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Local Finance Notice

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Adjustment of Public Bidding Thresholds and Office of State Comptroller Reporting Thresholds Effective July 1, 2020

Pursuant to N.J.S.A. 40A:11-3(c) and 18A:18A-3(b), the State Treasurer has exercised her authority to adjust bid thresholds for contracting units subject to the Local Public Contracts Law and the Public School Contracts Law. These adjustments become effective on July 1, 2020.

For contracting units that have appointed a Qualified Purchasing Agent pursuant to N.J.S.A 40A:11-9(b), and avail themselves of the related higher bid threshold pursuant to N.J.S.A 40A:11-3 and 18A:18A-3, the maximum bid threshold has been increased from \$40,000 to \$44,000.

If a contracting unit governed by the Local Public Contracts Law (N.J.S.A 40:11-1 et seq.) does not have a Qualified Purchasing Agent, the maximum bid threshold remains \$17,500. The maximum bid threshold for those contracting units subject to the Public School Contracts Law (N.J.S.A. 18A:18A-1 et seq.) that do not have a Qualified Purchasing Agent has been increased from \$29,000 to \$32,000.

Contracting units should, as appropriate, review their procurement policies and enabling resolutions or ordinances to determine what action, if any, is needed to take advantage of the higher bid and quotation thresholds. For example, where the contracting unit has set fixed amounts, including if resolutions appointing a qualified purchasing agent used fixed threshold amounts, the governing body may take action to adjust the bid and quotation threshold amounts. Contracting units may elect to set their bid thresholds at a lower amount.

Contracts exceeding the new threshold are subject to the appropriate requirements of the Local Public Contracts Law and the Public School Contracts Law. As a result of the change in bid threshold, the threshold for the informal receipt of quotations, which is 15% of the bid threshold in accordance with 40A:11-6.1(a) and 18A:18A-37(a) also changes. The following table summarizes the information provided above:

	Bid Threshold	Quotation Threshold
LPCL Units without QPAs	\$17,500	\$2,625
PSCL Units without QPAs	\$32,000	\$4,800
LPCL & PSCL Units with QPAs	\$44,000	\$6,600

Please note that the political contribution, “pay to play,” threshold remains at \$17,500. All procurement over \$17,500 and less than the contracting unit’s new, higher bid threshold (window contracts) are subject to those laws.

One exception to the above-referenced bid threshold amounts involves road contracts subject to N.J.S.A. 27:2-1. This law requires that “. . . when the cost of constructing, reconstructing, or resurfacing any State, county or municipal road, street or highway, or portion thereof, will exceed [the bid threshold],” the odd-year bid threshold adjustment formula that was in effect prior to P.L. 1999, c. 440 for all contracting units still applies. Under this formula the applicable bid threshold for these road projects is currently \$19,600.

In addition, the current bid threshold for public school student transportation contracts as calculated pursuant to N.J.S.A. 18A:39-3 is also \$19,600.

Adjustment of Reporting Thresholds to the Office of the State Comptroller

Pursuant to N.J.S.A 52:15C-10(d), the Office of the State Comptroller, after consultation with the Department of the Treasury, has exercised its statutory authority [to adjust the threshold amounts](#) set forth in N.J.S.A 52:15C-10 (a) and (b).

Accordingly, as of July 1, 2020, all “contracting units” as defined pursuant to N.J.S.A 52:15C-10(a), which includes local contracting units subject to the Local Public Contracts Law and Public School Contracts Law, shall notify the Office of the State Comptroller of contracts that meet or exceed the below thresholds as follows:

- 1) For contracts involving consideration or an expenditure of more than \$2,500,000 but less than \$12,500,000, no later than 20 business days after the contract award;
- 2) For contracts involving consideration or an expenditure of \$12,500,000 or more, not less than 30 days prior to public advertisement or other public or private solicitation; and
- 3) For contracts issued pursuant to an emergency or public exigency involving consideration or an expenditure of more than \$2,500,000, no later than 30 business days after the award of a contract.

Beginning July 1, 2020, new submission forms will be available on the [website](#) of the Office of the State Comptroller’s Procurement Division.

An updated table of all current threshold amounts is attached to this notice in the Appendix below. Additionally, a pdf version has been made available on the DLGS [Local Public Contracts Law webpage](#).

Recipients are asked to distribute copies of this Notice to personnel who do with purchasing issues, including the Chief Administrative Officer, Chief Financial Officer, and Purchasing Agent, and other staff members who deal with purchasing issues.

If you have any questions regarding bid thresholds, you may contact DLGS staff at (609) 292-7842 or by email at LPCL@dca.nj.gov.

For questions regarding the OSC reporting thresholds, you may email contracts@osc.nj.gov.

Approved: Jacquelyn A. Suárez, Director

Document	Internet Address
OSC Notice of Adjustment to Contract Review Thresholds	https://www.nj.gov/comptroller/news/docs/notice_contract_threshold_adjustment.pdf
OSC Procurement Division	https://www.nj.gov/comptroller/divisions/procurement/
DLGS LPCL Webpage	https://www.nj.gov/dca/divisions/dlgs/programs/lpcl_docs/Contracting_Threshold_Tables.pdf

Appendix

TABLE OF LOCAL PUBLIC CONTRACTS LAW and PUBLIC SCHOOL CONTRACTS LAW CONTRACTING THRESHOLDS

Public Bidding Thresholds under the Local Public Contracts Law and Public School Contracts Law*		
N.J.S.A. 40A:11-3(a) and (c); 18A:18A-3(a) and (c)	LPCL	PSCL
Bid threshold with a QPA**	\$44,000	\$44,000
Quote threshold with a QPA (15% of bid threshold)	\$6,600	\$6,600
Bid threshold without a QPA	\$17,500	\$32,000
Quote threshold without a QPA (15% of bid threshold)	\$2,625	\$4,800

*Thresholds are effective as of July 1, 2020

**Qualified Purchasing Agent - N.J.S.A. 40A:11-9(b) and N.J.A.C. 5:32-4.

Related Bid Thresholds			
Statutory Reference	Description	Prior Threshold	Current Threshold*
18A:39-3	School Districts, Boards of Education for Transporting Pupils	\$19,000	\$19,600
27:2-1	State, County, Municipal Contracts for Work on Public Thoroughfares (paving)	\$19,000	\$19,600
27:16-16	County Road Improvements	\$19,000	\$19,600
40:68-48	Local Government – Beach Erosion Control Districts Waterfront Improvements	\$19,000	\$19,600
18A:64A-25.3	County Colleges	\$35,300	\$36,400

*Current as of July 1, 2019

Prevailing Wage Thresholds			
Statutory Reference	Description	Prior Threshold	Current Threshold*
34:11-56.25	Prevailing Wage Contracts for Municipalities (five-year cycle 2014-2019)	\$15,444	\$16,263
34:11-56.25	Prevailing Wage Contracts for All Other Contracting Units	\$2,000	\$2,000

*Current as of July 1, 2019

Office of State Comptroller Reporting Thresholds			
Description	Prior Threshold	Current Threshold*	Reporting Time-frame
Contracts involving consideration or expenditures of:	\$2,000,000 to \$10,000,000	\$2,500,000 To \$12,500,000	20 business days <u>after</u> contract awarded
	Above \$10,000,000	Above \$12,500,000	30 business days <u>prior</u> To public advertisement or other Public/Private Solicitation
Contracts issued pursuant to an Emergency or Public Exigency	More than \$2,000,000	More than \$2,500,000	No Later than 30 business days <u>after</u> contract awarded

*Current as of July 1, 2020 for all "contracting units"