

LPCL AND PROCUREMENT UPDATE

Quarterly Meeting of NJDOT and NJSACE – January 29, 2021

Michele Meade, Municipal Technical Advisor and Procurement Specialist



1

AGENDA

- Purchasing Thresholds
- Federal Debarment
- E-Procurement



2

LFN 2020-14

new jersey dca
department of community affairs
division of local government services dlgs

LFN 2020-14
June 24, 2020

Local Finance Notice

Philip D. Murphy Governor Lt. Governor Sheila Y. Oliver Commissioner Melanie R. Walter Director

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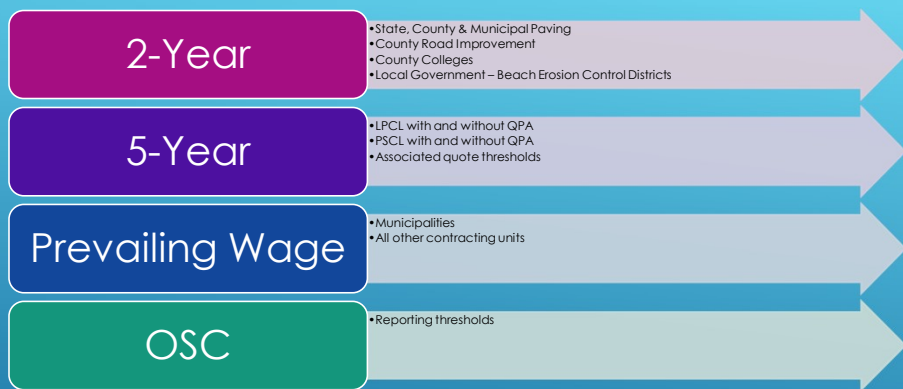
Adjustment of Public Bidding Thresholds and Office of State Comptroller Reporting Thresholds Effective July 1, 2020

Pursuant to N.J.S.A. 40A:11-3(c) and 18A:18A-3(b), the State Treasurer has exercised her authority to adjust bid thresholds for contracting units subject to the Local Public Contracts Law and the Public School Contracts Law. These adjustments become effective on July 1, 2020.

For contracting units that have appointed a Qualified Purchasing Agent pursuant to N.J.S.A. 40A:11-9(b), and avail themselves of the related higher bid threshold pursuant to N.J.S.A. 40A:11-3 and 18A:18A-3, the maximum bid threshold has been increased from \$40,000 to \$44,000.

If a contracting unit governed by the Local Public Contracts Law (N.J.S.A. 40:11-1 et seq.) does not have a Qualified Purchasing Agent, the maximum bid threshold remains \$17,500. The maximum bid threshold for those

3



PURCHASING THRESHOLDS

4

Related Bid Thresholds			
Statutory Reference	Description	Prior Threshold	Current Threshold*
18A:39-3	School Districts, Boards of Education for Transporting Pupils	\$19,000	\$19,600
27:2-1	State, County, Municipal Contracts for Work on Public Thoroughfares (paving)	\$19,000	\$19,600
27:16-16	County Road Improvements	\$19,000	\$19,600
40:68-48	Local Government – Beach Erosion Control Districts Waterfront Improvements	\$19,000	\$19,600
18A:64A-25.3	County Colleges	\$35,300	\$36,400

*Current as of July 1, 2019

2-YEAR THRESHOLDS

5

Public Bidding Thresholds under the Local Public Contracts Law and Public School Contracts Law*		
N.J.S.A. 40A:11-3(a) and (c); 18A:18A-3(a) and (c)	LPCL	PSCL
Bid threshold with a QPA**	\$44,000	\$44,000
Quote threshold with a QPA (15% of bid threshold)	\$6,600	\$6,600
Bid threshold without a QPA	\$17,500	\$32,000
Quote threshold without a QPA (15% of bid threshold)	\$2,625	\$4,800

*Thresholds are effective as of July 1, 2020

**Qualified Purchasing Agent - N.J.S.A. 40A:11-9(b) and N.J.A.C. 5:34-5.

5-YEAR THRESHOLDS

6

Office of State Comptroller Reporting Thresholds			
Description	Prior Threshold	Current Threshold*	Reporting Time-frame
Contracts involving consideration or expenditures of:	\$2,000,000 to \$10,000,000	\$2,500,000 To \$12,500,000	20 business days <u>after</u> contract awarded
	Above \$10,000,000	Above \$12,500,000	30 business days <u>prior</u> To public advertisement or other Public/Private Solicitation


