

# HOW TO DO BUSINESS WITH THE JERSEY CITY MUNICIPAL UTILITIES AUTHORITY



## DIVISION OF PURCHASING

### Frequently Asked Questions

#### **How is the JCMUA's procurement function governed?**

The JCMUA, similar to all governments in the State of New Jersey, is mandated to follow the provisions of Local Public Contract Law (N.J.S.A. 40A:11-1 et sec) and N.J.S.A. 19:44A-20.4 et sec. – chapter 19 is also called “pay-to-play”.

#### **Where can a copy of these laws be obtained?**

Copies of the Local Public Contracts Law and “Pay to Play” are available for review on-line at (<https://www.nj.gov/dca/divisions/dlgs/programs/lpcl.html>) and ([https://www.nj.gov/dca/divisions/dlgs/programs/pay\\_2\\_play.html](https://www.nj.gov/dca/divisions/dlgs/programs/pay_2_play.html)) or in the reference room of most public libraries.

#### **Who is the JCMUA's Authorized Contracting Agent?**

The Purchasing Director, which at the JCMUA is the Governing Body's appointed Purchasing Agent, is the only authorized Contracting Agent for the JCMUA whose actions are subject in all respects to approval of the Board of Commissioners.

#### **When is public advertising for bids required?**

The level above which public advertising for competitive bidding is required is \$40,000.00 pursuant to N.J.S.A. 40A:11-1 et sec. (L.C.P.L.).

#### **When is Pay to Play required?**

For any contract with one vendor for a one-year period that exceeds \$17,500.00. The award of a contract must comply with the requirements of N.J.S.A. 44A-20 et seq. “Pay to Play”.

### **Where are public advertisements placed?**

Advertisements are placed on the JCMUA's website and in the Jersey Journal and the Newark Star-Ledger. The JCMUA also places public notices on its website ([www.jcmua.com](http://www.jcmua.com)).

### **How are purchases below the competitive bidding limit made?**

All contracts or agreements that do not require public advertising for bids must have quotations solicited when the cost is greater than 15% of the bid threshold under L.C.P.L. – 40, (Quote threshold), which changes every five years.

### **What is a Business Registration Certificate?**

A Business Registration Certificate (BRC) serves as proof of valid business registration with the New Jersey Division of Revenue. All contractors and sub-contractors must provide this documentation when seeking to do business with the State of New Jersey or any other public entity.

### **Is a Business Registration Certificate always required?**

Effective September 1, 2004, all business organizations that do business with a local contracting agency are required to be registered with the State of New Jersey and provide proof of that registration to the contracting agency before the contracting agency may enter into a contract with the business. When the total amount of services or materials to one vendor exceeds 15% of L.P.C.L. bid threshold, a New Jersey "BRC" is needed.

### **Is bonding required on all bids?**

No. By statute, bonding is only required on public works contracts and for the most part is not required on other contracts unless they are of a sensitive nature where default of vendor would adversely impact upon JCMUA operation.

### **What types of services qualify as "Professional Services"?**

While the statute regarding professional services is very specific, the following services potentially qualify: lawyers, CPA's, Professional Planners, Annual Audits by Registered Municipal Accountants, Professional Medical Services, Professional Engineers and land Surveyors, Pharmacists, and services considered artistic in nature.

### **Are "Professional Services" subject to competitive bidding?**

No. Professional services are a bid exemption and are generally secured through the Request for Proposal (RFP) Process and require Board of Commissioners approval, and are subject to the "Pay to Play" law.

## **What is competitive contracting?**

Competitive contracting is an alternative procurement method, using a Request for Proposal format. By using locally defined evaluation criteria, it permits the award to be given to the vendor whose proposal is found to be the most advantageous, price and other factors considered, as opposed to the traditional lowest responsible bidder. Competitive contracting requires Commissioner authorization prior to use.

## **What items can be purchased using the competitive contracting process?**

40A:11-4.1 lists the purchases for which competitive contracting may be used, including the purchase and licensing of proprietary software, energy service companies, laboratory testing services, concessions, operation of recreation or social programs, operation of water or wastewater systems, grant writing, consultants, or other services with the approval of the Division of Local Government Services.

## **Generally, what is the term of most contracts?**

By law, the duration of most contracts is 24 months. Professional Services contracts can only be for a twelve (12) month period. Exceptions to the duration of contracts are in section 40A:11-15 of the New Jersey Local Public Contracts Law.

## **What can I expect as an active vendor?**

As an active vendor, every attempt will be made to forward to your company requests for quotations, invitations to respond to requests for sealed bids, or requests for proposals as the need for specific products or services may arise.

## **What is the JCMUA's payment method?**

The JCMUA is precluded by law from making an advanced payment. Payment is made after the vendor receives a Purchase Order, renders the services or ships the products, and signs and returns a payment voucher.

## **How long does it take to receive payments?**

The JCMUA is equipped to make vendor payments every month; however, variables can affect the payment process.

## **Who is responsible for issuing and approving payments?**

Vendor payments are the responsibility of the Department of Finance. The Director of Finance can be reached at (201) 432-3675.