

Power Supply and Online Bidding Services

The requirement to bid does not mean the solicitation of quotes; it means a formal process where there is a bid specification, notice to bidders, and a level playing field for all potential bidders. The Division's E-Procurement Pilot program (authorized under P.L. 2001, c. 30) allows local units to purchase commodities and services, including energy supply, through online bidding and reverse auctions programs approved by the Division. Any online organization participating in the online pilot program must be approved by the Division. Once the Division has approved an online service, any local unit can take advantage of the service. When conducted through an online service, however, the local unit is responsible to ensure that the online service is operating consistent with procurement laws for an individual procurement.

Traditional sealed bidding is not advised for electricity or gas supply, as the traditional model of submitting paper-based bids at a fixed location and time is not economical or effective. The nature of bidding for power or natural gas supplies lends itself to online bidding. The pilot program allows online systems to waive aspects of a sealed, in-person bid.

Because of the BPU registration requirements, the Division has waived aspects of traditional bidding, including bid deposits, ownership disclosure certificate, and Business Registration Certificate, since the BPU process requires these elements. In addition, when online bidding is used, the local unit may notify all licensed suppliers via email or US Mail instead of a newspaper notice, as long as all potential suppliers are notified. A [list of suppliers in each area of the state](#) is on the BPU website. If there are other documents required, a two-step bidding process: first, submission and review of bidders' documentation; and then for those qualified, submission of bids.

Not waived however, is the minimum period of time from notification of bidders of the opportunity to bid, and the bidding itself. Prospective bidders must be provided the minimum 10 days to respond to public bids as provided by law. In addition, notice of any revision or addenda must be published, and in the case of an online bid, by email with return receipt, no later than seven days, Saturdays, Sundays, and holidays excepted. Finally, for all contracts, the date fixed for receiving bids shall not fall on a Monday, or any day directly following a State or federal holiday.

Another important element in bidding for power supply is the time that elapses between receipt of bids and contract award. The longer it takes to award a contract from the time bids are accepted, the more "risk" the bidders include in their pricing. This leads to higher prices if the bids are awarded several days after they are due compared to being awarded within an hour of their receipt. To facilitate this, the pilot program allows the governing bodies of contracting units using online bidding to pass a resolution authorizing their purchasing agent to award a contract shortly after bids are closed if the price is below a given amount.

Finally, emailing of bids is **not** an approved process for submission of bids. If a contracting unit wants to obtain fixed price bids (non-reverse auction) electronically, they must use an [E-Procurement pilot program](#) approved vendor that provides tools or services for contracting units to receive fixed submissions (non-reverse auction)