

LEGISLATIVE HISTORY CHECKLIST
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(Public contracts)

NJSA: 52:34-6.1

LAWS OF: 1996 CHAPTER: 16

BILL NO: A182

SPONSOR(S): Kavanaugh

DATE INTRODUCED: February 15, 1996

COMMITTEE: ASSEMBLY: Appropriations

SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
 Second reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: February 15, 1996

SENATE: March 18, 1996

DATE OF APPROVAL: April 11, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes Also attached: statement
 with floor amendments,
 adopted 2-29-96

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
 REPORTS: No

HEARINGS: No

[Second Reprint]
ASSEMBLY, No. 182

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1996

By Assemblyman KAVANAUGH

1 AN ACT concerning the purchase of goods and services by the State
2 and other contracting entities ²**[and]** ² supplementing P.L.1954,
3 c.48 (C.52:34-6 et seq.), ²**[chapter 34 of Title 52 of the Revised**
4 **Statutes,] and amending** ² P.L.1971, c.198 ²**[(C.40A:11-1 et seq.),**
5 **chapter 18A of Title 18A of the New Jersey Statutes]** ² P.L.1977,
6 c.114 ², P.L.1986, c.43 ²**[(C.18A:64-52 et seq.)]** ², and P.L.1982,
7 c.189 ²**[(C.18A:64A-25.1 et seq.)]** ².

8
9 **BE IT ENACTED** *by the Senate and General Assembly of the State*
10 *of New Jersey:*

11
12 1. (New section) Notwithstanding the provisions of P.L.1954, c.48
13 (C.52:34-6 et seq.) to the contrary, and as an alternative to the
14 procedures concerning the awarding of public contracts pursuant to
15 that act, the Director of the Division of Purchase and Property in the
16 Department of the Treasury may purchase goods and services, for
17 State agencies and for the entities defined in section 1 of P.L.1959,
18 c.40 (C.52:27B-56.1), from the Federal Supply Schedules of the
19 Federal General Services Administration as permitted by the "Federal
20 Acquisition Streamlining Act of 1994," Pub.L.No.103-355, and
21 regulations adopted pursuant to that law and by the rules and
22 regulations which the director may promulgate pursuant to the
23 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
24 seq.).

25
26 2. (New section) Notwithstanding the provisions of any other law
27 to the contrary, and as an alternative to the procedures concerning the
28 awarding of public contracts pursuant to the applicable statutes, the
29 State authorities authorized to contract independently under various
30 provisions of State law may, without advertising for bids, or having

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted February 22, 1996.

² Assembly floor amendments adopted February 29, 1996.

1 rejected all bids obtained pursuant to advertising, purchase goods and
2 services from the Federal Supply Schedules of the Federal General
3 Services Administration as permitted by the "Federal Acquisition
4 Streamlining Act of 1994," Pub.L.No.103-355, and regulations
5 adopted pursuant to that law and by the rules and regulations which
6 the authority may adopt.

7
8 ²[3. Notwithstanding the provisions of the "Local Public Contracts
9 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), to the contrary, and as
10 an alternative to the procedures concerning the awarding of public
11 contracts pursuant to that act, the governing body may, without
12 advertising for bids, or having rejected all bids obtained pursuant to
13 advertising, purchase goods and services from the Federal Supply
14 Schedules of the Federal General Services Administration as permitted
15 by the "Federal Acquisition Streamlining Act of 1994," Pub.L.No.103-
16 355, and regulations adopted pursuant to that law and by the rules and
17 regulations which the governing body may adopt.]²

18
19 ²[4. Notwithstanding the provisions of the "Public School
20 Contracts Law," N.J.S.18A:18A-1 et seq., to the contrary, and as an
21 alternative to the procedures concerning the awarding of public
22 contracts pursuant to that act, the board of education may, without
23 advertising for bids, or having rejected all bids obtained pursuant to
24 advertising, purchase goods and services from the Federal Supply
25 Schedules of the Federal General Services Administration as permitted
26 by the "Federal Acquisition Streamlining Act of 1994," Pub.L.No.103-
27 355, and regulations adopted pursuant to that law and by the rules and
28 regulations which the board of education may adopt.]²

29
30 ²[5. Notwithstanding the provisions of the "State College
31 Contracts Law," P.L.1986, c.43 (C.18A:64-52 et seq.), to the
32 contrary, and as an alternative to the procedures concerning the
33 awarding of public contracts pursuant to that act, the board of trustees
34 may, without advertising for bids, or having rejected all bids obtained
35 pursuant to advertising, purchase goods and services from the Federal
36 Supply Schedules of the Federal General Services Administration as
37 permitted by the "Federal Acquisition Streamlining Act of 1994,"
38 Pub.L.No.103-355, and regulations adopted pursuant to that law and
39 by the rules and regulations which the board of trustees may adopt.]²

