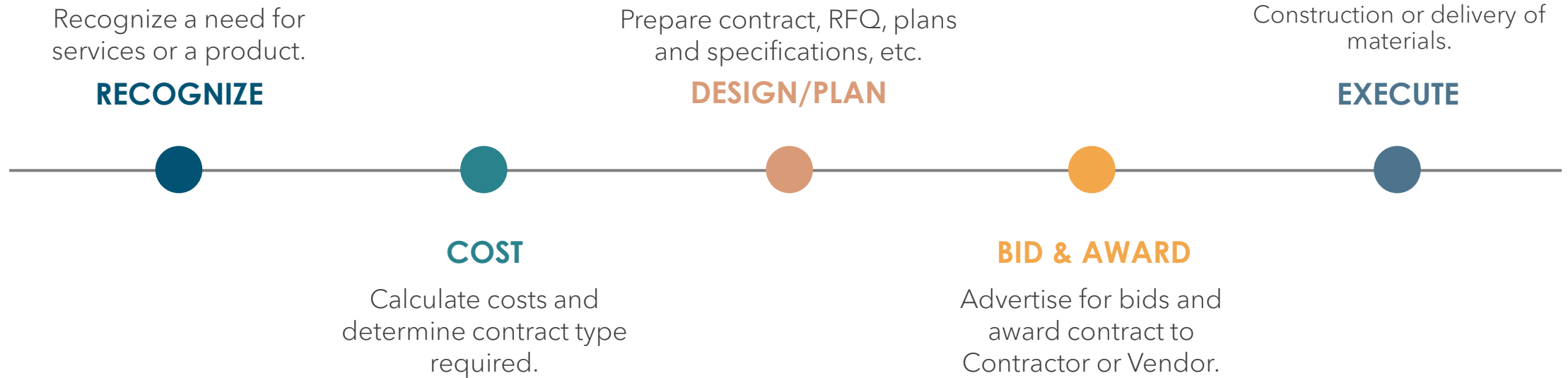
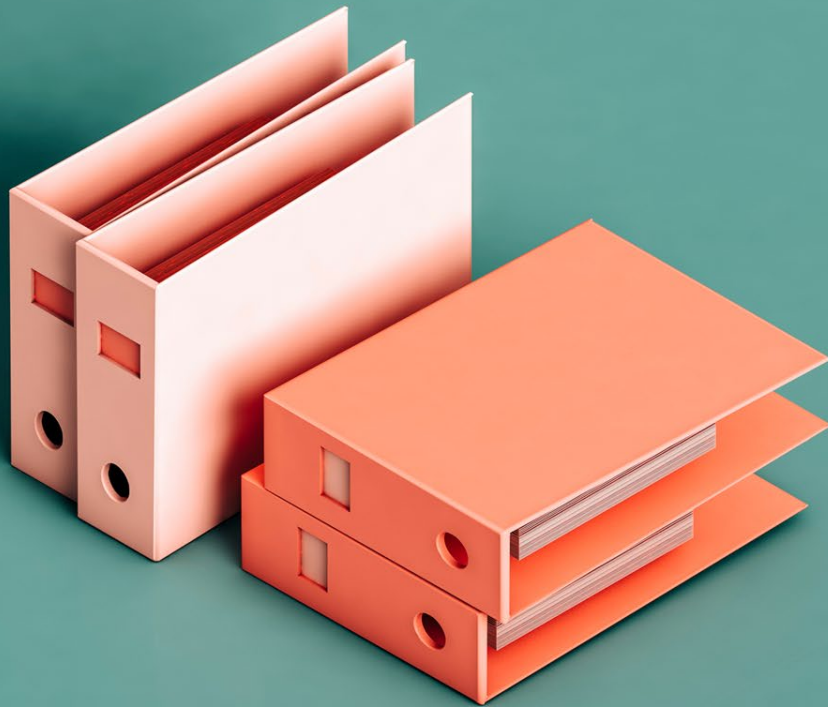




# TYPICAL PROCESS






# INTRODUCTION


- **Contracts or Purchase Orders** allow for the Governing Body to receive **services or products**.
  - When executed correctly, purchase orders are contracts.
- Unless specifically delegated, the responsibility of authorizing all contracts rests with the **Governing Body**.
- The Governing Body may appoint a purchasing agent or **Qualified Purchasing Agent (QPA)** who will be assigned the authority, responsibility, and accountability for the **purchasing activities** of the municipality.

