

**NORTHERN NEW JERSEY NIGP
MINUTES OF THE REGULAR MEETING – December 17, 2019
MAGGIANO’S, BRIDGEWATER, NEW JERSEY**

The meeting was called to order at 10:15 A.M. by Melissa Kosensky, President. There was a flag salute, a moment of silence and self-introductions were made by the attendees. A motion was made to approve both the Treasurers Report (ending balance of \$10,794.22) and the previous meeting’s minutes which had been posted to the website. The motion was approved.

GUEST SPEAKERS

Cynthia Hackett, ESQ., Deputy Director, Office of State Comptroller

The Office of the State Comptroller (OSC) is an independent State Agency under the Department of Treasury. Its mission is to promote integrity and transparency in government. It is organized in 4 divisions:

1. Audit: This division conducts performance audits to determine if the various public entities are following the law.
2. Investigation: This unit investigates tips that are received via its hotline.
3. Medicaid Fraud: This is the largest division & is staffed with auditors, investigators & attorneys to ferret our Medicaid fraud.
4. Procurement: This division is staffed by 5 Attorneys & they review approximately 700 procurement submissions that are received each year.

The Procurement Division was the focus of the meeting as it relates to the Public Contracts Law and Regulations. The division aims to look prospectively at public agency procurements over \$2 million dollars from more than 1900 entities. Any bid, RFP, concession (the \$ value to the vendor), land sale, insurance & local health benefit contracts that is over \$10 million dollars must be reported to OSC as early as possible, but no later than 30 days before the advertisement or solicitation notice. Any contract awarded between \$2 million and \$10 million, must be reported to OSC within 20 days of the contract award. Emergency contracts must be reported within 30 days of the contract award.

You can determine the procurement cost by various methods such as the Engineer’s Project Cost estimate or using a good faith estimate based on prior experience, The OSC submission process is detailed on their website: www.nj.gov/comptroller/divisions/procurement/forms.

Electronic submission is preferred in Word, not PDF.

Form B1 should be used for procurements over \$10 million (Pre-Notification).

Form B2 should be used for Post Award Reviews for procurements over \$10 million.

Form A should be used for Post Award Reviews for procurements over \$2 million but less than \$10,000,000 million.

Form D should be used for Emergency Procurements over \$2,000,000. The forms are fairly self-explanatory. Please note that when providing a contact name to the agency on these forms, it should not be the name of an outside consultant.

The agency is looking for the following:

- Are you using the right process?
- Are your instructions clear to bidders?
- Are your legal requirements, citations, etc. correct and up to date? (OSC Retention Language, N.J.A.C. 17:44-2.2, N.J.S.A. 52:25:24.2, BRC language as per N.J.S.A. 52:32-44, & EEO Exhibits A&B)
- If it's an EUS are you following the rules?
- For competitive contracts, they are looking at the evaluation criteria. An evaluation report must be provided.

Regarding Construction contracts, they look to see that the procurement includes a Bid Guarantee, Consent of Surety, Buy American language, Prompt Payment Act, Prevailing Wage & Public Works Contractor Registration requirements.

The attendees were reminded to look at Division of Local Government Services Local Finance Notice 2005-22.

Also, remember to incorporate the new changed conditions law P.L. 2017, c.137 into your construction bid specs & for good & services bids to incorporate the new Prompt Payment Law.

Alysia Walsh, Esq., Staff Attorney, OSC

When reviewing the submissions that the Agency receives, the most common mistakes she sees concern the BRC requirements, the Public Works Contractor Registration Act, outdated Corporate Ownership Statements, requesting a brand name item without using an "or equivalent" and procurements for health insurance and insurance brokers.

BRC Requirements: Suggested that the Department of Treasury's website should be reviewed for up to date guidance. You should include the correct penalty language & the BRC can now be submitted prior to contract award; you should not require it to be submitted with the bid.

Public Works Contractor Registration Proof: Must be registered & current at time of bid submission-required for subs also.

Corporate Ownership Disclosure Forms: Make sure you are using the current forms which were amended in 2016. They should be properly certified and now apply to LLC's. Check to see that no governing body members have ownership.

Brand Names or Equivalent: See NJAC 5:34-9.2. If you are requiring a "brand" name, the best practice is to use "brand name or equivalent".

Health Insurance & Insurance Broker Procurement: Brokers are EUS's. See LFN 2002-2. Brokers are required to tell you how they are getting paid. Use an RFQ. The contract

can be for up to 3 years. You can award for 1 year & have two 1-year contract extensions. The language for that should be in your procurement document or contract.

She emphasized that as Purchasing Professionals, we are the trustees of public funds and that hurried bids lead to waste. You can call the confidential tip line for Government Waste & Mismanagement: 1-800-OSC-TIPS (672-8477).

Contact Information:

Cynthia Hackett: 609-789-5037

Alysia Walsh: 609-789-5113

Or via email at contracts@osc.nj.gov.

Kathy Cupano, Assistant Director, Center for Government Services, Rutgers Continuing Studies

The pass rate for the last QPA exam was 51%. This was down substantially from prior exams, but more in line with other certifications.

The 2020 Purchasing Forum will be held on April 29 and 30 at the Golden Nugget in Atlantic City. The program is being finalized and any assistance is appreciated.

Kathy also announce that she was retiring, and that her replacement will be Olga Chaban, who was introduced and said she was looking forward to working with everybody.

Kathy was thanked for her contribution to the group.

Old Business: Working on revised CEU's from the September meeting, when the announced speakers did not show up. Will now probably be eligible for 1 CEU for that day.

New Business: All the current Officers are willing to stay on in their positions for one more year. There will be no need for nominations. The meeting schedule for next year is being finalized.

A motion to adjourn the meeting was made at 11:55 AM



Respectfully Submitted, Mary Richers