

52:34-7 and 52:34-8

LEGISLATIVE HISTORY CHECKLIST

(State contracts law--exempt certain contracts from advertising up to \$7,500 and \$20,000)

NJSA 52:34-7 and 52:34-8

LAWS OF 1979

CHAPTER 422

Bill No. A3244

Sponsor(s) Burstein and Hurley

Date Introduced April 26, 1979

Committee: Assembly State Govt., Federal & Interstate Relations & Veterans Affairs

Senate \_\_\_\_\_

Amended during passage Yes

Amendments during passage denoted by asterisks.

Date of Passage: Assembly Jan. 3, 1980

Senate Jan. 7, 1980

Date of approval Feb. 8, 1980

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly Yes

Senate  No

Fiscal Note  No

Veto message  No

Message on signing  No

Following were printed:

Reports Yes

Hearings  No

Report cited in sponsor's statement:

- 974.90 NJ. Division of Budget and Accounting. Capital
- F491 Planning Unit.
- 1979a Maintenance improvement study, April 19, 1979.
- Trenton, 1979.

9/1/73

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## ASSEMBLY, No. 3244

## STATE OF NEW JERSEY

INTRODUCED APRIL 26, 1979

By Assemblymen BURSTEIN and HURLEY

Referred to Committee on State Government, Federal and  
Interstate Relations and Veterans Affairs

AN ACT concerning public contracts, and amending P. L. 1954, c. 48.

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

1 \***[**1. Section 4 of P. L. 1954, c. 48 (C. 52:34-9) is amended to read  
2 as follows:

3 4. Any such purchase, contract or agreement may be made,  
4 negotiated or awarded pursuant to section 3 of this act when the  
5 subject matter thereof consists of:

6 (a) Services to be performed by the contractor personally which  
7 are (a) of a technical and professional nature, or (b) to be per-  
8 formed under the supervision of the Director of the Division of  
9 Purchase and Property and paid for on a time basis; or

10 (b) The purchase of perishable foods or subsistence supplies; or

11 (c) The lease of such office space, office machinery, specialized  
12 equipment, buildings or real property as may be required for the  
13 conduct of the State's business; or

14 (d) The acquisition of any real property by gift, grant, purchase  
15 or any other lawful manner in the name of and for the use of the  
16 State for the purpose of the administration of the State's business  
17 in accordance with appropriations made therefor when moneys are  
18 required for the acquisition; or

19 (e) Supplies or services as to which the bid prices after advertis-  
20 ing therefor are not reasonable or have not been independently  
21 arrived at in open competition; provided, that no negotiated pur-  
22 chase, contract or agreement may be entered into under this para-  
23 graph after the rejection of all bids received unless (a) notification  
24 of the intention to negotiate and reasonable opportunity to nego-  
25 tiate shall have been given by the Director of the Division of  
26 Purchase and Property to each responsible bidder, (b) the nego-  
27 tiated price is lower than the lowest rejected bid price of a respon-

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

28 sible bidder, and (c) such negotiated price is the lowest negotiated  
29 price offered by any responsible supplier; or

30 (f) *Purchase of construction materials and supplies not to exceed*  
31 *\$7,500.00 when such materials and supplies are not available from*  
32 *contract vendors and are necessary to the State departments or*  
33 *agencies in the performance of erection, construction, alteration,*  
34 *or repair of State buildings and facilities; or*

35 (g) *Contracts for erection, construction, alteration or repair of*  
36 *any public building or facility not to exceed \$20,000.00.*

37 (h) *Written approval of the State Treasurer shall not be re-*  
38 *quired for the subject matter in paragraphs (f) and (g).】\**

1 \*1. Section 2 of P. L. 1954, c. 48 (C. 52:34-7) is amended to read  
2 as follows:

3 2. Any such purchase, contract or agreement may be made,  
4 negotiated, or awarded by the Director of the Division of Purchase  
5 and Property or the Director of the Division of Building and Con-  
6 struction, as the case may be, without advertising 【if the aggregate  
7 amount involved does not exceed \$2,500.00】, in any manner which  
8 he may deem effective to promote full and free competition when-  
9 ever competition is practicable, if: (1) the aggregate amount in-  
10 volved does not exceed \$2,500.00; or (2) the aggregate amount  
11 involved does not exceed \$7,500.00 in the case of the purchase of  
12 construction materials and supplies when such materials and  
13 supplies are not available from contract vendors and are necessary  
14 to the State departments or agencies in the erection, construction,  
15 alteration, or repair of State buildings and facilities; or (3) the  
16 aggregate amount involved does not exceed \$10,000.00 in the case  
17 of contracts or agreements for the erection, construction, alteration,  
18 or repair of any public building or facility.

19 When the aggregate amount involved does not exceed \$10,000.00  
20 in the case of contracts or agreements for the erection, construc-  
21 tion, alteration, or repair of any public building or facility, the  
22 Director of the Division of Building and Construction may, at his  
23 discretion, delegate to the appropriate State department or using  
24 agency his authority to make, negotiate, or award a contract or  
25 agreement without advertising.

26 The Director of the Division of Purchase and Property or the  
27 Director of the Division of Building and Construction, as the case  
28 may be, shall establish, in accordance with the "Administrative  
29 Procedure Act," (P. L. 1968, c. 410; C. 52:14B-1 et seq.), rules and  
30 regulations concerning procedural requirements for the making,  
31 negotiating or awarding of purchases, contracts or agreements  
32 pursuant to this section.

1     2. Section 3 of P. L. 1954, c. 48 (C. 52:34-8) is amended to read  
2 as follows:

3     3. Any such purchase, contract or agreement where the cost or  
4 contract price exceeds **[\$2,500.00]** *the amounts specified in section*  
5 *2 of this act* may, with the written approval of the State Treasurer,  
6 be made, negotiated or awarded by the Director of the Division of  
7 Purchase and Property *or the Director of the Division of Building*  
8 *and Construction, as the case may be*, without advertising, when the  
9 subject matter thereof is that described in section 4 of this act or  
10 when the purchase, contract or agreement is made or awarded  
11 under the circumstances described in section 5 of this act, in any  
12 manner which the director may deem effective to promote full and  
13 free competition whenever competition is practicable.\*

1     \***[2.]**\* \*3.\* This act shall take effect immediately.

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30 (f) Purchase of construction materials and supplies not to exceed  
31 \$7,500.00 when such materials and supplies are not available from  
32 contract vendors and are necessary to the State departments or  
33 agencies in the performance of erection, construction, alteration,  
34 or repair of State buildings and facilities; or

35 (g) Contracts for erection, construction, alteration or repair of  
36 any public building or facility not to exceed \$20,000.00.

37 (h) Written approval of the State Treasurer shall not be re-  
38 quired for the subject matter in paragraphs (f) and (g).

1 2. This act shall take effect immediately.

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#### STATEMENT

This bill was recommended by the Commission on Capital Budgeting and Planning as part of their report entitled "Preserving New Jersey's Investments—Recommendations for Improving New Jersey's Maintenance Program."

This legislation would permit certain negotiated contracts and agreements for construction projects up to \$20,000.00 without advertising and formal bidding. This legislation would also permit contracts and agreements for purchase of construction materials and supplies up to \$7,500.00 to be negotiated without advertising and will dispense with written approval of the State Treasurer under certain circumstances.

A 3244 (1979)

ASSEMBLY STATE GOVERNMENT, FEDERAL AND  
INTERSTATE RELATIONS AND VETERANS  
AFFAIRS COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 3244**  
with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 3, 1980

*Summary of the bill as amended*

This bill permits the awarding of contracts without advertising (1) when the amount involved does not exceed \$7,500.00 in the case of the purchase of construction materials and supplies under certain circumstances, or (2) when the amount involved does not exceed \$10,000.00 in the case of the erection, construction, alteration, or repair of a public building. The present limit of \$2,500.00 below which no advertising is necessary is retained for all other purchases.

In addition, the bill authorizes the Director of the Division of Building and Construction to delegate to the appropriate State department or using agency his authority to award contracts without advertising in the case of construction projects costing no more than \$10,000.00.

The authority to promulgate rules and regulations for the awarding of contracts without advertising is granted to the Director of the Division of Building and Construction in the case of construction projects and to the Director of the Division of Purchase and Property in the case of purchases under his jurisdiction.

This bill was recommended by the Commission on Capital Budgeting and Planning as part of their report entitled "Preserving New Jersey's Investments—Recommendations for Improving New Jersey's Maintenance Program."

*Assembly Committee Amendments*

The committee amended the bill (1) to reduce to \$10,000.00 from \$20,000.00 the amount below which no advertising would be necessary in the case of construction projects, (2) to authorize the Director of the Division of Building and Construction to delegate his authority for awarding contracts without advertising, and (3) to authorize the promulgation of rules and regulations with respect to the awarding of contracts without advertising.