7

Prevailing Wage Thresholds			
Statutory Reference	Description	Prior Threshold	Current Threshold*
34:11-56.25	Prevailing Wage Contracts for Municipalities (five-year cycle 2014-2019)	\$15,444	\$16,263
34:11-56.25	Prevailing Wage Contracts for All Other Contracting Units	\$2,000	\$2,000

*Current as of July 1, 2019


PREVAILING WAGE

8




Maintenance

- Repair without change or increase
- Beyond capabilities of in-house staff



Public Work

- Construction
- Reconstruction
- Demolition
- Alteration
- Including painting and decorating



Custom Fabrication

- Heating
- Plumbing
- Cooling
- Ventilation or exhaust ducts
- Mechanical insulation
- Pre-fabricated components

PREVAILING WAGE WORK – NJSA 34:11-56.26

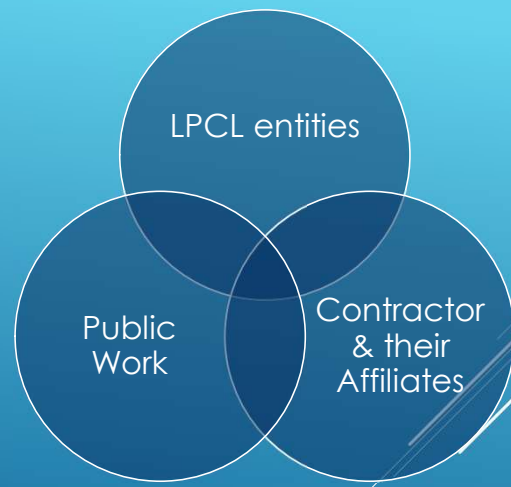
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ADDING TO PREVAILING WAGE REQUIREMENTS:

- ▶ Definition of Custom Fabrication
 - ▶ **Previous law:** the fabrication of plumbing, heating, cooling, ventilating or exhaust duct systems and mechanical insulation.
 - ▶ **Current law adds:** any other fabrication which is either of components or structures pre-fabricated to specifications for a particular project of public work or of other materials finished into components without further modification for use in a project of public work or for use in a type or classification of a project of public work.

10

FEDERAL DEBARMENT LAW




11

IMPORTANT FACTS ABOUT FEDERAL DEBARMENT

- ▶ Written certification from contractor prior to award of contract
- ▶ Applies to contractor AND affiliates
- ▶ Prior to award check SAM database for contractor and affiliate debarment
- ▶ This is in addition to review of state debarment
- ▶ No dollar threshold

12



LFN 2020-18
August 20, 2020

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Distribution

Local Finance Notice

Philip D. Murphy, Governor Lt. Governor Sheila Y. Oliver, Commissioner Melanie R. Walter, Director

Federal Debarment - Consequences for Certain Public Works Contracts

Pursuant to P.L. 2019, c.406, a contractor that is debarred from contracting with a federal government agency, along with any affiliates of the debarred contractor, is now prohibited from contracting for "public work" with any State or local government entity. This prohibition applies to all entities subject to the Local Public Contracts Law or Public School Contracts Law, as well as to county colleges.

The federal debarment law defines "public work" as the construction, reconstruction, repair or improvement of "any public building, public highway, bridge, or other public betterment, work, or improvement of a permanent nature" that is performed "wholly at the expense of the public." This means that the law applies to construction, reconstruction, repair, or improvement of any structure or infrastructure, without regard to dollar threshold, that is fully funded by local, State, and/or federal dollars. Public roadwork and work on items such as curbs, sidewalks, and publicly owned underground infrastructure are covered under the law. The law also applies to installation, repair, and replacement of items such as HVAC, plumbing, and electrical. However, please note that the scope of projects to which the federal debarment law applies is narrower than the types of projects encompassed by the Prevailing Wage Act. For example, a contract solely for demolition work would not come under the federal debarment law; nor would painting, decorating, or routine maintenance work that would otherwise be subject to prevailing wage.

