

40A:11-3 et al

LEGISLATIVE HISTORY CHECKLIST

RJSA 40A:11-3 et al. (Local Public Contracts Law--clarify certain provisions)

LAWS OF 1977 CHAPTER 53

Bill No. S3097

Sponsor(s) Greenberg, Dodd, Musto

Date Introduced February 14, 1977

Committee: Assembly -----

Senate County & Municipal Government

Amended during passage Yes No

Date of Passage: Assembly March 21, 1977

Senate February 17, 1977

Date of approval April 5, 1977

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

See: 974.90 N.J. Division of Local Government Services
M966 Local public contract guidelines and local public
1977 contract regulations, April 5, 1977.

[THE GUIDELINES EXPLAIN THE STATUTE SECTIONS]

9/1/78

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CHAPTER 53 LAWS OF N. J. 1977
APPROVED 4-5-77

SENATE, No. 3097

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 14, 1977

By Senators GREENBERG, DODD and MUSTO

Referred to Committee on County and Municipal Government

AN ACT to amend the "Local Public Contracts Law", approved
June 9, 1971 (P. L. 1971, c. 198) and P. L. 1976, c. 25.

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
2 read 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 \$2,500.00 in the fiscal year [or, in the case of pur-
12 chases that are not annually recurring, in a period of 1 year], may
13 be made, negotiated or awarded by a contracting agent when so
14 authorized by resolution of the governing body of the contracting
15 unit without public advertising for bids. *Such authorization may*
16 *be granted for each purchase, contract or agreement or by a general*
17 *delegation of the power to make, negotiate or award such pur-*
18 *chases, contracts or agreements pursuant to this section.*

19 *Any purchase, contract or agreement made pursuant to this*
20 *section may be awarded for a period of 12 consecutive months,*
21 *notwithstanding that such 12-month period does not coincide with*
22 *the fiscal year. The Division of Local Government Services shall*
23 *adopt and promulgate rules and regulations concerning the methods*
24 *of accounting for all contracts that do not coincide with the fiscal*
25 *year.*

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

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

3 5. Exceptions. Any purchase, contract or agreement of the
4 character described in section 4 of this act may be made, negotiated
5 or awarded by the **【contracting unit】 governing body** without
6 public advertising for bids and bidding therefor if

7 (1) The subject matter thereof consists of

8 (a) (i) Professional services **【or extraordinary unspecifiable**
9 **services which cannot reasonably be described by written specifica-**
10 **tions. The application of this exception to extraordinary un-**
11 **specifiable services shall be construed narrowly in favor of open**
12 **competitive bidding where possible and the Division of Local**
13 **Government Services is authorized to establish rules and regula-**
14 **tions limiting the use of this exception in accordance with the**
15 **intention herein expressed】. The governing body shall in each**
16 **instance state supporting reasons for its action in the resolution**
17 **awarding each contract and shall forthwith cause 【such resolu-**
18 **tion】 to be printed once, in a newspaper authorized by law to**
19 **publish its legal advertisements, a brief notice stating the nature,**
20 **duration, service and amount of the contract, and that the resolu-**
21 **tion and contract are on file and available for public inspection in**
22 **the office of the clerk of the county or municipality, or, in the case**
23 **of a contracting unit created by more than one county or municipi-**
24 **ality, of the counties or municipalities creating such contracting**
25 **unit; or, (ii) Extraordinary, unspecifiable services. The applica-**
26 **tion of this exception shall be construed narrowly in favor of open**
27 **competitive bidding, where possible, and the Division of Local**
28 **Government Services is authorized to adopt and promulgate rules**
29 **and regulations limiting the use of this exception in accordance**
30 **with the intention herein expressed. The governing body shall in**
31 **each instance state supporting reasons for its action in the resolu-**
32 **tion awarding each contract and shall forthwith cause to be printed,**
33 **in the manner set forth in subsection (1)(a)(i) of this section, a**
34 **brief notice of the award of such contract.**

35 (b) The doing of any work by employees of the contracting
36 unit;

37 (c) The printing of legal briefs, records and appendices to
38 be used in any legal proceeding in which the contracting party
39 may be a party;

40 (d) The furnishing of a tax map or maps for the contracting
41 party;

42 (e) The purchase of perishable foods as a subsistence supply;

