



CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO.: 18-10-DPP	ORIGINATING AGENCY: DIVISION OF PURCHASE AND PROPERTY	PAGE 1 OF 6
EFFECTIVE DATE: IMMEDIATELY	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 13-15-DPP
SUBJECT:	PURCHASES FROM FEDERAL SUPPLY SCHEDULES OR SCHEDULES OF OTHER FEDERAL PROCUREMENT PROGRAMS	
ATTENTION:	DIRECTORS OF ADMINISTRATION, EXECUTIVE BRANCH PROCUREMENT OFFICERS AND THE DIRECTORS OF AUTHORITIES	
FOR INFORMATION CONTACT:	OFFICE OF THE DIRECTOR	PHONE: (609) 292-4886

I. PURPOSE

Pursuant to N.J.S.A. 52:34-6.1 and N.J.A.C. 17:12-1A.5, the Director of the Division of Purchase and Property ("Division") "shall promulgate the Federal Supply Schedules of the Federal General Services Administration or schedules from other federal procurement programs...as an alternate price guide for the purchase of goods and services..." The purpose of this Circular is to establish the procedure to create State contracts for goods and services based on federal pricing ("Federally-Based Contracts"). This policy is intended to provide expanded purchasing opportunities for the State and other public agencies while ensuring the integrity of State contracting through an ethical, competitive, and transparent process, in compliance with all State laws, regulations, Legislative directives, and Executive policies.

This Circular pertains to goods or services exceeding the current Delegated Purchasing Authority ("DPA") threshold and sets forth the process that Agencies must follow when seeking to create a State contract predicated on a contract awarded by a federal procurement program, including but not limited to the U.S. General Services Administration ("GSA"), the Department of Veterans Affairs ("VA"), or the Defense Logistics Agency ("DLA").

At a summary level, the Agency must work with the Division to ensure a level playing field for all Federal Supply Schedule Vendors. Requisite pre-approval and approvals must be obtained and all statutorily required forms and certifications must be completed prior to contract award, as applicable. An Agency shall not solicit any quotes without first contacting the Division and following the procedure below.

This Circular must be used in conjunction with other applicable Treasury Circulars affecting procurement. All Circulars are available at: <http://www.nj.gov/infobank/circular/circindx.htm>.

II. DEFINITIONS

The following terms and their definitions apply to this Circular:

1. "Agency" means any State agency, or any other public entity set forth in N.J.S.A. 52:27B-56.1.
2. "Director" mean the Director of the Division of Purchase and Property.
3. "Division" means the Division of Purchase and Property.
4. "Federal Supply Schedule" means any contract awarded by General Services Administration (GSA), Veterans Affairs (VA), Defense Logistics Agency (DLA), or any other federal agency for the procurement of goods or services.
5. "Federally-Based Contract" means a State contract awarded by the Division to a Federal Supply Schedule Vendor that supplies goods or services through any federal procurement program, and that complies with the requirements of N.J.S.A. 52:34-6.1, N.J.A.C. 17:12-1A.5, and this Circular.

III. POLICY

By means of the "pre-approval" and "contract approval" processes described below, an Agency may request that the Division establish a Federally-Based Contract. Only goods and services approved by the Director in writing shall be sold under the Federally-Based Contract. If the proposed contract complies with the requirements of this Circular and the Division agrees to execute a contract between the State and the Federal Supply Schedule Vendor, then the resulting Federally-Based Contract will function and operate in the same manner as other State contracts. The contract shall have an initial term of one or two years, with up to three one-year extensions, unless otherwise approved by the Director. In the event of a termination or expiration of the underlying Federal Supply Schedule, the independent State contract based thereon survives for its own established term unless otherwise terminated by the Division.

An Agency seeking to purchase goods or services through a Federally-Based Contract may proceed under this Circular when it demonstrates that similar goods or services are not available under an existing State contract.

State contract information is available at: <http://www.nj.gov/treasury/purchase/>.

IV. FEDERAL PROCUREMENT AGENCIES AVAILABLE FOR USE

This Circular contains information on three federal procurement agencies: GSA, VA and DLA. State agencies may also expand product and service searches to any federal procurement agency.

General Services Administration: GSA offers the greatest variety of products and services that may benefit the State; the Division therefore suggests that all Agency searches of federally-based supply programs begin with GSA.

The following websites provide supply schedules and additional information:

GSA eLibrary: <http://www.gsaelibrary.gsa.gov/ElibMain/home.do>

GSA eLibrary Schedules List: <http://www.gsaelibrary.gsa.gov/ElibMain/scheduleList.do>

GSA Advantage: <https://www.gsaadvantage.gov/advantage/main/home.do>

GSA eBuy: https://www.ebuy.gsa.gov/advantage/ebuy/start_page.do

Department of Veterans Affairs: VA manages nine supply schedules containing commodities, pharmaceuticals, and services, for use by VA medical centers, related facilities, specific State Veterans Homes, and other federal facilities.

The following websites provide supply schedules and additional information:

VA Store home page: <http://www.va.gov/vastorenac/>

VA Supply Schedules: <http://www.fss.va.gov/>

VA Catalog Search Tool: <http://www.va.gov/nac/>

VA Advantage: https://vaadvantage.gsa.gov/advantage/main/start_page.do?store=VA

Defense Logistics Agency: DLA is a U.S. Department of Defense agency that supplies the nation's military services and several civilian agencies with critical resources. In addition to other operations, DLA provides wide-ranging logistical support for emergency preparedness and humanitarian missions.

The following website provides additional information:

DLA Web Site: <http://www.dla.mil/>

V. APPROVAL PROCESS

The following steps shall be taken in order to establish a Federally-Based Contract:

All Agencies must continue to comply with all Treasury Circulars, including the Treasury Circular concerning the State's Line of Credit/Equipment Master Lease Program. If an Agency proposes a Federally-Based Contract to include financing for equipment, the recommendation of a vendor offering the best value, price and other factors considered, must include consideration of the terms available to the State through the Line of Credit/Equipment Master Lease Program. Approval through the Department of the Treasury's Division of Administration relative to the State's program for Line of Credit is required. The Division and the Office of Management and Budget must also approve any Federally-Based Contract which includes an operating lease for equipment.

1. Pre-Approval Request

- The Agency must research GSA, VA, DLA or other federal program schedules (or a combination thereof) to identify vendors that sell the desired goods or services.
- The Agency must submit an email pre-approval request to the Central Intake Unit at central.intake@treas.nj.gov. The Agency shall not solicit price quotes until pre-approval is received. The Central Intake Unit will forward the initial pre-approval request to the appropriate Assistant Director ("AD") for assignment. The email subject line shall read "Federally-Based Contract Pre-Approval Request" and the request must:
 - a) Specify the good(s), service(s), and/or IT/IT-related services proposed to be purchased;
 - b) Include a copy of the proposed solicitation document, for Division review and approval. The Division will review the submission and make determination whether the use of the Division's RFQ template and/or the use of a price sheet is necessary. Any proposed solicitation document must contain a Scope of Work that meets the following criteria:
 - i. be clear and unambiguous to meet the needs of the Using Agency and, insofar as possible, written in terms of performance;
 - ii. promote free and open competition and not favor a particular Federal Supply Schedule ;
 - iii. be cost effective; and
 - iv. facilitate the development of proposals from Federal Supply Schedule Vendors that can be effectively compared, one to the other.
 - c) Specify the length of the contract term, including any extensions; (Refer to Section III, Policy, of this Circular)
 - d) Include the Federal Supply Schedule(s) number(s) that the Agency plans to use;
 - e) Identify the Agency contact, including telephone number and email address;

