

P.L. 2025, CHAPTER 180, *approved December 23, 2025*
Senate, No. 3041 (*Fourth Reprint*)

1 AN ACT concerning the eligibility for public works contracts of
2 certain legal entities ²and supplementing Title 52 of the Revised
3 Statutes² and amending ²**[P.L.1963, c.150]** various parts of
4 statutory law².
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 1. Section 14 of P.L.1963, c.150 (C.34:11-56.38) is amended to
10 read as follows:

11 14. The public body awarding any contract for public work, or
12 otherwise undertaking any public work, or entering into a lease or
13 agreement to lease pursuant to which public work is to be done,
14 shall first ascertain from the commissioner the list of names of
15 contractors or subcontractors who have failed to pay prevailing
16 wages as determined in section 13 of ¹**[this act]** P.L.1963, c.150
17 (C.34:11-56.37)¹, and no contract shall be awarded to such
18 contractor or subcontractor, or to any firm, cooperative, corporation
19 or partnership in which such contractor or subcontractor has an
20 interest until three years have elapsed from the date of listing as
21 determined in section 13 of ¹**[this act]** P.L.1963, c.150 (C.34:11-
22 56.37)¹. ³**[This prohibition shall apply to corporations or other**
23 **legal entities that are owned and operated as a cooperative, in which**
24 **¹[at least one of the owners is a contractor or subcontractor who]**
25 **any vendor approved by the cooperative¹ has failed to pay**
26 **prevailing wages as determined by section 13 of ¹**[this act]****
27 **P.L.1963, c.150 (C.34:11-56.37)¹.]³**

28 For purposes of this section, “cooperative” shall mean a system
29 of collective ownership of a corporation or other legal entity in
30 which the shareholders or other coowners each also have a long
31 term proprietary interest or other long term arrangement of control
32 over the operations of the business.

33 ¹For purposes of this section, “vendor” shall mean any person,
34 firm, corporation or other entity which provides or offers or
35 proposes to provide goods or services to or perform any contract.¹

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SLA committee amendments adopted December 5, 2024.

²Assembly ALA committee amendments adopted January 23, 2025.

³Assembly ABU committee amendments adopted June 27, 2025.

⁴Senate amendments adopted in accordance with Governor's
recommendations December 18, 2025.

1 For purposes of this section, "interest" shall mean an interest in
2 the firm, corporation or partnership bidding on, or performing
3 public work, whether having the interest as an owner, partner,
4 officer, manager, employee, agent, ²vendor,² consultant or
5 representative. The term may also include, but not be limited to, all
6 instances in which the contractor or subcontractor listed by the
7 commissioner under section 13 of ¹**["this act"]** P.L.1963, c.150
8 (C.34:11-56.37)¹ has received payments, whether those payments
9 are in the form of cash or any other form of compensation from the
10 firm, corporation or partnership, or when the contractor or
11 subcontractor listed by the commissioner under section 13 of ¹**["this**
12 **act"]** P.L.1963, c.150 (C.34:11-56.37)¹ has entered into any contract
13 or agreement with the firm, corporation or partnership for services
14 performed or to be performed, for services that have been or will be
15 assigned or subletted, or for the sale, rental or lease of vehicles,
16 tools, equipment or supplies during the period from the initiation of
17 the proceedings under section 13 of ¹**["this act"]** P.L.1963, c.150
18 (C.34:11-56.37)¹ against the contractor or subcontractor until three
19 years have elapsed from the date that the contractor or
20 subcontractor has been listed by the commissioner under section 13
21 of ¹**["this act"]** P.L.1963, c.150 (C.34:11-56.37)¹. The term
22 "interest" shall not include shares held in a publicly traded
23 corporation if the shares were not received as compensation after
24 the initiation of proceedings under section 13 of ¹**["this act"]**
25 P.L.1963, c.150 (C.34:11-56.37)¹ from a firm, corporation or
26 partnership bidding or performing public work.

27 A rebuttable presumption that a contractor or subcontractor listed
28 by the commissioner under section 13 of ¹**["this act"]** P.L.1963,
29 c.150 (C.34:11-56.37)¹ has an interest in another firm, corporation
30 or partnership may arise if the two share any of the following
31 capacities or characteristics: (1) perform similar work within the
32 same geographical area and within the same monetary range, (2)
33 occupy the same premises, (3) have the same telephone number or
34 fax number, (4) have the same email address or internet website, (5)
35 employ substantially the same administrative employees, (6) utilize
36 the same tools and equipment, (7) employ or engage the services of
37 any listed person or persons involved in the direction or control of
38 the other, or (8) list substantially the same work experience in order
39 to obtain the requisite pre-qualification rating from the Department
40 of the Treasury, or any other entity, to participate in any public
41 work.

