



JOINT CIRCULAR

STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY

NO.: 24-04-OMB/DPP/OIT	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET (OMB) DIVISION OF PURCHASE AND PROPERTY (DPP) OFFICE OF INFORMATION TECHNOLOGY (OIT)	PAGE 1 OF 5
EFFECTIVE DATE: IMMEDIATE	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 23-13-OMB/DPP/OIT
SUBJECT: PROCUREMENTS OF INFORMATION TECHNOLOGY (IT) HARDWARE, SOFTWARE, SUBSCRIPTION-BASED SOLUTIONS AND RELATED SERVICES AND NON-IT EQUIPMENT		
ATTENTION: DIRECTORS OF ADMINISTRATION, CHIEF FISCAL OFFICERS, CHIEF INFORMATION OFFICERS, AGENCY IT MANAGERS, AND AGENCY PROCUREMENT MANAGERS		
FOR INFORMATION CONTACT: OMB IT PROCUREMENTS OMB NON-IT PROCUREMENTS DPP MAIN CONTRACT COMPLIANCE & AUDIT UNIT, DPP OIT EXTERNAL IT PROCUREMENT REVIEW UNIT		

This Circular outlines that the purchase of all IT infrastructure assets, regardless of dollar value, require prior OIT approval pursuant to Executive Order No. 225. In addition, this revised Circular now outlines procedures for review and approval of non-IT equipment purchases using contracts within the NJSTART system.

I. PURPOSE

- A. To list the justifications that are required to be met for procurement and purchases under an existing contract of IT hardware, software, and related services (e.g., maintenance, subscription renewals, associated training, programming and consulting services) and non-IT equipment. See Procurement Summary - IT Equipment, Software, Services and Non-IT Equipment (Attachment A); IT vs. Non-IT Equipment Guidelines (Attachment B).
- B. To establish procedures for continuation payments for maintenance, subscription renewals, rental and lease/purchase of installed IT hardware, software, subscription-based solutions, and related services.
- C. To define the dollar thresholds for required review by the Office of Information Technology (OIT) or the Office of Management and Budget (OMB).

II. POLICY

A. GENERAL

- 1. This Circular applies to all purchases, including DPA purchases, services and supplies procured through Procurement Bureau term contracts, GSA based contracts, Cooperative contracts, and contracts procured through a waiver of advertising.
- 2. Like purchases should be aggregated. **Agencies must not divide purchases to fall below any thresholds in order to circumvent the review.**

3. If the procurement or purchase is to be made solely with federal funds, a federal certification form (Attachment C) must be included as part of the package. This certification will permit expedited review from OMB.
4. Regardless of dollar value, all procurements, or purchases that primarily use State or dedicated funds, will be considered if they meet one of the following justifications:
 - a) Denial of the purchase would cause loss of investment, or significantly increase future costs.
 - b) The purchase is related to a program that is mandated by the federal government, State law, or a court order.
 - c) Equipment is demonstrated as failing and, without approval, mission critical business functions would be impacted, or halted.
 - d) Equipment is needed for ongoing maintenance.
 - e) Requests not covered by items a) through d) will be addressed on a case-by-case basis.
5. Dollar thresholds for OIT/OMB review:
 - a) IT purchases whose total dollar value exceeds \$25,000 are subject to OIT review and approval, in order to assure compliance with statewide policies and standards, and enterprise strategy. Purchases of new equipment and/or software whose total dollar value exceeds \$250,000 are also subject to simultaneous OMB review and approval. Any requested purchase that is more than \$25,000 and less than \$250,000 is subject to OMB review on an as-needed basis as determined by the Director, OMB. Purchases of annual maintenance or software renewals of existing products do not require OMB approval unless the price increase exceeds 10% of the current annual cost (complete Attachment E). Procurements of less than \$25,000 do not require advance approval, but should conform to allowable procurement justifications summarized in Section II.A.4.
 - b) Non-IT equipment purchases greater than \$75,000 require prior approval from OMB. For equipment valued at less than \$75,000, agencies may invoke one of the allowable purchase justifications noted in Section II.A.4 of this Circular, however, that action is subject to a post-audit review by OMB. If an agency is found to be in violation of the letter, or spirit of this Circular (exhibiting, for instance, a series of questionable purchases of discretionary items), they will be held to a threshold limit set at the OMB Director's discretion for future purchases. In addition, the Office of the State Comptroller may conduct periodic audits to ensure that agencies are operating within the guidelines and boundaries set by this Circular.
6. Purchases requiring OMB review, made with either State or non-State funds, excluding those purchased solely with federal funds, will be subject to a thorough review of all aspects of the request including, but not limited to, confirmation of account number(s) and available balances, analysis of current/projected fiscal position, documentation of need, and other analyses as needed or required. If such information is not included in the purchase justification, the request will be automatically rejected. For federal funds purchases, a summary review will be completed by OMB to ensure the account number is correct and the funding is in place.
7. With the exception of a DPA, and excluding purchases made by departments exercising statutory independent procurement authority, DPP will not process any IT-related procurements, or purchases as defined herein, without the approval of OIT and, if applicable, OMB.
8. Procurement requests submitted after May 30th for the current fiscal year will not be reviewed unless deemed an urgent, or emergency purchase, and must receive advance approval from OMB before submission.
9. GSA procurements for IT are also subject to the Circular entitled, Purchases from Federal Supply Schedules or Schedules of Other Federal Procurement Programs. Equipment purchased for road maintenance and construction is not subject to this Circular. Procurements

