

ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3427

STATE OF NEW JERSEY

DATED: MARCH 9, 2026

The Assembly Higher Education Committee reports favorably Assembly Bill No. 3427.

This bill makes various changes to the “County College Contracts Law.”

The public bid threshold for county colleges is currently \$41,600. Under current law, the threshold is adjusted every two years by the Governor, in consultation with the Department of the Treasury, in direct proportion to the rise or fall of the Consumer Price Index for all urban consumers in New York and Northeastern New Jersey and the Philadelphia areas, as reported by the United States Department of Labor. This bill raises the threshold to \$100,000 for contracts through which workers employed in the performance of the contract are not paid in accordance to the "New Jersey Prevailing Wage Act." The threshold for contracts through which workers employed in the performance of the contract are paid in accordance with the “New Jersey Prevailing Wage Act” remains unchanged. Both thresholds will continue to be adjusted by the Governor every two years in the same manner.

This bill revises the law that enumerates numerous exemptions to the requirement for public advertising and bidding to also include: (1) the use of electronic data or media services for the publication of legal notices; (2) the production and reproduction of printed materials in electronic and digital formats; (3) information technology; (4) the rental of space and equipment used for graduation and other events and ceremonies; (5) management contracts for bookstores, performing arts centers, residence halls, parking facilities, and building operations; (6) certain consulting services; (7) construction management services; (8) certain technical equipment purchases or rentals; (9) banking and investment services; (10) energy supply from a third-party supplier; (11) hazardous waste collection and disposal services; (12) supplies and services for the administration of study abroad or remote programs; (13) transportation services; (14) vehicle maintenance; (15) vending services; and (16) medical testing.

The bill also provides that a county college may purchase without public advertising for bids if the purchase or contract will be awarded through a reverse auction for the purchase of utilities and other commodities.

Additionally, the bill increases the length of time a county college may enter into certain contracts from 24 to 36 consecutive months and permits a county college to enter into certain contracts for a term of not more than five years. The bill also stipulates maximum contract lengths for the provision of: banking, financial services, and e-commerce services; services for maintenance and repair of building systems; and the purchase of alternative energy or the purchase or lease of alternative energy services or equipment for conservation or cost saving purposes.

The bill modifies for county colleges the standard for the award of contracts for goods and services, as distinct from construction contracts.

Under current law, these contracts are required to be awarded to the lowest responsible bidder. Pursuant to the bill, the board of trustees of a county college is required to award these contracts to the responsible bidder whose bid will be most advantageous to the county college, price and other factors considered.

The bill provides that a board of trustees of a county college may, by resolution approved by a majority of the board, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder or the responsible bidder whose bid would otherwise be determined to be most advantageous to the county college as applicable, if the board finds that a board of a public institution of higher education in the State has had a prior negative experience with the bidder within the past 15 years.

The bill sets forth conditions that must be applied if a county college is contemplating a bidder disqualification based on prior negative experience including: giving the county college discretion to disqualify a bidder; requiring consideration of mitigating factors; requiring the provision of written notice to the bidder of a potential disqualification and an opportunity for a hearing; and limiting the period of time during which a bidder may be disqualified.

This bill was pre-filed for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.