CERTIFICATION OF NON-DEBARMENT FOR FEDERAL GOVERNMENT CONTRACTS
N.J.S.A. 32:32-44.1 (P.L. 2019, c. 406)

This certification shall be completed, certified to, and submitted to the contracting unit prior to contract award, except for emergency contracts where submission is required prior to payment.

PART I - VENDOR INFORMATION	
Individual or Organization Name	
Address of Individual or Organization	
DUNS Code (if applicable)	
CAGE Code (if applicable)	

Check the box that represents the type of business organization:

☐ Sole Proprietorship (skip Parts III and IV) ☐ Non-Profit Corporation (skip Parts III and IV)
☐ For-Profit Corporation (any type) ☐ Limited Liability Company (LLC) ☐ Partnership
☐ Limited Partnership ☐ Limited Liability Partnership (LLP)
☐ Other (be specific): _____


PART II - CERTIFICATION OF NON-DEBARMENT: Individual or Organization

I hereby certify that the individual or organization listed above in Part I is not debarred by the federal government from contracting with a federal agency. I further acknowledge: that I am authorized to execute this certification on behalf of the above-named organization; that the **name of contracting unit** is relying on the information contained herein and that I am under a continuing obligation from the date of this certification through the date of contract award by **type of contracting unit** to notify the **type of contracting unit** in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I am subject to criminal prosecution under the law and that it will constitute a material breach of my agreement(s) with the **type of contracting unit**, permitting the **type of contracting unit** to declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print):	Title:
Signature:	Date:

MODEL CERTIFICATION FORM

13



HOME **SEARCH RECORDS** **DATA ACCESS** **CHECK STATUS** **ABOUT** **HELP**

ALERT: SAM.gov will be down for scheduled maintenance Saturday, 11/14/2020 from 8:00 AM to 5:00 PM.

Search Records

Search Tips to Get Started:

- Looking for entity registration records or entity exclusion records in SAM? Use **Quick Search** if you know an entity's Business Name, DUNS Number or CAGE Code. Use **Advanced Search** to structure your search using multiple categories and criteria.
- Are you a Federal government employee? Create a SAM user account with your government e-mail address and log into SAM before searching to see FOUO information and registrants who choose to opt out of the public search.
- Conducting small business focused research? In addition to what is contained in SAM, small businesses can provide the Small Business Administration (SBA) supplemental information about themselves. Use the SBA's Dynamic Small Business Search to conduct further market research.
- Trying to find a contractor participating in the Disaster Response Registry? Use the **Disaster Response Registry Search** to locate contractors willing to provide debris removal, distribution of supplies, reconstruction, and other disaster or emergency relief services in the event of a national disaster.

Choose Quick Search or Advanced Search

QUICK SEARCH:

Enter your specific search term
(Example of search term includes the entity's name, etc.)

DUNS Number Search: Enter DUNS number ONLY

CAGE Code Search: Enter CAGE code ONLY

SEARCH **Need Help?**

ADVANCED SEARCH:
Use specific criteria in multiple categories to structure your search.

