</li> <li>● Process: Obtain price or rate quotes from an adequate number of qualified sources. NOTE: "Adequate number" not defined in Uniform Rules; check with granting agency for additional guidance</li> <li>● Standard of Award: Lowest cost responsible bidder</li> <li>● Cannot divide contract to bring contract cost under the threshold; changes to contract must fall within scope of original contract.</li> </ul> <p><i>2 C.F.R. §§ 200.88, 200.320(b); PDAT Supplement at II-6, V-8.</i></p> <p><u>"Sealed Bid" Procedure</u></p> <ul style="list-style-type: none"> <li>● Applies to: <ul style="list-style-type: none"> <li>○ Purchase <u>and</u> <u>service</u> contracts costing more than the simplified acquisition threshold (\$150,000 as of 3/21/2017) or the equivalent local/state threshold if more restrictive</li> <li>○ Preferred method for construction contracts above the simplified acquisition threshold.</li> </ul> </li> <li>● Conditions for sealed bidding to be feasible <ul style="list-style-type: none"> <li>○ A complete, adequate, and realistic specification or purchase description is available;</li> <li>○ At least 2 responsible bidders are willing and able to effectively compete;</li> <li>○ Procurement lends itself to a firm fixed price contract and selection can be made principally on the basis of price</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Construction/repair contracts costing between \$30,000 and \$500,000</li> <li>● Process: Secure informal bids and keep record of bid; no minimum number of bids required to award contract</li> <li>● Standard of Award: Lowest responsive, responsible bidder</li> <li>● Cannot divide contract for purposes of avoiding competitive bidding requirements.</li> </ul> <p><i>G.S. 143-131</i></p> <p><u>Formal Bidding Procedure</u></p> <ul style="list-style-type: none"> <li>● Applies to: <ul style="list-style-type: none"> <li>○ Purchase contract costing \$90,000 or more</li> <li>○ Construction/repair contract costing \$500,000 or more</li> </ul> </li> <li>● Process: <ul style="list-style-type: none"> <li>○ Public advertisement for at least 7 full days prior to bid opening</li> <li>○ Availability of specifications/plans included in public advertisement</li> <li>○ No minimum number of bids required except for construction/repair contracts in the formal bidding range which require a minimum of 3 bids for opening</li> <li>○ Public bid opening at date and time advertised</li> <li>○ Unit of government reserves the right to reject all bids</li> </ul> </li> <li>● Standard of Award: Lowest responsive, responsible bidder</li> </ul> <p><i>G.S. 143-129</i></p>

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<ul style="list-style-type: none"> <li>● Process:                             <ul style="list-style-type: none"> <li>○ Public advertisement providing sufficient time for bidders to respond before bid opening</li> <li>○ Complete specifications/plans made available to bidders</li> <li>○ At least 2 responsible bidders required for bid opening</li> <li>○ Solicit bids from “adequate number of known suppliers”</li> <li>○ Public bid opening at date and time advertised</li> <li>○ Contract awarded on a firm-fixed-price basis in writing</li> <li>○ Determination of the lowest price must include consideration of factors such as discounts, transportation costs, and lifecycle costs</li> <li>○ Can reject any and all bids for “sound documented reasons”</li> </ul> </li> <li>● Standard of Award: Lowest responsive, responsible bidder <i>2 C.F.R. § 200.320(c)</i></li> </ul> <p><u>“Competitive Proposal” Procedure</u></p> <ul style="list-style-type: none"> <li>● Applies to:                             <ul style="list-style-type: none"> <li>○ Any contract costing more than the simplified acquisition threshold (\$150,000 as of 3/21/2017) or the equivalent local/state threshold if more restrictive when conditions are not appropriate for the use of sealed bids</li> </ul> </li> <li>● Procedure:                             <ul style="list-style-type: none"> <li>○ Request for Proposals (RFP) must be publically advertised</li> <li>○ Evaluation criteria and relative importance identified in RFP</li> <li>○ Any responses to the publicized RFP must be considered to the maximum extent practical</li> <li>○ Proposals solicited from an “adequate number of qualified sources”</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● No similar procedure in state statute that generally applies to procurement; purchase and construction/repair contracts subject to informal and formal competitive bidding requirements.</li> <li>● Qualifications-based selection process required for procuring architectural, engineering, surveying, and construction management-at-risk contracts. <i>G.S. 143-64.31</i></li> <li>● Optional RFP process authorized for procuring combination of information technology goods and services. <i>G.S. 143-129.8</i></li> <li>● RFP process may be used to procure service contracts (service contracts entered into by local governments are not subject to state competitive bidding requirements).</li> </ul>

