

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

SECRETARIAL DIRECTIVE 004

DATE: 07/26/22 | 8:43 AM EDT

SUBJECT: Contracts and Procurement

1. **SCOPE.** This Directive applies to all divisions, offices, facilities, and units within the North Carolina Department of the Health and Human Services. The provisions of this Directive shall not be construed to interfere with or impede the authorities or duties prescribed by law to specific divisions, offices, facilities or units, or individuals within those units.
2. **SIGNATURE AUTHORITY.** The provisions of Secretarial Directive 001 are incorporated herein. In addition, the following directives shall govern the authority of officers and employees of the Department in entering into any contract that binds the Department or any division, office, facility or unit, or individual within those units.
 - a. **Department Contracts.** For any contract, agreement, or other document in which the Department is the named party (as opposed to a specific Division, Office, or Facility), the appropriate Deputy Secretary or their designee, may sign and execute the document. The Deputy Secretary shall keep the Secretary informed of any contract, agreement or other document which binds the Department. A Deputy Secretary must specifically, in writing, identify an appropriate designee to sign the subject contract, agreement, or other document. A Director of a Division, Office or Facility may not be designated to sign contracts where the Department is the named party and the value of the contract is more than \$1,000,000.
 - b. **Divisional, Office, Facility or Unit Contracts.** For any contract, agreement or other documents, including but not limited to contract amendments, in which a division, office, facility of the Department is the named party, the following shall apply:
 - i. The Director of a Division, Office or Facility may only sign and execute contracts, agreements or other documents up to \$1,000,000 (value of total contract without regard to duration of contract). Any contract, agreement or other document in which no funds will be exchanged, may be signed by the Director of a Division, Office or Facility after consultation with the appropriate immediate supervisor (Deputy Secretary, Assistant Secretary or Senior Director).
 - ii. An Assistant Secretary or Deputy Secretary may only sign and execute contracts, agreements or other documents up to \$3,000,000 (value of total contract without regard to duration of contract). Any contract, agreement or other document in which no funds will be exchanged, may be signed by a Deputy Secretary.

- iii. The Chief Deputy Secretary may sign and execute contracts, agreements, or other documents of any value. For contracts, agreements or other documents over \$10,000,000, (value of total contract without regard to duration of contract) the Chief Deputy Secretary may sign or, notwithstanding paragraphs (b)(i)-(iii), may specifically designate a Deputy Secretary to sign the subject contract, agreement or other document. Any contract, agreement or other document in which no funds will be exchanged, may also be signed by the Chief Deputy Secretary.
- iv. All contracts, agreements or other documents executed by the Division of Health Benefits (NC Medicaid) shall not be executed based on the value limits set forth in (b)(i)-(iii) above. All contracts, agreements or other documents executed by the Division of Health Benefits shall be governed by the authority and process set forth in the Secretary's June 8, 2022 Memo titled "Alternative Procedures for the Review and Approval of Division of Health Benefits Contracts in Support of Medicaid."
- c. **Contracts with State Agencies.** For any contract, agreement, or other document between the Department, or a division, office, facility or unit within the Department, and another State Agency, the appropriate Deputy Secretary or their designee, after consultation with the Secretary, may sign and execute the document. This provision shall not apply to contracts, agreements or other documents entered into with any University within the University of North Carolina System, which may be signed and executed in accordance with paragraph 2(b). A Deputy Secretary must specifically, in writing, identify an appropriate designee to sign the subject contract, agreement, or other document. A Director of a Division, Office or Facility may not be designated to sign contracts where the Department is the named party and the value of the contract is more than \$1,000,000.

3. **RULES AND STANDARDS.**

- a. No individual may enter into a contract, agreement or other document which binds the Department or division, office, facility or unit within the Department, unless that individual is a state employee. Temporary or contractual employees may not sign contracts, agreements or other documents which bind the Department or a division, office, facility or unit within the Department, and any such document signed by these prohibited individuals is void.
- b. No individual may enter into a contract, agreement or other document pursuant to this Directive that does not directly relate to the programs, work or business within the scope of the individual's employment.
- c. Contracts with a value of more than \$1,000,000 must be reviewed in accordance with the requirements of NCGS § 114-8.3.
- d. A contract signed by an individual for an amount greater than those listed in paragraph (b)(i)-(iii) shall not automatically become void. In such circumstances, notification shall be made to the appropriate Deputy Secretary and General Counsel for further review, investigation and determination.

4. **AUTHORITIES.**

- a. N.C. Gen. Stat. § 143B-10
- b. N.C. Gen. Stat. § 143B, Article 3

5. **OFFICE OF PRIMARY INTEREST.** The Office of the General Counsel

6. **SECRETARY AUTHORITY.** This Directive and any delegation of authority herein shall not deprive the Secretary from performing, in lieu of the Chief Deputy Secretary or any other named official, any of the acts set forth above. This delegation of authority may be amended or withdrawn by the Secretary at

any time and without notice. This delegation of authority shall not apply to any actions which by law, regulation or Executive Order, may only be executed by the Secretary.

7. **PRIOR DIRECTIVES AND DELEGATIONS**. This Directive and any delegation of authority herein shall supersede any previously issued directive or delegation, whether by the below signed Secretary or any previous Secretary, that conflicts with the terms set forth above.

DocuSigned by:

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Kody H. Kinsley

Secretary