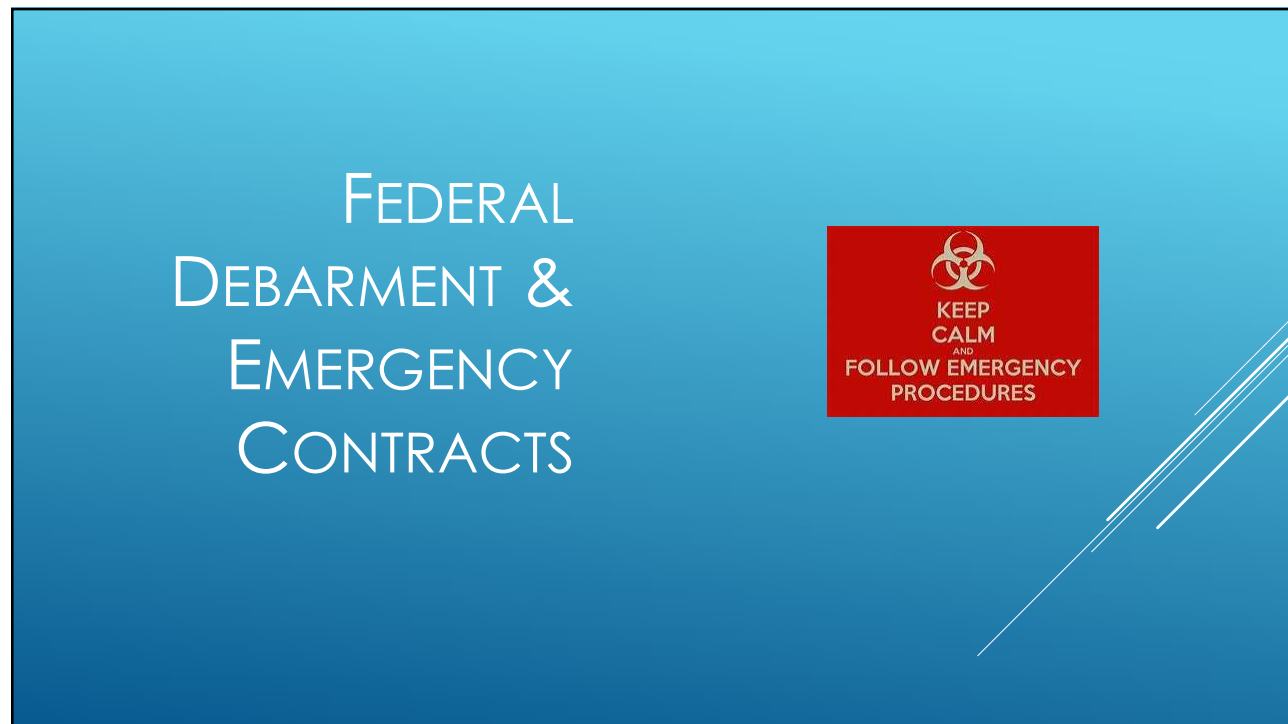
ADVANCED SEARCH - ENTITY

ADVANCED SEARCH - EXCLUSION

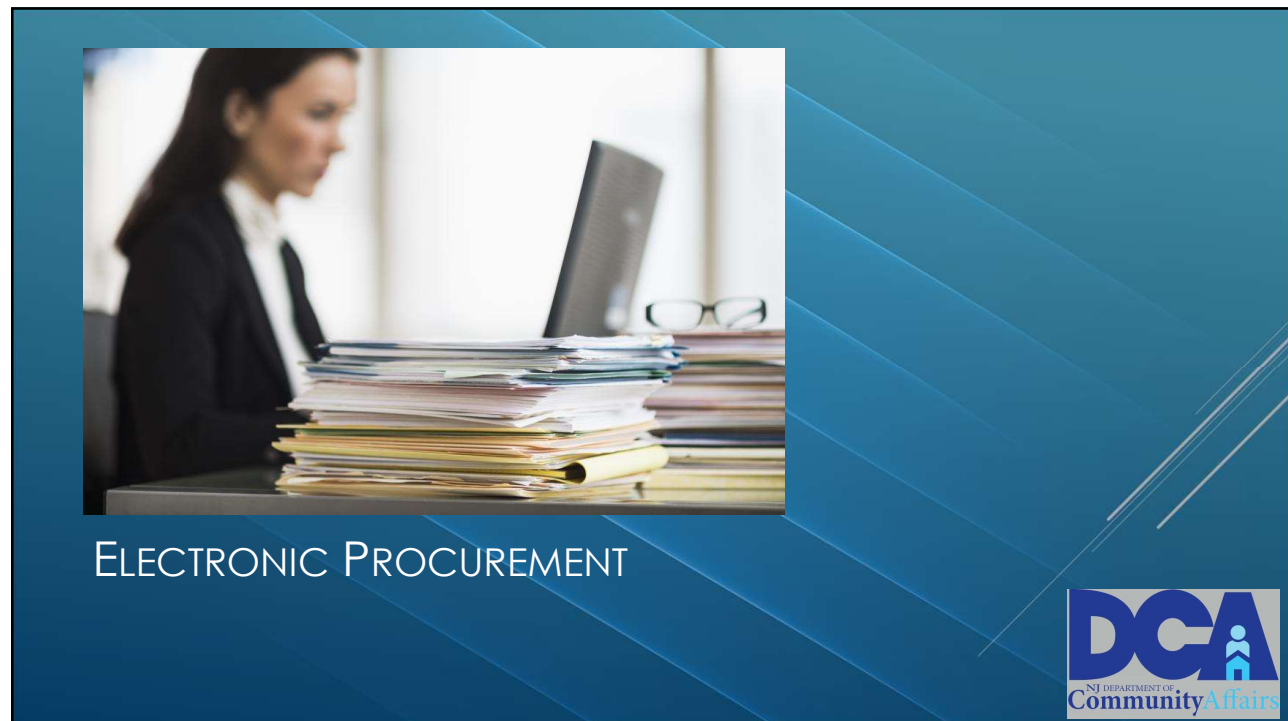