40
41 ²[6. Notwithstanding the provisions of the "County College
42 Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), to the
43 contrary, and as an alternative to the procedures concerning the
44 awarding of public contracts pursuant to that act, the county college
45 may, without advertising for bids, or having rejected all bids obtained
46 pursuant to advertising, purchase goods and services from the Federal

1 Supply Schedules of the Federal General Services Administration as
2 permitted by the "Federal Acquisition Streamlining Act of 1994,"
3 Pub.L.No.103-355, and regulations adopted pursuant to that law and
4 by the rules and regulations which the county college may adopt.】²

5
6 ²3. Section 12 of P.L.1971, c.198 (C.40A:11-12) is amended to
7 read as follows:

8 12. a. Any contracting unit under this act may without advertising
9 for bids, or having rejected all bids obtained pursuant to advertising
10 therefor, purchase any materials, supplies, goods, services or
11 equipment under any contract or contracts for such materials, supplies,
12 goods, services or equipment entered into on behalf of the State by the
13 Division of Purchase and Property in the Department of the Treasury.

14 b. A contracting unit may also use, without advertising for bids, or
15 having rejected all bids obtained pursuant to advertising, the Federal
16 Supply Schedules of the General Services Administration as permitted
17 by the "Federal Acquisition Streamlining Act of 1994," Pub.L. 103-
18 355, and federal regulations adopted thereunder.

19 c. Whenever a purchase is made, the contracting unit shall place its
20 order with the vendor offering the lowest price, including delivery
21 charges, that best meets the requirements of the contracting unit.
22 Prior to placing such an order, the contracting unit shall document
23 with specificity that the materials, supplies, goods, services or
24 equipment selected best meet the requirements of the contracting
25 unit.²

26 (cf: P.L.1971, c.198, s.12)

27
28 ²4. Section 1 of P.L.1977, c.114 (C.18A:18A-10) is amended to
29 read as follows:

30 1. a. A board of education, without advertising for bids, or after
31 having rejected all bids obtained pursuant to advertising therefor, may
32 purchase any materials, supplies, goods, services or equipment
33 pursuant to a contract or contracts for such materials, supplies, a
34 goods, services or equipment entered into on behalf of the State by the
35 Division of Purchase and Property.

36 b. A board of education may also use, without advertising for bids,
37 or having rejected all bids obtained pursuant to advertising, the
38 Federal Supply Schedules of the General Services Administration as
39 permitted by the "Federal Acquisition Streamlining Act of 1994,"
40 Pub.L. 103-355, and federal regulations adopted thereunder.

41 c. Whenever a purchase is made, the board of education shall place
42 its order with the vendor offering the lowest price, including delivery
43 charges, that best meets the requirements of the board of education.
44 Prior to placing such an order, the board of education shall document
45 with specificity that the materials, supplies, goods, services or

1 equipment selected best meet the requirements of the board of
2 education.²

3 (cf: P.L.1977, c.114, s.1)

4

5 ²5. Section 9 of P.L.1986, c.43 (C.18A:64-60) is amended to read
6 as follows:

7 9. a. Any State college, without advertising for bids, or after
8 having rejected all bids obtained pursuant to advertising therefor, may
9 purchase any materials, supplies, goods, services or equipment
10 pursuant to a contract or contracts for those materials, supplies,
11 goods, services or equipment entered into on behalf of the State by the
12 Division of Purchase and Property.

13 b. A State college may also use, without advertising for bids, or
14 having rejected all bids obtained pursuant to advertising, the Federal
15 Supply Schedules of the General Services Administration as permitted
16 by the "Federal Acquisition Streamlining Act of 1994," Pub.L. 103-
17 355, and federal regulations adopted thereunder.

18 c. Whenever a purchase is made, the State college shall place its
19 order with the vendor offering the lowest price, including delivery
20 charges, that best meets the requirements of the State college. Prior
21 to placing such an order, the State college shall document with
22 specificity that the materials, supplies, goods, services or equipment
23 selected best meet the requirements of the State college.²

24 (cf: P.L.1986, c.43, s.9)

25

26 ²6. Section 9 of P.L.1982, c.189 (C.18A:64A-25.9) is amended to
27 read as follows:

28 9. a. Any county college, without advertising for bids, or after
29 having rejected all bids obtained pursuant to advertising therefor, may
30 purchase any materials, supplies, goods, services or equipment
31 pursuant to a contract or contracts for such materials, supplies,
32 goods, services or equipment entered into on behalf of the State by the
33 Division of Purchase and Property.

