

40A:11-3 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:11-3 et al (Local public contracts-
increase bid threshold to
\$7,500)

LAWS OF: 1985 **CHAPTER:** 60

Bill No: A1659

Sponsor(s): Vainieri and others

Date Introduced: March 20, 1985

Committee: **Assembly:** Municipal Government

Senate: County and Municipal Government

Amended during passage: No

Date of Passage: **Assembly:** Jun. 28, 1984

Senate: Jan. 24, 1985

Date of Approval: February 27, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** No

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

Sponsor's Statement:

This bill increases to \$7,500.00 the threshold for the bid requirement under the "Local Public Contracts Law".

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ASSEMBLY, No. 1659

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1984

By Assemblymen VAINIERI, DORIA, CUPROWSKI, RANIERI,
LAROCCA, CHARLES and PATERNITI

AN ACT to amend the "Local Public Contracts Law," approved
June 9, 1971 (P. L. 1971, c. 198).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 3 of P. L. 1971, c. 198 (C. 40A:11-3) is amended to read
2 as follows:

3 3. Purchases, contracts or agreements not required to be adver-
4 tised. Any purchase, contract or agreement for the performance
5 of any work or the furnishing or hiring of materials or supplies,
6 the cost or price of which, together with any other sums expended
7 or to be expended for the performance of any work or services in
8 connection with the same immediate program, undertaking, activity
9 or project or the furnishing of similar materials or supplies during
10 the same fiscal year paid with or out of public funds, does not exceed
11 the total sum of **[\$4,500.00]** *\$7,500.00* in the fiscal year, may be
12 made, negotiated or awarded by a contracting agent when so au-
13 thorized by resolution of the governing body of the contracting unit
14 without public advertising for bids. Such authorization may be
15 granted for each purchase, contract or agreement or by a general
16 delegation of the power to make, negotiate or award such purchases,
17 contracts or agreements pursuant to this section.

18 Any purchase, contract or agreement made pursuant to this
19 section may be awarded for a period of 12 consecutive months,
20 notwithstanding that such 12-month period does not coincide with
21 the fiscal year. The Division of Local Government Services shall

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

Matter printed in italics thus is new matter.

22 adopt and promulgate rules and regulations concerning the methods
23 of accounting for all contracts that do not coincide with the fiscal
24 year.

1 2. Section 4 of P. L. 1971, c. 198 (C. 40A :11-4) is amended to read
2 as follows:

3 4. Contracts and agreements required to be advertised. Every
4 contract or agreement, for the performance of any work or the
5 furnishing or hiring of any materials or supplies, the cost or the
6 contract price whereof is to be paid with or out of public funds, not
7 included within the terms of section 3 of this act, shall be made or
8 awarded only by the governing body of the contracting unit after
9 public advertising for bids and bidding therefor, except as is pro-
10 vided otherwise in this act or specifically by any other law. No
11 work, materials or supplies shall be undertaken, acquired or
12 furnished for a sum exceeding in the aggregate **[\$4,500.00]**
13 *\$7,500.00*, except by contract or agreement.

1 3. Section 6 of P. L. 1971, c. 198 (C. 40A :11-6) is amended to
2 read as follows:

3 6. Emergency purchases and contracts. Any purchase, contract
4 or agreement may be made, negotiated or awarded for a contracting
5 unit without public advertising for bids and bidding therefor not-
6 withstanding that the cost or contract price will exceed **[\$4,500.00]**
7 *\$7,500.00* when an emergency affecting the public health, safety or
8 welfare requires the immediate delivery of the articles or the per-
9 formance of the service, provided that the awarding or making of
10 such purchases, contracts or agreements are made in the following
11 manner:

12 a. A written requisition for the performance of such work or
13 labor, or the furnishing of materials, supplies or services is filed
14 with the contracting agent or his deputy in charge describing the
15 nature of the emergency, the time of its occurrence and the need
16 for invoking this section, certified by the officer or director in charge
17 of the department wherein the emergency occurred, or such other
18 officer or employee as may be authorized to act in place of said
19 officer or director, and the contracting agent or his deputy in charge,
20 being satisfied that the emergency exists, is hereby authorized to
21 award a contract for said work or labor, materials, supplies or
22 services.

23 b. Upon the furnishing of such work or labor, materials, supplies
24 or services, in accordance with the terms of the contract or **[supplies**
25 **or services, shall be entitled to be paid therefor and the agreement,**
26 **the contractor furnishing such work or labor, materials,] agree-**
27 *ment, the contractor furnishing such work or labor, materials,*

28 *supplies or services, shall be entitled to be paid therefor and the*
 29 *contracting unit shall be obligated for said payment. The govern-*
 30 *ing body of the contracting unit shall take such action as shall be*
 31 *required to provide for the payment of the contract price.*

32 c. The governing body of the contracting unit may prescribe addi-
 33 tional rules and procedures to implement the requirements of this
 34 section.