DISASTER RESPONSE REGISTRY SEARCH

SAM DATABASE

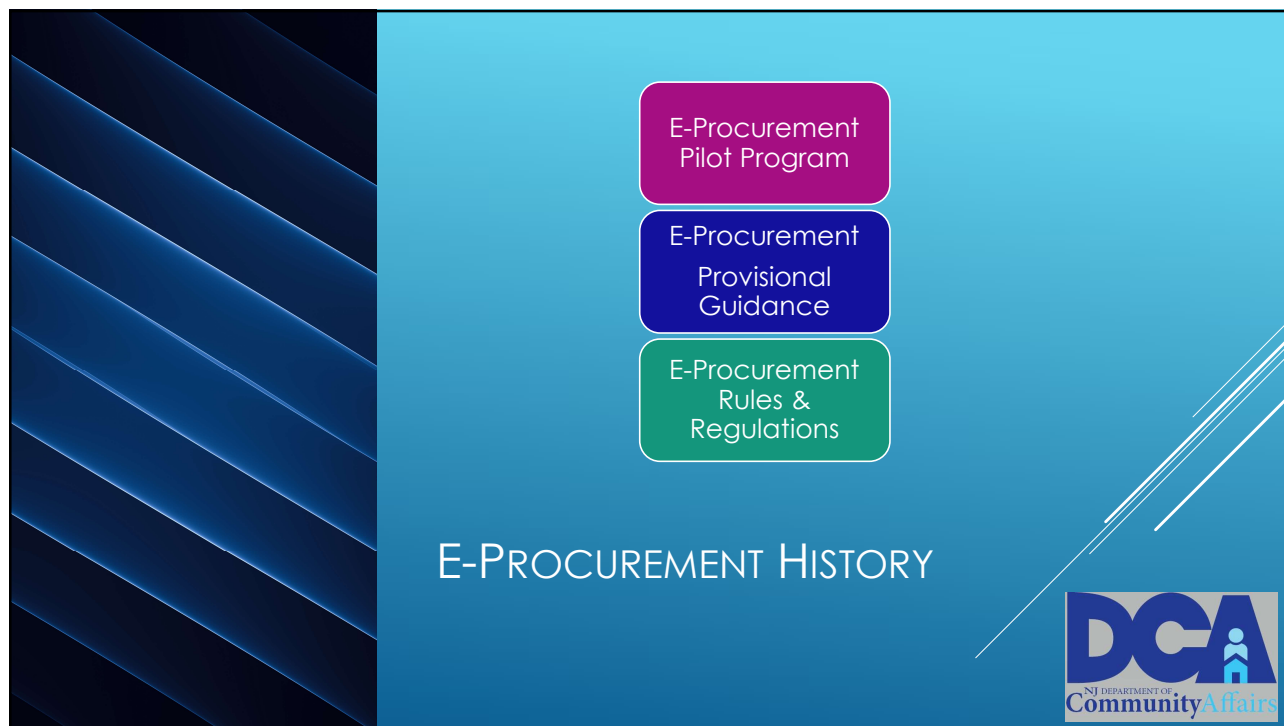
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