34 b. A county college may also use, without advertising for bids, or
35 having rejected all bids obtained pursuant to advertising, the Federal
36 Supply Schedules of the General Services Administration as permitted
37 by the "Federal Acquisition Streamlining Act of 1994," Pub.L. 103-
38 355, and federal regulations adopted thereunder.

39 c. Whenever a purchase is made, the county college shall place its
40 order with the vendor offering the lowest price, including delivery
41 charges, that best meets the requirements of the county college. Prior
42 to placing such an order, the county college shall document with
43 specificity that the materials, supplies, goods, services or equipment
44 selected best meet the requirements of the county college.²

45 (cf: P.L.1982, c.189, s.9)

1 7. ²(New section)² a. Notwithstanding the provisions of any other
2 law to the contrary ²except the provisions of R.S.30:4-95², and as an
3 alternative to the procedures concerning the awarding of public
4 contracts provided in P.L.1954, c.48 (C.52:34-6 et seq.), the Director
5 of the Division of Purchase and Property in the Department of the
6 Treasury may enter into cooperative purchasing agreements with one
7 or more other states, or political subdivisions thereof, for the purchase
8 of goods and services. A cooperative purchasing agreement shall
9 allow the jurisdictions which are parties thereto to standardize and
10 combine their requirements for the purchase of a particular good or
11 service into a single contract solicitation which shall be competitively
12 bid and awarded by one of the jurisdictions on behalf of jurisdictions
13 participating in the contract.

14 b. The director may elect to purchase goods or services through a
15 contract awarded pursuant to a cooperative purchasing agreement
16 whenever the director determines this to be the most cost- effective
17 method of procurement. Prior to entering into any contract to be
18 awarded through a cooperative purchasing agreement, the director
19 shall review and approve the specifications and proposed terms and
20 conditions of the contract.

21 c. The director may solicit bids and award contracts on behalf of
22 this State and other jurisdictions which are parties to a cooperative
23 purchasing agreement provided that the agreement specifies that each
24 jurisdiction participating in a contract is solely responsible for the
25 payment of the purchase price and cost of purchases made by it under
26 the terms of any contract awarded pursuant to the agreement.

27 d. The director may promulgate rules and regulations pursuant to
28 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
29 seq.), which are necessary to effectuate the purposes of this section.

30
31 8. This act shall take effect immediately ¹, however, sections 1
32 through 6 shall remain inoperative until promulgation of the federal
33 General Services Administration regulations¹ .

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38 Permits State, authorities, public colleges, local governments, and
39 school districts to purchase goods and services through Federal Supply
40 Schedules, and permits State to enter into certain cooperative
41 purchasing agreements.

1 Department of the Treasury may enter into cooperative purchasing
2 agreements with one or more other states, or political subdivisions
3 thereof, for the purchase of goods and services. A cooperative
4 purchasing agreement shall allow the jurisdictions which are parties
5 thereto to standardize and combine their requirements for the purchase
6 of a particular good or service into a single contract solicitation which
7 shall be competitively bid and awarded by one of the jurisdictions on
8 behalf of jurisdictions participating in the contract.

9 b. The director may elect to purchase goods or services through a
10 contract awarded pursuant to a cooperative purchasing agreement
11 whenever the director determines this to be the most cost- effective
12 method of procurement. Prior to entering into any contract to be
13 awarded through a cooperative purchasing agreement, the director
14 shall review and approve the specifications and proposed terms and
15 conditions of the contract.

16 c. The director may solicit bids and award contracts on behalf of
17 this State and other jurisdictions which are parties to a cooperative
18 purchasing agreement provided that the agreement specifies that each
19 jurisdiction participating in a contract is solely responsible for the
20 payment of the purchase price and cost of purchases made by it under
21 the terms of any contract awarded pursuant to the agreement.

22 d. The director may promulgate rules and regulations pursuant to
23 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
24 seq.), which are necessary to effectuate the purposes of this section.
25

26 8. This act shall take effect immediately.
27
28

29 STATEMENT 30

31 This bill authorizes the Director of the Division of Purchase and
32 Property in the Department of the Treasury, as well as authorities,
33 State and county colleges, county and municipal governments, and
34 school districts, to use the Federal Supply Schedules of the Federal
35 General Services Administration to the extent permitted by the
36 "Federal Acquisition Streamlining Act of 1994," Pub.L.No.103-355,
37 signed into law on October 13, 1994. The Legislature's grant of this
38 authority to purchase from the Federal Supply Schedules would
39 provide an alternative to the current statutory procedures concerning
40 the award of contracts.

