

CHAPTER 13

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 13, Goods and Services Contracts for Small Businesses, expires on September 4, 2008. See: 35 N.J.R. 1836(a).

Chapter Historical Note

The expiration date of Chapter 13, 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 13, 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 13, Goods and Services Contracts for Small Businesses, Minority Businesses and Female Businesses, was readopted as R.1998 d.199, effective March 27, 1998. See: 30 N.J.R. 602(a), 30 N.J.R. 1425(b).

Subchapter 6, Small Business Set-Aside, was adopted jointly by the Department of Treasury and Department of Commerce and Economic Development as R.1984 d.421, effective October 1, 1984. See: 16 N.J.R. 1958(a), 16 N.J.R. 2683(a).

Subchapter 6, Small Business Set-Aside, was repealed by R.1987 d.143.

Subchapter 6, Contracts for Small Businesses, Female Businesses and Minority Businesses, was adopted 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).

Subchapter 6, Contract for Small Businesses, Female Businesses, Minority Businesses was repealed by R.1989 d.481.

Chapter 13, 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 2810(a). Chapter 13, was readopted by R.1989 d.554, effective October 13, 1989. See: 21 N.J.R. 3545(b).

Pursuant to Executive Order No. 84(1993), Chapter 13, 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).

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. PURPOSE, SCOPE AND DEFINITIONS

- 17:13-1.1 Purpose and scope
- 17:13-1.2 Definitions
- 17:13-1.3 through 17:13-1.16 (Reserved)

SUBCHAPTER 2. ELIGIBILITY REQUIREMENTS FOR SMALL BUSINESSES

- 17:13-2.1 Standards of eligibility for small businesses

- 17:13-2.2 Obligation to provide information and penalties for failure to provide complete and accurate information
- 17:13-2.3 (Reserved)

SUBCHAPTER 3. REGISTRATION

- 17:13-3.1 Registration procedures for small businesses
- 17:13-3.2 Time for application to register as a small business
- 17:13-3.3 Procedures for challenging a business registered as a small business
- 17:13-3.4 Interim registration period

SUBCHAPTER 4. SET-ASIDE CONTRACTING AND SUBCONTRACTING PROGRAM

- 17:13-4.1 Set-aside program goals and procedures
- 17:13-4.2 Subcontracting target program and procedures
- 17:13-4.3 Good faith efforts of bidders; requirements
- 17:13-4.4 Exemptions from set-aside program

SUBCHAPTER 5. PLANNING, REPORTING AND REVIEW

- 17:13-5.1 Planning
- 17:13-5.2 Reporting requirements
- 17:13-5.3 Annual Review

SUBCHAPTER 1. PURPOSE, SCOPE AND DEFINITIONS

17:13-1.1 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.

17:13-1.2 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 advertised 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:

Agriculture

Banking and Insurance

Personnel

Community Affairs

Corrections

Education

Environmental Protection

Health and Senior Services

Human Services

Labor

Law and Public Safety

Military and Veterans Affairs

State

Transportation

Treasury

2. COLLEGES:

College of New Jersey

Kean University

Montclair State University

New Jersey City University

New Jersey Institute of Technology

Ramapo College of New Jersey

Richard Stockton College of New Jersey

Rowan University

Rutgers the State University of New Jersey

Thomas A. Edison State College

University of Medicine and Dentistry of New Jersey

William Paterson University of New Jersey

3. AUTHORITIES:

Board of Public Utilities

Casino Redevelopment Authority

Development Authority for Small Businesses, Minorities
and Women's Enterprises

Expressway Authority

Health Care Facilities Financing Authority

Highway Authority

N.J. Economic Development Authority

N.J. Educational Facilities Authority

N.J. Health Care Facilities Financing Authority

N.J. Housing and Mortgage Finance Agency

N.J. Transit Corp.

