

## CHAPTER 30

**AN ACT** establishing a pilot program for the electronic purchase of certain commodities and services and sale of surplus personal property, requiring the Department of Community Affairs to study the use of electronic technology by local units and making an appropriation.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. This act shall be known and may be cited as the "Local Unit Electronic Technology Pilot Program and Study Act."

2. The Legislature finds and declares that advances in electronic technology offer promising opportunities to enhance governmental efficiencies. In order to explore these avenues of commerce, it is in the best interests of this State to embark upon a program to allow local units to experiment with purchasing bulk commodities and services and selling surplus property through means of electronic technology and to allow the State Department of Community Affairs to evaluate use of these technologies through a pilot program to determine the potential to expand governmental use of these technologies on a broader scale.

3. As used in this act:

"Director" means the Director of the Division of Local Government Services in the Department of Community Affairs;

"Local unit" means a district as defined in the "Public School Contracts Law," N.J.S.18A:18A-1 et seq. or a contracting unit as defined in the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

4. The Director of the Division of Local Government Services shall, within 120 days of the effective date of P.L.2001, c.30, notify each local unit of the opportunity to take part in a pilot program to purchase select commodities and services and sell surplus personal property through means of electronic technology.

5. Local units interested in participating in the pilot program shall submit a written plan to the director setting forth:

- a. whether they intend to make purchases, sales or both;
- b. the commodities or services they intend to purchase or personal property they intend to sell;
- c. whether they intend to conduct the auction with their own personnel or hire an on-line purchasing agent; and
- d. a description of the process in sufficient detail to allow the director to determine whether all aspects of the proposed purchase and sale have been addressed.

6. The director shall respond in writing to each local unit that has submitted a plan in writing within 45 days of receipt of a plan with an acceptance, rejection or request for additional information. The director may accept a plan conditionally by setting forth conditions upon the written acceptance, in which case the local unit shall agree to comply with the conditions prior to undertaking an electronic purchase or sale.

7. A local unit shall supply the director with a copy of any contract hiring the services of an on-line purchasing agent to which it is a party at least 10 days prior to conducting an auction. Contracts hiring the services of an on-line purchasing agent pursuant to this section shall be exempt from public bidding.

8. A local unit shall notify the director of the date and time of any on-line auction at least 10 days prior to the auction date and shall provide access to the system in order to allow the director to monitor the auction.

9. The director shall limit on-line purchases to bulk commodities, including, but not limited to: rock salt, petroleum products, asphalt, paper products and chemicals. Additionally, the director shall allow a local unit or joint purchasing unit to purchase electric generation service,

electric related service, gas supply service or gas related service, either separately or bundled, for its own facilities so long as the purchase otherwise complies with the provisions of the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49 et seq.). Sales of surplus personal property shall comply with the provisions of section 36 of P.L.1971, c.198 (C.40A:11-36).

Contracts awarded pursuant to the pilot program established pursuant to P.L.2001, c.30 shall, to the extent deemed prudent by the director, be exempt from the procedural requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) and the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., including but not limited to requirements concerning sealed bids.

10. a. The director shall conduct a comprehensive study of the feasibility and desirability of the use of the Internet and other contemporary technology by local units, including but not limited to a study of the following:

(1) the posting of all resolutions, ordinances, directories, meeting agendas and minutes, local unit budgets, zoning maps and other information on the Internet;

(2) the use of online transactions for consumers to access local unit services such as obtaining permits , registering for recreation programs, paying municipal court fines and penalties, in consultation with the Administrative Office of the Courts, and making property tax payments, fee payments and utility payments;

(3) the use of geographic information systems and related standards as a means to integrate land and parcel based data into common databases;

(4) the use of electronic mail or posting on electronic message boards to satisfy certain public notice requirements;

(5) the use of electronic mail for residents to submit confidential complaints to local officials;

(6) procurement issues associated with local units establishing their own websites or using third party vendors to provide services over the Internet; and

(7) provisions of statute and regulation and other impediments that hinder or obstruct the utilization of the Internet and other contemporary technology by local units.

b. The director shall provide a report setting forth the results of the study to the Local Finance Board, the Governor and each member of the Legislature within one year of the effective date of P.L.2001, c.30.

11. There is appropriated from the General Fund a sum of \$150,000 to the Department of Community Affairs to effectuate the purposes of section 10 of this act.

12. The director may set forth guidelines consistent with the provisions of P.L.2001, c.30 which contain details that the director deems necessary in order to effectuate the purposes of P.L.2001, c.30. The director shall consult with the Attorney General with regard to safeguards to protect against collusion and bid rigging, and to ensure the privacy of transactions. The director shall provide a report to the Governor and each member of the Legislature within three years of the effective date of P.L.2001, c.30 setting forth the purchases and sales that have been conducted and recommendations as to whether the program should be continued.

13. This act shall take effect immediately and expire upon submission of the report by the director pursuant to section 12 of this act.

Approved March 9, 2001.