

CHAPTER 10

**GOODS AND SERVICES CONTRACTS
FOR SMALL BUSINESSES**

Authority

N.J.S.A. 10:5-36(k) and (o), 52:18A-30(d), 52:25-1 et seq., 52:27H-6(f), 52:32-17 et seq., 52:34-6 et seq., 52:34-12, 52:34-13, 52:27H-6(f), 52:27H-21.24, 52:27C-71(q), 52:27C-73(a), (f) and (h) and Executive Order No. 84(1993).

Source and Effective Date

R.2003 d.382, effective September 4, 2003.
See: 35 N.J.R. 1836(a), 35 N.J.R. 4735(a).

Chapter Expiration Date

Chapter 10, Goods and Services Contracts for Small Businesses, expires on September 4, 2008.

Chapter Historical Note

The expiration date of Chapter 10, Goods and Services Contracts for Small Businesses, Minority Businesses and Female Businesses, was extended by gubernatorial directive from October 13, 1994 to March 31, 1995. See: 26 N.J.R. 4411(a).

Pursuant to Executive Order No. 66 (1978), Chapter 10, Goods and Services Contracts for Small Businesses, Minority Businesses and Female Businesses, was readopted as R.1995 d.224, effective March 30, 1995. See: 27 N.J.R. 52(a), 27 N.J.R. 1811(b).

Pursuant to Executive Order No. 66 (1978), Chapter 10, Goods and Services Contracts for Small Businesses, Minority Businesses and Female Businesses, was readopted as R.1998 d.199, effective March 26, 1998. See: 30 N.J.R. 607(a), 30 N.J.R. 1424(b).

Chapter 10, Contract for Small Businesses, Female Businesses and Minority Businesses, was adopted jointly by the Department of Treasury and the Department of Commerce and Economic Development as new rule by R.1987 d.143, effective March 16, 1987. See: 18 N.J.R. 2306(a), 19 N.J.R. 457(b).

Chapter 10, Contract for Small Businesses, Female Businesses and Minority Businesses was repealed by R.1989 d.481.

Chapter 10, Goods and Services Contract for Small Businesses, Urban Development Enterprises and Micro Businesses, was adopted as emergency rule by R.1989 d.481, effective August 14, 1989. See: 21 N.J.R. 2819(a). Chapter 10, was readopted by R.1989 d.554, effective October 13, 1989. See: 21 N.J.R. 2810(a), 21 N.J.R. 3545(b).

Pursuant to Executive Order No. 84(1993), Chapter 10, Goods and Service Contracts for Small Businesses, Minority Businesses and Female Businesses was redesignated and Subchapters 4 and 5 were adopted by R.1994 d.309, effective January 3, 1995. See: 25 N.J.R. 4889(a), 27 N.J.R. 129(a).

Law Review and Journal Commentaries

Battle for state contracts: What process is due in a challenge to a state contract award? Patrick D. Kennedy & Maeve E. Cannon, 180 N.J.Law. 16 (Mag.) (Oct./Nov. 1996).

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SUBCHAPTER 1. PURPOSE, SCOPE AND DEFINITIONS

12A:10-1.1 Purpose and scope

(a) The rules in this chapter are jointly promulgated by the Commerce and Economic Growth Commission (hereinafter, "Commerce Commission") and the Department of the Treasury to implement N.J.S.A. 52:32-17 et seq. and Executive Order No. 84, dated March 5, 1993, to establish a set-aside program that, in part, requires State agencies with contracting authority to make a good faith effort to award 15 percent of State contracts and subcontracts to eligible small businesses. This percentage goal is an overall program goal for each State contracting agency. State contracting agencies are expected to apply their business judgment when establishing set-aside goals for individual contracts.

(b) These rules apply only to State contracts for goods and services awarded by any State contracting agency and are not applicable to the award of State contracts for construction and construction related services.

(c) Applications and questions regarding eligibility as a small business should be addressed to:

Commerce and Economic Growth Commission
Set-Aside and Certification Office
20 West State Street
PO Box 820
Trenton, New Jersey 08625-0820

Questions concerning the award of contracts under these rules should be directed to the State contracting agency issuing the particular contract.

Emergency amendment, R.1989 d.481, effective August 14, 1989 (expired October 13, 1989).