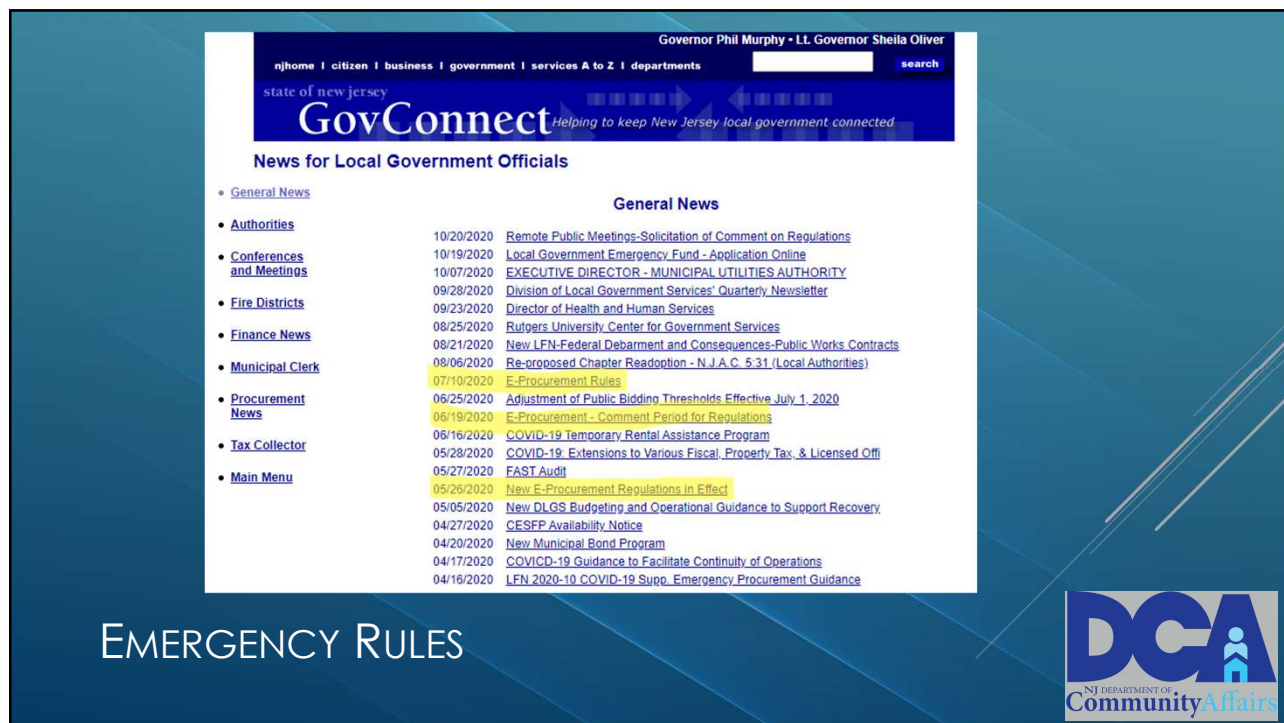
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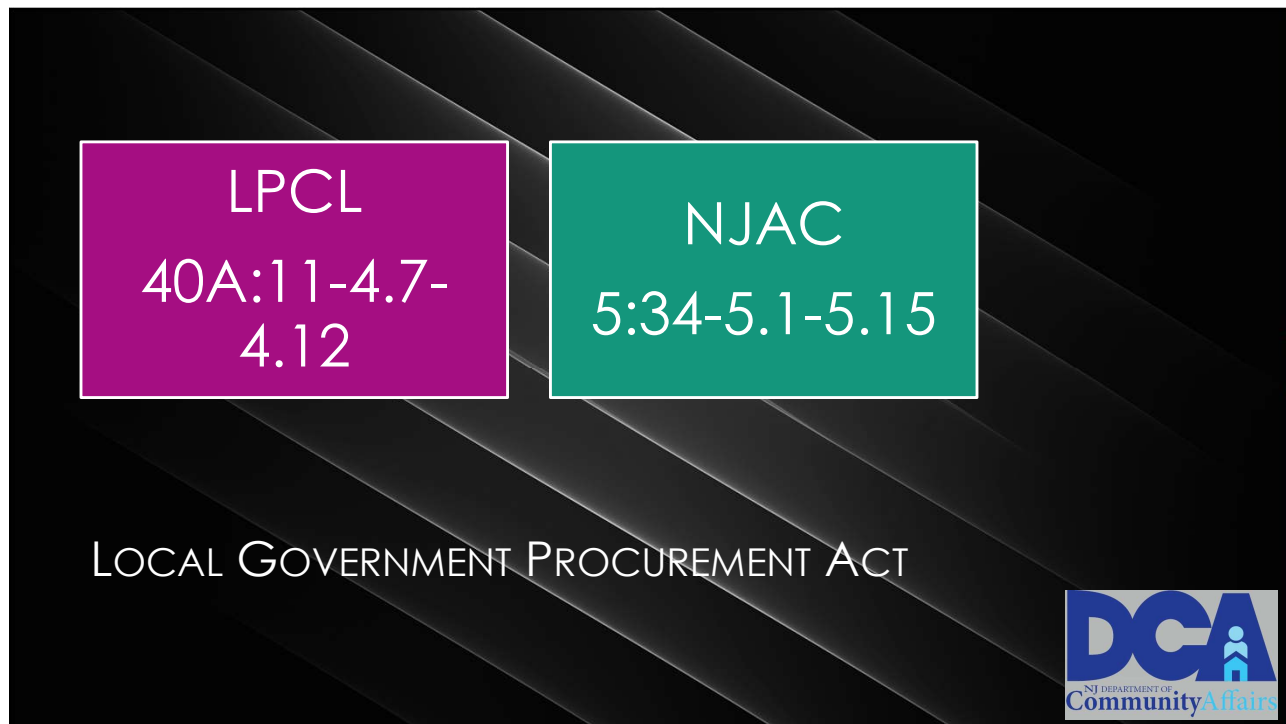
