

# ASSEMBLY STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 98**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 11, 1996

The Assembly State Government Committee reports favorably and with committee amendments Assembly Bill No. 98.

This bill would clarify the provision (C.40A:11-16) of the "Local Public Contracts Law" governing the responsibility of a general contractor who submits a bid for construction work to a county, municipality, or other local government contracting unit to identify in that bid the persons to whom that general contractor will subcontract certain specialty work if the bid is accepted.

Current law provides that such a bid by a general contractor shall "set forth . . . the name or names of all subcontractors to whom the bidder will subcontract the furnishing of plumbing and gas fitting, and all kindred work, and of the steam and hot water heating and ventilating apparatus, steam power plants and kindred work, and electrical work, structural steel and ornamental iron work, each of which subcontractors shall be qualified in accordance with this act."

Under the bill, whenever a general contractor's bid sets forth more than one subcontractor for a particular specialty trade category, the bidder must submit to the contracting unit certificates signed by the bidder listing each subcontractor named in the bid for that category. The certificate is to set forth the scope of work for which the subcontractor has submitted a price quote and that the bidder on the general contract has agreed to award to that subcontractor if the contracting unit awards the bidder the underlying contract. The certificate is to be submitted to the contracting unit simultaneously with the bid. The certificate could take the form of a single certificate listing all subcontractors; alternatively, separate certificates could be submitted for each subcontractor. If the bidder fails to submit certificates to the contracting unit, the contracting unit is to award the contract to the next lowest responsible bidder.

This bill was prefiled for introduction in the 1996 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee adopted amendments to this bill specifying that (1) a reference to the subcontractor's "quote" for specialty work is to a price quote, (2) the submission by a bidder of separate certificates for each subcontractor is to be an alternative to the submission of a single certificate for all subcontractors, (3) to be eligible to receive a contract when an otherwise victorious bidder has failed to submit the certificate required under the legislation, the next-lowest bidder must be a responsible bidder, and (4) the legislation is to take effect on the 90th day after enactment rather than immediately.