



division of local government services dlgs

LPCL - Local Government and Public School Cooperative Purchasing Programs

**STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES**

**DESCRIPTION OF LOCAL GOVERNMENT AND
PUBLIC SCHOOL COOPERATIVE PURCHASING PROGRAMS**

(Citations are to *N.J.A.C. 5:34 et seq.*)

Regional Cooperative Pricing Systems (5:34-7.13)

Regional Cooperative Pricing is a Cooperative Pricing System composed of two or more registered cooperative pricing systems and their participating contracting units that have agreed to join together for the provision and performance of goods and services, including the purchase of energy.

Regional Cooperative Pricing is an outgrowth of the deregulation of energy and the need for an uncomplicated and efficient method for existing registered Cooperative Pricing Systems to join together to aggregate their energy needs. A process was developed that would not require the lead agency of each participating system to secure new participatory resolutions and cooperative purchasing agreements from the individual members of each system. By virtue of membership in one of the systems forming the Regional Cooperative Pricing System, the participating contracting units are members of the Regional Cooperative Pricing System.

While originally intended for energy cooperatives, it can be used for any other purposes, and may be very useful for contracting units looking to take advantage of Internet-based procurement opportunities pursuant to the *Local Electronic Technology Program and Study Act (P.L. 2001, c. 30)*.

Energy Aggregation (5:34-7.18)

Local governmental units may aggregate energy supply for residential and business customers located within the territorial boundaries of the local government.

Cooperative Purchasing of Energy (5:34-7.19)

Two or more contracting units may join together to form a cooperative pricing system for the sole specific purpose of purchasing energy, or an existing registered cooperative purchasing system may add energy as a commodity to be purchased, pursuant to the Electric Discount and Energy Competition Act (P.L.1999, c.23) and the Interim Government Energy Aggregation Program Standards promulgated by the Board of Public Utilities.

Binding Estimate Option (5:34-7.20)

The lead agency of a cooperative purchasing system may determine prior to the solicitation of bids that the

estimates submitted by a duly registered member of the system shall be considered firm and binding or a member may withdraw its estimate even after a supplier has been selected. The mechanism for determining systemwide consensus is the responsibility of the lead agency.

County Cooperative Contract Purchasing (5:34-7.21)

County Cooperative Contract Purchasing is a Cooperative Purchasing System that may be created only by a county. Using only its own needs, the county advertises for the receipt of bids and awards a contract to the successful bidder. With the approval of both the county and the vendor, contracting units located within the geographic boundary of the county may purchase under the contract subject to its specifications, terms and conditions. It is intended to serve as a convenience for contracting units, in the same way that the State cooperative purchasing system works.

This form of Cooperative Purchasing should not be used as a substitute for Cooperative Pricing. The price reduction achieved through the purchase of mass quantities as in Cooperative Pricing or Joint Purchasing is not to be found in County Cooperative Contract Purchasing.

Member Reports (5:34-7.27)

At the discretion of the lead agency for a cooperative purchasing system, county cooperative contract purchasing system and any energy cooperative pricing system, participants shall file such reports, forms or documents designated by the lead agency, setting forth the use and expenditures related to contracts executed by the participants of the cooperative purchasing system. Such reports may be used to track and evaluate the utilization of the contracts executed by the lead agency on behalf of the participants.

State Cooperative Purchasing (5:34-7.29)

N.J.S.A. 40A:11-12 provides for the participation of contracting units in the State's Cooperative Purchasing Program administered by the Division of Purchase and Property in the Department of the Treasury. This is essentially a cooperative pricing service, through which certain commodities purchased under State contract may also be purchased by contracting units. Not all commodities purchased by the State may be purchased by contracting units.

The State provides lists of available State contract commodities. Contracting units may then contact the vendor directly. Purchases made under State contract cannot differ as to specification, quality or price from that contained in the State contract. However, in some cases a higher price may be charged to contracting units if so specified in the State contract.

Whenever making such a purchase, the vendor's State Contract number should be verified with the Division of Purchase and Property which may be contacted at 609. 984.7047. Information on available goods and vendor contract numbers can be found on the Division's web site at : www.sate.nj.us/treasury/purchase.

While the State's regulations do not require formal action by local governing bodies to participate, the contracting units are required to observe the basic requirements of the *Local Public Contracts Law* and the *Public School Contracts Law*. This means that the governing body or the board of education must award contracts over the current bid threshold amount (*N.J.A.C. 5:34-7.29*). The purchasing agent may be authorized by resolution to make purchases below the threshold amount. Information on the amount of the current bid threshold may be obtained by contacting the Division of Local Government Services at 609.292.7842 or the Division's Public Contracting web site at www.nj.gov/dca/lgs/lpocl/index.shtml.

[dlgs: home](#) | [staff](#) | [email us](#)

[contact us](#) | [privacy notice](#) | [legal statement](#) | [accessibility statement](#)



[community affairs: dcahome](#) | [newsroom](#) | [publications](#) | [grants](#) | [mayors directory](#)

[statewide](#) | [njhome](#) | [services A to Z](#) | [departments/agencies](#) | [faqs](#)

Copyright © State of New Jersey, 1996-2007
Department of Community Affairs
P. O. Box 800
Trenton, NJ 08625-0800

All technical issues regarding this Web site should be sent to the Department of the Community Affairs [Webmaster](#)