42 If a rebuttable presumption has arisen that a contractor or
43 subcontractor listed by the commissioner under section 13 of ¹**["this**
44 **act"]** P.L.1963, c.150 (C.34:11-56.37)¹ has an interest in another
45 firm, corporation or partnership, the adversely affected contractor or
46 subcontractor, including the firm, corporation or partnership, which
47 would by virtue of a finding of "interest" be prevented under this

1 section from being awarded public work, may request a hearing,
2 which shall be conducted in accordance with the "Administrative
3 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).
4 (cf: P.L.2007, c.67, s.1)

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6 ²2. Section 7 of P.L.1996, c.16 (C.52:34-6.2) is amended to read
7 as follows:

8 7. a. Notwithstanding the provisions of any other law to the
9 contrary except the provisions of R.S.30:4-95, and as an alternative
10 to the procedures concerning the awarding of public contracts
11 provided in P.L.1954, c.48 (C.52:34-6 et seq.), the Director of the
12 Division of Purchase and Property in the Department of the
13 Treasury may enter into cooperative purchasing agreements with
14 one or more other states, or political subdivisions thereof, for the
15 purchase of goods and services. A cooperative purchasing
16 agreement shall allow the jurisdictions which are parties thereto to
17 standardize and combine their requirements for the purchase of a
18 particular good or service into a single contract solicitation which
19 shall be competitively bid and awarded by one of the jurisdictions
20 on behalf of jurisdictions participating in the contract.

21 b. (1) The director may elect to purchase goods or services
22 through a contract awarded pursuant to a cooperative purchasing
23 agreement whenever the director determines this to be the most
24 cost-effective method of procurement. Prior to entering into any
25 contract to be awarded or already awarded through a cooperative
26 purchasing agreement, the director shall review and approve the
27 specifications and proposed terms and conditions of the contract.

28 (2) The director may also elect to purchase goods or services
29 through a contract awarded pursuant to a nationally-recognized and
30 accepted cooperative purchasing agreement that has been developed
31 utilizing a competitive bidding process, in which other states
32 participate, whenever the director determines this to be the most
33 cost-effective method of procurement. Prior to entering into any
34 contract to be awarded through a nationally-recognized and
35 accepted cooperative purchasing agreement that has been developed
36 utilizing a competitive bidding process, the director shall review
37 and approve the specifications and proposed terms and conditions
38 of the contract.

39 (3) Notwithstanding any other law to the contrary, any
40 contracting unit authorized to purchase goods, or to contract for
41 services, may make purchases and contract for services through the
42 use of a nationally-recognized and accepted cooperative purchasing
43 agreement that has been developed utilizing a competitive bidding
44 process by another contracting unit within the State of New Jersey,
45 or within any other state, when available. A contracting unit may
46 only purchase and contract for construction services for a public
47 works project through a cooperative purchasing agreement
48 competitively bid in compliance with P.L. _____, c. _____ (C. _____)

(pending before the Legislature as this bill) and let by a contracting unit in the State of New Jersey. Public works projects undertaken by a contracting unit through a cooperative purchasing agreement are subject to the "Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.) and the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.). Prior to making purchases or contracting for services, the contracting unit shall determine that the use of the cooperative purchasing agreement shall result in cost savings after all factors, including charges for service, material, and delivery, have been considered. ⁴The use of nationally recognized and accepted cooperative purchasing agreements by a contracting unit as defined in the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), a board of education as defined in the "Public School Contracts Law," P.L.1977, c.114 (C.18A:18A-1 et seq.), or a county college as defined in the "County College Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.) shall be subject to such rules and regulations as may be adopted and promulgated by the Director of the Division of Local Government Services in the Department of Community Affairs in consultation with the Director of the Division of Purchase and Property, the Commissioner of Education, and the Secretary of Higher Education. ⁴

(4) A contracting unit shall not utilize a time-and-materials contract available through a cooperative purchasing agreement for public works construction projects subject to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.).

(5) For the purposes of prevailing wage enforcement, a contracting unit that awards a cooperative contract for public works construction shall verify and maintain an accurate copy of:

(a) the name, principal business address in the State, and telephone number of the contractor; or

(b) if the contractor's principal business address is not within the State, the name and address of the contractor's custodian of records and agent for service of process in this State.

(6) A contracting unit that establishes a cooperative purchasing agreement for public works construction shall require awarded contractors to submit copies of the certified payroll records for every public works construction project performed under the contract and retain those copies for a period of not less than three years. Contractors shall be prohibited from performing public works projects under a cooperative purchasing agreement if they:

(a) fail to provide copies of submitted certified payroll records on more than three occasions; or

(b) are found to have violated the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) by the Department of Labor and Workforce Development.

