



CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO.: 21-04-DPP	ORIGINATING AGENCY: DIVISION OF PURCHASE AND PROPERTY	PAGE 1 OF 5
EFFECTIVE DATE: IMMEDIATELY	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 18-10-DPP
SUBJECT:	PURCHASES FROM FEDERAL SUPPLY SCHEDULES OR SCHEDULES OF OTHER FEDERAL PROCUREMENT PROGRAMS	
ATTENTION:	DIRECTORS OF ADMINISTRATION, EXECUTIVE BRANCH PROCUREMENT OFFICERS AND THE DIRECTORS OF AUTHORITIES	
FOR INFORMATION CONTACT:	OFFICE OF THE DIRECTOR	PHONE : (609) 292-4886

I. PURPOSE

Pursuant to N.J.S.A. 52:34-6.1 and N.J.A.C. 17:12-1A.5, the Director of the Division of Purchase and Property (Division) "shall promulgate the Federal Supply Schedules of the Federal General Services Administration or schedules from other federal procurement programs...as an alternate price guide for the purchase of goods and services..." The purpose of this Circular is to establish the procedure to create Federally-Based Contract(s) for goods and services based on federal pricing (Federally-Based Contracts). This policy is intended to provide expanded purchasing opportunities for the State and other public agencies while ensuring the integrity of State contracting through an ethical, competitive, and transparent process, in compliance with all State laws, regulations, Legislative directives, and Executive policies.

This Circular pertains to goods or services exceeding the current Delegated Purchasing Authority (DPA) threshold and sets forth the process that Agencies must follow when seeking to create a State contract predicated on a contract awarded by a federal procurement program, including but not limited to the U.S. General Services Administration (GSA), the Department of Veterans Affairs (VA), or the Defense Logistics Agency (DLA).

II. DEFINITIONS

The following terms and their definitions apply to this Circular:

1. "Agency" means any State agency, or any other public entity set forth in N.J.S.A. 52:27B-56.1.
2. "Director" mean the Director of the Division of Purchase and Property.
3. "Division" means the Division of Purchase and Property.
4. "Federal Supply Schedule" means any contract awarded by General Services Administration (GSA), Veterans Affairs (VA), Defense Logistics Agency (DLA), or any other federal agency for the procurement of goods or services.
5. "Federally-Based Contract" means a State contract awarded by the Division to a Federal Supply Schedule Vendor that supplies goods or services through any federal procurement program, and that complies with the requirements of N.J.S.A. 52:34-6.1, N.J.A.C. 17:12-1A.5, and this Circular.

III. POLICY

At a summary level, the Agency must work with the Division to ensure a level playing field for all Federal Supply Schedule Vendors. Requisite pre-approval and approvals must be obtained and all statutorily required forms and

certifications must be completed prior to contract award, as applicable. An Agency shall not solicit any quotes without first contacting the Division and following the procedure below.

All Agencies must continue to comply with all Treasury Circulars. This Circular must be used in conjunction with other applicable Treasury Circulars affecting procurement. All Circulars are available at: <http://www.nj.gov/infobank/circular/circindx.htm>.

If an Agency proposes a Federally-Based Contract to include financing for equipment, the recommendation of a vendor offering the best value, price and other factors considered, must include consideration of the terms available to the State through the Line of Credit/Equipment Master Lease Program pursuant to the Treasury Circular concerning the State's Line of Credit/Equipment Master Lease Program. Approval through the Department of the Treasury's Division of Administration relative to the State's program for Line of Credit is required. The Division and the Office of Management and Budget must also approve any Federally-Based Contract which includes an operating lease for equipment.

By means of the pre-approval and contract approval processes described below, an Agency may request that the Division establish a Federally-Based Contract. Only goods and services approved by the Director in writing shall be available to Agencies for purchase under a Federally-Based Contract. If the proposed contract complies with the requirements of this Circular and the Division agrees to execute a contract between the State and the Federal Supply Schedule Vendor, then the resulting Federally-Based Contract will function and operate in the same manner as other State contracts. The contract shall have an initial term of one or two years, with up to three one-year extensions, unless otherwise approved by the Director. In the event of a termination or expiration of the underlying Federal Supply Schedule, the State's Federally-Based Contract will continue until the expiration of initial term or expiration of and approved extension term at the same price terms and conditions, unless otherwise terminated by the Division.

An Agency seeking to purchase goods or services through a Federal Supply Schedule may proceed under this Circular when it demonstrates that similar goods or services are not available under an existing State contract.

State contract information is available on the NJSTART eProcurement website at: <https://www.njstart.gov/bsol/>. Information on how to search for available State contracts is available in the Division's Quick Reference Guide entitled "How to Search for State Contracts" which can be found at: <https://www.state.nj.us/treasury/purchase/njstart/pdf/HowtoSearchforStateContracts.pdf>

IV. FEDERAL PROCUREMENT AGENCIES AVAILABLE FOR USE

This Circular contains information on three federal procurement agencies: GSA, VA and DLA. State agencies may also expand product and service searches to any federal procurement agency.

General Services Administration: GSA offers the greatest variety of products and services that may benefit the State; the Division therefore suggests that all Agency searches of federally-based supply programs begin with GSA.

