

52:25-23 et al

LEGISLATIVE HISTORY CHECKLIST

**NJSA:** 52:25-23 et al (State contracts--increase bid threshold to \$7500)

**LAWS OF:** 1985 **CHAPTER:** 107

**Bill No:** S720

**Sponsor(s):** Saxton

**Date Introduced:** Pre-filed

**Committee:** **Assembly:** State Government, Civil Service, Elections, Pensions and Veteran Affairs  
**Senate:** State Government, Federal and Interstate Relations and Veteran Affairs

**Amended during passage:** No Substituted for A1416 (not attached since identical to S720).

**Date of Passage:** **Assembly:** Jan. 28, 1985  
**Senate:** Mar. 1, 1985

**Date of Approval:** April 9, 1985

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee statement:** **Assembly** Yes  
**Senate** Yes

**Fiscal Note:** No

**Veto Message:** No

**Message on Signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

DO NOT WRITE IN THESE SPACES

CHAPTER 107 LAWS OF N. J. 1985

APPROVED 4-9-85

SENATE, No. 720

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Senator SAXTON

AN ACT concerning public contracts, amending R. S. 52:25-23 and  
P. L. 1954, c. 48.

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

1 1. R. S. 52:25-23 is amended to read as follows:

2 52:25-23. The Director of the Division of Purchase and Property  
3 may, by written order, **[**permit purchases to be made by any using  
4 agency directly whenever it shall appear to his satisfaction that  
5 by reason of the excess of transportation costs, a lower price with  
6 equal quality can be obtained by the using agency, or as in the case  
7 of fresh food products and the like perishable articles, where there  
8 are nearby local markets. In direct purchases of fresh milk and  
9 as a condition thereof, the director shall require each vendor to  
10 certify in writing that he purchased during the immediately pre-  
11 ceding year fresh milk produced within the State at least equal in  
12 amount to the amount he seeks to furnish to the using agency, and,  
13 in addition, to agree to purchase during the year in which he pro-  
14 poses to furnish such milk to the using agency an amount of fresh  
15 milk produced within the State at least equal to the amount he  
16 proposes to furnish to the using agency plus an amount equal to  
17 the amount, if any, he shall be required to furnish to any other  
18 using agency. Such permission shall be revocable and shall be is-  
19 sued for a fixed amount only and not in excess of \$2,500.00 and  
20 prescribe the articles to be purchased, and shall be operative for  
21 any stated period within a fiscal year. At the expiration of such  
22 period, the authority shall lapse and an additional direct purchase

**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.

23 order shall be requisite for any such purchases. Such using agen-  
 24 cies receiving such permission shall report in a manner to be pre-  
 25 scribed by the director their acts and expenditures under such  
 26 orders with proper evidence that competition has been secured.]  
 27 *delegate purchasing authority to the using agencies for purchases*  
 28 *or contracts not in excess of \$7,500.00; except that:*

29 *a. Purchases or contracts shall not be divided to circumvent the*  
 30 *dollar limit imposed by this section;*

31 *b. Prior to issuing purchase orders pursuant to this section, a*  
 32 *using agency shall verify the existence of funds for the purchase or*  
 33 *contract; and*

34 *c. All purchases made or contracts negotiated under this section*  
 35 *shall be reported to the Director of the Division of Purchase and*  
 36 *Property by the using agency, in a manner prescribed by the Di-*  
 37 *rector of the Division of Purchase and Property, which report shall*  
 38 *include proper proof that the purchase or contract was made or*  
 39 *negotiated competitively, where competition is practicable.*

1 2. 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, ne-  
 4 gotiated, 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, in any manner  
 7 which he may deem effective to promote full and free competition  
 8 whenever competition is practicable, if: (1) the aggregate amount  
 9 involved does not exceed [~~\$2,500.00~~] \$7,500.00; or (2) [the aggre-  
 10 gate amount involved does not exceed \$7,500.00 in the case of the  
 11 purchase of construction materials and supplies when such ma-  
 12 terials and supplies are not available from contract vendors and  
 13 are necessary to the State departments or agencies in the erection,  
 14 construction, alteration, or repair of State buildings and facilities;]  
 15 *(Deleted by amendment, P. L. , c. )* or (3) the aggregate  
 16 amount involved does not exceed \$10,000.00 in the case of contracts  
 17 or agreements for the erection, construction, alteration, or repair  
 18 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 3. This act shall take effect immediately.

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#### STATEMENT

This bill would increase the advertised bidding threshold for State contracts to \$7,500.00. The current limit is \$2,500.00. The \$7,500.00 level has already been established as the threshold advertising level under the New Jersey Public School Contract Law. The increase is compatible with price increases in major State commodities since 1954, when the \$2,500.00 limit was set.

This bill also allows the Director of the Division of Purchase and Property to obligate purchasing authority under the \$7,500.00 limit to the various State agencies. Contracts awarded under delegated authority are to be made or negotiated competitively whenever competition is practicable.

S 720 (1985)

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

STATEMENT TO  
**SENATE, No. 720**

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**STATE OF NEW JERSEY**

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DATED: FEBRUARY 23, 1984

Senate Bill No. 720 increases from \$2,500.00 to \$7,500.00 the amount of a contract which can be awarded without advertising by the Division of Purchase and Property or the Division of Building and Construction. It also allows the Director of the Division of Purchase and Property to delegate purchasing authority in amounts under \$7,500.00 to the using State agencies.

ASSEMBLY STATE GOVERNMENT, CIVIL SERVICE,  
ELECTIONS, PENSIONS AND VETERANS AFFAIRS  
COMMITTEE

STATEMENT TO  
**SENATE, No. 720**

**STATE OF NEW JERSEY**

DATED: JANUARY 24, 1985

This bill (1) increases from \$2,500.00 to \$7,500.00 the ceiling on purchasing authority which the Director of the Division of Purchase and Property is statutorily authorized to delegate to State agencies, and (2) likewise increases from \$2,500.00 to \$7,500.00 the threshold for required public bidding for State contracts.