

ASSEMBLY, No. 3040

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Co-Sponsored by:

Assemblywoman Murphy

SYNOPSIS

Adjusts certain public contract bid thresholds.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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1 AN ACT concerning certain public contracts and amending
2 N.J.S.18A:18A-3, P.L.1971, c.198, and P.L.2009, c.166.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. N.J.S.18A:18A-3 is amended to read as follows:

8 18A:18A-3. a. (1) When the cost or price of **[any]** a contract
9 **[awarded by the purchasing agent]** , in the aggregate, does not
10 exceed in a contract year the total sum of **[\$17,500]** \$50,000, the
11 **[contract may be awarded by a purchasing agent when so**
12 **authorized by resolution of the]** board of education may authorize a
13 purchasing agent to award the contract without public advertising
14 for bids and bidding therefor **[, except that the]**. The board of
15 education may adopt a resolution to set a lower threshold for the
16 receipt of public bids or the solicitation of competitive quotations.
17 If the purchasing agent possesses a qualified purchasing agent
18 certificate pursuant to subsection b. of section 9 of P.L.1971, c.198
19 (C.40A:11-9) the board of education may establish that the bid
20 threshold may be up to **[\$25,000]** \$100,000.

21 (2) Notwithstanding paragraph (1) of this subsection, a board of
22 education located within a city of the first class may authorize a
23 purchasing agent to award a contract, the cost or price of which, in
24 the aggregate, does not exceed in a contract year the total sum of
25 \$75,000. A board of education located within a city of the first
26 class may adopt a resolution to set a lower threshold for the receipt
27 of public bids or the solicitation of competitive quotations. If the
28 purchasing agent possesses a qualified purchasing agent certificate
29 pursuant to subsection b. of section 9 of P.L.1971, c.198
30 (C.40A:11-9) the board of education may establish that the bid
31 threshold may be up to \$150,000.

32 (3) Such authorization may be granted for each contract or by a
33 general delegation of the power to negotiate and award such
34 contracts pursuant to this section.

35 b. Commencing in the fifth year after the year in which
36 P.L.1999, c.440 takes effect, and every five years thereafter, the
37 Governor, in consultation with the Department of the Treasury,
38 shall adjust the threshold amount and the higher threshold amount
39 which the board of education is permitted to establish as set forth in
40 subsection a. of this section or the threshold amount resulting from
41 any adjustment under this subsection, in direct proportion to the rise
42 or fall of the index rate as that term is defined in N.J.S.18A:18A-2,
43 and shall round the adjustment to the nearest \$1,000. The Governor
44 shall notify all local school districts of the adjustment no later than

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 underlined thus is new matter.

1 June 1 of every fifth year. The adjustment shall become effective
2 on July 1 of the year in which it is made.

3 Any contract made pursuant to this section may be awarded for a
4 period of 24 consecutive months, except that contracts for
5 professional services pursuant to paragraph (1) of subsection a. of
6 N.J.S.18A:18A-5 may be awarded for a period not exceeding 12
7 consecutive months.

8 (cf: P.L.2009, c.166, s.6)

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10 2. Section 3 of P.L.1971, c.198 (C.40A:11-3) is amended to
11 read as follows:

12 3. a. (1) When the cost or price of **any** a contract **awarded**
13 **by the contracting agent** , in the aggregate, does not exceed in a
14 contract year the total sum of **[\$17,500] \$50,000**, the **contract may**
15 **be awarded by a purchasing agent or other employee so designated**
16 **by the** governing body **when so authorized** , by ordinance or
17 resolution, as appropriate to the contracting unit, may authorize a
18 purchasing agent or other designated employee to award the
19 contract without public advertising for bids **except that the**. The
20 governing body of a contracting unit that has appointed a
21 purchasing agent may establish a bid threshold of up to \$100,000 or
22 the threshold amount adjusted by the Governor pursuant to
23 subsection c. of this section.

24 (2) Notwithstanding paragraph (1) of this subsection, when the
25 contracting unit is a city of the first class or a county, the governing
26 body, by ordinance or resolution, as appropriate to the contracting
27 unit, may authorize a purchasing agent or other designated
28 employee to award a contract, the cost or price of which, in the
29 aggregate, does not exceed in a contract year the total sum of
30 \$75,000. The governing body of a contracting unit that is a city of
31 the first class or a county and has appointed a purchasing agent may
32 establish a bid threshold of \$150,000 or the threshold amount
33 adjusted by the Governor pursuant to subsection c. of this section.

34 (3) The governing body of any contracting unit may adopt an
35 ordinance or resolution to set a lower threshold for the receipt of
36 public bids or the solicitation of competitive quotations. If a
37 purchasing agent has been appointed, the governing body of the
38 contracting unit may establish that the bid threshold may be up to
39 \$25,000 or the threshold amount adjusted by the Governor pursuant
40 to subsection c. of this section. **]**

41 (4) Such authorization may be granted for each contract or by a
42 general delegation of the power to negotiate and award such
43 contracts pursuant to this section.

44 b. Any contract made pursuant to this section may be awarded
45 for a period of 24 consecutive months, except that contracts for
46 professional services pursuant to subparagraph (i) of paragraph (a)
47 of subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5) may

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1 be awarded for a period not exceeding 12 consecutive months. The
2 Division of Local Government Services shall adopt and promulgate
3 rules and regulations concerning the methods of accounting for all
4 contracts that do not coincide with the contracting unit's fiscal year.

5 c. The Governor, in consultation with the Department of the
6 Treasury, shall, no later than March 1 of every fifth year beginning
7 in the fifth year after the year in which P.L.1999, c.440 takes effect,
8 adjust the threshold amount, in direct proportion to the rise or fall of
9 the index rate as that term is defined in section 2 of P.L.1971, c.198
10 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000.
11 The Governor shall, no later than June 1 of every fifth year, notify
12 each governing body of the adjustment. The adjustment shall
13 become effective on July 1 of the year in which it is made.
14 (cf: P.L.2009, c.166, s.2)

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16 3. Section 4 of P.L.2009, c.166 (C.40A:11-9a) is amended to
17 read as follows:

18 4. An individual who is the duly authorized purchasing agent
19 of a contracting unit and does not possess a qualified purchasing
20 agent certificate on the date of enactment of P.L.2009, c.166 may
21 continue to be referred to as the purchasing agent, but the bid
22 threshold for that contracting unit shall be set at **[\$17,500** until such
23 time as that individual obtains a qualified purchasing agent
24 certificate**]** the amount authorized pursuant to section 3 of
25 P.L.1971, c.198 (C.40A:11-3). A contracting unit exercising this
26 authority shall file a letter to this effect with the director.
27 (cf: P.L.2009, c.166, s.4)

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29 4. This act shall take effect on the first day of the fourth month
30 next following enactment.

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33 STATEMENT

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35 This bill would adjust the statutory bid threshold amounts under
36 the Local Public Contracts Law (LPCL, N.J.S.A 40:11-1 et seq.)
37 and the Public School Contracts Law (PSCL, N.J.S.A. 18A:18A-1
38 et seq.). The bill would increase the statutory bid thresholds for all
39 local units and boards of education and would allow larger local
40 units, counties and first class cities, and boards of education located
41 within first class cities, to authorize higher bid thresholds.

42 The bill would allow all local units and boards of education to
43 authorize the award of contracts of up to \$50,000 without public
44 advertising for bids, which amount may be increased to as much as
45 \$100,000 if the board or local unit employs a State-certified
46 purchasing agent. The bill would allow counties, cities of the first

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1 class, and boards of education located within cities of the first class
2 to authorize the award of contracts of up to \$75,000 without public
3 advertising for bids, which amount may be increased to as much as
4 \$150,000 if the board or local unit employs a State-certified
5 purchasing agent.