

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

SECRETARIAL DIRECTIVE 004

DATE: December 6, 2023

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. The following directive shall govern the authority of officers and employees of the Department in entering into any contract, agreement or other document that obligates or binds the Department or any division, office, facility or unit, or individual within those units. As a reminder, the delegation of signature authority does not transfer responsibility to the delegated individual.
2. **BACKGROUND** This Directive applies to the appropriate signature and who has signature authority. This directive does give approval to sign and execute a contract, agreement, or other documents. When applicable, if the cost of the contract, agreement or other document exceeds the small dollar threshold of \$25,000 (for Non-IT and IT procurement contracts) and \$200,000 for Financial Assistance contracts, you are required to obtain the appropriate reviews and approvals prior to signing the contract. In addition, it is recommended all DHHS staff should review the updated NCDHHS OPCG Policy and Procedures Procurement Manual or Grant Contracts Manual.
3. **PRIOR DELEGATIONS** All previous delegations of signature authority in effect prior to the effective date of this directive are revoked and rendered void. All delegations of signature authority shall be done in accordance with Paragraph 4 of this directive.
4. **DELEGATION OF SIGNATURE AUTHORITY FORM** When delegating authority to an individual/s you are required to fill out the Signature Authority Form. This form should be updated at least annually and any time there is a change in leadership. Send the completed form to DHHS General Counsel's Office and to NCDHHS OPCG.
5. **SIGNATURE AUTHORITY**
 - a. **Department Contracts** Any contract and/or legal agreement in which the Department is the named party (as opposed to a specific Division, Office, or Facility), the following appropriate DHHS employees may sign and execute the document:
 - i. The Chief Deputy Secretary may sign and execute Department contracts and legal agreements of any value.

- ii. A Deputy Secretary or Assistant Secretary may sign and execute Department contracts and legal agreements.
 - iii. A Director of a Division, Office or Facility may not be designated to sign contracts and legal agreements where the Department is the named party.
 - iv. A Chief Deputy Secretary, Deputy Secretary, or Assistant Secretary may sign any Department contracts and legal agreements in which no funds will be exchanged. In addition, they may designate individual/s to sign and execute Department contracts and legal agreements when there are no funds exchanged.
- b. **Divisional, Office, Facility or Unit Contracts** For any contract and/or legal agreement 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 Chief Deputy Secretary may sign and execute Division/Office/Facility contracts and legal agreements of any value. The Chief Deputy Secretary may designate a Deputy Secretary or Assistant Secretary to sign and execute Divisional/Office/Facility contracts and legal agreements of any value through a written delegation.
 - ii. A Deputy Secretary or Assistant Secretary may sign and execute Division/Office/Facility contracts and legal agreements up to \$5,000,000 (total value of contract) unless designated under Section 4.(b.)(i.). If the Deputy Secretary does not have an Assistant Secretary they may designate another employee to sign and execute Divisional/Office/Facility contracts and legal agreements up to \$5,000,000.
 - iii. A Director of a Division, Office, or Facility may sign and execute Division/Office/Facility contracts and legal agreements up to \$1,000,000 (total value of contract) without a written delegation.
 - iv. The Chief Deputy Secretary, Deputy Secretary, or Assistant Secretary can sign any Division/Office/Facility contract and/or legal agreement in which no funds will be exchanged. A Director of a Division, Office or Facility can sign after consultation with their immediate supervisor (Deputy Secretary, Assistant Secretary or Senior Director).
- c. **Contracts with DHHS DHB** 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 signed by the Deputy Secretary for Medicaid.
- d. **Contracts with State Agencies** For any contract and/or legal agreement between the Department, or a division, office, facility or unit within the Department, and another State Agency, the appropriate Deputy Secretary or Assistant 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 legal documents entered into with the University of North Carolina System or any University within the University of North Carolina System, which may be signed and executed in accordance with paragraphs 2 and 5.

6. **RULES AND STANDARDS**

- a. No individual may enter into a contract and/or legal agreement or other legal document which binds the Department or division, office, facility or unit within the Department, unless that individual is a state employee.
- b. 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.

- c. 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.
- d. The DHHS small purchase delegation is set at \$25K for Non-IT and IT procurements including purchase of service grant contracts. Divisions, offices and facilities can execute contracts at this level without further review and approval as long as, all procurement rules and regulations are followed Procurements above \$25K shall be routed to OPCG for review and approval by either OPCG (NON-IT (\$25k-\$50K) , DOA P&C (NON-IT above \$50K) or DIT (IT above \$25K). This delegation may not apply when utilizing a State Term Contract (STC), please refer to the STC requirements and contact OPCG for guidance. A contract signed by an individual for an amount greater than those listed above 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.
- e. The DHHS delegation for financial assistance grant contracts is set at \$200k. Divisions, offices and facilities can execute contracts at this level without further review and approval as long as, all applicable federal and state grant contract rules and regulations are followed.

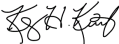
7. **AUTHORITIES**

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

8. **OFFICE OF PRIMARY INTEREST** The Office of the General Counsel, Office of Procurement, Contract and Grants.

9. **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.

10. **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