

Mayors Fax Advisory



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William G. Dressel, Jr., EXECUTIVE DIRECTOR ■ Michael J. Darcy, CAE, ASSISTANT EXECUTIVE DIRECTOR



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MAR 10 2008

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OFFICE OF THE MAYOR &
BUSINESS ADMINISTRATION

Re: Update on QPA, S-770

cc: cc@wclt.com ✓

Dear Mayor:

Yesterday, the Senate Community and Urban Affairs Committee released S-770, which amends the Local Public Contracting Law to re-define the role and qualifications of purchasing agents.

Specifically, this bill changes the law from a permissive discretion that can be exercised by municipalities to an unfunded mandate. Presently, if a local unit opts to increase its bid threshold, the Local Public Contracts Law grants the local unit flexibility to appoint a qualified purchasing agent. The decision to have a certified QPA perform purchasing for your town rests squarely with you and the governing body.

We believe the current issues and challenges in our State do not involve a crisis in purchasing functions. Mayors and governing bodies are faced with the elimination and reduction of state aid and the difficulty of dealing with increases in property taxes that are certain to follow as a result of proposed budget cuts. It is plain unconscionable to impose an unfunded mandate on our beleaguered taxpayers when we are being told to prioritize and do more with less. This bill removes decision making from local elected officials and imposes the burden of associated costs. Moreover, the Department of Community Affairs, which would be required to implement training and certification, opposes the bill as an unworkable mandate in view of impending budget reductions.

Despite the sponsor's stance that the League opposes training, to the contrary, the League continues to be supportive of continuing education courses and, in fact, facilitates training seminars in coordination with the Department of Community Affairs as a means for purchasing agents to stay relevant of new laws and statutes affecting purchasing functions. These efforts were given short shrift by the sponsor during committee hearing.

This bill artificially designates the qualified purchasing agent as the top authority over others in the municipality, when in reality, public purchasing is a team function that involves input from the municipal attorney, municipal engineer, municipal finance officer, etc.

If this bill is adopted, it is further assurance of our belief that the Legislature continues to pass bills which erode the Local Public Contracts Law. We are constantly defending taxpayers against such bills that brought us Prompt Pay Law, Lazy Bidder Law, Project Cost Estimate, Value Engineering, Release of the Bidders Lists, etc. Now, the Legislature will make things even more complex by requiring local units to appoint a QPA.

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Some of the amendments adopted yesterday provide the following:

- The governing body shall designate an individual to serve as its contracting agent. This individual shall be a qualified purchasing agent.
- Each local unit shall appoint a qualified purchasing agent within 3 years of the bill's enactment and may receive an additional two years reprieve upon certifying to the State and showing documented proof of good faith recruitment efforts to appoint a qualified purchasing agent.
- Grants a five year exemption to those local units which demonstrate minimal purchasing activities. After this time span, local units must re-apply for a waiver or appoint a qualified purchasing agent.
- Any local unit having an annual operating budget less than \$2.5 million is exempt from appointing a qualified purchasing agent.

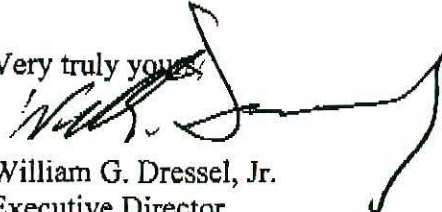
We were taken aback to see the State Chamber of Commerce speak in support of S-770. We would have appreciated a courtesy call to inform us of their position prior to the Committee hearing.

The League continues to oppose S-770, sponsored by Sen. Ron Rice. S-770 was released to second reading in the Senate. We urge you to contact your Senate representative immediately to express your concerns.

For further information, contact Senior Legislative Analyst, Helen Yeldell at (609) 695-3481, ext. 112 or hyeldell@njslom.com.

Thank you.

Very truly yours,


William G. Dressel, Jr.
Executive Director

WGD:hy/sc