1 4. Section 7 of P. L. 1971, c. 198 (C. 40A :11-7) is amended to read
 2 as follows:

3 7. Contracts not to be divided. No purchase, contract or agree-
 4 ment, which is single in character or which necessarily or by reason
 5 of the quantities required to effectuate the purpose of the purchase,
 6 contract or agreement, includes the furnishing of additional services
 7 or buying or hiring of materials or supplies or the doing of addi-
 8 tional work, shall be subdivided, so as to bring it or any of the parts
 9 thereof under the maximum price or cost limitation of **[\$4,500.00]**
 10 *\$7,500.00* thus dispensing with the requirement of public advertising
 11 and bidding therefor, and in purchasing or contracting for, or agree-
 12 ing for the furnishing of, any services, the doing of any work or the
 13 supplying of any materials or the supplying or hiring of any
 14 materials or supplies, included in or incident to the performance
 15 or completion of any project program, activity or undertaking
 16 which is single in character or inclusive of the furnishing of addi-
 17 tional services or buying or hiring of materials or supplies or the
 18 doing of additional work, or which requires the furnishing of more
 19 than one article of equipment or buying or hiring of materials or
 20 supplies, all of the services, materials or property requisite for
 21 the completion of such project shall be included in one purchase,
 22 contract or agreement.

1 5. Section 16 of P. L. 1971, c. 198 (C. 40A :11-16) is amended to
 2 read as follows:

3 16. Separate plans for various types of work; bids; contracts.
 4 In the preparation of plans and specifications for the erection,
 5 alteration or repair of any public building by any contracting unit,
 6 when the entire cost of the work will exceed **[\$4,500.00]** *\$7,500.00*
 7 in amount, the architect, engineer or other person preparing the
 8 plans and specifications, may prepare separate plans and specifica-
 9 tions for

- 10 (1) The plumbing and gas fitting and all kindred work;
- 11 (2) Steam power plants, steam and hot water heating and
- 12 ventilating apparatus and all kindred work;
- 13 (3) Electrical work;
- 14 (4) Structural steel and ornamental iron work; and

15 (5) All other work required for the completion of the project.
16 The contracting unit or its contracting agent shall advertise for
17 and receive, in the manner provided by law, either (a) separate
18 bids for each of said branches of work, or (b) bids for all the work
19 and materials required to complete the building to be included in a
20 single overall contract, or (c) both. There will be set forth in the
21 bid the name or names of, and evidence of performance security
22 from, all subcontractors to whom the bidder will subcontract the
23 furnishing of plumbing and gas fitting, and all kindred work, and
24 of the steam and hot water heating and ventilating apparatus,
25 steam power plants and kindred work, and electrical work, struc-
26 tural steel and ornamental iron work, each of which subcontractors
27 shall be qualified in accordance with this act.

28 Contracts shall be awarded to the lowest responsible bidder. In
29 the event that a contract is advertised in accordance with (c) above
30 said contract shall be awarded in the following manner: If the sum
31 total of the amounts bid by the lowest responsible bidder for each
32 branch is less than the amount bid by the lowest responsible bidder
33 for all the work and materials, the contracting unit shall award
34 separate contracts for each of such branches to the lowest re-
35 sponsible bidder therefor, but if the sum total of the amount bid
36 by the lowest responsible bidder for each branch is not less than the
37 amount bid by the lowest responsible bidder for all the work and
38 materials, the contracting unit shall award a single overall con-
39 tract to the lowest responsible bidder for all of such work and
40 materials. In every case in which a contract is awarded under (b)
41 above, all payments required to be made under such contract for
42 work and materials supplied by a subcontractor shall, upon the
43 certification of the contractor of the amount due to the subcontrac-
44 tor, be paid directly to the subcontractor.

1 6. This act shall take effect immediately.

STATEMENT

This bill increases to \$7,500.00 the threshold for the bid require-
ment under the "Local Public Contracts Law."

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1659

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 1984

Assembly Bill No. 1659 would amend the "Local Public Contracts Law," P. L. 1971, c. 198 (C. 40A:11-1 et seq.) to increase to \$7,500.00 the threshold above which local public contracts, agreements and purchases are subject to the public bidding requirements of the law. The current threshold is \$4,500.00, established by P. L. 1979, c. 350, which, in turn, replaced a threshold of \$2,500.00.