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FEDERAL	STATE
<ul style="list-style-type: none"> <li>○ Must have written method for conducting technical evaluations of proposals and selecting a contractor</li> <li>● Standard of Award: Responsible firm with most advantageous proposal, taking into account price and other factors identified in the RFP</li> </ul> <p style="text-align: center;"><u>2 C.F.R. § 200.320(d)</u></p> <p><u>Competitive Proposals Procedure for Soliciting Architectural and Engineering (A/E) Services</u></p> <p>Applies to:</p> <ul style="list-style-type: none"> <li>● Architectural and Engineering professional services</li> <li>● Required above the simplified acquisition threshold (\$150,000 as of 3/21/2017) or the equivalent local/state threshold if more restrictive (<i>PDAT Supplement</i> at II-6) but can be used for contracts below that amount</li> </ul> <p>Procedures:</p> <ul style="list-style-type: none"> <li>● Request for Qualifications (RFQ) is issued to solicit competitive proposals from qualified firms</li> <li>● RFQs must be publically advertised</li> <li>● Any responses to the publicized RFQ must be considered to the maximum extent practical</li> <li>● Proposals solicited from an “adequate number of qualified sources”</li> <li>● Must have written method for conducting technical evaluations of proposals and selecting a contractor</li> <li>● Qualifications of respondents’ are evaluated to select the most qualified firm</li> <li>● Evaluation criteria and relative importance must be identified in the RFQ; however, price is not a factor in the initial selection of the most qualified firm</li> <li>● Once the most qualified firm is selected, fair and reasonable compensation can then be negotiated</li> </ul>	<p><u>Qualifications-Based Selection (QBS) Procedure for Soliciting Architectural, Engineering, Surveying, and Construction Management At-Risk Services</u></p> <p>Applies to:</p> <ul style="list-style-type: none"> <li>● Architectural, Engineering, Surveying, and Construction Management At-Risk professional services</li> <li>● Regardless of cost</li> </ul> <p>Procedures:</p> <ul style="list-style-type: none"> <li>● Request for Qualifications (RFQ) is announced to solicit competitive proposals from qualified firms</li> <li>● Qualifications of respondents’ are evaluated to select the most qualified firm</li> <li>● Price cannot be considered a factor in the initial selection of the most qualified firm</li> <li>● Once the most qualified firm is selected, fair and reasonable compensation can then be negotiated</li> <li>● State licensure requirements apply</li> </ul> <p>Exception:</p> <ul style="list-style-type: none"> <li>● Units of local government may exempt themselves in writing from the QBS requirements if the estimated cost of the contract is less than \$50,000. <i>NOTE: State exemption not recognized under federal law.</i></li> </ul> <p style="text-align: center;"><u>G.S. 143-64.31, -64.32</u></p>



## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

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<ul style="list-style-type: none"> <li>• State licensure requirements apply</li> <li>• May use local geographic preferences for the procurement of these specific services, provided that this leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract</li> </ul> <p>Limitations:</p> <ul style="list-style-type: none"> <li>• Competitive proposal method for selecting A/E services can only be used for architectural and engineering professional services</li> <li>• Cannot be used for other services even if those services can be performed by architectural and engineering firms (such as general consulting services)</li> <li>• Meaning of architectural/engineering services is explained per <i>PDAT Supplement</i> at V-15</li> </ul> <p><a href="#">2 C.F.R. §§ 200.319(b); 200.320(d)(5)</a></p> <p><u>“Non-Competitive Proposal” Procedure</u></p> <p>Applies to:</p> <ul style="list-style-type: none"> <li>• Solicitation from just one source and fit within one of the following four exceptions</li> <li>•</li> </ul> <p>Applies when:</p> <ul style="list-style-type: none"> <li>• Item available from only one source;</li> <li>• Public exigency or emergency will not permit a delay that would result from competitive process;</li> <li>• Award agency expressly authorizes noncompetitive procurement in response to a written request; or</li> <li>• Competition deemed inadequate after soliciting from a number of sources using one of the other procurement methods identified in 2 C.F.R. § 200.320(a)-(d) (that is, micro-purchase procedures; small purchase procedures; sealed bidding; or competitive proposals).</li> </ul>	<p>Related exceptions to competitive bidding requirements:</p> <ul style="list-style-type: none"> <li>• “Sole-source” exception for purchases when (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration. <a href="#">G.S. 143-129(e)(6)</a></li> <li>• Emergency purchases and construction/repair contracts in cases of special emergency involving the health and safety of the people or their property. <a href="#">G.S. 143-129(e)(2)</a></li> </ul>

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

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<p>Procedures:</p> <ul style="list-style-type: none"> <li>• Perform independent cost estimate</li> <li>• Perform cost or price analysis if procurement is above the simplified acquisition threshold (\$150,000 as of 3/21/2017) or the equivalent local/state threshold if more restrictive (<i>PDAT Supplement</i> at II-6)</li> <li>• Submit procurement documentation to awarding agency</li> <li>• Negotiate profit as a separate element of the contract price</li> </ul> <p><b>2 C.F.R. § 200.320(f)</b></p>	
<b>Contract Award Requirements</b>	
<p>Must award contracts to responsible contractors possessing the ability to perform successfully under the contract, including such factors as integrity, compliance with public policy, record of past performance, and financial and technical resources.</p> <p><b>2 C.F.R. § 200.318(h)</b></p>	<p>Award to lowest responsive, responsible bidder "taking into consideration quality, performance and the time specified in the proposals for the performance of the contract"; standard of award applied to contracts for purchases and construction/repair in the informal and formal bidding ranges.</p> <p><b>G.S. 143-129(b); G.S. 143-131</b></p>
<p>Maintain records of procurement, including rationale for method of procurement, selection of contract type, contractor selection or rejection, and basis for contract price.</p> <p><b>2 C.F.R. § 200.318(i)</b></p>	<p>No similar requirement in state statutes; record of bids is required for purchase and construction/repair contracts in the informal bidding range (<b>G.S. 143-131</b>), and similar documentation recommended for formal purchase and construction/repair contracts. All bid documents are public records under state Public Records laws and are subject to the records retention schedule developed by the NC Department of Cultural Resources <a href="http://www.records.ncdcr.gov/local/default.htm">http://www.records.ncdcr.gov/local/default.htm</a></p>
<p>Cannot award contracts or sub-contracts to debarred / suspended companies (<a href="https://www.sam.gov">https://www.sam.gov</a> (federal), <a href="http://www.pandc.nc.gov/actions.asp">http://www.pandc.nc.gov/actions.asp</a> (state)).</p> <p><b>2 C.F.R. § 200.318(h)</b></p>	<p>No similar requirement in state law; no authority for local governments to debar or suspend bidders.</p>
<p>Limit use of time and materials contracts to when no other contract is suitable and contract includes a ceiling price that the contractor exceeds at its own risk.</p> <p><b>2 C.F.R. § 200.318(j)</b></p>	<p>While not specifically prohibited under state law, "time-and-materials" contracts are not consistent with the lowest responsive, responsible bidder standard of award for contracts subject to state competitive bidding requirements.</p>