(7) The contracting unit that lets a cooperative contract shall publicly post on its website ³upon award³ the following information

1 for all public works construction projects ³[completed in the
2 preceding month]³:

3 (a) the contracting unit where the project ³[was completed] will
4 be completed³;

5 (b) the contract number of the cooperative contract utilized;

6 (c) the contractor ³[that performed] performing³ the public
7 works construction project;

8 (d) the cost of the project; and

9 (e) confirmation certified payroll records ³[were] are³ received.

10 (8) Contracting units implementing a cooperative purchasing
11 agreement shall solicit from the Commissioner of Labor and
12 Workforce Development the list produced and maintained pursuant
13 to P.L.1963, c.150 (C.34:11-56.37) and shall:

14 (a) not award a cooperative contract to a contractor or
15 subcontractor listed by the commissioner;

16 (b) verify on a monthly basis after the time of award and for the
17 duration of the contract term that any contractor or subcontractor
18 awarded a cooperative contract was not added to the list by the
19 commissioner;

20 (c) terminate a contract with a contractor or subcontractor listed
21 by the commissioner after the time of the cooperative contract
22 award; and

23 (d) cause a contractor to terminate a subcontract with a
24 subcontractor listed by the commissioner after the time of the
25 cooperative contract award.

26 (9) The Director of the Division of Local Government Services
27 in the Department of Community Affairs shall prohibit a
28 contracting unit from serving as a lead agency for a cooperative
29 purchasing agreement if the contracting unit fails to comply with
30 the requirements of this section.

31 (10) If any provision of P.L. , c. (pending before the
32 Legislature as this bill) or its application to any person or
33 circumstances is held invalid, the invalidity does not affect other
34 provisions or applications of P.L. , c. (pending before the
35 Legislature as this bill) which can be given effect without the
36 invalid provision or application, and to this end the provisions of
37 P.L. , c. (pending before the Legislature as this bill) are
38 severable.

39 For purposes of this paragraph, "contracting unit" means any
40 county, municipality, special district, school district, fire district,
41 State college or university, public research university, county
42 college, or any board, commission, committee, authority or agency,
43 which is not a State board, commission, committee, authority or
44 agency, and which has administrative jurisdiction over any district,
45 included or operating in whole or in part, within the territorial
46 boundaries of any county or municipality which exercises functions
47 which are appropriate for the exercise by one or more units of local

1 government, and which has statutory power to make purchases and
2 enter into contracts awarded by a contracting agent for the provision
3 or performance of goods or services, and the New Jersey Transit
4 Corporation created pursuant to P.L.1979, c.150 (C.27:25-1 et seq.).

5 For purposes of this paragraph, "time-and-materials contract"
6 means a contract for the actual costs for materials and acquiring
7 services on the basis of direct labor hours at specified fixed hourly
8 rates that include wages, overhead, general and administrative
9 expenses, and profit.

10 c. The director may solicit bids and award contracts on behalf
11 of this State and other jurisdictions which are parties to a
12 cooperative purchasing agreement provided that the agreement
13 specifies that each jurisdiction participating in a contract is solely
14 responsible for the payment of the purchase price and cost of
15 purchases made by it under the terms of any contract awarded
16 pursuant to the agreement.

17 d. The director may promulgate rules and regulations pursuant
18 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
19 1 et seq.), which are necessary to effectuate the purposes of this
20 section.²

21 (cf: P.L.2018, c.162, s.14)

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23 ²3. (New section) ⁴a.⁴ Notwithstanding any provision of law to
24 the contrary, a contracting unit may award indefinite delivery,
25 indefinite quantity contracts ³with a set term³ for goods or services,
26 including public works, without final plans and specifications for an
27 individual project, provided the contract advertisement promotes
28 free, open, and competitive bidding and sets forth the process by
29 which individual purchase orders may be issued. A contracting unit
30 may issue purchase orders under an indefinite delivery, indefinite
31 quantity contract provided the items for delivery were specified in
32 the contract advertisement and a process for adding items for
33 delivery is provided in the contract advertisement.²

34 ⁴b. The award of an indefinite delivery, indefinite quantity
35 contract by a contracting unit as defined in the "Local Public
36 Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), a board of
37 education as defined in the "Public School Contracts Law,"
38 P.L.1977, c.114 (C.18A:18A-1 et seq.), or a county college as
39 defined in the "County College Contracts Law," P.L.1982, c.189
40 (C.18A:64A-25.1 et seq.) shall be subject to such rules and
41 regulations as may be adopted and promulgated by the Director of
42 the Division of Local Government Services in the Department of
43 Community Affairs after consultation with the Commissioner of
44 Education and the Secretary of Higher Education.⁴

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46 ²[2.] ⁴2. This act shall take effect 90 days following the date of
47 enactment.

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Prohibits cooperative from receiving public works contract when cooperative-approved vendor fails to pay prevailing wage; concerns cooperative purchasing agreements with other states; and permits contracting units to award certain indefinite contracts.