

**SENATE, No. 1822**

---

**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

---

INTRODUCED MARCH 7, 2016

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator SANDRA B. CUNNINGHAM**

**District 31 (Hudson)**

**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.



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 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 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 P.L. ,  
31 c. (C. ) (pending before the Legislature as this bill), in  
32 accordance with the provisions of paragraph (3) of subsection b. of  
33 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. , c. (C. )

**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 (pending before the Legislature as this bill), in accordance with the  
2 provisions of paragraph (3) of subsection b. of section 7 of  
3 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. , c. (C. )  
16 (pending before the Legislature as this bill), in accordance with the  
17 provisions of paragraph (3) of subsection b. of section 7 of  
18 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.