

ASSEMBLY, No. 3405

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MARCH 3, 2016

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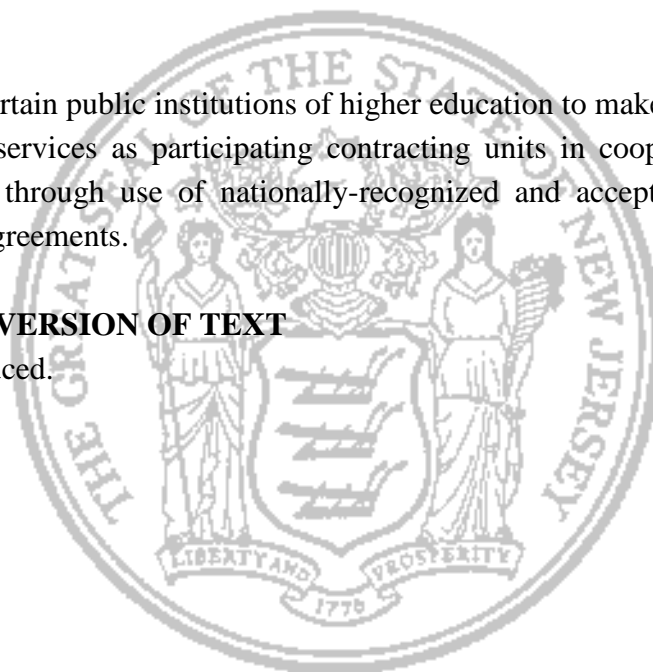
Assemblyman O'Scanlon and Assemblywoman Lampitt

SYNOPSIS

Permits certain public institutions of higher education to make purchases and contract for services as participating contracting units in cooperative pricing systems and through use of nationally-recognized and accepted cooperative purchasing agreements.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/1/2016)

1 AN ACT concerning the contracting process at public institutions of
2 higher education, amending P.L.1996, c.16, and supplementing
3 chapter 64, chapter 64A, chapter 64E, and chapter 64M of Title
4 18A of the New Jersey Statutes.

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

8
9 1. (New section) a. A State college or university is authorized
10 to be a participating contracting unit in a cooperative pricing system
11 established pursuant to the laws of this State.

12 b. A State college or university may make purchases and
13 contract for services through the use of a nationally-recognized and
14 accepted cooperative purchasing agreement, including a cooperative
15 purchasing agreement in existence as of the effective date of
16 P.L. , c. (C.) (pending before the Legislature as this bill),
17 in accordance with the provisions of paragraph (3) of subsection b.
18 of section 7 of P.L.1996, c.16 (C.52:34-6.2).

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

23
24 2. (New section) a. A county college is authorized to be a
25 participating contracting unit in a cooperative pricing system
26 established pursuant to the laws of this State.

27 b. A county college may make purchases and contract for
28 services through the use of a nationally-recognized and accepted
29 cooperative purchasing agreement, including a cooperative
30 purchasing agreement in existence as of the effective date of
31 P.L. , c. (C.) (pending before the Legislature as this bill),
32 in accordance with the provisions of paragraph (3) of subsection b.
33 of section 7 of P.L.1996, c.16 (C.52:34-6.2).

34 c. The State Treasurer may promulgate rules and regulations
35 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
36 (C.52:14B-1 et seq.), which are necessary to effectuate the purposes
37 of this section.

38
39 3. (New section) a. The New Jersey Institute of Technology is
40 authorized to be a participating contracting unit in a cooperative
41 pricing system established pursuant to the laws of this State.

42 b. The university may make purchases and contract for services
43 through the use of a nationally-recognized and accepted cooperative
44 purchasing agreement, including a cooperative purchasing
45 agreement in existence as of the effective date of P.L. ,

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 c. (C.) (pending before the Legislature as this bill), in
2 accordance with the provisions of paragraph (3) of subsection b. of
3 section 7 of P.L.1996, c.16 (C.52:34-6.2).

4 c. The State Treasurer may promulgate rules and regulations
5 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
6 (C.52:14B-1 et seq.), which are necessary to effectuate the purposes
7 of this section.

8
9 4. (New section) a. Rowan University is authorized to be a
10 participating contracting unit in a cooperative pricing system
11 established pursuant to the laws of this State.

12 b. The university may make purchases and contract for services
13 through the use of a nationally-recognized and accepted cooperative
14 purchasing agreement, including a cooperative purchasing
15 agreement in existence as of the effective date of P.L. ,

16 c. (C.) (pending before the Legislature as this bill), in
17 accordance with the provisions of paragraph (3) of subsection b. of
18 section 7 of P.L.1996, c.16 (C.52:34-6.2).

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

23
24 5. Section 7 of P.L.1996, c.16 (C.52:34-6.2) is amended to read
25 as follows:

26 7. a. Notwithstanding the provisions of any other law to the
27 contrary except the provisions of R.S.30:4-95, and as an alternative
28 to the procedures concerning the awarding of public contracts
29 provided in P.L.1954, c.48 (C.52:34-6 et seq.), the Director of the
30 Division of Purchase and Property in the Department of the
31 Treasury may enter into cooperative purchasing agreements with
32 one or more other states, or political subdivisions thereof, for the
33 purchase of goods and services. A cooperative purchasing
34 agreement shall allow the jurisdictions which are parties thereto to
35 standardize and combine their requirements for the purchase of a
36 particular good or service into a single contract solicitation which
37 shall be competitively bid and awarded by one of the jurisdictions
38 on behalf of jurisdictions participating in the contract.

39 b. (1) The director may elect to purchase goods or services
40 through a contract awarded pursuant to a cooperative purchasing
41 agreement whenever the director determines this to be the most
42 cost-effective method of procurement. Prior to entering into any
43 contract to be awarded or already awarded through a cooperative
44 purchasing agreement, the director shall review and approve the
45 specifications and proposed terms and conditions of the contract.

46 (2) The director may also elect to purchase goods or services
47 through a contract awarded pursuant to a nationally-recognized and
48 accepted cooperative purchasing agreement that has been developed

1 utilizing a competitive bidding process, in which other states
2 participate, whenever the director determines this to be the most
3 cost-effective method of procurement. Prior to entering into any
4 contract to be awarded through a nationally-recognized and
5 accepted cooperative purchasing agreement that has been developed
6 utilizing a competitive bidding process, the director shall review
7 and approve the specifications and proposed terms and conditions
8 of the contract.

9 (3) Notwithstanding any other law to the contrary, any
10 contracting unit authorized to purchase goods, or to contract for
11 services, may make purchases and contract for services through the
12 use of a nationally-recognized and accepted cooperative purchasing
13 agreement that has been developed utilizing a competitive bidding
14 process by another contracting unit within the State of New Jersey,
15 or within any other state, when available. Prior to making
16 purchases or contracting for services, the contracting unit shall
17 determine that the use of the cooperative purchasing agreement
18 shall result in cost savings after all factors, including charges for
19 service, material, and delivery, have been considered.

20 For purposes of this paragraph, "contracting unit" means any
21 county, municipality, special district, school district, fire district,
22 State college or university, public research university, county
23 college, or any board, commission, committee, authority or agency,
24 which is not a State board, commission, committee, authority or
25 agency, and which has administrative jurisdiction over any district,
26 included or operating in whole or in part, within the territorial
27 boundaries of any county or municipality which exercises functions
28 which are appropriate for the exercise by one or more units of local
29 government, and which has statutory power to make purchases and
30 enter into contracts awarded by a contracting agent for the provision
31 or performance of goods or services.

32 c. The director may solicit bids and award contracts on behalf
33 of this State and other jurisdictions which are parties to a
34 cooperative purchasing agreement provided that the agreement
35 specifies that each jurisdiction participating in a contract is solely
36 responsible for the payment of the purchase price and cost of
37 purchases made by it under the terms of any contract awarded
38 pursuant to the agreement.

39 d. The director may promulgate rules and regulations pursuant
40 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
41 1 et seq.), which are necessary to effectuate the purposes of this
42 section.

43 (cf: P.L.2011, c.139, s.1)

44

45 6. This act shall take effect on the first day of the third month
46 next following enactment.

STATEMENT

1

2

3 This bill would permit certain public institutions of higher
4 education to act as participating contracting units in a cooperative
5 pricing system established pursuant to State law. Under section 11
6 of P.L.1971, c.198 (C.40A:11-11), the governing bodies of two or
7 more contracting units may establish a cooperative pricing system.
8 “Contracting units” are currently defined to include counties,
9 municipalities, and certain boards, commissions, committees,
10 authorities, or agencies. A “cooperative pricing system” is a
11 purchasing system in which a lead agency advertises for bids;
12 awards a master contract to the vendor providing for its own needs
13 and for prices to be extended to registered members; and notifies
14 the members of the contract awarded. The registered members then
15 contract directly with the vendor for their own needs, subject to the
16 specifications in the master contract.

17 This bill also authorizes public institutions of higher education to
18 make purchases and contract for services through the use of a
19 nationally-recognized and accepted cooperative purchasing
20 agreement, including cooperative purchasing agreements in
21 existence on the effective date of the bill, in accordance with
22 paragraph (3) of subsection b. of section 7 of P.L.1996, c.16
23 (C.52:34-6.2). This section of law authorizes counties,
24 municipalities, school districts, fire districts, and certain boards and
25 commissions, to make purchases and contract for services through
26 the use of a nationally-recognized and accepted cooperative
27 purchasing agreement that has been developed utilizing a
28 competitive bidding process by another contracting unit within the
29 State or within another state, when available. Prior to making
30 purchases or contracting for services, however, the contracting unit
31 must determine that the use of the cooperative purchasing
32 agreement will result in cost savings after all factors have been
33 considered.