of vehicles are subject to the Circular entitled, Procurement of State Motor Vehicles. Line of Credit purchases are subject to the Circular entitled, Master Lease/Line of Credit (LOC) Program. Furniture and carpeting purchases are governed by the Circular entitled, Procedures for the Acquisition of Furniture and Carpeting. IT purchases made by the Office of Information Technology (OIT) are not subject to this Circular.

B. IT INFRASTRUCTURE PURCHASES

1. Agencies are not permitted to purchase any "information technology infrastructure", regardless of dollar value, unless granted approval, due to exceptional circumstances by OIT. Information technology infrastructure is defined as computing, storage, network, and data center assets (e.g., servers, routers, racks), including infrastructure in the cloud. All IT procurements must conform to OIT's standards and policies, and to approved departmental IT Tactical Plans, as outlined in the OIT [IT Procurement Technical Approval Request](#), except as otherwise approved by the agency's Chief Executive and the CTO.
2. OIT will fast track its approval process for procurements, or purchases over \$25,000 for maintenance renewal of existing licenses of shrink-wrapped software, which do not include additional licenses, scope changes, or services, and have a written agreement signed by DPP in place.

NOTE: Due to limitations of the e-Catalog system, OIT cannot distinguish commodity type in purchases in order to exclude items listed in Section 2 (above) from full OIT review. To facilitate a quick turnaround of these orders, agencies should send an e-mail to OIT.oitprocure-req@tech.nj.gov, with the following text in the Subject line: Procurements covered by the IT and Non-IT Equipment Circular. In the body of the e-mail, the agency should list the e-Catalog number(s) of the procurement(s) needing approval. By sending this e-mail, the agency is certifying that the only items contained in this procurement are those listed in subsections a) and b) of this section.

3. OIT will oversee all aspects of IT spending, under current purchasing and budgetary statutes, and guidelines.
4. OIT may conduct periodic audits to ensure that agencies are operating within the guidelines and boundaries set by this Circular.
5. OIT is directed to place special scrutiny on any IT procurements related to infrastructure and data center refurbishment, expansion, or the planning and building of new data centers. This is directed to promote consolidation of network and data center infrastructure wherever possible and practical.
6. Information submitted in a single package (one .pdf file) to OIT for review must include:
 - a) The NJCFS account number(s) being charged for the procurement;
 - b) The [IT Procurement Technical Approval Request](#) form;
 - c) A purchase document, or Agency Order, or Agency Order Draft that clearly identifies all items to be purchased, and the vendor from which the items are to be purchased;
 - d) An explanation and/or justification sufficiently detailed to promote a diligent technical review;
 - e) All other requirements specified in the contract Method of Operation, if applicable; and
 - f) Required price quotes.