- f) Include a statement that similar goods and/or services to those sought are not available under existing State contract(s) (Refer to Section III, Policy, of this Circular); and
 - g) Include proof of that all necessary approvals such as OIT, OMB, and Treasury Administration, if applicable, have been received.
 - The Agency will receive an email confirmation of either pre-approval or denial. The Division may request for additional information to be submitted by the Agency or additional directions to be followed by the Agency during the RFQ process.
2. Federally-Based Contract Request For Quote Process
- After receiving pre-approval the Agency may begin the approved RFQ process.
 - Until the Division has reviewed and approved the RFQ, no documents shall be uploaded to the Federal Supply Schedule website or sent to any Federal Supply Schedule Vendors. The Division will have the final RFQ approval authority. **Note:** GSA offers an on-line bidding tool called eBuy, designed to facilitate the request for and submission of quotes. Use of the GSA eBuy site is not mandatory.
 - The RFQ shall be provided to as many Federal Supply Schedule vendors as possible to encourage competition and to reasonably ensure that quotes will be received from at least three vendors capable of performing the work. If quotes are received from fewer than three vendors, the efforts to obtain quotes from at least three vendors shall be documented in the contract approval package provided to the Division.
 - The competitive process employed to solicit quotes must: 1) be fair and provide all vendors solicited with the same opportunity to provide price quotes; and 2) provide all vendors with the same information concerning the work to be performed and the terms and the conditions of the proposed Federally-Based Contract to ensure that all vendors are on a level playing field. The Agency will evaluate all quotes received and identify the vendor that offers the best value, price and other factors considered.
 - Prior to submitting the Approval Request Package, it is the Agency's responsibility to review the State of New Jersey Consolidated Debarment Report located on the internet at <http://www.state.nj.us/treasury/debarred/>. An Agency should not recommend an award to any vendor on the State of New Jersey Consolidated Debarment Report. Debarment, Suspension and Disqualification Actions: Pursuant to [Executive Order #34](#) (Byrne) and [Executive Order #189](#) (Kean), debarment, suspension and disqualification are measures which shall be invoked by the State to exclude or render ineligible certain persons from participation in contracts and subcontracts with the State. The Agency should also consider reviewing other State's debarment lists as well as the Federal debarment list, when federal funds are utilized in the procurement.
 - All research, vendor selection determination, and supporting documentation must be part of the contract approval package submitted to the Division.
3. Submission of the Contract Approval Request Package
- Once pre-approval is granted and the RFQ process or other approved process for the solicitation of quotes is complete, and a Vendor selected, the Agency shall electronically submit a contract approval package to the Central Intake Unit at central.intake@treas.state.nj.us. The package shall include:
 - a) A completed Procurement Request Form (formerly the Central Intake Form);
 - b) A copy of the pre-approval, including the pre-approval package with validated research (all items submitted in Section 1 & 2 above);
 - c) A copy of the final solicitation document or RFQ, and any addenda thereto;
 - d) All required forms/certifications (as set forth in Section VI.6 of this Circular);
 - e) A statement that similar goods or services requested are not on an existing State contract.
 - f) Copies of all quotes received and, if less than three quotes are received, an explanation documenting the efforts to solicit quotes from other vendors; and
 - g) Any additional information requested by the Division.

- Incomplete approval packages will not be processed by the Division and will be returned to the Agency.
4. Approval of the Federally-Based Contract
- If the Division approves the proposed contract award, the Division shall assign a unique contract number, and shall include the contract on the Division's website with its list of available State contracts.

VI. CONTRACT PROVISIONS

Although they are based on Federal Supply Schedule pricing, Federally-Based Contracts are independent State Contracts executed between the State of New Jersey and the selected Federal Supply Schedule Vendor. As such, all RFQs and Federally-Based Contracts must include the following provisions:

1. The price of the goods or services being procured shall be no greater than the price offered to federal agencies.
2. The State shall receive the benefit of federally mandated price reductions during the term of the State Contract if any are provided for in the Federal Supply Schedule Contract or by law.
3. The Federally-Based Contract shall list the specific goods or services being purchased and the price for each.
4. The Federally-Based Contract shall have an initial term of one or two years, with up to three one-year extensions, unless otherwise approved by the Director.
5. The Federally-Based Contract shall incorporate the State of New Jersey Standard Terms and Conditions (SSTC).
6. The Vendor must satisfy all the procurement requirements for State contracting, i.e., submitting any statutorily required forms and certifications before contract award. The required forms and certifications, listed below and unless otherwise noted, are available on the Division's website at: <http://www.nj.gov/treasury/purchase/forms.shtml>:

Forms, Registrations and Certifications Required with Quotes:

- Offer and Acceptance Page, Federally-Based Contracts - This form details the above requirements and, by signature, commits the Bidder to adherence to the RFQ, State's Standard Terms and Conditions, MacBride Principals Certification, Subcontractor Certification, Non-Collusion, and the NJ Business Ethics Guide.
- [Ownership Disclosure Form](#)
- [Disclosure of Investment Activities in Iran Form](#)
- [Source Disclosure Certification Form](#) (if contract is primarily for the performance of services)
- A valid [Public Works Contractor Registration](#) issued by the New Jersey Department of Labor and Workforce Development, if the contract is deemed a public work pursuant to the laws of the State of New Jersey. This requirement applies to both the prime and any subcontractor.

Forms, Registrations and Certifications Required before Contract Award:

- [Disclosure of Investigations and Actions Involving Bidder Form](#)
- [Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions](#)
- [Vendor/Bidder Certification and Political Contribution Disclosure Form Public Law 2005, Chapter 271](#)
- Proof of Affirmative Action Compliance: [Affirmative Action Supplement with Affirmative Action Employee Information Report](#) or certificate of compliance with Affirmative Action requirements by the State or Federal government, together with the \$150.00 filing fee, if applicable.
- Proof of [NJ Business Registration](#) with the Division of Revenue and Enterprise Services (<http://www.state.nj.us/treasury/revenue/>)

- **Insurance Certificates:** In accordance with the State of New Jersey Standard Terms and Conditions, the Vendor shall, prior to beginning work, secure and maintain in force for the term of the contract, insurance as required by the terms of the contract. The Vendor shall provide the State with current certificates of insurance for all coverages and renewals thereof, naming the State as an Additional Insured.
- The Federally-Based Contract may be extended for local use pursuant to N.J.A.C. 17:12-2.3. If applicable, Agreement to Extend State Contract Terms to Quasi-State Agencies, Counties, Municipalities, School Districts, County Colleges and State Colleges (Cooperative Purchasing Form) to Cooperative Purchasing Participants (Cooperative Purchasing Form)

VII. EXCEPTIONS TO FEDERALLY-BASED CONTRACTS

Because the Director must grant priority to overriding legislative mandates, if any goods or services are available under the following special procurement programs, an Agency may not purchase the same or similar goods or services through a Federally-Based Contract. These special procurement programs are:

1. The State Distribution and Support Services Center (DSS);
2. The Bureau of State Use Industries (DEPTCOR);
3. Central Non-Profit Agency (CNA) set-aside contracts;
4. Partial or complete small business set-aside contracts issued pursuant to N.J.A.C. 17:13-4.1 to 4.4;
5. Energy Savings Services contracts as set forth in N.J.S.A. 52:34-25.

Federally-Based Contracts shall also comply with statutes and Executive Order to purchase energy-efficient and/or environmentally preferable products or services, including, but not limited to products bearing the U.S. Environmental Protection Agency's "Energy Star" label pursuant to N.J.S.A. 52:34-6.4; compact fluorescent light bulbs pursuant to N.J.S.A. 52:34-6.5; recycled paper products pursuant to Executive Order #91 (Florio); and environmentally preferable cleaning products pursuant to Executive Order #76 (Codey). If an Agency seeks to purchase goods or services subject to these requirements through a Federally-Based Contract, the Agency shall explain to the satisfaction of the Division how the request meets the requirements of the relevant statute or Executive Order.



Maurice Griffin
Acting Director