# BID THRESHOLDS & QUOTES


 \$16,263 - Prevailing Wage Threshold.

 \$17,500 - Without a QPA.

 \$44,000 - With a QPA (Increases every 5 years by the governor).

 **State Comptrollers Threshold**  
\$2,500,000 to \$12,500,000 - Notification 20 days after award of contract.  
Over \$12,500,000 - Notification 30 days prior to award of contract.

 15% of bid threshold. \$6,600 with QPA.  
\$2,625 without QPA.

 Below bid threshold but more than quote threshold must actively solicit at least two (2) competitive quotes, if practical.

# BIDDING EXCEPTIONS

- Some services allow the Governing body to negotiate and award a contract without publicly advertising for bids.
  - A resolution is still required.
- The exceptions to receipt of formal bids are listed under N.J.S.A. 40A:11-5. Some examples are:
  - Professional Services;
  - Furnishing of Tax Maps;
  - Public Utility;
  - Printing and issuance of bonds;
  - Legal notices;
  - Goods and services to conduct an election; and
  - Codification.



# CONTRACT DURATION

- 24 consecutive months.
- Professional service contracts – 12 consecutive months.
- Exceptions listed in N.J.S.A. 40A:11-15. Some examples are as follows:
  - Energy;
  - Solid Waste;
  - Data Processing Services;
  - Insurance;
  - Leasing of Automobiles or Equipment;
  - Etc.

A top-down view of a desk with a silver laptop, a dark brown notebook with orange stitching, a pair of tortoiseshell glasses, and a white pen. The background is a light teal color.

# FAIR AND OPEN PROCESSES

## Minimum Requirements

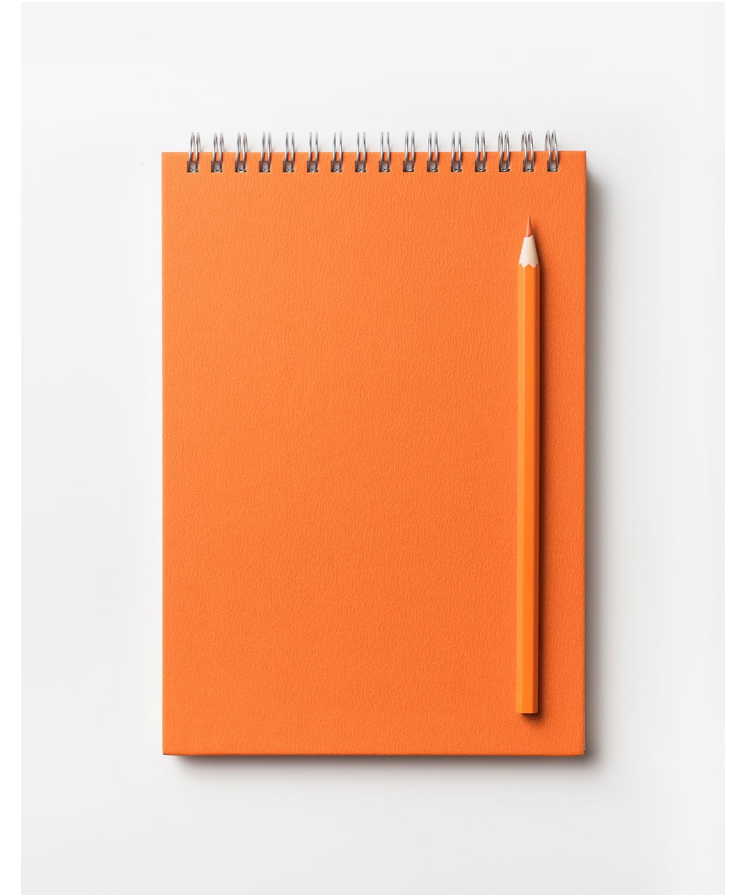
- Publicly advertised for a minimum of 10 days.
- Awarded under a process that provides for public solution of proposal or qualifications.
- Basis of award criteria was in writing.
- Publicly opened.

## Award by Resolution

- Contracts over \$17,500 should include wording that the contract was awarded pursuant to a fair and open process.