III. PROCEDURES

A. GENERAL

1. For IT procurements totaling more than \$25,000, the agency must submit the [IT Procurement Technical Approval Request](#), and supporting documentation, to OIT for review and approval. Approval will be noted in OIT's Procurement Tracking Application.
2. For non-IT procurements totaling more than \$75,000, the agency must submit a request to OMB for review and approval.
 - a) For all MACSE contracts: Agencies must email justification to OMB.Equipment@treas.nj.gov when funds are pre-encumbered (i.e., requisitioned). The pertinent requisition number must be noted in the subject line of the agency email and the associated NJCFS account number(s) must be mentioned in the body of the submission. Please include all information covered in the Non-IT Procurement request checklist (see Attachment D). OMB will respond by email to the agency, approving or disapproving the request.
 - b) For all NJSTART contracts: Agencies must include a purchase justification as an attachment to the NJSTART requisition form. This justification should include the NJCFS account number(s) being used for the purchase. All other information and documents covered in the Non-IT Procurement request checklist (see Attachment D) should be attached as one package in .pdf format to the NJSTART requisition. If such information is not included, the request will be automatically rejected. OMB will approve, or disapprove each purchase request directly within the NJSTART system.
3. Term contracts must be used for all procurements when available.
 - a) Agencies should review all applicable Notices of Award for any special procurement instructions. The final decision should be based on lowest cost, price and other factors considered, e.g., delivery of the product and/or configuration, which best satisfies agency requirements.
 - b) If the lowest cost or priced vendor is not selected, a Memorandum of Justification must be attached to the purchasing document and retained as part of the record.
4. Delegated Purchasing Authority is available for procurements whose dollar value is not in excess of \$200,000 in accordance with the Circular entitled Delegated Purchasing Authority (DPA) for Goods and Services.

NOTE: Pursuant to N.J.S.A. 52:25-23(a), agencies shall not divide purchases exceeding the DPA threshold by vendor, dollar amount, or items purchased, to circumvent the dollar limit imposed.

5. If an existing contract does not meet the Agency requirements, competitive bidding is required for all procurements whose dollar value is greater than \$200,000; these requests must be prepared and forwarded to OMB as follows:
 - a) Submit either a screen print of the Requisition – Encumbrance (PB/6) or a memorandum requesting establishment of a term contract and bid specifications.
 - 1) The memorandum must emphasize the using agency's needs, required timeframes, and anticipated use of the item(s) and where applicable a project plan of the initiative must be submitted to support the request.
 - 2) Specifications must be thorough, accurate, and lend themselves to competitive bidding (do not favor specific brand names or vendors).
 - b) Upon approval, the agency should submit the approved request to DPP, which will review the specifications, and upon finalization and approval, will proceed with the formal advertised bidding.

6. Waivers: If an item cannot be competitively procured and exceeds the DPA limit, refer to the Delegated Purchasing Authority (DPA) for Goods and Services Circular, Requests for Waivers of Advertising, for instructions.

B. CONTINUATION WAIVER PAYMENTS FOR INFORMATION TECHNOLOGY RENTALS, LEASE PURCHASES, MAINTENANCE AND SUBSCRIPTION RENEWALS

1. Each fiscal year, DPP and OIT will contact the primary fiscal and procurement staff from all departments for the purpose of disseminating information and providing assistance to any State public agency that may wish to participate and submit a Waiver of Advertising. This Waiver applies to the continuation payments for rentals, lease/purchases, and maintenance of installed IT hardware and software. Required OIT approval is coordinated by DPP and OIT.
2. Upon completion and approval of this Waiver, written notifications will be forwarded by DPP and OIT to the appropriate agency contact person with the following information: notice of approved vendor(s) and dollar amount(s), waiver number, and method of operation for issuing orders and processing payments.

NOTE: Any using agency failing to participate in this annual meeting and failing to forward Vendor quotations to OIT will be responsible for the submission of an individual Waiver of Advertising to DPP following the procedures as noted above in Section III B.


All waiver requests must be supported by both price negotiation and a summary of cost, or price analysis, by the requesting agencies.

