



Top Ten Things to Know About: Local Unit Pay To Play Law

1. The law affects all contracting units, whether their governing board is elected or not (i.e., includes authorities, boards, commissions).
 - Affected by the non-fair and open process disclosure requirements are the elected officials of the agency who appoint the governing body of authorities, boards, and commissions. Regional agencies whose board members are appointed by more than one set of elected officials are covered by each of them.
2. The law affects contracts with a value over \$17,500 - it is not linked to the agency's bid threshold and includes contracts with not-for-profit organizations. It does not apply to contracts with other government agencies, banks, insurance companies, and public utilities.
3. Covered contracts must be awarded through a "fair and open" or "non-fair and open" process. This includes contracts over \$17,500 that are exempt from bidding.
4. Contracts over \$17,500 but less than the agency's bid threshold must now be awarded by the governing body, not the purchasing agent.
5. "Normal" public bidding and competitive contracting are permitted as a "fair and open" process under the law.
6. A fair and open contract should be advertised for at least 10 days prior to opening and awarded like a public bid.
7. The governing body's clerk should obtain the names of the political party and candidate committees from the elected officials for the preparation of Business Entity Disclosure Certification forms. The information should be passed to all subordinate contracting units (i.e., utility authority, board of health, park or recreation commission).
8. A Determination of Value and the Business Entity Disclosure Certification of a contractor must be on file prior to the time a non-fair and open contract is awarded.
9. Resolutions for non-fair and open contracts require special disclosures above and beyond a traditional award resolution.
10. A contractor receiving a non-fair and open contract cannot have made a contribution of more than \$300 to a political party or candidate committee of a member of the governing body in the year prior the award of the contract and/or during the life of the contract. This provision does not affect contributions made in 2005.
11. 2006 BONUS: Professional service contracts and other contracts exempt from public bidding, awarded in 2006, are covered by the law. A Business Entity Disclosure Certification Form is still required, and the certification language covers contributions made in 2005.

For more information, read "The Guide to the New Jersey Local Unit Pay-To-Play Law". www.nj.gov/dca/lgs/p2p.

For information on the contracting process contact the Division of Local Government Services at lpcl@dca.state.nj.us. For questions about contributions contact the Election Law Enforcement Commission at 888-313-ELEC (3532).