43 (f) The supplying of any product or the rendering of any
44 service by a public utility, which is subject to the jurisdiction

45 of the Board of Public Utility Commissioners, in accordance
46 with tariffs and schedules of charges made, charged or exacted,
47 filed with said board;

48 (g) The acquisition, subject to prior approval of the Attorney
49 General, of special equipment for confidential investigation;

50 (h) The printing of bonds and documents necessary to the
51 issuance and sale thereof by a contracting unit;

52 (i) Equipment repair service if in the nature of an extraordinary,
53 unspecifiable service and necessary parts furnished in connection
54 with such service, *which exception shall be in accordance with the*
55 *requirements for extraordinary, unspecifiable services*;

56 (j) The publishing of legal notices in newspapers as required
57 by law;

58 (k) The acquisition of artifacts or other items of unique,
59 intrinsic, artistic or historical character; **[or]**

60 (l) Election expenses**[**, including advertising expenses incidental
61 thereto**]**; *or*

62 (m) *Insurance, including the purchase of insurance coverage*
63 *and consultant services, which exception shall be in accordance*
64 *with the requirements for extraordinary, unspecifiable services.*

65 (2) It is to be made or entered into with the United States of
66 America, the State of New Jersey, county or municipality or any
67 board, body, officer, agency or authority thereof and any other
68 state or subdivision thereof.

69 (3) The contracting **[unit]** agent has advertised for bids pur-
70 suant to section 4 on two occasions and (a) has received no bids
71 *on both occasions* in response to its advertisement, **[and after**
72 reasonable inquiry it is determined that no board, body, officer,
73 agency or authority of the United States, or of the State of New
74 Jersey or of any neighboring county or municipality is willing
75 and able to perform any work or furnish or hire any materials or
76 supplies in conformity with the specifications of the contracting
77 unit. Any such contract or agreement entered into pursuant to
78 this subsection (3) of section 5 may be made, negotiated or awarded
79 only upon adoption of a resolution by the affirmative vote of
80 two-thirds of the full membership of the governing body of the
81 contracting unit at a meeting thereof authorizing such a contract
82 or agreement. Any amendment or modification of the terms, con-
83 ditions, restrictions and specifications which were the subject of
84 the competitive bidding pursuant to section 4 of this act shall be
85 stated in the resolution awarding the contract.

86 (4) The contracting unit has advertised for bids pursuant to
87 section 4 on two occasions and the governing body thereof has
88 rejected such bids on each occasion because the contracting unit
89 has determined that they are not reasonable as to price on the basis
90 of cost estimates prepared for the contracting unit prior to the
91 advertising therefor or have not been independently arrived at in
92 open competition, but no such contract or agreement may be entered
93 into after such rejection of bids, unless:

94 (a) Notification of the intention to negotiate and a reason-
95 able opportunity to negotiate shall have been given by the con-
96 tracting unit to each responsible bidder;

97 (b) The negotiated price is lower than the lowest rejected
98 bid price of a responsible bidder who bid thereon and is the
99 lowest negotiated price offered by any responsible supplier
100 and is a reasonable price for such work materials, supplies or
101 services;

102 (c) Any amendment or modification of the terms, condi-
103 tions, restrictions and specifications which were the subject of
104 competitive bidding pursuant to section 4 of this act shall be
105 stated in the resolution awarding the contract; and

106 (d) The negotiated price is lower than the price of the same
107 or equivalent materials or supplies available from the State
108 or the county in which the contracting unit is located.】

109 *or (b) the governing body has rejected such bids on two occasions*
110 *because the contracting agent has determined that they are not*
111 *reasonable as to price, on the basis of cost estimates prepared for*
112 *or by the contracting agent prior to the advertising therefor, or*
113 *have not been independently arrived at in open competition, or (c)*
114 *on one occasion no bids were received pursuant to (a) and on one*
115 *occasion all bids were rejected pursuant to (b), in whatever*
116 *sequence; any such contract or agreement may then be negotiated*
117 *and may be awarded upon adoption of a resolution by a two-thirds*
118 *affirmative vote of the authorized membership of the governing*
119 *body authorizing such contract or agreement; provided, however,*
120 *that:*

121 (i) *A reasonable effort is first made by the contracting agent*
122 *to determine that the same or equivalent materials or supplies,*
123 *at a cost which is lower than the negotiated price, are not*
124 *available from an agency or authority of the United States,*
125 *the State of New Jersey or of the county in which the contract-*
126 *ing unit is located, or any municipality in close proximity to*
127 *the contracting unit;*

128 (ii) *The terms, conditions, restrictions and specifications*
 129 *set forth in the negotiated contract or agreement are not*
 130 *substantially different from those which were the subject of*
 131 *competitive bidding pursuant to section 4 (C. 40A:11-4) of*
 132 *this act; and,*

133 (iii) *Any minor amendment or modification of any of the*
 134 *terms, conditions, restrictions and specifications, which were*
 135 *the subject of competitive bidding pursuant to section 4 of*
 136 *this act, shall be stated in the resolution awarding such con-*
 137 *tract or agreement;*

138 *provided, further, however, that if on the second occasion the bids*
 139 *received are rejected as unreasonable as to price, the contracting*
 140 *agent shall notify each responsible bidder, submitting bids on the*
 141 *second occasion, of its intention to negotiate, and afford each such*
 142 *bidder a reasonable opportunity to negotiate, but the governing*
 143 *body shall not award such contract or agreement unless the negoti-*
 144 *ated price is lower than the lowest rejected bid price submitted*
 145 *on the second occasion by a responsible bidder, is the lowest*
 146 *negotiated price offered by any responsible supplier, and is a*
 147 *reasonable price for such work, materials, supplies or services.*

148 Whenever a contracting unit shall determine that a bid was not
 149 arrived at independently in open competition pursuant to **[this]**
 150 subsection **[5 of section 5]** (3) of this section it shall thereupon
 151 notify the county prosecutor of the county in which the contracting
 152 unit is located and the Attorney General of the facts upon which
 153 its determination is based, and when appropriate, it may institute
 154 appropriate proceedings in any State or Federal court of com-
 155 petent jurisdiction for a violation of any State or Federal antitrust
 156 law or laws relating to the unlawful restraint of trade.

157 **[Any such contract or agreement entered into pursuant to this**
 158 **subsection (4) of section 5 may be made, negotiated or awarded**
 159 **only upon adoption of a resolution by the affirmative vote of two-**
 160 **thirds of the full membership of the governing body of the con-**
 161 **tracting unit at a meeting thereof authorizing such a contract or**
 162 **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 \$2,500.00,
 7 when an emergency affecting the public health, safety or welfare
 8 requires the immediate delivery of the articles or the performance

9 of the service, provided that the awarding or making of such pur-
10 chases, contracts or agreements are made in the following manner:

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

22 b. Upon the furnishing of such work or labor, materials, sup-
23 plies or services, in accordance with the terms of the contract or
24 agreement, the contractor furnishing such work or labor, materials,
25 supplies or services, shall be entitled to be paid therefor and the
26 contracting unit shall be obligated for said payment. The govern-
27 ing body of the contracting unit shall take such action as shall be
28 required to provide for the payment of the contract price.

29 c. The governing body of the contracting unit may prescribe
30 additional rules and procedures to implement the requirements of
31 this section.

1 4. Section 6 of P. L. 1975, c. 353 (C. 40A:11-6.1) is amended to
2 read as follows:

3 6. [a. All contracts and agreements shall be awarded to the
4 lowest responsible bidder.

5 b. Except contracts which require the performance of profes-
6 sional services, all contracts or agreements which do not require
7 public advertising for bids and the estimated cost or price exceeds
8 \$500.00, at least three quotations as to the cost or price, whenever
9 practicable, shall be solicited by the contracting agent, and the
10 contract or agreement shall be made with and awarded to the lowest
11 responsible bidder.]

12 *Award of purchases, contracts or agreements. All purchases,*
13 *contracts or agreements which require public advertisement for*
14 *bids shall be awarded to the lowest responsible bidder.*

15 *Prior to the award of any other purchase, contract or agreement,*
16 *the contracting agent shall, except in the case of the performance*
17 *of professional services, solicit quotations, whenever practicable,*
18 *on any such purchase, contract or agreement the estimated cost or*
19 *price of which is \$500.00 or more, and the award thereof shall be*

20 made, in accordance with sections 3 (C. 40A:11-3) or 4
21 (C. 40A:11-4), as the case may be, of the Local Public Contracts
22 Law, on the basis of the lowest responsible quotation received,
23 which quotation is most advantageous to the contracting unit, price
24 and other factors considered; provided, however, that if the con-
25 tracting agent deems it impracticable to solicit competitive quota-
26 tions in the case of extraordinary, unspecifiable service, or, in the
27 case of such or any other purchase, contract or agreement awarded
28 hereunder, having sought such quotations determines that it should
29 not be awarded on the basis of the lowest quotation received, the
30 contracting agent shall file a statement of explanation of the reason
31 or reasons therefor, which shall be placed on file with said purchase,
32 contract or agreement.

1 5. Section 9 of P. L. 1971, c. 198 (C. 40A:11-9) is amended to
2 read as follows:

3 9. Purchasing agent, department or board; establishment;
4 powers. The governing body of any local unit may **[,]** by ordinance,
5 in the case of a municipality, **[and]** by ordinance or resolution,
6 as the case may be, in the case of a county, **[provide for the appoint-**
7 **ment of a]** or by resolution in all other cases, establish the office of
8 purchasing agent, or a purchasing department or a purchasing
9 board, with authority, as its contracting agent, to prepare public
10 advertising for bids and to receive bids for the purchase of work,
11 materials and supplies on behalf of the contracting unit and,
12 **[subject to]** unless otherwise required by the provisions of this act,
13 to make awards of contracts in the name of the contracting unit.

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

3 11. Additional matters regarding agreements for the purchases
4 of work, materials and supplies.

5 (1) The contracting units entering into a joint agreement pur-
6 suant to section 10 of this act may designate a joint purchasing
7 agent, department or board pursuant to section 9 of this act. Any
8 such agent, board or department already designated pursuant to
9 section 9 may serve as the joint agent, department or board desig-
10 nated pursuant to this section.

11 (2) Purchases, contracts or agreements made pursuant to a
12 joint purchasing agreement shall be subject to all of the terms and
13 conditions of this act.

14 (3) Any county or municipality serving as a purchasing agent,
15 board or department pursuant to this section 11, may make an
16 appropriation to enable it to perform any such contract and may
17 anticipate as revenue payments to be made and received by it from

18 any other party to the agreement. Any items so included in a local
 19 budget shall be subject to the approval of the Director, Division of
 20 Local Government Services, who shall consider the matter in con-
 21 junction with the requirements of chapter 4 of Title 40A of the
 22 New Jersey Statutes. The agreement and any subsequent amend-
 23 ment or revisions thereto shall be filed with the Director of the
 24 Division of Local Government Services in the Department of Com-
 25 munity Affairs. [The purchasing agent, pursuant to such an agree-
 26 ment, shall also annually file with the director a report of any
 27 purchases, contracts or agreements and the amounts thereof
 28 annually. The director may, by regulation, specify the form and
 29 content of such reports.]

30 (4) Any agent, department or board so designated pursuant to
 31 a joint purchasing agreement shall have the sole responsibility to
 32 comply with the provisions of section 23 of this act.

1 7. Section 15 of P. L. 1971, c. 198 (C. 40A:11-15) is amended to
 2 read as follows:

3 15. Duration of certain contracts. [Any contracting unit may
 4 enter into a contract exceeding the fiscal year for] *All purchases,*
 5 *contracts or agreements shall be made for a period not to exceed*
 6 *12 consecutive months, except that contracts or agreements may*
 7 *be entered into for longer periods of time as follows:*

8 (1) Supplying of

9 (a) Fuel for heating purposes, for any term not exceeding
 10 in the aggregate, 2 years;

11 (b) Fuel or oil for use of airplanes, automobiles, motor
 12 vehicles or equipment for any term not exceeding in the aggre-
 13 gate, 2 years;

14 (2) [The plowing and removal of snow and ice from highways
 15 and public places, for any term not exceeding in the aggregate, 1
 16 year;] *Deleted by amendment;*

17 (3) The collection and disposal of garbage and refuse, for any
 18 term not exceeding in the aggregate, 5 years;

19 (4) The recycling of solid waste, for any term not exceeding 25
 20 years, when such contract is in conformance with [the approved
 21 plan for that] a solid waste management [district] plan approved
 22 pursuant to P. L. 1970, c. 39 (C. 13:1E-1, et seq.), and with the
 23 approval of the Division of Local Government Services and the
 24 Department of Environmental Protection [notwithstanding such
 25 terms exceed the fiscal year];

26 (5) Data processing service, for any term of not more than 3
 27 years;

28 (6) Insurance, for any term of not more than 3 years;

29 (7) Leasing or servicing of automobiles, motor vehicles, elec-
30 tronic communications equipment, machinery and equipment of
31 every nature and kind, for a period [of 1 year with options by the
32 contracting unit to renew such lease for further periods of 1 year,
33 but in the aggregate] not to exceed 3 years; provided, however,
34 such contracts shall be entered into only subject to and in accord-
35 ance with the rules and regulations promulgated by the Director
36 of the Division of Local Government Services of the Department
37 of Community Affairs;

38 (8) The supplying of any product or the rendering of any service
39 by a telephone company which is subject to the jurisdiction of the
40 Board of Public Utility Commissioners for a term not exceeding
41 5 years;

42 (9) *Any single project for the construction, reconstruction or*
43 *rehabilitation of any public building, structure or facility, or any*
44 *public works projects, including the retention of the services of*
45 *any architect or engineer in connection therewith, for the length*
46 *of time authorized and necessary for the completion of the actual*
47 *construction.*

48 All multi-year leases and contracts entered into pursuant to this
49 section 15, except contracts for the leasing or servicing of equip-
50 ment supplied by a telephone company which is subject to the
51 jurisdiction of the Board of Public Utility Commissioners *or con-*
52 *struction contracts authorized pursuant to subsection (9) above,*
53 shall contain a clause making them subject to the availability and
54 appropriation annually of sufficient funds as may be required to
55 meet the extended obligation, or contain an annual cancellation
56 clause.

57 *The Division of Local Government Services shall adopt and*
58 *promulgate rules and regulations concerning the methods of ac-*
59 *counting for all contracts that do not coincide with the fiscal year.*

1 8. Section 24 of P. L. 1971, c. 198 (C. 40A:11-24) is amended
2 to read as follows:

3 24. Time for making awards; deposits returned. The contract-
4 ing unit shall award the contract or reject all bids within such time
5 as may be specified in the invitation to bid, but in no case more than
6 60 days, except that the bids of any bidders who consent thereto
7 may, at the request of the contracting unit, be held for considera-
8 tion for such longer period as may be agreed. All bid security
9 except the security of the three apparent lowest responsible bidders
10 shall[, if requested,] be returned [after], *unless otherwise re-*

11 *quested by the bidder, within 10 days [from] after the opening*
 12 *of the bids, Sundays and holidays excepted, and the bids of such*
 13 *bidders shall be considered as withdrawn. Within 3 days, Sundays*
 14 *and holidays excepted, after the awarding and signing of the con-*
 15 *tract and the approval of the contractor's performance bond,*
 16 *the bid security of the remaining unsuccessful bidders shall be*
 17 *returned to them [forthwith, Sundays and holidays excepted].*

1 9. Section 1 of P. L. 1976, c. 25 is amended to read as follows:

2 1. Notwithstanding the provisions of section 15 of P. L. 1975,
 3 c. 353, the amendatory and supplementary provisions of the afore-
 4 said act shall [remain inoperative for a period of 330 days after
 5 the effective date of this act] *become operative on the effective date*
 6 *of this amendatory act.*

1 10. This act shall take effect 45 days after enactment.

STATEMENT

This bill was prepared after extensive consultations between the Senate County and Municipal Government Committee and concerned representatives of the counties and municipalities of the State. The objective of the bill is to rectify some of the technical problems raised by the 1971 enactment of the Local Public Contracts Law, and the 1975 amendments (P. L. 1975, c. 353) thereto.

The main provisions of the bill are as follows:

(1) Section 1 of the bill:

(a) Authorizes any contract, in an amount of \$2,500.00 or less, to be awarded for any 12-month period, and directs the Division of Local Government Services to promulgate appropriate accounting procedures for such contracts; and

(b) Makes it clear that the governing body may, by general delegation or on a contract-by-contract basis, delegate its powers to make, negotiate or award any contract made pursuant to said section.

