

**SECTION I – GENERAL COMPLIANCE**  
**CHAPTER 5**

**BIDS & CONTRACTS/PURCHASING**

**(Note: Sections of this chapter are not applicable, by statute, to renaissance school projects)**

**The following section is not applicable to renaissance school projects**

**Applicable Thresholds**

<http://www.nj.gov/dca/divisions/dlgs/lfns/15/2015-20.pdf> Local Finance Notice (LFN) 2011-16 *The Qualified Purchasing Agent Law and Boards of Education*, issued by the Department of Community Affairs (DCA) on May 5, 2011, provides current guidance to boards of education/charter school board of trustees concerning bid thresholds and the issuance of Qualified Purchasing Agent (QPA) certificates. LFN 2015-20 *Adjustment of Public Bidding Threshold July 1, 2015* was also issued by the DCA on September 28, 2015, and provides that effective July 1, 2015 under the Public Schools Contracts Law (*N.J.S.A. 18A:18A-2*), boards of education/charter school board of trustees operating without a QPA have a \$29,000 maximum bid threshold for contracting. LFN 2015-20 provides that boards of education/charter school board of trustees that have appointed a QPA pursuant to *N.J.S.A. 40A:11-9(b)* may have their maximum bid threshold increased to \$40,000 as of July 1, 2015 pursuant *N.J.S.A. 18A:18A-3(a)*.

LFN 2015-20 also provides that effective July 1, 2015, the maximum threshold for quotations for a board of education/charter school board of trustees without a QPA is \$4,350; and for a board with a QPA the maximum threshold for quotations is \$6,000.

**Electric and Natural Gas Supply Procurement (Also refer to the “Energy” section below)**

LFN 2012-12 *Electric and Natural Gas Supply Procurement Guidance* was issued by the DCA on July 16, 2012 and is available on the DCA website at <http://www.nj.gov/dca/divisions/dlgs/lfns/12/2012-12.pdf>. The LFN provides information on the procedures that school districts must follow in shopping for electric and natural gas supply from third party suppliers unless the supply is being purchased from the public utility under BPU-regulated tariffs. The LFN also addresses cooperative pricing and the “E-Procurement Pilot Program”.

*N.J.S.A. 18A:18A-4.6* regarding energy savings contracts permits, under certain circumstances, a board of education facility alteration required to properly implement other energy efficiency or energy conservation measures, or both, to be included as part of an energy savings services contract. Also permits an energy savings services contract to provide or perform goods or services to extend for a term of up to 15 years for energy efficiency projects and up to 20 years for a combined heat and power facility after construction completion.

**Third Party Vendors**

The New Jersey Office of the State Comptroller (OSC) found that in a sampling of entities, including a school district, that there is a practice of Third Party Administrators (TPAs) for worker’s compensation claims utilizing undisclosed side agreements with Third Party Vendors which require payments back to the TPA (from the vendor) resulting in hidden costs to the insured (school district). The OSC issued