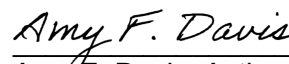
AGENCIES MUST NOT EXCEED THEIR APPROVED DOLLAR AMOUNT ON THE ANNUAL WAIVER. PROCUREMENTS/PAYMENTS AGAINST THIS WAIVER WILL BE STRICTLY MONITORED BY DPP AND OIT.

C. CURRENT PURCHASING SYSTEM RESTRICTIONS

Approval Authorization is restricted in the purchasing systems on all IT purchases related to this Circular. Only the OIT approval officer will be able to advance an IT related purchase to the final, or next approval level, for any purchases exceeding the approval dollar value set forth in this Circular. As a result of these system restrictions:

1. On purchases exceeding the approval dollar value, the requesting department shall initiate the purchase document(s) for the procurement and advance it to the appropriate approval status for subsequent OIT review.
2. The system restrictions will apply to P-Card purchases. Therefore, the agency should avoid "swiping" the card for purchases exceeding the approval dollar value. These transactions will not clear the purchasing system until after OIT approves them.
3. OIT will approve, or deny, the purchase document(s) in the purchasing system for further processing by the requesting department.


Tariq Shabazz, Acting Director
Office of Management and Budget


Amy F. Davis, Acting Director
Division of Purchase and Property


Christopher Rein, Chief Technology Officer
Office of Information Technology

Attachment A
Procurement Summary
Information Technology (IT) Equipment, Software, Services
Non-IT Equipment

Review Thresholds	OIT	OMB
IT Procurements (Equipment, Software, Subscription-based Solutions, Services)	\$25,000	\$250,000
Non-IT Equipment Procurements	N/A	\$75,000
Like purchases should be aggregated. Agencies should not subdivide common purchases simply to avoid the review thresholds.		

Special Considerations
IT procurements made pursuant to a term contract must comply with all requirements listed in the associated Method of Operation.
GSA procurements for IT are also subject to the Purchases from Federal Supply Schedules or Schedules of Other Federal Procurement Programs Circular.
Vehicle procurements are also subject to the Procurement of State Motor Vehicles Circular.
This process does not apply to furniture or carpeting; see the Procedures for the Acquisition of Furniture and Carpeting Circular.
Line of Credit purchases are subject to the Master Lease/Line of Credit (LOC) Program Circular.

Allowable Procurement Justifications
Purchases utilizing exclusively federal funds must include a federal certification form as part of the review package. Such requests will receive expedited review from OIT and OMB. Failure to include the federal certification form will require a complete review of the request.
<p>Purchases using primarily State or dedicated funds will be considered if they meet one of the following conditions:</p> <p>When the project/initiative is ongoing and the disapproval would cause great loss of investment or significantly increase future costs.</p> <p>When the purchase is related to a program that is mandated by the federal government, State law, or a court order.</p> <p>When equipment or software is demonstrated as failing and without approval, mission critical business functions would be impacted or halted.</p> <p>When needed for ongoing maintenance costs.</p>
All other justifications will be reviewed on a case-by-case basis.

Submission Guidelines	IT	Non-IT
Complete documentation as referenced in Policy 18-03 Section II. B. 6	X	
Complete Non-IT Equipment request check list (Attachment D)		X
Complete federal funds certification form, if applicable (Attachment C)	X	X
Submit IT procurements requiring approval to OIT.oitprocure-req@tech.nj.gov	X	
Submit Non-IT Equipment procurements requiring OMB approval to OMB.Equipment@treas.nj.gov , or for NJSTART contracts attach to requisition.		X
Complete certification for IT maintenance and software renewal (Attachment E)	X	

Attachment B

IT vs. Non-IT Equipment Guidelines

I. Information Technology Equipment

Unified Communications (Voice, Video, Data)

Wireless Devices and Services (e.g., Blackberries, smart phones, satellite phones, pagers)

Personal Digital Assistant (PDA)

Telecommunications Infrastructure and Systems (PBXs and associated products and services)

Video Teleconferencing Infrastructure and Systems

Communications Cable, Wire and Associated Products

Voice and Data Lines

Networking Infrastructure and Systems (e.g. Data Switches and Routers)

Radio Communications Equipment and Systems

Computer-Related Office Equipment, Software, Services

Servers/PCs/Laptops/Tablets

MFDs, Printers, Smart Boards and other Peripherals

Fax Machines

Scanners

Imaging and Records Management Systems, See Automated Records Management /Storage Systems and Related Services Circular

Computerized Projection Systems

II. Non-Information Technology Equipment

General Office Equipment (e.g. calculators/adding machines, etc.)

