

FINANCE CENTER

Procurement Utilizing New Jersey State Contracts

By Michelle DeFrancis, RPPO, QPA, Purchasing Officer, Joint Meeting of Essex and Union Counties; President, Governmental Purchasing Association of New Jersey (GPANJ)

The responsibilities of a purchasing official are forever changing. New laws come into effect, old laws are updated, and the demands are many. One way to ease the burden is the ability to utilize New Jersey State Contracts.

N.J.S.A. 40A:11-12 allows local units to purchase through State Agency. By utilizing State contracts, relieve the Purchasing Agent (PA) or Qualified Purchasing Agent (QPA) is relieved from having to go out to bid. Instead, The bidding process is done by the Department of Treasury Division of Purchase and Property.

When deciding to search to see if a commodity or service is covered under a State Contract PAs and QPAs have two options.

- First there is the conventional website www.state.nj.us/treasury/purchase/pricelists.shtml, where you can do a search by vendor contract number, keyword, or Term Contract number or T number (or Term Contract Number).
- Another way is to go to the newest search engine for State Contracts, NJ Start website www.njstart.gov/bso which is the newest search engine for State Contracts. Under the NJ Start there are several more ways you can search out a contract.

It is important to note that not every state contact is open to cooperative members local units and some are only for State use. It is up to your PA/QPA to make sure when searching out contracts that it is available for cooperative members to utilize.

State contracts are not always the least costly but, depending on the circumstance such as time constraints or delivery times, it may be the most advantageous way to go. It is up to the using department, the PA/ QPA, along with the Finance Officer, to determine what is best for the entity.

Due diligence

When deciding to use a State contract, PAs/QPAs still must do their due diligence. When looking to utilize a State Contract, the PA/QPA must first find if the NJ State Purchase Bureau has awarded the good or service under a cooperative contract. If the good or service is under a contract, you can look at pricing, and most times, there is more than one vender that was awarded a contract for the good or service. Contracts are awarded in various way, the PA/QPA must follow the "Method of Operation" found under that contract number to comply with the contract correctly.

All purchases utilized under State Cooperative Contract are still subject to NJ Pay to Play law (N.J.S.A. 19:44A-20.4 et seq.) threshold of \$17,500.00 and the Local Units Bid Threshold. Whether the local unit is purchasing a one time good/service or utilizing the State Contract throughout the year, the thresholds must be adhered to by the Governing Body passing a resolution. If the Local Unit estimates that utilizing a State Cooperative Contract throughout the year will exceed \$17,500 per vendor or the local units bid threshold, they must have the Governing Body pass a resolution for a not-to-exceed amount. If the amount passed by resolution is going to be exceeded during that calendar year, the original resolution must be amended by the Governing Body.

When searching for a State Contract, keep the expiration of the contract in mind. If the contract expires and is issued under a new contract number, a new resolution must be adopted. If the contract has expired and has not been renewed, that contract is no longer available, and the local unit must not use it.

Other options

The State has approved and recognized award various National and Federal Contracts. These contracts have been issued State Contract numbers for local units to use. If there is no State Contract number, local units cannot use such a contract. If the local unit wants to participate in a National Cooperative Contract that has been issued a State Contract number by the NJ Purchase Bureau, all the State Contract rules apply.

There are some approved contracts, such as reprographic contracts, that historically last 48 months. If a local unit determines they would like to participate in a reprographic contract, the contract must be signed prior to the expiration of the NJ State Purchase Bureau Contract term, and the signed contract will proceed through the 48th month. The local unit must take into consideration the total cost of the 48-month contract. If it exceeds the Pay to Play threshold or the Bid threshold, a Resolution must be passed.

Assigned to each NJ State Contract is a Procurement Specialist. If the PA/QPA has questions regarding a contract, the Procurement Specialist's name, phone number, and email address can be found listed. The Procurement Specialists are very knowledgeable about their contracts, if they are contacted, they will help with any problems. ❧