

RESOLUTION NO. 2016-246

A RESOLUTION INCREASING THE BID THRESHOLD AND APPOINTING A QUALIFIED PURCHASING AGENT, PURSUANT TO N.J.S.A. 40A:11-3a AND N.J.A.C. 5:34-5 et seq.

WHEREAS, the recent changes to the Local Public Contracts Law gave local contracting units the ability to increase their bid threshold up to \$40,000.00; and

WHEREAS, N.J.S.A. 40A:11-3(a) and (c), permits an increase in the bid threshold if a Qualified Purchasing Agent is appointed as well as granted the authorization to negotiate and award such contracts below the bid threshold; and

WHEREAS, N.J.A.C. 5:34-5 et seq. establishes the criteria for qualifying as a Qualified Purchasing Agent; and

WHEREAS, Miguel A. Mercado possesses the designation of Qualified Purchasing Agent as issued by the Director of the Division of Local Government Services in accordance with N.J.A.C. 5:34-5 et seq.; and

WHEREAS, the City of Vineland desires to take advantage of the increased bid threshold;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Vineland, in the County of Cumberland, in the State of New Jersey hereby increases its bid threshold to \$40,000.00; and

BE IT FURTHER RESOLVED, that the City Council hereby appoints Miguel A. Mercado as the Qualified Purchasing Agent to exercise the duties of a purchasing agent pursuant to N.J.S.A. 40A:11-2(30), with specific relevance to the authority, responsibility, and accountability of the purchasing activity of the contracting unit; and

BE IT FURTHER RESOLVED, that in accordance with N.J.A.C. 5:34-5.2 the local unit Clerk is hereby authorized and directed to forward a certified copy of this resolution and a copy of Miguel A. Mercado's certification to the Director of the Division of Local Government Services.

Adopted:

President of Council

ATTEST:

City Clerk

FROM THE DESK OF MIGUEL A. MERCADO

July 6, 2016

MEMORANDUM TO BUSINESS ADMINISTRATION:

RE: Resolution or Ordinance Request

I respectfully request a resolution that appoints me as the Qualified Purchasing Agent (QPA) for the City of Vineland. I currently hold the QPA Certification which does not expire until June 30, 2019. Additionally, I would like to see the bid threshold increased to \$40,000.00 as permitted by Local Finance Notice LFN 2015-20 dated September 28, 2015. The only difference in the increase from the current threshold of \$36,000.00 is the actual increase in the quote threshold which would go from \$5,400.00 to \$6,000.00. The Pay-To-Play of \$17,500.00 remains the same and is not affected by this increase.

I have attached a copy of my QPA Certification. LFN 2015-20 and a sample resolution for information purposes only if request is approved.

Please contact me if you have any questions or need additional information.

Sincerely,

Miguel A. Mercado, QPA
Purchasing Agent

LFN 2015-20

September 28, 2015

Local Finance Notice

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Charles A. Richman
Commissioner

Timothy J. Cunningham
Director

Contact Information

Director's Office

V. 609.292.6613

F. 609.292.9073

Local Government Research

V. 609.292.6110

F. 609.292.9073

Financial Regulation and Assistance

V. 609.292.4806

F. 609.984.7388

Local Finance Board

V. 609.292.0479

F. 609.633.6243

Local Management Services

V. 609.292.7842

F. 609.633.6243

Authority Regulation

V. 609.984.0132

F. 609.984.7388

Mail and Delivery

101 South Broad St.

PO Box 803

Trenton, New Jersey

08625-0803

Web:

www.nj.gov/dca/divisions/dlgs

E-mail: dlgs@dca.nj.gov

Distribution

Municipal Clerks

Freeholder Board Clerks

Chief Administrative Officers

Chief Financial Officers

Procurement Officials

Authority Officials

Fire District Officials

ADJUSTMENT OF PUBLIC BIDDING THRESHOLD EFFECTIVE JULY 1, 2015

Pursuant to N.J.S.A. 40A:11-3(c) and 18A:18A-3(b), Governor Chris Christie has exercised his authority to adjust bid thresholds for contracting units subject to the Local Public Contracts Law and Public School Contracts Law. These adjustments became effective July 1, 2015.

