

North Jersey NIGP Chapter #7
Chartered October 26, 1977

Minutes
Regular Meeting
March 14, 2012

The Imperia Conference Center
Somerset, New Jersey

President: *James J. Jorgensen*
Vice President: *Cindy Belanger*

Treasurer: *Jane Foti*
Secretary: *Paula S.Ferreira*

The meeting was called to order by President Jim Jorgensen.

A moment of silence was given for the troops.

Treasurer's report was given by Jane Foti.

Minutes from the previous meeting were approved.

Kathy Cupano, Assistant Director of Curriculum Development, Rutgers

Purchasing Forum brochures went out. The dates are May 2nd and 3rd 2012. We will have the same good old standard speakers

In Purchasing I only 9 people have signed up statewide. Purchasing II only 20 people signed up and Purchasing III there are 40 people signed up. There is an ongoing decrease. Rutgers will not be doing summer classes this year.

Gordon Ball-Procurement Specialist, State of NJ, Division of Local Government Services.

National Cooperative Contracts: In January the State sent out the second Local Finance Notice. They are still working on it. It keeps taking longer and longer.

Next Local Finance Notice should be out very soon. Gordon got an email from another Purchasing Agent regarding an AutoZone lawsuit. Legal eagles say if State has to we have to. Laws have certain limitations on use. At a New Jersey Municipal Managers Association meeting Matt Boxer was there. He mentioned this. When considering a National Contract Local Government should consider bidding, state contracts ect. Document to be reviewed by auditor. We must look at both economy and efficiency. What is going to be the best for the municipality? We are legally obligated to fulfill any existing contract. Cannot cancel existing contract or it will be considered breached. Purchasing Agent must be mindful that it must consider cost savings. Contracting units do not have the ability to negotiate the terms under these contracts. National Cooperative Contracts must have been awarded through open bid. Many states do not have Local Public Contracting Laws. This will exclude contracts that are sole source and not negotiated. How will we know it was sole source? Must be a government agency doing bidding process. If it's awarded by a private company we have a problem because it's not awarded by a government agency. Must be advertised including in New Jersey. Example-L3 has contract in state of Michigan. Can we use that contract? When Michigan advertised for bid only advertised locally not nationally so we couldn't use it. There are a variety of NJ legal requirements-must have NJ BRC, Corp Ownership-Affirmative Action, Non Collusion, cost effective determination, lower than current State Contract pricing-which is cheaper State Contract or National Coop? Must do price checking. We must certify why we are using contract. Cost savings is a necessary element. This would be subject to OPRA. We must be very careful and accurate. If contract is awarded through State Contract cost savings is not necessary. There are 2 types, private and non profit. They look for competition. You also may be required to pay a fee. They get a percentage of what you buy. Contracting unit that desires to use window units, \$17500.00-\$360000.00 can use it just like any other contract that you quote. Aggregation is involved. This is also permissive. So, why would we use it? There are certain advantages to it. We all must determine it. AutoZone suit established advertising requirements. There must be two notices in the newspaper. If the State is being ordered by the court to do this, then the Local Government must also do it. The first is Notice of intent to participate in a National Cooperative Agreement and then if you decide to use National Cooperative Contract the advertisement must state that they are to contact you if they disagree. Awarding a Cooperative

Contract above bid threshold has to be awarded by governing body. Any agreements with vendors under the Cooperative expire when the contract expires. Be careful of prepayment requirements. Most do not include Performance Bonds. This is not applicable for public works construction contracts. GSA contracts are not included. We cannot use a GSA contract under this. State comptroller's law for purchases over 2 million dollars must be reported to the State Comptroller. Purchases of 10 million dollars or more must be reported to State Comptroller's office. We must do our due diligence to see if it is cost effective. We must review the National Contracts to see if it meets our standards.

QPA test is going to be administered at the end of the year. Review course is being held up by approval of the regulations. The questions are written. Location has changed. It will be given in the Trenton area.

Joseph Valenti, LLC

National Cooperative bill is the shortest bill that Joe has ever seen. We are over legislated. Gordon is correct in wondering how we will keep track of it all. Time is money. If all of this has to be verified it may be cheaper to use State Cooperative. New Jersey is one of the last three states to go with the National Cooperative. Office Depot is a member of the National Cooperative and they are pushy.

At the end of January 2012 there were 640 bills reintroduced. Thirty one bills will that affect Local Public Contracts Law. In the previous 2 year period we had 110 bills. It keeps going up. Multiple bills covering the same topics. State mandate State pay. Set asides. Play to Pay reform. Elec. Non Fair and Open is fairer than Fair and Open. Buy green preferences. Companies that prove they are green. Employee protection. Peace love agreement. Protection for employees from privatization.

S532-Percent retainage. We are allowed to hold 2 percent. Contractors want the interest on that.

S318- Must name 4 prime subs and that's it. Now it's changed. As long as they do 35 percent of the work, you could name all subs.

S527-Set aside for qualified veteran businesses. Businesses that agree to hire veterans.

S1459/A2202-County Cooperative purchasing venture that becomes consolidated service for school districts. This is a union effort. Privatization effort. Service employee's international union. Limited to food and custodial services. Introduces labor issues.

A137/S1646-Play to Pay reform-it does away with Fair and Open and Non Fair and Open. The 17,500.00 threshold remains. One law one Play to Pay concept.

A683-Financial statements. Not allowed to require financial statement.

A956- Prisoner reentry set-aside program.

A1206-Handling of extraordinary hazardous substances (chemicals) through competitive contracting.

A1289-Site work. Soil contamination. How do you know it's contaminated? Public entity responsible for doing testing.

No old business

New business. We should consider dues increase in 2013.

With no more business, the meeting was adjourned at 12:00 p.m.

Networking and lunch were enjoyed by all.

Respectfully submitted,

Paula S. Ferreira

Secretary