(2) Section 2 of the bill:

(a) Segregates professional and extraordinary, unspecifiable services in the same manner as set forth in the 1971 act; and

(b) Allows local units to satisfy the requirement for the publication of the resolution awarding a professional service or extraordinary, unspecifiable service contract, by the publication of a brief notice of the award of contract;

(c) Exempts insurance contracts (both insurance services and coverage); and

(d) Authorizes a local unit to negotiate a contract following the receipt of no bids or unsatisfactory bids on two occasions—currently there must be two successive no bid or two successive unreasonable bid situations before a local unit may proceed to negotiations. The bill otherwise retains the current statutory requirements for negotiated agreements.

(3) Section 3 of the bill grants the department head the discretionary authority to designate any officer or employee of the department to act in his stead for the purpose of initiating an emergency purchase.

(4) Section 4 of the bill retains the solicitation of quotations requirement for certain contracts, but removes the statutory prescription of a minimum number of solicitations, and allows a local unit to waive the solicitation requirements in the case of extraordinary, unspecifiable services, or to award such contracts (over \$500.00 and not requiring public bidding) on the basis of the lowest responsible quotation which best serves the interest of the contracting unit, price and other factors considered;

(5) Section 5 of the bill makes it clear that the statutory authorization is for the governing body to establish the office of purchasing agent or a purchasing department and not to appoint the purchasing agent, who shall be selected by the appointing authority of the local unit, and clarifies the powers of such agent or department.

(6) Section 6 of the bill eliminates the requirement that a report of all joint contracts or agreements concluded pursuant to Article D of the Local Public Contracts Law to be filed annually with the Director of the Division of Local Government Services. The Director, however, retains his other existing statutory authority in such matters.

(7) Section 7 of this bill:

(a) Makes it clear that all purchases, contracts or agreements may be awarded for any period of 12 consecutive months, and directs the Division of Local Government Services to promulgate appropriate procedures therefor;

(b) Authorizes, subject to the availability of funds therefor, the negotiation of 3-year lease agreements for automobiles, motor vehicles, electronic communications equipment, machinery and other equipment—currently, such contracts must be awarded on a 1-year basis, with two 1-year options for renewal; and

(c) Authorizes multi-year contracts for public construction, with the term of any such contract to run until the completion of the project.

(8) Section 8 of the bill requires that, within 10 days after the opening of bids, the bid securities of all bidders, except those of the three apparent lowest responsible bidders, be returned to the bidders, and that the bid securities of the remaining unsuccessful bidders be returned within 3 days after the signing of the contract.

(9) Section 9 dovetails the provisions of this bill with those of P. L. 1975, c. 353, so that the provisions of both acts will take effect on the effective date of this act, which is, 45 days after enactment.

FROM THE OFFICE OF THE GOVERNOR

APRIL 6, 1977

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

ANNE BURNS

Governor Brendan Byrne has signed the comprehensive amendment to the Local Public Contracts Law (P.L. 1975, c. 353).

The bill, S-3097, was sponsored by State Senators Martin L. Greenberg (D-Essex), Frank J. Dodd (D-Essex), and William V. Musto (D-Hudson). The Governor signed the bill late yesterday afternoon.

The new Local Public Contracts Law went into effect for a brief period after the Governor signed it on March 3, 1976, but because of a general feeling in the Legislature that the municipalities were not prepared to implement the bidding changes required by the new law, a 90-day moratorium was passed on May 11, 1976. Two subsequent extensions moved the effective date to April 6, 1977.

S-3097 modifies some of the provisions of Chapter 353 and makes the effective date of the act and new amendments 45 days from the date of signing.

Under S-3097:

- Contracts may now be signed for any twelve month period, rather than being tied into the fiscal year.
- Professional services will continue to be considered exempt from competitive bidding.
- Non-licensed services will be referred to as extraordinary unspecifiable services, and will be exempt from competitive bidding only if they meet criteria established by the Division of Local Government Services.
- Insurance contracts will be exempt from competitive bidding.
- Motor vehicles will no longer be exempt from competitive bidding.
- Any purchase of between \$500 and \$2500 will require more than one quotation. This includes those items which are specifically exempted from competitive bidding.
- School districts will be removed from the coverage of the Local Public Contracts Law.

The bill will also allow authorization of an expanded number of multi-year contracts.