N.J. Water Supply Authority

Public Broadcasting Authority

Sports and Exposition Authority

Turnpike Authority

Urban Development Corporation

4. COMMISSIONS:

Beach Erosion Commission

Casino Control Commission

County and Municipal Government Study Commission

Commerce and Economic Growth Commission

Election Law Enforcement Commission

Executive Commission on Ethical Standards

New Jersey Meadowlands Commission

N.J. Commission on Capital Budgeting and Planning

N.J. Racing Commission

North Jersey Water Supply Commission

Passaic Valley Sewer Commission

Pinelands Commission

State Commission of Investigation

5. MULTI-STATE AGENCIES:

Delaware River Basin Commission

Port Authority of New York and New Jersey

Delaware River Joint Toll Bridge Commission

Delaware River Port Authority

Delaware River and Bay Authority

Atlantic Interstate Low-Level Radioactive Waste Compact

Delaware Valley Regional Planning Commission

Interstate Environmental Commission

Palisades Interstate Park Commission

Waterfront Commission of New York Harbor

6. All other departments, colleges, authorities and commissions that are established or may be established in the future.

“Subcontractor” means a third party that is engaged by a contractor to perform all or part of the goods and/or services included in a contract with the State.

“Target” means the numerical objectives which a State contracting agency establishes, on a contract by contract basis, in order to meet its small business goal.

“Term contract” means an award made by a State contracting agency in which a source of supply for a product or service is established for a specific period of time. A term contract is generally applied when a State contracting agency:

1. Establishes a fixed unit price or discount for items to be purchased thereunder;
2. Provides for some estimated dollar volume or minimum quantities to be purchased; or
3. Provides for the rebidding of any single purchase which exceeds a specified maximum amount.

“Treasurer” means the Treasurer of the State of New Jersey or his or her designee.

“Waiver of advertising” means an award process authorized by N.J.S.A. 52:34-9 and 52:34-10, which does not require public advertisement and which is subject to approval by the State Treasurer. Whenever possible, competition is sought prior to issuance of a waiver of advertising.

Emergency amendment, R.1989 d.481, effective August 14, 1989 (expired October 13, 1989).
See: 21 N.J.R. 2810(a).

“Cooperative purchasing”, “Delegated Purchase Authority”, “Multi source contract”, “Request for Proposals”, “Set-aside contract”, and “Waiver” revised. Definitions concerning “Division of Building and Construction” and “Vendors with the Division of Building and Construction” deleted.

Adopted concurrent proposal, R.1989 d.554, effective October 13, 1989.
See: 21 N.J.R. 2810(a), 21 N.J.R. 3545(b).

Provisions of emergency amendment R.1989 d.481 readopted without change.

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

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

New Rule, R.1995 d.224, effective May 1, 1995.

See: 27 N.J.R. 52(a), 27 N.J.R. 181(b).

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

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

Rewrote the section.

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

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

In “Invitation for Bids” or “IFB”, deleted “, minority business or female business” preceding “entities”.

17:13-1.3 (Reserved)

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

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

(a) and (b) revised; new (c) added; existing (c) redesignated (d); old (d) and (e) deleted; new (e) through (i) added.

Adopted concurrent proposal, R.1989 d.554, effective October 13, 1989.

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

Provisions of emergency amendment R.1989 d.481 readopted without change.

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

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

Formerly “Standards of eligibility for small businesses, urban development enterprises and micro businesses”. See 17:13-2.1, Standards of eligibility for small businesses, minority businesses and female businesses.

17:13-1.4 (Reserved)

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

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

In (a), business designations revised; in (b), “character of its ownership” and “employee or affirmative action reports” deleted from documentation requirements; in (b)2, cross-reference revised.

Adopted concurrent proposal, R.1989 d.554, effective October 13, 1989.

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

Provisions of emergency amendment R.1989 d.481 readopted without change.

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

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

Formerly “Registration procedures for small businesses, urban development enterprises and micro businesses”. See 17:13-3.1, Certification and registration procedures for small businesses, minority businesses and female businesses.

17:13-1.5 (Reserved)

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

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

New (a) added; existing (a) redesignated (b); old (b) deleted.

Adopted concurrent proposal, R.1989 d.554, effective October 13, 1989.

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

Provisions of emergency amendment R.1989 d.481 readopted without change.

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

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

Formerly “Acceptance as a small business, urban development enterprise or micro business”. See 17:13-3.1, Certification and registration procedures for small businesses, minority businesses and female businesses.

17:13-1.6 (Reserved)

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

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

Business designations revised.

Adopted concurrent proposal, R.1989 d.554, effective October 13, 1989.

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

Provisions of emergency amendment R.1989 d.481 readopted without change.