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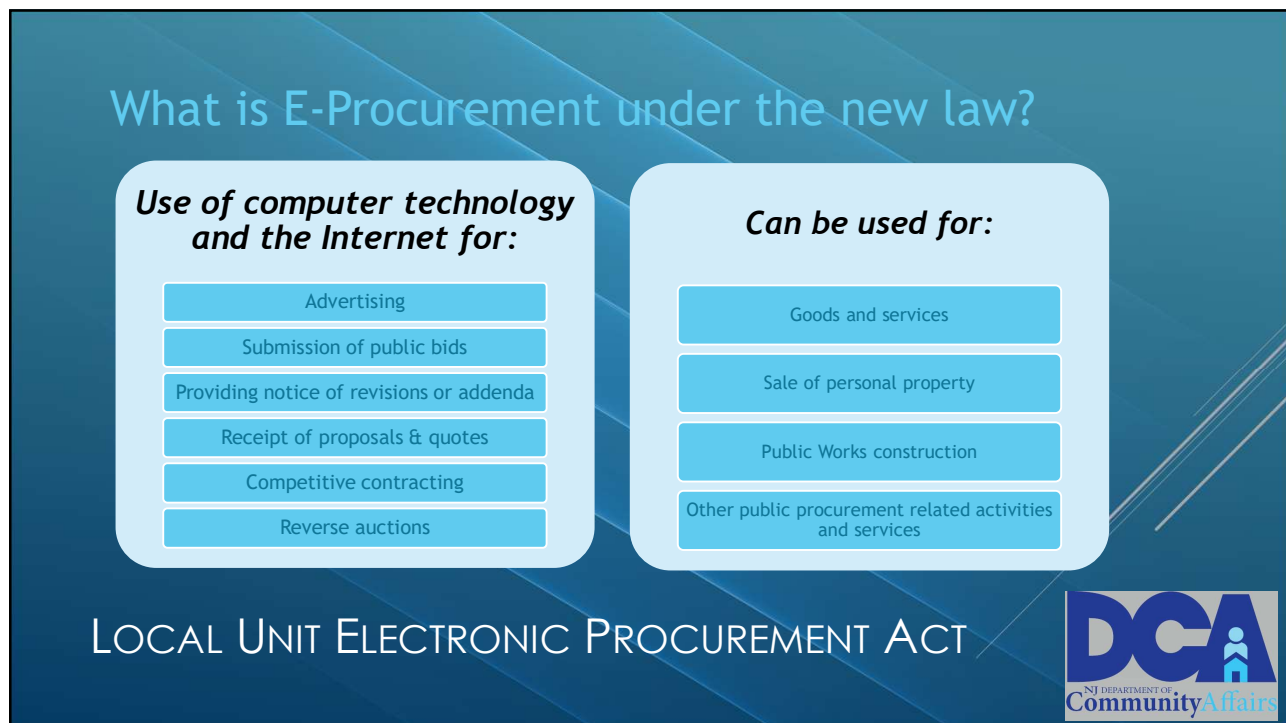
LPCL
40A:11-4.7-
4.12