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

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<p>Cannot award "cost plus percentage of cost or percentage of construction cost contracts."  <b>2 C.F.R. § 200.323(d)</b></p> <p><b>Local Preferences</b></p> <p>Cannot use in-state or local geographic preferences (except for architectural/engineering services).  <b>2 C.F.R. § 200.319(b)</b></p>	<p>While not specifically prohibited under state law, "cost-plus" contracts are not consistent with the lowest responsive, responsible bidder standard of award for contracts subject to state competitive bidding requirements.</p>
<p><b>Minority Business Requirements</b></p> <p>Applies to:</p> <ul style="list-style-type: none"> <li>Generally applies to all contracts regardless of type and cost. There may be exceptions depending on facts and circumstances if the procurement fits within the sole source, exigent/emergency circumstances, or federal agency approval exception under 2 C.F.R. §§ 200.320(f)(1)-(3)</li> </ul> <p>Procedures:</p> <p>Take affirmative steps to encourage small and minority firms and women-owned business participation (but no preferences), including:</p> <ul style="list-style-type: none"> <li>Include on solicitation lists</li> <li>Solicit when such firms are potential bidders</li> <li>Divide total contract requirements where economically feasible to enable more minority participation</li> <li>Establish delivery schedules to encourage participation</li> <li>Use SBA and Minority Business Development Agency of US Dept. of Commerce</li> <li>Require prime contractors to take the same affirmative steps.</li> </ul>	<p>Local preferences not authorized by state statute for any contracts; purchase and construction/repair contracts in the informal and formal bidding ranges must be awarded to the lowest responsive, responsible bidder regardless of geographic location.</p>
<p>Applies to:</p> <ul style="list-style-type: none"> <li>Building construction and repair projects</li> </ul> <p>Procedures:</p> <ul style="list-style-type: none"> <li>Informal good faith solicitation and HUB reporting requirements by local governments for building construction/repair contracts costing between \$30,000 and \$300,000</li> <li>Formal good faith solicitation and reporting requirements by local governments and prime contractors for building construction/repair contracts costing \$300,000 and more.</li> </ul> <p><b>G.S. 143-128.2, -131</b></p>	

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE
<p><b>2 C.F.R. § 200.321</b></p>	
<p><b>Bonding Requirements</b></p>	
<p>Applies to:</p> <ul style="list-style-type: none"> <li>Construction or facility improvement contracts costing more than the simplified acquisition threshold (\$150,000 as of 3/21/2017) or the equivalent local/state threshold if more restrictive</li> <li>Unless federal granting agency has determined the federal interest is adequately protected</li> </ul> <p>Bonds Required:</p> <ul style="list-style-type: none"> <li>Bid bond of 5% of bid price; and</li> <li>Performance and payment bonds for 100% of contract price</li> </ul> <p>For all other projects:</p> <ul style="list-style-type: none"> <li>Follow local/state bonding requirements</li> </ul> <p><b>2 C.F.R. § 200.325; PDAT Supplement at II-6</b></p> <p>See the “Bonds Flowchart” on the <i>NC Purchasing website at <a href="http://www.sog.unc.edu/sites/www.sog.unc.edu/files/Bondflowchart.pdf">http://www.sog.unc.edu/sites/www.sog.unc.edu/files/Bondflowchart.pdf</a></i></p>	<p>Applies to:</p> <ul style="list-style-type: none"> <li>Construction and repair contracts</li> </ul> <p>Bonds Required:</p> <ul style="list-style-type: none"> <li>Bid Bond – 5% of bid price required for construction/repair bids costing \$500,000 or more</li> <li>Performance and Payment Bonds – 100% of contract price for each contract costing \$50,000 or more that is part of a construction project costing \$300,000 or more</li> </ul> <p><b>G.S. 143-129(b),(c)</b></p>
<p><b>Contract Provisions</b></p>	
<p>Include all applicable contract provisions</p> <ul style="list-style-type: none"> <li>Remedies: Applies to contracts above the simplified acquisition threshold (\$150,000 as of 3/21/2017) or the equivalent local/state threshold if more restrictive</li> <li>Termination for Cause and Convenience: Applies to contracts above \$10,000</li> <li>Equal Employment Opportunity: Applies to “federally assisted construction contracts” as defined by 41 C.F.R. § 60-1.3, except as otherwise provided under 41 C.F.R. pt. 60</li> </ul>	<p>Not required under state law.</p>

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE
<ul style="list-style-type: none"> <li>• Davis Bacon and Copeland Anti-Kickback Act: Does not apply to contracts funded via the Public Assistance program unless state law requires it; if North Carolina law requires it, it applies to prime construction contracts above \$2,000</li> <li>• Contract Work Hours and Safety Standards Act: Applies to contracts above \$100,000 involving the employment of mechanics or laborers</li> <li>• Clean Air Act and Federal Water Pollution Control Act: Applies to contracts above \$150,000</li> <li>• Debarment and Suspension: Applies to all contracts and subcontracts</li> <li>• Byrd Anti-Lobbying Amendment: Applies to contracts above \$100,000</li> <li>• Procurement of Recovered Materials: Applies to procurement of prime contracts and subcontracts</li> <li>• Changes: Applies to all contracts</li> <li>• Access to Records: Applies to all contracts</li> <li>• DHS Seal, Logo, and Flags: Applies to all contracts</li> <li>• Compliance with Federal Law, Regulations, and Executive Orders: Applies to all contracts</li> <li>• No Obligation by Federal Government: Applies to all contracts</li> <li>• Program Fraud and False or Fraudulent Statements or Related Acts: Applies to all contracts</li> <li>• Socioeconomic Contracting: May want to include as a provision in prime contracts since prime contractors must take the same affirmative steps regarding socioeconomic contracting per 2 C.F.R. § 200.321(b)(6)</li> </ul> <p><i>2 C.F.R. § 200.326; 2 C.F.R. pt. 200, App. II</i></p>	

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE	
<p><b>Access to Records</b></p> <p>Solicitation Documents</p> <ul style="list-style-type: none"> <li>Requirement: Must make technical specifications on proposed procurements available to federal granting agency or North Carolina upon request when federal granting agency or North Carolina believes such a review is needed to ensure the item or service specified is the one being proposed for acquisition</li> <li>Timing: Generally prior to the time the specification is incorporated into a solicitation document</li> </ul> <p>Procurement Documents</p> <ul style="list-style-type: none"> <li>Requirement: Must make procurement documents, such as requests for proposals or invitations for bids or independent cost estimates, available to federal granting agency or North Carolina upon request for pre-procurement review</li> <li>May be exempted from this review if federal granting agency or North Carolina determines its procurement system complies with the procurement standards of the Uniform Rules</li> </ul> <p><b>2 C.F.R. §200.324</b></p>		<p>NC Public Records Act applies to all bid documents not subject to the NC Trade Secrets Act.</p>
<p><b>Disposal of Property</b></p> <p>Get instructions from granting agency.</p> <p><b>Exceptions</b></p> <p>Some programs are exempt from the Uniform Rules requirements such as entitlement programs, school nutrition programs, and certain block grants.</p> <p><b>2 C.F.R. § 200.101(d)</b></p>		<p>Governed by Article 12, Chapter 160A.</p> <p>See <i>G.S. 143-129(e)</i> for exceptions to competitive bidding requirements for certain purchases and construction/repair contracts. Chart of exceptions available at <a href="http://www.ncpurchasing.unc.edu">www.ncpurchasing.unc.edu</a> under "Tools."</p>
<p><b>Conflicts of Interest (See detailed charts on pages 16-17)</b></p> <p>Develop and follow a written code of standards of conduct addressing conflicts of interest and gifts from contractors. Written</p>		<ul style="list-style-type: none"> <li>Governing boards must have a local code of ethics</li> <li><i>G.S. 14-234</i> prohibits conflicts of interest in public contracting</li> </ul>

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

FEDERAL	STATE
standards of conduct must provide for disciplinary actions for violations of such standards. <i>2 C.F.R. § 200.318(c)(1)</i>	<ul style="list-style-type: none"> <li>• <i>G.S. 133-32</i> prohibits certain gifts from contractors</li> <li>• <i>G.S. 14-234.1</i> prohibits use of confidential information for personal pecuniary gain</li> </ul>
Written standards of conduct must also cover organizational conflicts of interest if the local government has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe. <i>2 C.F.R. § 200.318(c)(2)</i>	
Violations of standards of conduct may result in loss of federal funds and disciplinary action under local policy. <i>See 2 C.F.R. § 200.318(c)</i>	Violations of statutory prohibitions punishable as a Class 1 misdemeanor; in addition, a contract entered into in violation of <i>G.S. 14-234</i> is void and unenforceable.

For more information, see [www.ncpurchasing.unc.edu](http://www.ncpurchasing.unc.edu)



## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

Conflicts of Interest (state law vs. federal law)

	Federal (2 C.F.R. § 200.318(c)(1))	State (G.S. 14-234(a)(1))
<b>Who is covered</b>	Officers, employees, and agents of recipient and subrecipient	Officers, employees
<b>Who else is covered</b>	Spouse, immediate family, partners, current or soon-to-be employer	Spouse
<b>What kind of interest</b>	Real or apparent financial or other interest or personal tangible benefit	Direct benefit
<b>Exceptions</b>	Financial interest that is not substantial	<ol style="list-style-type: none"> <li>1. Banks &amp; utilities</li> <li>2. Friendly condemnation</li> <li>3. Spouse employment</li> <li>4. Public assistance</li> <li>5. Small jurisdictions</li> </ol>
<b>Penalties</b>	Loss of federal funds Disciplinary action Other remedies for noncompliance listed at 2 C.F.R. § 200.338	Class 1 misdemeanor Void Contract

## Comparison of Federal and State Procurement Requirements For North Carolina Local Governments

**Gift Ban (state law vs. federal law)**

	Federal (2 C.F.R. § 200.318(c)(1))	State (G.S. 133-32)
<b>Prohibited giver</b>	Current or future contractor or vendor	Past (w/in 1 year), present, or future contractor or vendor
<b>Prohibited receiver</b>	All officers, employees, agents of recipients and subrecipients	Officers and employees involved in: <ol style="list-style-type: none"> <li>1. Preparing plans</li> <li>2. Awarding or administering</li> <li>3. Inspecting or supervising construction</li> </ol>
<b>Exceptions</b>	Unsolicited gift of nominal value	<ol style="list-style-type: none"> <li>1. Honoraria</li> <li>2. Nominal advertising items</li> <li>3. Meals at banquets</li> <li>4. Professional groups</li> <li>5. Family and friends</li> </ol>
<b>Penalties</b>	Loss of federal funds  Disciplinary action  Other remedies for noncompliance listed at 2 C.F.R. § 200.338	Class 1 misdemeanor



*Dale R. Folwell, CPA*

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

GREGORY C. GASKINS  
DEPUTY TREASURER

Memorandum #2018-06

**TO:** Independent Auditors, North Carolina Local Governments and Public Authorities, interested parties

**FROM:** Sharon Edmundson, Director, Fiscal Management Section

**SUBJECT:** Uniform Guidance Procurement Standards

**DATE:** March 20, 2018

As most of you are aware, the Office of Budget and Management (OMB) officially implemented its Uniform Administrative Requirements, Cost Principles, and Audit Requirements, commonly referred to as Uniform Guidance (UG), in December of 2014<sup>1</sup>. However, due to significant changes to the procurement requirements that were part of that new guidance, OMB delayed the implementation of those procurement requirements twice, to a full three years from the original UG effective date<sup>2</sup>. With the extensions of time coming to a close, implementation of the procurement requirements is imminent. Local governments and public authorities that expend federal financial assistance (including USDA loans and grants, CDBG funds, FEMA Public Assistance disaster relief grants, and other programs, either directly funded or reimbursement driven) must comply with these new requirements for all fiscal years beginning on or after December 26, 2017; for most of you this means the fiscal year that begins on July 1, 2018, but it also applies to entities with a fiscal year that began on January 1, and those beginning on April 1 or October 1, 2018.

**Critical Points**

The UG procurement requirements are complex but there are some critical points that units need to be aware of immediately. These points are reviewed in more detail throughout this document.

1. **Applicability** – The requirements are applicable to the purchase of both goods and services, as well as construction and repair projects, which differs significantly from our State laws that apply primarily to the purchase of goods or construction contracts.
2. **Includes Loans and Grants** - The requirements apply to federal financial assistance. We are not aware of any exclusions in place on funds received from USDA loans and grants, FEMA Public

<sup>1</sup> Uniform Administrative Requirement, Cost Principles, and Audit Requirements, Title 2 U.S. Code of Federal Regulations, Part 200

<sup>2</sup> Federal Register Vol. 80, No. 175 - Effective date: September 10, 2015, two year grace period for implementation of procurement standards in 2CFR 200.317 through 200.326. Federal Register Val. 82, No. 94 - Effective date: May 17, 2017, additional one year grace period. Effective date will start for fiscal years beginning on or after December 26, 2017.

Assistance disaster relief grants, CDBG programs, and the Highway Planning, Research and Construction Program. We believe that SRF programs funded by the EPA are exempt. However, we strongly encourage you to contact the applicable grantor agency for specific questions about applicability to specific sources of funds.

3. **Lower Dollar Thresholds** – The UG procurement requirements start at purchases of \$3,500, \$2,000 if Wage Rate requirements apply. This is a significantly lower threshold than is set by current State law.
4. **Written Policies and Procedures Required** – As you read through all of the rules of the procurement requirements you will note a recurring theme – the unit of government must have written policies and procedures that address the purchase of goods and services in accordance with the UG regulations as well as some peripheral requirements on topics such as a code of ethics and gift bans from vendors. These written policies and procedures must be in place by July 1, 2018 if you are already a participant in a federal assistance program or by your first draw if you are not yet actively participating in a covered program.
5. **Standards of Conduct, Conflicts of Interest, and Gift Ban** – Each participating unit must have written standards of conduct that cover conflicts of interest and the gift ban, which is in place for not only its elected board but all employees and agents of the unit. The rules cover all current or future vendors and service providers. The requirements under the UG procurement rules are more restrictive than what is currently required by the State in this area.
6. **Entities Subject to the Rules** – These rules apply not only to direct recipients of federal financial assistance but also to all sub-recipients including the organization(s) in final receipt of the funds. For example, if a unit of government passes through CDBG funds to a Community Development Corporation (CDC), the rules apply not only to the unit but to the CDC as well.

The UG procurement requirements are part of the administrative requirements found in Subpart D of the Uniform Guidance, §200.318 to §200.326, and apply to the procurement of **goods and services (as well as construction and repair contracts)** directly charged to federal awards. They do not apply to indirect costs or payroll. The UG describes most of these requirements as a “must” or as unconditional, in lieu of a “should” or recommended or best practice. Please note these requirements apply to the procurement of both **goods (purchase contracts) and services** – currently our State statutes do not place many restrictions or documentation requirements on the procurement of services.

The UG procurement requirements apply to purchases that are paid or reimbursed from federal financial assistance. This includes (but is not limited to) purchases that are reimbursed from USDA grants **and loans**, Community Development Block Grant (CDBG) programs, public disaster grants and reimbursement from FEMA, and the Highway Planning, Research, and Construction program. Many units of government participate in one or more of these programs; **it is important to note that it applies to Federal loan funds in addition to grants.**

Some units of government may not receive or expend federal financial assistance on a routine basis; however, the requirements still apply any time they do expend federal financial assistance. Units must have written procedures in place to ensure compliance with the UG procurement standards.

UG procurement standards require that each unit of government maintain its own documented procedures that reflect the requirements of the standards as well as the requirements of all applicable State and local laws and regulations.

The UNC-School of Government has prepared a document, "Comparison of Federal and State Procurement Requirements for North Carolina Local Governments,"<sup>3</sup> that breaks down key parts of the UG procurement requirements and compares them to State purchasing law; this document also can be found on our website [here](#). This document is an excellent resource for units to use in educating staff about the new requirements and to assist in determining if the federal or State law is more restrictive.

Please note that if the requirements conflict, the unit is to comply with the more restrictive requirement.

### Key Elements of Uniform Guidance Procurement Standards

The various procurement requirements have been put in place to help ensure that all eligible procurements are made in such a way that certain goals are achieved. As a result, there are key elements of the UG procurement standards that must be followed regardless of the method of procurement.

- The unit of government must use **its own documented procedures** which reflect applicable state and local laws and regulations, provided that the procurement conforms to applicable federal law and the UG procurement standards.
- The unit of government **must maintain oversight** to ensure that the **contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders**.
- The unit of government **must maintain written policies and procedures of conduct covering conflicts of interest** and governing the action of its employees, officers, or agents engaged in the selection, award, and administration of contracts. The policy must cover organizational and personal conflict of interest. **Please note that the federal requirements are more expansive in coverage than the State's requirements in this area.** Units need to pay attention to this area and ensure that documented policies adhere to the federal requirements.
- The unit of government must **avoid acquisition of unnecessary or duplicative items**. The unit should take advantage of the best procurement practices to ensure the most efficient and effective approach to purchases. The unit of government is encouraged to enter into state and local

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<sup>3</sup> Comparison of the UG with the NC General Statutes. Also included is a comparison of the UG procurement standards to the FEMA Supplement to Public Assistance Procurement Disaster Team field manual.

government intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. The unit of government is encouraged to use value engineering clauses in contracts for construction projects of sufficient sizes to offer reasonable opportunities for cost reduction. The unit of government also is encouraged to use federal excess and surplus property in lieu of purchasing new equipment and property.

- The unit of government must conduct procurements in a manner that **prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences**, unless the federal statutes specifically mandate or encourage geographical preferences.
- The unit of government **must maintain records sufficient to detail the history of a procurement**. These records will include, but are not necessarily limited to, why or why not a particular method of procurement, contract type, contractor, or price was used.
- All **procurement transactions must be conducted in a manner that provides full and open competition consistent with the UG procurement standards** and avoids measures that include, but are not limited to:
  - imposing unreasonable requirements on contractors in order for them to qualify to do business;
  - requiring unnecessary experience and excessive bonding; or
  - specifying only a brand name product instead of allowing an equal product to be offered and describing the performance or other relevant requirements of the procurement.
- The unit's **contracts must include a number of provisions** required under the UG including remedies, termination for cause and convenience, EEO requirements, worker safety and wage and hour requirements, Clean Air Act and Federal Water Pollution Control Act requirements, debarment and suspension, procurement of recovered materials, contract modifications, access to records, Byrd Anti-lobbying provisions, and other provisions that may be required by the federal granting agency. Examples of these UG-required contract provisions are available at: <https://www.fema.gov/media-library-data/1483976790556-96bfcf3bf2c64e94d6f63dd4169a7d2c/RequiredContractClauses2C.F.R.200.326and2C.F.R.Part200AppendixII10917.pdf>

## Five Allowable Methods of Procurement

OMB has defined five allowable methods of procurement that non-federal entities must follow for all eligible purchases of **both goods and services** made with federal financial assistance.

1. **Micro-purchases** – This method refers to the acquisition of goods or services, including construction, when the aggregate dollar amount does not exceed the **micro-purchase threshold**. The micro-purchase threshold as of the date of this memo is \$3,500 (\$2,000 for construction subject to



the Wage Rate requirements).<sup>4</sup> Soliciting competitive prices is not required if the unit of government believes the price is fair. Units are encouraged to distribute micro-purchases equitably among suppliers, if practical. This method applies to purchases in the aggregate and not to the cost of an individual item. For example, the total purchase price of office supplies that includes a variety of items (pens, pencils, tape, computer paper, notebooks, etc.), could not exceed the threshold for the unit to be allowed to use the micro-purchase method, even though the cost of the individual items in the purchase are well below the maximum. Both the micro-purchase threshold and the Simplified Acquisition Threshold (SAT), which is \$150,000<sup>2</sup> and discussed in the next paragraph, are periodically adjusted for inflation.

2. **Small purchases** – This method is for procurement of goods (purchase contracts), services, and construction or repair projects between the micro-purchase threshold and the SAT (purchases between \$3,500 and \$150,000). Relatively simple and informal methods of securing services, supplies, or other property are allowed. There must be price or rate quotes from an adequate number of qualified sources. Pricing from the internet, vendor price sheets, or logging of verbal quotes are all allowed. While the UG does not define “adequate number of qualified sources,” some federal agencies have issued guidance assigning specific numbers to this requirement. For example, FEMA has interpreted “adequate number” to mean receiving at least 3 quotes. Units should consult with their federal granting agency to determine if that agency has issued guidance defining “adequate number.”
3. **Sealed bids (formal advertising)** – These apply to procurement of goods (purchase contracts), services, and construction or repair projects that exceed the SAT. Bids are publicly solicited and a firm-fixed-price contract, whether a lump sum or a unit price, is awarded to the responsible bidder whose bid conforms to all the material items and is the lowest price. This method is the preferred method for procuring construction if sealed bids are feasible, if a complete and realistic specification or purchase description is available, if an adequate number of bidders (two or more) participate, and if the procurement lends itself to a firm-fixed-price contract and the selection of the successful bidder can be made principally on the basis of price. The unit of government must make independent estimates before receiving bids and proposals.
4. **Competitive proposals** – This method is generally used for procurement of goods (purchase contracts), services, and construction or repair projects greater than the SAT when it is not appropriate to use sealed bids. The technique is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. Request for proposals must be publicized and must identify all evaluation factors and their relative importance. An adequate number of proposals must be solicited. There needs to be a written method for evaluating proposals and selecting recipients. The responsible firm is awarded the contract that is most advantageous to the program considering price and other factors.

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<sup>4</sup> The thresholds for micro-purchases and the SAT are set by the General Service Administration as part of the Federal Acquisition Regulation at Title 48 of the Code of Federal Regulations, Subpart 2.1 (definitions). Other agencies and organizations set thresholds for other types of acquisitions. The notice of proposed changes and amounts are announced in the *Federal Register*.



5. **Noncompetitive proposals** – These proposals are for soliciting from one source and may be used if an item is only available from one source, if a public emergency will not permit a delay, if a federal or pass-through agency authorizes the sole source in response to a written request, or if after solicitation from a number of sources, competition is determined inadequate.

The unit of government must perform a cost or price analysis for all procurement actions that utilize sealed bids, competitive, or noncompetitive proposals, if the contract price is in excess of the SAT. The method and degree of the cost or price analysis is dependent on the facts of the procurement. Micro-purchases and small purchases do not require cost or price analysis.

The UG procurement standards require that units of government and public authorities place emphasis on contracting with small and minority businesses, women business enterprises, and surplus area firms. This includes placing qualifying businesses on vendor lists, soliciting them whenever they are a potential source for goods and services, and dividing the projects into smaller tasks or quantities to permit participation. Contractors also are required to follow these procedures when hiring subcontractors.

## **Awarding Contracts**

Units must make several determinations when awarding contracts, including making a determination if the contractor is responsible and if the contractor has the ability to perform successfully under the contract considering such factors as integrity, compliance with public policy, past performance, and availability of financial and technical resources (this standard of award mirrors the lowest responsive, responsible bidder standard of award under North Carolina state law). The unit also must document and maintain records of procurement that include the rationale for selecting the methodology used to make the purchase, selection of the type of contract, selection or rejection of the contractor, and basis for the contract price. Units cannot award contracts or sub-contracts to companies that have been debarred or suspended (see <https://www.sam.gov> for current list).

## **Federal versus State Laws over Procurement?**

The UG procurement standards apply only to federal financial assistance, but North Carolina state law also applies to purchases of goods and construction or repair contracts made with federal financial assistance.<sup>5</sup> This memo has focused primarily on procurement requirements under the federal uniform rules. Local governments and public authorities should read the grant agreements or contact your granting agencies for agency-specific guidelines. When comparing federal and state procurement requirements, local governments and public authorities should apply the requirements that are more restrictive, including requirements imposed by local policies. If there is overlap among local, state, and federal rules, and none of the rules are more restrictive than the other, the federal rules will apply.

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<sup>5</sup> Most State of North Carolina procurement requirements applicable to local governments are found in Article 8 of G.S. Chapter 143. Federal law is identified in Title 45 Code of Federal Regulations §92.36.

North Carolina purchasing law has formal and informal bidding requirements. Informal bidding procedures apply to the purchase of **goods only** between \$30,000 and \$90,000 and construction/repair contracts costing \$30,000 and \$500,000. Formal bidding procedures apply to the purchase of **goods only** costing \$90,000 or more and construction/repair contracts costing \$500,000 or more. Compared to the small purchase, sealed bid, or competitive proposal requirements under the UG procurement rules, you can see that State requirements generally are much less restrictive, and therefore the Federal requirements must be followed except to the extent that a particular requirement under state law is more restrictive. For example, the UG sealed bid method requires a minimum of 2 bids in order to open bids and award the contract while state formal bidding requirements for construction and repair contracts require a minimum of 3 bids. Units must carefully compare local, state, and federal procurements requirements to ensure that the most restrictive requirement is always followed.

