

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 182

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 182, with committee amendments.

Assembly No. 182, as amended, authorizes the Director of the Division of Purchase and Property in the Department of the Treasury, as well as authorities, State and county colleges, county and municipal governments, and school districts, to use the Federal Supply Schedules of the Federal General Services Administration to the extent permitted by the "Federal Acquisition Streamlining Act of 1994," Pub.L.No.103-355, signed into law on October 13, 1994. The Legislature's grant of this authority to purchase from the Federal Supply Schedules would provide an alternative to the current statutory procedures concerning the award of contracts.

The bill additionally authorizes the Director of the Division of Purchase and Property in the Department of the Treasury to enter into cooperative purchasing agreements with other states or their political subdivisions for the purchase of goods and services. The parties to a cooperative purchasing agreement would be able to standardize and combine their requirements for the purchase of a particular good or service into a single contract solicitation which would be competitively bid and awarded by one of the parties on behalf of the jurisdictions participating in the contract. Participation in any particular contract under the agreement would be voluntary.

The bill provides that the director may elect to purchase through a contract awarded pursuant to a cooperative purchasing agreement whenever the director determines that this would be the most cost-effective method of procurement. It requires the director to review and approve the provisions of any contract to be awarded through a cooperative purchasing agreement. The bill also authorizes the director to solicit bids and award contracts on behalf of this State and other parties to a cooperative purchasing agreement so long as each jurisdiction participating in the contract is responsible for the payment of the purchase price and cost of purchases made by it under the contract.

Cooperative purchasing agreements would enable New Jersey to benefit from procurements which are more cost-effective because of volume purchasing, standardized specifications, and increased leverage in the marketplace.

FISCAL IMPACT:

This bill was not certified as requiring a fiscal note. However, the State may realize a reduction in expenditures in the long run for certain products and services that may be practically and economically purchased through cooperative purchasing agreement

COMMITTEE AMENDMENTS:

The committee amended the bill to allow the sections of the bill affecting entities other than the State to remain inoperative until promulgation of the federal General Services Regulations.