See: 21 N.J.R. 2810(a).

(a): contract award goals of 15 percent, seven percent, and three percent set for small business, urban development enterprise, and micro business, respectively. (b): "urban development enterprise and micro business" replaced "minority and female businesses". (c): cross-references changed. (d): addresses revised. (e): "except where expressly inconsistent with statutory law" added; department names updated. Adopted concurrent proposal, R.1989 d.554, effective November 6, 1989.

See: 21 N.J.R. 2810(a), 21 N.J.R. 3545(b).

Provisions of emergency amendment R.1989 d.481 readopted with changes.

Amended by R.1994 d.309, effective January 3, 1995.

See: 25 N.J.R. 4889(a), 27 N.J.R. 129(a).

Emergency amendment, R.2003 d.317, effective July 9, 2003 (to expire September 7, 2003).

See: 35 N.J.R. 3689(a).

In (a), inserted ", in part" following "set-aside program that" in the first sentence, amended the language in the second sentence to singular from plural, and deleted "set-aside" following "establishing" in the third sentence; in (c), deleted ", minority business and/or female business" following "small business."

Adopted concurrent amendment, R.2003 d.389, effective September 7, 2003.

See: 35 N.J.R. 3689(a), 35 N.J.R. 4740(a).

Provisions of R.2003 d.317 adopted without change.

12A:10-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Bidding threshold" means the dollar limit placed on all public contracting agencies pursuant to N.J.S.A. 52:34-7 to establish when public advertisement of bids is required.

"Contractor" means any party providing goods and/or services or performing or offering to perform under a contract issued by a State contracting agency.

"Cooperative purchasing" means an extension of certain State contracts awarded by the Division of Purchase and Property for the use of either local governing authorities, pursuant to N.J.S.A. 52:25-16.1 et seq., volunteer fire departments, volunteer first aid squads and rescue squads, pursuant to N.J.S.A. 52:25-16.2, county colleges, pursuant to N.J.S.A. 18A:64A-25.9(b), State colleges, pursuant to N.J.S.A. 18A:64-60, or quasi-State agencies, pursuant to N.J.S.A. 52:27B-56.1. Such an award is made as an adjunct to an award of a contract for State agency purchases.

"Delegated purchasing authority" means the authority of a State agency to award contracts below the bid threshold amount pursuant to authority delegated by the Director, Division of Purchase and Property. (See N.J.S.A. 52:25-23.)

"Division of Purchase and Property" means the State agency within the Department of the Treasury which provides centralized purchasing of goods and services for other State departments, pursuant to N.J.S.A. 52:27B-56.

"Goal" means the statutorily determined percentage of contracts awarded by each State contracting agency to eligible small businesses in order to comply with the small business provisions of the Set-Aside Act.

"Invitation for Bids" or "IFB" means the document issued by a State contracting agency to initiate an advertised bidding and contract award process, and includes Requests for Proposals (RFPs) and Requests for Quotations (RFQs). The IFB establishes the contract's terms and conditions, the product and/or service specifications, and the bidding eligibility to businesses approved as small business entities.

"Line item contract" means an award in which a specific one-time purchase of goods or services is established.

"Multi-source contract" means a term contract awarded by the Division of Purchase and Property wherein more than one vendor is awarded a contract in accordance with the provisions of N.J.S.A. 52:34-12.1.

"Registration" means the process by which any business can have its eligibility for participation in the Commerce Commission's small business programs determined.

"Request for Proposals" or "RFP" means the document issued by a State contracting agency to initiate an advertising bidding and contract award process.

"Secretary" means the Chief Executive Officer and Secretary of the Commerce Commission or his or her designee.

"Set-aside contract," for the purposes of construing and applying these rules only, means a contract, specifically designated by a contracting agency as exclusively available for award to a small business.

"Small business" means a business which has its principal place of business in the State, is independently owned and operated, has no more than 100 full-time employees, and has gross revenues that do not exceed \$12 million.

"State contracting agency" means any board, commission, committee, authority, division, department or agency of the State which possesses the legal authority to enter into or award contracts for goods and services including, but not limited to, the following entities except where expressly inconsistent with New Jersey or Federal statutory law:

1. DEPARTMENTS: