

ASSEMBLY, No. 4317

STATE OF NEW JERSEY

214th LEGISLATURE

INTRODUCED NOVEMBER 21, 2011

Sponsored by:

Assemblyman JASON O'DONNELL

District 31 (Hudson)

Assemblyman JOSEPH CRYAN

District 20 (Union)

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District 38 (Bergen)

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District 20 (Union)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

SYNOPSIS

Permits establishment of county-wide purchasing system by county employing qualified purchasing agent and requires participation by all municipalities and school districts within the county.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/16/2011)

1 AN ACT concerning county consolidated purchasing programs,
2 amending P.L.2007, c.63, and supplementing P.L.1971, c.198
3 (C.40A:11-1 et seq.).
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. (New section) a. A local unit that is a county and that
9 employs a qualified purchasing agent may adopt a resolution or
10 ordinance, as the case may be in accordance with its form of
11 government, establishing a county-wide purchasing system for
12 providing certain services and goods, as specified below, to local
13 contracting units within the county.

14 b. Specifically, in order to take advantage of economies of
15 scales and administrative efficiencies in the purchase of goods and
16 services, a county may mandate that the qualified county purchasing
17 agent award a single County Wide Contract for county-provided
18 services or goods to local contracting units within the county which
19 use a private vendor to provide the good or service at issue.

20 c. (1) The county clerk of a county that establishes a county-
21 wide purchasing system pursuant to subsections a. and b. of this
22 section shall notify all of the local contracting units located within
23 the county within 20 days of final adoption of the resolution or
24 ordinance, as appropriate.

25 (2) A qualified purchasing agent of a county that establishes a
26 county-wide purchasing system pursuant to subsections a. and b. of
27 this section shall create and maintain a webpage on the county
28 Internet website listing the services and goods for which the county
29 has entered into a County Wide Contract.

30 (3) The qualified county purchasing agent shall award County
31 Wide Contracts based on a best value at the lowest cost acquisition
32 policy. The qualified purchasing agent of the county shall specify
33 in the bidding document for a good or service that the low bid may
34 be determined on a best value at the lowest cost acquisition policy
35 and shall set forth the provisions of the policy in detail in the
36 bidding document.

37 (4) Prior to awarding any contract the qualified county
38 purchasing agent shall disclose the terms of all contracts pending
39 final approval on the county's Internet website at least 20 days prior
40 to the final approval of the contract.

41 (5) Notwithstanding any law to the contrary, a local contracting
42 unit seeking a service or good subject to a County Wide Contract,
43 shall acquire the service or good through that County Wide
44 Contract. Any local unit bid document or contract for a good or
45 service that is eligible to be acquired through a County Wide

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 Contract shall be beyond the authority of the local unit to advertise
2 or award, and shall be void from its inception.

3 (6) The qualified county purchasing agent may establish a set
4 aside program for small and women-owned businesses pursuant to
5 N.J.S.18A:18A-51 et seq. for the provision of county-wide services
6 or goods, or both.

7 d. For the purposes of this section:

8 "Local contracting unit" or "contracting unit" means any entity
9 subject to the "Local Public Contracts Law," P.L.1971, c.198
10 (C.40A:11-1 et seq.), and the "Public School Contracts Law,"
11 N.J.S.18A:18A-1 et seq.

12 "Best value at the lowest cost acquisition policy" means a
13 competitive procurement policy whereby the award of a contract for
14 supplies and materials may take into consideration any of the
15 following factors:

16 (1) The total cost to the contracting unit of its use or
17 consumption of supplies and materials;

18 (2) The operational cost or benefit incurred by the contracting
19 unit as a result of the contract award;

20 (3) The value to the contracting unit of vendor-added services;

21 (4) The quality, effectiveness, and innovation of supplies,
22 materials, and services;

23 (5) The reliability of delivery or installation schedules;

24 (6) The terms and conditions of product warranties and vendor
25 guarantees;

26 (7) The financial stability of the vendor;

27 (8) The vendor's quality assurance program;

28 (9) The vendor's experience with the provision of similar
29 supplies, materials, and services;

30 (10) The consistency of the vendor's proposed supplies,
31 materials, and services with the county's overall supplies and
32 materials procurement program;

33 (11) The vendor's use of water provided by public or nonpublic
34 water systems that meet the requirements of the "Safe Drinking
35 Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.); and

36 (12) The economic benefits to the general community related to
37 job creation or retention.

38 e. The best value at the lowest cost acquisition policy adopted
39 pursuant to this section shall include the following:

40 (1) Price and service level proposals that reduce the contracting
41 unit's overall operating costs;

42 (2) Compliance with applicable laws, including safety,
43 environmental and labor standards;

44 (3) Adequate training programs and licensing for employees
45 performing under the contract;

46 (4) Supplies and materials standards that support the contracting
47 unit's strategic supplies and materials acquisition and management
48 program direction; and

49 (5) A procedure for protest and resolution.

1 f. Nothing in this section shall require the privatization of a
2 position currently filled by a public employee.

3 g. Any administrative personnel who lose their jobs due to
4 implementation of P.L. , c. (C.) (pending before the
5 Legislature as this bill) shall receive terminal leave pay, as set forth
6 in paragraph (2) of subsection a. of section 19 of the "Uniform
7 Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-
8 19).

9
10 2. Section 54 of P.L.2007, c.63 (C.18A:7-12) is amended to
11 read as follows:

12 54. a. A local school district may apply to the executive county
13 superintendent of schools to have school district services including,
14 but not limited to, transportation, personnel, purchasing, payroll,
15 and accounting, assumed by the office of the superintendent. If the
16 executive county superintendent determines to assume a service, a
17 fee may be assessed the school district for the service. The
18 executive county superintendent of schools may utilize county
19 special services school districts, jointure commissions, and
20 educational services commissions to provide services to local
21 school boards.

22 b. When the county governing body, wherein the school district
23 is located, has adopted a resolution or ordinance, as the case may
24 be, pursuant to section 1 of P.L. , c. (C.) to consolidate the
25 purchasing of products and services within the county, the office of
26 the superintendent and every local school district shall be required
27 to participate in the county program.

28 (cf: P.L.2007, c.63, s.54)

29
30 3. This act shall take effect immediately.

31 32 33 STATEMENT

34
35 This bill is intended to promote the concept of shared and
36 consolidated services through the use of county-wide contracts in
37 order to reduce local government costs by taking advantage of
38 economies of scales and administrative efficiencies when dealing
39 with private vendors.

40 When a county that employs a qualified purchasing agent
41 establishes a county-wide purchasing system, its clerk is required to
42 notify all of the local contracting units within that county. The
43 class of local contracting units consists of any entity that is subject
44 to either the "Local Public Contracts Law," N.J.S.A.40A:11-1 et
45 seq., or the "Public School Contracts Law," N.J.S.A.18A:18A-1 et
46 seq. The county's qualified purchasing agent would maintain a
47 webpage on the county's Internet website listing all of the goods
48 and services for which the county has entered into a County Wide

1 Contract. These contracts would be awarded to vendors on the
2 basis of a best value at the lowest cost acquisition policy, which
3 shall be set forth in detail in the bidding documents. Local
4 contracting units within the county would be required to purchase
5 through a County Wide Contract for a particular good or service, if
6 such contract exists.

7 As part of the county-wide purchasing system, the qualified
8 county purchasing agent could establish a set aside program for
9 small and women-owned businesses pursuant to N.J.S.A.18A:18A-
10 51 et seq. for the provision of county-wide services or goods, or
11 both. The bill contains technical requirements for a "best value at
12 the lowest cost acquisition policy," along with mandatory
13 provisions. The bill also makes clear that a county-wide purchasing
14 system is not intended to require the privatization of any position
15 currently filled by a public employee, but that any administrator
16 who loses their job due to a county-wide purchasing system will
17 receive terminal leave pay pursuant to N.J.S.A.40A:65-19 of the
18 "Uniform Shared Services and Consolidation Act."