

01 NCAC 05B .0321 FACTORS FOR CONTRACT EXTENSION OR RENEWAL

(a) Before exercising a Renewal or seeking an Extension of a Contract as provided in this Section, the Agency shall consider and document in the official file, in accordance with 01 NCAC 05B .1903, the following factors:

- (1) market research that reveals any changes in the industry subject to the Contract;
- (2) the Vendor's past performance under the Contract;
- (3) existence of new risk factors not present at award that increase the risk of unsuccessful contract performance;
- (4) the presence and effectiveness of any performance-based contract provisions and metrics;
- (5) the impact of transitioning to a new Vendor on the Agency's ability to meet the requirements of its programs; and
- (6) any other requirements of State or federal statutes or rules.

(b) Subject to the limitations in Rule .0319 of this Section, an Agency's decision to renew or extend a Contract Term shall be approved by the Agency's head of Procurement.

(c) Contracts shall only be extended or renewed prior to the expiration of the last active Contract Term.

(d) An Agency shall obtain SPO approval before exercising a Renewal or seeking an Extension of a Contract when:

- (1) the factors in Paragraph (a) of this Rule do not support a Renewal or Extension; or
- (2) a Renewal or Extension would result in a total contract value that exceeds the Agency's General Delegation or Bid Value Benchmark.

*History Note: Authority G.S. 143-49; 143-52; 143-53; 143-135.9;
Eff. March 1, 2022.*