Vehicles

Building Maintenance and Security

Housekeeping

Landscaping

Food Preparation and Serving

Laundry and Cleaning

Medical and Hospital

Classroom Instruction

Agriculture and Conservation

Scientific Study

If in doubt about whether your procurement is IT or non-IT, please contact the OIT External IT Procurement Review Unit.

IT purchases made by the Office of Information Technology (OIT) are not subject to this Circular.

Equipment purchased for road maintenance and construction is not subject to this Circular.

Furniture and carpeting purchases are governed by Procedures for the Acquisition of Furniture and Carpeting Circular, and therefore are exempt from this Circular.

Attachment C
Agency Certification for Expenditure of Federal Funds for Equipment

Department: _____ Request Date: _____

Division: _____ Total Amount: _____

Federal Grant Name: _____

Federal Accounts to Be Charged:

Account #: _____ Amount: _____

Account #: _____ Amount: _____

Account #: _____ Amount: _____

Account #: _____ Amount: _____

PO Number: _____

Brief description of items to be purchased (attach separate sheet if necessary): _____

This purchase must be completed by (date) _____ or else (check all that apply):

- ☐ The Federal grant period will end and funds will no longer be available.
- ☐ A vendor discount of \$ _____ will be lost.
- ☐ The manufacturer's production order deadline will be missed.
- ☐ Other (attach separate sheet if needed) _____

AGENCY FISCAL OFFICER CERTIFICATION:

The undersigned fiscal officer certifies the following statements to be true and correct:

- The Federal granting agency has approved this procurement.
- These funds must be used exclusively for this purpose and cannot be used to reduce State expenditures in any other program or activity.
- No State matching funds are required as a condition of this federal grant.

Signature: _____

Print name: _____

Title: _____

Phone: _____ Email: _____

Date: _____

Attachment D
Agency Submission Checklist
Procurement of Non-IT Equipment

Please include all the information below with your submission in a cover page or e-mail

Department:

Date Prepared:

Contact Info:

Item(s) Requested

Total Cost of Item(s) Requested

Source of Payment (NJCFIS Organization-Level Account)

Justification of Need

Additional Background

Justification Criteria (more than one may be selected):

1. Dedicated or non-State funds provide significant or sole funding for the initiative and there is a compelling reason for the purchase. _____
2. Denial of an equipment purchase would significantly increase future costs. _____
3. The purchase is related to a program that is mandated by the federal government, state law, or a court order. _____
4. Equipment is demonstrated as failing and, without approval, mission critical business functions would be impacted or halted. _____
5. Equipment is needed for emergency maintenance or repairs. _____

Federal Fund Purchases (if applicable):

Agency Certification for Expenditure of Federal Funds for Equipment Form

Vehicle Purchases:

Justification language must include discussion of how requested item(s) will impact the current vehicle fleet # and makeup.

Governor's Office approval if requested item(s) will increase the current vehicle fleet #.

Attachment E
Agency Certification for IT Procurements of
Annual Maintenance and Software Renewals of Existing Products

Department/Division: _____

Date Prepared: _____

Contact Info: _____

NJSTART Requisition #: _____

Description of Item: _____

- ☐ Maintenance Renewal
- ☐ Software Renewal

Total Renewal Cost: _____

Renewal Period: _____

Source of Payment (NJCFIS Account): _____

Total Prior Year Cost: _____

% Difference from Prior Year: _____

AGENCY CERTIFICATION:

The undersigned certifies that this requisition complies with the requirements of the State of New Jersey Joint Circular **24-04-OMB/DPP/OIT** and that the purchase of the annual maintenance or software renewal of the existing product either does or does not exceed 10% of the prior year annual cost.

- ☐ Exceeds 10% of the prior year annual cost
- ☐ Does not exceed 10% of the prior year annual cost

Signature: _____

Print Name: _____

Date: _____