# NON-FAIR AND OPEN – PAY TO PLAY

- Contract in excess of \$17,500.
- “Alternate” process can be used when goods and services are exempt from public bidding (per N.J.S.A. 40A:11-5).
- Does not require public bidding.
- Contractor must file a **Business Entity Disclosure Certification**.
  - <\$200 contribution per election cycle to any elected official campaign in year prior to award.
  - Contractor will not make any reportable contribution during the contract term.
  - Municipal Clerk will provide the names of the candidate committees and individual elected officials for the municipality.
  - Certification must be on file before Governing Body awards contract.
  - Must be made available for public inspection in the Municipal Clerk’s Office.







# COMPETITIVE CONTRACTING

- For goods and specialized goods and services that are hard to specify.
- Complete list can be found in N.J.S.A. 40A:11-4.1. Examples:
  - Purchase or licensing of proprietary computer software and hardware;
  - The operation of a wastewater treatment system or water supply facility;
  - Energy services company;
  - EMS services;
  - Etc.
- Administered by a QPA, Administrator, or Legal Counsel.
- Contract duration < 5 years.



# COMPETITIVE CONTRACTING CONT.

- A Request for Proposal (RFP) can be utilized to obtain proposals.
  - A notice that RFP documents are available must be published in an official newspaper at least 20 days prior to date of submission.
- Proposals evaluated based on price and other factors.
  - No negotiations.
  - RFP process does provide for interviews by QPA or subcommittee appointed to evaluate proposals.
  - QPA will submit a report evaluating and recommending the award. This report shall be made public prior to the award of contract.
  - The governing body has the right to reject all projects for any reason set forth in N.J.S.A. 40A:11-13.2.





# STATE CONTRACT

- Any municipality, without advertising for bids, may purchase any goods or services under a **State Contract**.
- The term of the contract award cannot exceed the term of the State Contract.
- Purchase over bid threshold must authorize award by resolution of the governing body.



# NATIONALLY RECOGNIZED CO-OP PURCHASING

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- Awards can be made for goods or services through Nationally Recognized Co-ops.
- Must be a member of the co-op.
- Cost savings determination and required documentation completed by the QPA.
- Notice of Intent to Award to be published at least 10 days prior to award. Ad should contain:
  - Name of the municipality;
  - Title and description of the contract;
  - Where the contract can be viewed;
  - Length of contract;
  - Name of vendor; and
  - A statement of the authority under which the contract is being awarded—generally this will be N.J.S.A. 52:34-6.2(b)(3).

**BOROUGH OF HIGHTSTOWN**

**Improvements to Lincoln Avenue, Hagemount Avenue and Rocky Brook Court**

# PUBLIC BIDDING

- Projects over \$44,000 must **advertise** for bids in newspapers.
- Requires **Specifications** which include:
  - Description of proposed work;
  - Boilerplate mandatory forms;
  - Contract agreement and forms;
  - Technical data and standards for all expected work; and
  - Prevailing wage rates.
- Bid documents check list (right).
- "Failure to submit the following documents is a mandatory cause for the bid to be rejected."
- "Failure to submit the following documents may be a cause for the bid to be rejected."

**A. Failure to submit the following documents is a mandatory cause for the bid to be rejected.  
(N.J.S.A. 40A:11-23.2)**

| Required With Submission of Bid (Owner's checkmarks) |  | Initial Each Item Submitted with Bid (Bidder's Initials) |
|--|--|--|
| X  | A Bid guarantee as required by <u>N.J.S.A. 40A:11-21</u>   |  |
| X  | A certificate from a surety company, pursuant to <u>N.J.S.A. 40A:11-22</u>   |  |
| X  | A listing of subcontractors as required by <u>N.J.S.A. 40A:11-16</u>   |  |
| X  | A statement of corporate ownership, pursuant to <u>N.J.S.A. 52:25-24.2</u>   |  |
| X  | If applicable, bidder's acknowledgement of receipt of any notice(s) or revision(s) or addenda to an advertisement, specification(s) or bid document(s) |  |