### Steps to Implementing the Uniform Guidance Procurement Standards

In updating its purchasing policies, OMB has stated that “nonfederal entities have the flexibility to incorporate the UG’s procurement requirement verbatim or simply reference it in their procedures and policies. A general statement about how the ‘procurements must conform to applicable Federal law and standards’ should suffice.”<sup>6</sup> An example of this compliance statement is: “Contracts funded with federal grant funds shall be procured in a manner that is in compliance with all applicable Federal laws, policies, and standards as well as state law and local policies.”

Units of governments must be able to provide documentation to support why a bidder was accepted or rejected for a sealed bid or competitive proposal. Also, as mentioned earlier, sufficient records detailing the history of procurement must be maintained, regardless of what purchase method is used or what decision is reached. Documentation can include printouts of internet searches for price quotes or a written memo detailing the reasons for accepting or rejecting the bidders in a sealed bid or competitive proposal purchase.

Local government auditors will review procurement policies and procedures based on the documented standards when testing major programs such as USDA grants and loans, CDBG programs, and other federal financial assistance for compliance as part of the annual compliance audit.

If your government has not yet adopted the UG procurement requirements, then you are strongly encouraged to do so as soon as possible. Consider these steps:

- **If the unit’s procurement procedures are not currently documented, the government should make this a top priority.** Some units have not made documentation and/or updating of written policies and procedures a part of normal operations and will have significant amounts of work to do to comply with these new requirements. The unit’s procurement policy should include a compliance statement confirming that the unit will follow all applicable local, state, and federal procurement requirements when expending federal funds.

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<sup>6</sup> E-mail dated May 25, 2017, from Maribel L. Miller, Executive Office of the President, Office of Budget and Management

- ***If the unit does not have a local policy governing conflicts of interests and prohibitions on gifts and favors from vendors and contractors that is compliant with the UG, it should take steps to develop and implement this policy.***
- Read the requirements found in the UG §200.318 to §200.326 and review the SOG document referenced previously.
- Determine how these requirements will impact the procedures for procuring goods, services and construction or repair contracts that your government currently has in effect.
- Incorporate the UG procurement requirements that are specific to your unit of government into your current policies and procedures. For example, each government should determine an adequate number of bids or proposals (UG §200.318) to obtain.
- In your policies or procedures, be sure to remove guidance from other regulations, circulars, or agency information that is outdated. For example, references to Circulars A-102 or A-133 should be removed.
- Have your legal counsel review the revised procedures. An accounting firm also may provide guidance; however, using a firm that may perform the annual audit of your government may affect the firm's independence.
- Incorporate these revised procedures on any contracts or grant agreements with sub-recipients of federal financial assistance.
- Have your legal counsel develop template (boilerplate) contract language that incorporates all the provisions mandated under the UG. Examples of UG required contract provisions are available at <https://www.fema.gov/media-library-data/1483976790556-96bfcf3bf2c64e94d6f63dd4169a7d2c/RequiredContractClauses2C.F.R.200.326and2C.F.R.Part200AppendixII10917.pdf>
- Discuss the UG procurement requirements with any potential contractor prior to entering into any agreement.

If you have questions about the UG procurement requirements, please contact Jim Burke at (919) 814-4301 or via email at [james.burke@nctreasurer.com](mailto:james.burke@nctreasurer.com).



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## **RESOLUTION FOR APPROVING WATER SHORTAGE RESPONSE PLAN**

**WHEREAS**, North Carolina General Statute 143-355 (1) requires that each unit of local government that provides public water service and each large community water system shall develop and implement water conservation measures to respond to drought or other water shortage conditions as set out in a Water Shortage Response Plan and submitted to the Department for review and approval; and

**WHEREAS**, as required by the statute and in the interests of sound local planning, a Water Shortage Response Plan for Bertie County Water Districts I, II, III, and IV, has been developed and submitted to the Board for Bertie County Water District I, II, III, and IV for approval; and

**WHEREAS**, the Board for Bertie County Water District I, II, III, and IV finds that the Water Shortage Response Plan is in accordance with the provisions of North Carolina General Statute 143-355 (1) and that it will provide appropriate guidance for the future management of water supplies for Bertie County Water Districts I, II, III, and IV as well as useful information to the Department of Environment and Natural Resources for the development of a state water supply plan as required by statute;

**NOW, THEREFORE, BE IT RESOLVED** by the Board for Bertie County Water District I, II, III, and IV that the Water Shortage Response Plan entitled, dated is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and,

**BE IT FURTHER RESOLVED** that the Board for Bertie County Water District I, II, III, and IV intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by the Department, in accordance with the statute and sound planning practice.

This the \_\_\_\_ day of \_\_\_\_\_, 2018.

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Ernestine Bazemore, Chair  
Bertie County Board of Commissioners

ATTEST:

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Sarah Tinkham, Clerk to the Board  
Bertie County Board of Commissioners