

ASSEMBLY, No. 4485

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 6, 2024

Sponsored by:

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Atkins

SYNOPSIS

Increases bid advertising threshold on certain purchases, contracts, or agreements.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/6/2024)

1 AN ACT concerning the advertising threshold for State contracts and
2 amending P.L.1954, c.48.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L.1954, c.48 (C.52:34-7) is amended to read
8 as follows:

9 2. a. Any such purchase, contract or agreement may be made,
10 negotiated, or awarded by the Director of the Division of Purchase
11 and Property or the Director of the Division of **【Building】** Property
12 Management and Construction, as the case may be, without
13 advertising, in any manner which the director may deem effective to
14 promote full and free competition whenever competition is
15 practicable, if: (1) in the case of purchases for goods or services, the
16 aggregate amount involved does not exceed \$150,000 beginning on
17 the effective date of P.L.2021, c.412, \$200,000 beginning on
18 January 1, 2023, and \$250,000 beginning on January 1, 2024 and
19 thereafter, or the amount determined pursuant to subsection b. of
20 this section, whichever is greater; or (2) (Deleted by amendment,
21 P.L.1985, c.107); or (3) the aggregate amount involved including
22 labor and construction materials does not exceed **【\$25,000.00】**
23 \$150,000 or the amount determined pursuant to subsection b. of this
24 section in the case of contracts or agreements for the erection,
25 construction, alteration, or repair of any public building or facility.

26 When the aggregate amount involved does not exceed the
27 amount specified in paragraph (1) of subsection a. of this section, or
28 the amount specified in paragraph (3) of subsection a. of this
29 section or the amount determined pursuant to subsection b. of this
30 section, the Director of the Division of Purchase and Property or the
31 Director of the Division of **【Building】** Property Management and
32 Construction may, at the director's discretion, delegate to the
33 appropriate State department or using agency the director's
34 authority to make, negotiate, or award a contract or agreement
35 without advertising.

36 The Director of the Division of Purchase and Property or the
37 Director of the Division of **【Building】** Property Management and
38 Construction, as the case may be, shall establish, in accordance with
39 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
40 seq.), rules and regulations concerning procedural requirements for
41 the making, negotiating or awarding of purchases, contracts or
42 agreements pursuant to this section, at the director's discretion.

43 b. The Governor, in consultation with the Department of the
44 Treasury, shall, no later than March 1 of every fifth year beginning
45 in the fifth year after the year in which P.L.1999, c.440 takes effect,

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 adjust the threshold amount set forth in subsection a. of this section,
2 or the threshold amount resulting from any adjustment under this
3 subsection, in direct proportion to the rise or fall of the index rate as
4 that term is defined in section 2 of P.L.1971, c.198 (C.40A:11-2),
5 and shall round the adjustment to the nearest \$1,000. The Governor
6 shall, no later than June 1 of every fifth year, notify the Director of
7 the Division of Purchase and Property and the Director of the
8 Division of **【Building】** Property Management and Construction of
9 the adjustment. The adjustment shall become effective on July 1 of
10 the year in which it is made.

11 (cf: P.L.2021, c.412, s.2)

12

13 2. This act shall take effect immediately.

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STATEMENT

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18 This bill increases, from \$25,000 to \$150,000, the bid advertising
19 threshold on certain State contracts.

20 This bill would allow smaller construction and repair projects
21 under \$150,000 to be informally bid by the using agency without
22 full advertising thereby reducing the time and cost required to
23 complete these smaller projects.

24 Under current law, any purchase, contract, or agreement may be
25 made, negotiated, or awarded by the Director of the Division of
26 Purchase and Property or the Director of the Division of Property
27 Management and Construction without advertising if the aggregate
28 amount involved including labor and construction materials does
29 not exceed \$25,000 or the amount adjusted by the Governor, in
30 consultation with the Department of the Treasury as permitted by
31 current law. This threshold applies to certain contracts or
32 agreements for the erection, construction, alteration or repair of any
33 public building or facility. The most recent adjustment to the
34 amount was made in 2021 and is currently \$71,000. This bill
35 increases the bid advertising threshold in the case of purchases of
36 labor and construction materials to \$150,000.