**B. Failure to submit the following documents may be a cause for the bid to be rejected.  
(N.J.S.A. 40A:11-23.1b.)**

| Required with Submission of Bid (Owner's Checkmarks) | Initial Each Item Submitted with Bid (Bidder's Initials)                    | Required with Submission of Bid (Owner's Checkmarks) | Initial Each Item Submitted with Bid (Bidder's Initials)  |
|--|---|--|---|
| X  | Experience Statement  | X  | Certification of Bidder showing that Bidder owns, <u>leases</u> or controls any necessary equipment |
| X  | Statement of Compliance with N.J.S.A. 45:14c-2(h) (licensed master plumber) | X  | Consent of Surety as to maintenance bond as required by N.J.S.A. 40A:11-16:3b                       |
| X  | Disclosure of Investment Activities in Iran                                 |  | Statement of Compliance with N.J.S.A. 45:5A-9 (licensed electrician)                                |
| X  | Submission of a Non-Collusion Affidavit (This form must be notarized)       | X  | New Jersey Business Registration  |

# ADVERTISEMENTS FOR BIDS

- A notice must be posted in the newspaper(s) to solicit bids.
- Time advertised varies by contract with a minimum of 10 days.
- The notice includes:
  - Project scope;
  - Bid opening date, time, and location;
  - Affirmative Action Language; and
  - Any additional information required by any funding sources.
- Addenda or clarifications must be sent to each bidder who must confirm receipt.
- Bids cannot be opened on Mondays nor the day after a holiday.
- Bids must be publicly opened.

**NOTICE IS HEREBY GIVEN** that the Borough of Hightstown will receive bids on March 1, 2024 at 11:00 a.m. in the Hightstown Borough Hall Building, 156 Bank Street, Hightstown, New Jersey 08520 for the Improvements to Orchard Avenue, Meadow Drive, and Clover Lane Project. Bids are to be submitted by way of USPS, UPS, FedEx, other delivery services or drop off. The bids will be opened on March 1, 2024 at 11:00 a.m. at the Borough Public Works Garage located at 156 Bank Street, Hightstown, New Jersey 08520. Persons choosing to attend the bid opening will be required to wear a face mask.

Work includes, but is not limited to 13 UNIT Inlet Repairs, 6 UNIT Bicycle Safe Frame and Grates, 18 UNIT 8-Inch Type 'N' Eco Curb Pieces, 1 UNIT Trench Drain, 13 UNIT Manhole Frames and Covers, 90 LF Concrete Encasement, 90 LF 8-Inch DIP Sanitary Sewer Main, 1,744 LF 6-Inch PVC Sanitary Lateral, 68 UNIT PVC Cleanouts, 140 LF 6-Inch DIP Water Main, 1 UNIT Fire Hydrant Assembly, 379 SY HMA Driveway Repair, 481 SY Concrete Sidewalk, 20 SY Stone Driveway Repair, 142 SY Reinforced Concrete Sidewalk Repair, 7 SY Detectable Warning Surface, 2 Units Rectangular Rapid Flashing Beacons, 16,615 SY HMA Milling, 1,595 SY HMA Pavement Repair, 2,915 TON HMA 9.5M64, signage, pavement markings, and other incidentals.

Bids must be submitted to the Borough Clerk, or her representative, no later than March 1, 2024 at 11:00 a.m. Specifications and other information, prepared by Carmela Roberts, P.E., C.M.E., C.P.W.M. of Roberts Engineering Group, LLC have been filed in the office of the Engineer at 1670 Whitehorse-Hamilton Square Road, Hamilton, New Jersey (609) 586-1141 and may be purchased at the cost of \$140.00.

Bid packages will be purchased during business hours only on Tuesdays and Thursdays or will be provided by way of FedEx or USPS delivery. Contact Roberts Engineering Group, LLC by phone (609-586-1141) during regular business hours, 8:00 a.m. to 5:00 p.m., to provide account information and coordinate purchase and delivery of bid packages. Checks must be made payable to Roberts Engineering Group, LLC. Bids shall be submitted on the form(s) provided and shall be in accordance with the specifications contained in the Instructions to Bidders and other bidding documents. In order to assure that all potential bidders receive the complete bid documentation, as well as any amendments, modifications or supplements thereto, bid documentation must be obtained only from the Borough Engineer Carmela Roberts, P.E., C.M.E., C.P.W.M. of Roberts Engineering Group, LLC, 1670 Whitehorse Hamilton Square Road, Hamilton, New Jersey 08690 by registering with the Borough Engineer and paying the required documentation fee. Failure to follow this procedure for registration and receipt of documentation in submitting a bid will result in the bid being deemed incomplete, and therefore will be rejected. Bidders are required to comply with the requirements of the Local Public Contracts Law, the Prevailing Wage Act, the requirements of P. L. 1975, c.127, and N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27-1.1 et seq., Affirmative Action, and all requirements as set forth in the Instructions to Bidders. At the time a bid is submitted, the bidder shall submit a copy of its Business Registration Certificate.