For contracting units that have appointed a Qualified Purchasing Agent pursuant to N.J.S.A. 40A:11-9(b), and take advantage of a higher bid threshold pursuant to N.J.S.A. 40A:11-3 and 18A:18A-3, the maximum bid threshold has been increased from **\$36,000 to \$40,000**.

If a contracting unit governed by the Local Public Contracts Law (N.J.S.A. 40A: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 **\$26,000 to \$29,000**.

Contracting units should review their procurement policies and enabling resolutions or ordinances (as appropriate to the agency) to determine what action, if any, is needed to take advantage of the higher bid and quotation thresholds. Where the contracting unit has set fixed amounts, the governing body should act accordingly to adjust the bid and quotation threshold amounts. This should also be reflected if resolutions appointing a qualified purchasing agent used fixed threshold amounts. Contracting units still have the option 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 15% threshold for the informal receipt of quotations thresholds of N.J.S.A. 40A:11-6.1(a) and 18A:18A-37(a) also changes. The following table summarizes the most current bid and quotation thresholds:

	Bid Threshold	Quotation Threshold
LPCL Units without QPAs	\$17,500	\$2,625
PSCL Units without QPAs	\$29,000	\$4,350
LPCL & PSCL Units <u>with</u> QPAs	\$40,000	\$6,000

Please note that the political contribution threshold (pay-to-play) of \$17,500 remains in place. All procurement over \$17,500 and less than agency's new, higher bid threshold (window contracts) are subject to those laws.

An exception to the above-referenced bid threshold calculation 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 **\$18,800**.

In addition, the current bid threshold for public school student transportation contracts as calculated pursuant to N.J.S.A. 18A:39-3 is **\$18,800**.

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

If you have any questions regarding this matter, please feel free to contact our staff at (609) 292-7842 or by e-mail at lpcl@dca.nj.gov.

Approved: Timothy J. Cunningham, Director



Department of Community Affairs
Division of Local Government Services

This certifies that

Miguel A. Mercado

has successfully met the requirements
 established by Chapter 440, Laws of 1999 and is
 hereby officially recognized as a

Qualified Purchasing Agent

December, 2010

ISSUE DATE

LORI GRIFA, *Commissioner*
 DEPARTMENT OF COMMUNITY AFFAIRS

CHRIS CHRISTIE, *Governor*
 STATE OF NEW JERSEY

THOMAS H. NEFF, *Director*
 DIVISION OF LOCAL GOVERNMENT SERVICES



State of New Jersey
Department of Community Affairs



The
Division of Local Government Services
hereby certifies that

Miguel A. Mercado
164 West Broad Street
Bridgeton, NJ 08302

is a

QUALIFIED PURCHASING AGENT

6/30/2016 to 6/30/2019

Valid

Q-1252

Certification #

Miguel A. Mercado
Signature of Registrant

[Signature]
Timothy J. Cunningham, Director

YOUR CERTIFICATION NUMBER IS: *Q-1252* PLEASE USE IT ON ALL CORRESPONDENCE YOU FILE WITH THE DIVISION.

CERTIFICATION PERIOD: *6/30/2016 to 6/30/2019*

USE THIS SECTION FOR NAME AND/OR ADDRESS CHANGES.

ADDRESS OF RECORD: *City of Vineland*
640 E. Wood St., PO Box 1508
Vineland, NJ 08362-1508

TELEPHONE (INCLUDE AREA CODE)

HOME PHONE: *609-442-7699*

BUSINESS: *856-794-4040*

PLEASE COMPLETE AND SEND CHANGES TO:

CERTIFICATION UNIT
DIVISION OF LOCAL GOVERNMENT SERVICES
PO BOX 803
TRENTON, NJ 08625-0803

May 24, 2016

Miguel A. Mercado
164 West Broad Street
Bridgeton, NJ 08302

Dear Miguel A. Mercado

Attached you will find the renewal of your *Qualified Purchasing Agent Certificate*, indicating the issue date as well as the expiration date. Please sign your name on the renewal document.

I commend your efforts in acquiring the necessary credits to maintain your certification. If the Division can be of any assistance to you, please feel free to contact the Certification Unit at (609) 292-4656.

Sincerely,
Timothy J. Cunningham
Director