NJAC
5:34-5.1-5.15

LOCAL GOVERNMENT PROCUREMENT ACT

DCA
NJ DEPARTMENT OF
Community Affairs

19



What is E-Procurement under the new law?

Use of computer technology and the Internet for:

- Advertising
- Submission of public bids
- Providing notice of revisions or addenda
- Receipt of proposals & quotes
- Competitive contracting
- Reverse auctions

Can be used for:







- Goods and services
- Sale of personal property
- Public Works construction
- Other public procurement related activities and services


LOCAL UNIT ELECTRONIC PROCUREMENT ACT

DCA
NJ DEPARTMENT OF
Community Affairs

20

GOALS


-  Convert law, safeguards & procedures of sealed bidding
-  Electronic forms of bid security
-  Create standards for e-procurement systems and services
-  Safeguards against collusion & bid rigging
-  Continue newspaper ads
-  Seal & signature for plans



21

NEW TERMS

Offer	Offeror	Offer package	Offer submission
<ul style="list-style-type: none"> • Bid • Competitive contract proposal • Fair & open proposal • Quote 	<ul style="list-style-type: none"> • Vendor • Contractor • Professional service provider 	<ul style="list-style-type: none"> • Bid specifications • Fair and open RFP • Competitive contract RFP 	<ul style="list-style-type: none"> • Response from the vendor or contractor



22



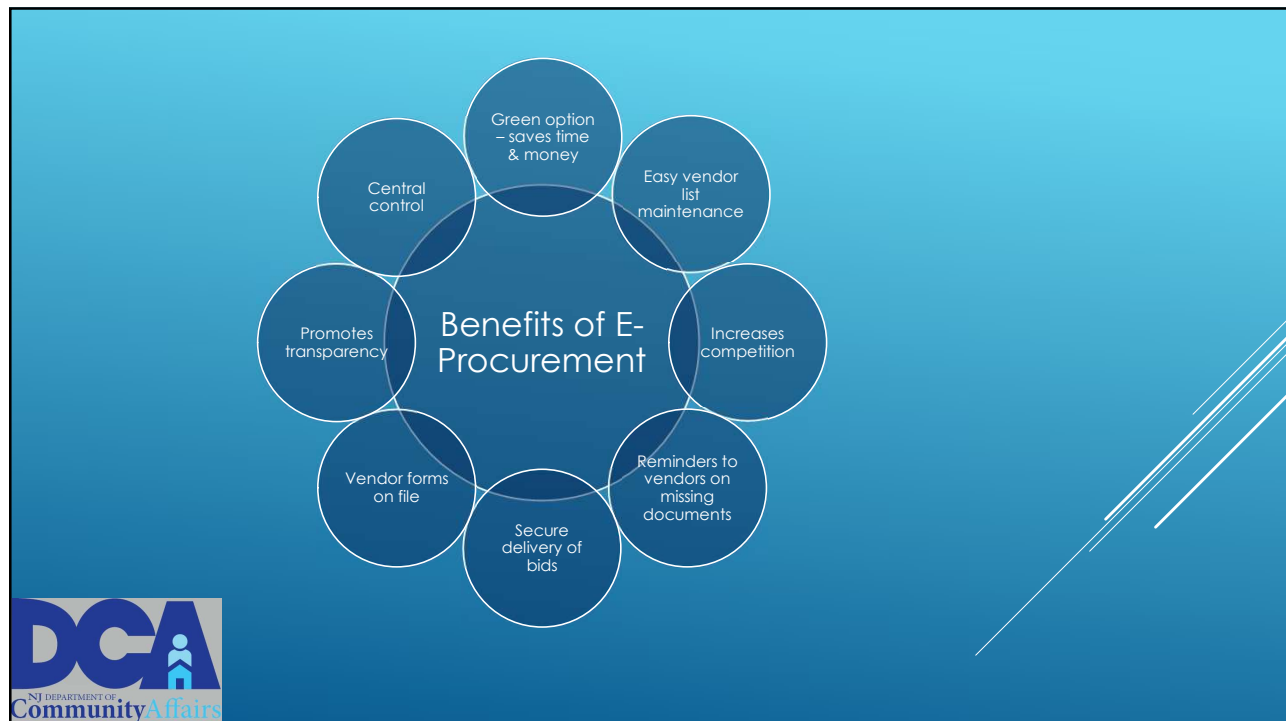
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24



25



26

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