Please submit your bids on the standard bid proposal forms, in the manner designated and must be received in sealed opaque envelopes, bearing the name and address of the bidder and the name of the project on the outside; addressed to the Borough Clerk, Borough of Hightstown and must be accompanied by a Non-Collusion Affidavit and a bid bond or certified check for not less than ten percent (10%) of the amount of the bid, providing that said check or bid bond need not be more than \$20,000.00 nor shall not

# RECEIPT OF BIDS

- If there are no bids, project is reviewed and readvertised.
- If there are no bids the second time, a contract can be negotiated.
- The Clerk must ensure bids are secure.
- Bids of three lowest bidders are reviewed by Engineer and Attorney.
- Bids of those not among the lowest 3 are secured and returned within 10 business days after opening.
- Typically, lowest bidder is awarded the contract.
- Award contract within 60 days.
- Within 3 days after the contract is awarded/signed and bid documents are approved, bids of the unsuccessful bidders must be returned.





# CAUSES FOR REJECTION OF BIDS

## REJECT LOWEST BIDDER



Bidder fails to submit mandatory information resulting in a fatal defect.



Bidder is debarred according to the NJ Department of Treasury.



Prior negative experience with the contracting unit.



Lowest bid substantially exceeds the cost estimates for the goods or services.



The governing body decides to use a State authorized contract.



The lowest bid substantially exceeds the contracting unit's appropriation for the goods or services.



Contracting unit wants to substantially revise the specifications.



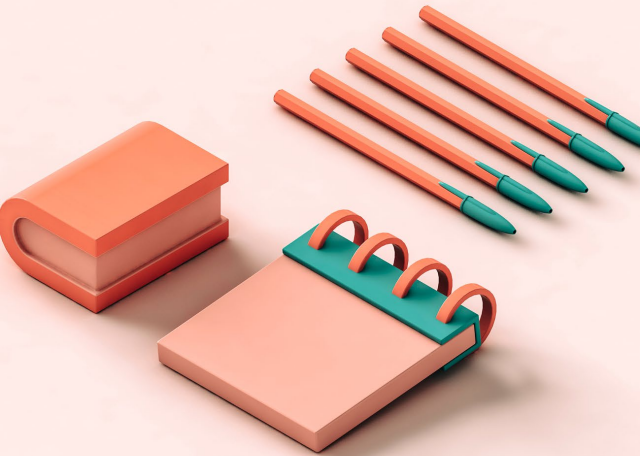
The purposes or provisions or both of P.L. 1971, c.198 (C.40A:11-1 et seq.) are being violated.



The governing body decides to abandon the project.

# AFTER CONTRACT AWARD

- Contract documents, bonds, and agreements.
- Professional, Contractor, Municipality, and other agencies attend a Preconstruction Meeting.
- Contractor provides submittals for Engineer's review.
- The project inspector verifies and documents construction activities.
- Engineer recommends payment to Municipality which will issue payments.
- **Change Orders** result from any increases or decreases in the contract .
- Resolutions.
- 20% Limitation.
- Contract Closeout & Maintenance Bond.





# SALE OR DISPOSITION OF PUBLIC PROPERTY

- When the estimated fair value of personal property to be sold exceeds 15% of the bid threshold in any 1 sale, it shall be sold at a public sale of the highest bidder.
- Public advertisement must include date, time, and place of public sale.
- Advertisement must be published no less than 7 days or more than 14 days before the sale.
- If no bids are received, the property may be sold at a private sale without further publication or notice.
- DLGS Web Page - New Jersey Local Procurement Laws  
[https://nj.gov/dca/dlgs/programs/NJ\\_LAPL.shtml](https://nj.gov/dca/dlgs/programs/NJ_LAPL.shtml)
- NJ Local Public Contracts Law and Regulations  
<https://rutgers.app.box.com/s/jhnehsrq56yj618vlf70jl1wwfzk2w7x>



# THANK YOU

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Carmela Roberts, PE/CME/CPWM  
croberts@robertsengineeringgroup.com