41 The bill additionally authorizes the Director of the Division of
42 Purchase and Property in the Department of the Treasury to enter into
43 cooperative purchasing agreements with other states or their political
44 subdivisions for the purchase of goods and services. The parties to a
45 cooperative purchasing agreement would be able to standardize and
46 combine their requirements for the purchase of a particular good or

1 service into a single contract solicitation which would be competitively
2 bid and awarded by one of the parties on behalf of the jurisdictions
3 participating in the contract. Participation in any particular contract
4 under the agreement would be voluntary.

5 The bill provides that the director may elect to purchase through a
6 contract awarded pursuant to a cooperative purchasing agreement
7 whenever the director determines that this would be the most cost-
8 effective method of procurement. It requires the director to review
9 and approve the provisions of any contract to be awarded through a
10 cooperative purchasing agreement. The bill also authorizes the
11 director to solicit bids and award contracts on behalf of this State and
12 other parties to a cooperative purchasing agreement so long as each
13 jurisdiction participating in the contract is responsible for the payment
14 of the purchase price and cost of purchases made by it under the
15 contract.

16 Cooperative purchasing agreements would enable New Jersey to
17 benefit from procurements which are more cost-effective because of
18 volume purchasing, standardized specifications, and increased leverage
19 in the marketplace.

20

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23

24 Permits State, authorities, public colleges, local governments, and
25 school districts to purchase goods and services through Federal Supply
26 Schedules, and permits State to enter into certain cooperative
27 purchasing agreements.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 182

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 182, with committee amendments.

Assembly No. 182, as amended, authorizes the Director of the Division of Purchase and Property in the Department of the Treasury, as well as authorities, State and county colleges, county and municipal governments, and school districts, to use the Federal Supply Schedules of the Federal General Services Administration to the extent permitted by the "Federal Acquisition Streamlining Act of 1994," Pub.L.No.103-355, signed into law on October 13, 1994. The Legislature's grant of this authority to purchase from the Federal Supply Schedules would provide an alternative to the current statutory procedures concerning the award of contracts.

The bill additionally authorizes the Director of the Division of Purchase and Property in the Department of the Treasury to enter into cooperative purchasing agreements with other states or their political subdivisions for the purchase of goods and services. The parties to a cooperative purchasing agreement would be able to standardize and combine their requirements for the purchase of a particular good or service into a single contract solicitation which would be competitively bid and awarded by one of the parties on behalf of the jurisdictions participating in the contract. Participation in any particular contract under the agreement would be voluntary.

The bill provides that the director may elect to purchase through a contract awarded pursuant to a cooperative purchasing agreement whenever the director determines that this would be the most cost-effective method of procurement. It requires the director to review and approve the provisions of any contract to be awarded through a cooperative purchasing agreement. The bill also authorizes the director to solicit bids and award contracts on behalf of this State and other parties to a cooperative purchasing agreement so long as each jurisdiction participating in the contract is responsible for the payment of the purchase price and cost of purchases made by it under the contract.

Cooperative purchasing agreements would enable New Jersey to benefit from procurements which are more cost-effective because of volume purchasing, standardized specifications, and increased leverage in the marketplace.

FISCAL IMPACT:

This bill was not certified as requiring a fiscal note. However, the State may realize a reduction in expenditures in the long run for certain products and services that may be practically and economically purchased through cooperative purchasing agreement

COMMITTEE AMENDMENTS:

The committee amended the bill to allow the sections of the bill affecting entities other than the State to remain inoperative until promulgation of the federal General Services Regulations.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 182

with Assembly Floor Amendments
(Proposed By Assemblyman KAVANAUGH)

ADOPTED: FEBRUARY 29, 1996

These amendments make technical changes to the provisions of the bill affecting entities other than State government. The amendments recast the new powers to make purchases from the Federal Supplies Schedule as amendments to existing law rather than supplementary superseding changes. The amendments also clarify that the new purchase procedures will be implemented under uniform State regulatory authority rather than independent non-State entity authority.

The amendments further clarify that the provisions of the bill affecting the powers of the Director of Purchase and Property to enter into interstate agreements for the purchase of goods do not override certain existing laws affecting goods produced by inmates under the supervision of the Department of Corrections.