The following websites provide supply schedules and additional information:

GSA eLibrary: <http://www.gsaelibrary.gsa.gov/ElibMain/home.do>
GSA eLibrary Schedules List: <http://www.gsaelibrary.gsa.gov/ElibMain/scheduleList.do>
GSA Advantage: <https://www.gsaadvantage.gov/advantage/main/home.do>
GSA eBuy: https://www.ebuy.gsa.gov/advantage/ebuy/start_page.do

Department of Veterans Affairs: VA manages nine supply schedules containing commodities, pharmaceuticals, and services, for use by VA medical centers, related facilities, specific State Veterans Homes, and other federal facilities.

The following websites provide supply schedules and additional information:

VA Store home page: <http://www.va.gov/vastorenac/>
VA Supply Schedules: <http://www.fss.va.gov/>
VA Catalog Search Tool: <http://www.va.gov/nac/>
VA Advantage: https://vaadvantage.gsa.gov/advantage/main/start_page.do?store=VA

Defense Logistics Agency: DLA is a U.S. Department of Defense agency that supplies the nation's military services and several civilian agencies with critical resources. In addition to other operations, DLA provides wide-ranging logistical support for emergency preparedness and humanitarian missions.

The following website provides additional information:

DLA Web Site: <http://www.dla.mil/>

V. APPROVAL PROCESS

The following steps shall be taken in order to establish a Federally-Based Contract:

1. Pre-Approval Request

- The Agency must research the federal program schedules (GSA, VA, DLA, etc. or a combination thereof) to identify the Vendors that are able to provide the goods or services which are capable of meeting the Agency's needs.
- The Agency must submit a pre-approval request to the Division through Central Intake Unit at centralintake@treas.nj.gov. The email subject line shall read "Federally-Based Contract Pre-Approval Request" and the request must include the following:
 - a) Specify the good(s), service(s), and/or IT/IT-related services sought;
 - b) Include a copy of the proposed Scope of Work and/or specifications for the good(s), service(s), and/or IT/IT-related services sought. The proposed Scope of Work/specification must meet the following criteria:
 - i. be clear and unambiguous;
 - ii. meet the needs of the Using Agency;
 - iii. are written in terms of performance/functionality;
 - iv. promote free and open competition and do not intentionally favor one vendor;
 - v. are cost effective and capable of being met by available technology; and
 - vi. facilitate development of vendor proposals that can be effectively evaluated and scored.
 - c) Include a sample price sheet or indicate whether the vendor's submission of its Federal Supply Schedule is appropriate.
 - d) Indicate the requested length of the contract term, including any extensions; (Refer to Section III, Policy, of this Circular)
 - e) Include the Federal Supply Schedule(s) number(s) that the Agency plans to use;
 - f) Identify the Agency contact, including telephone number and email address;
 - g) Include a statement that similar goods and/or services to those sought are not available under existing State contract(s) (Refer to Section III, Policy, of this Circular); and
 - h) Include proof of that all necessary approvals such as OIT, OMB, and any necessary Agency approval, as applicable, have been received.
- The Division may request for additional information to be submitted by the Agency or additional directions to be followed by the Agency during the RFQ process.
- The Agency will receive an email confirmation of either pre-approval or denial. The Agency shall not solicit price quotes until pre-approval is received; and no documents shall be uploaded to the Federal Supply Schedule website or sent to any Federal Supply Schedule Vendors.

2. Federally-Based Contract Request For Quote Process

- After receiving pre-approval from the Division, the Agency may begin the RFQ process. GSA offers an on-line bidding tool called eBuy, designed to facilitate the request for and submission of quotes for goods. Use of the GSA eBuy site is not mandatory. Use of the GSA eBuy site requires approval from GSA.
- The RFQ shall be provided to as many Federal Supply Schedule vendors as possible to encourage competition and to reasonably ensure that quotes will be received from at least three vendors capable of performing the work. If quotes are received from fewer than three vendors, the efforts to obtain quotes from at least three vendors shall be documented in the contract approval package provided to the Division.
- The competitive process employed to solicit quotes must:
 - a) be fair and provide all vendors solicited with the same opportunity to provide price quotes; and
 - b) provide all vendors with the same information concerning the work to be performed and the terms and the conditions of the proposed Federally-Based Contract to ensure that all vendors are on a level playing field.
- The Agency must evaluate all quotes received. In evaluating the quotes received the Agency must consider whether the Vendor's proposed goods or services meet the Agency's identified Scope of Work.
- The Agency must prepare a written recommendation for award that identifies the vendor or vendors that provide a response to the RFQ that meets the Agency's identified Scope of Work and is most advantageous, price and other factors considered. The Agency must also include an explanation why vendors were not recommended for award.

- The written recommendation shall contain sufficient information for the Division to understand the RFQ conducted, and the award decision. A chart or attachment depicting the ranking of the Quotes as to price, technical score, etc. may be used, but **MUST** be supported by a written narrative detailing the Agency's review of the quotes received and a discussion of each Vendor's responsiveness to the Agency's scope of work.
- The Agency shall review the State of New Jersey Consolidated Debarment Report located on the internet at <https://www.state.nj.us/treasury/revenue/debarment/index.shtml>. An Agency should not recommend an award to any vendor on the State of New Jersey Consolidated Debarment Report. Debarment, Suspension and Disqualification Actions: Pursuant to [Executive Order #34](#) (Byrne) and [Executive Order #189](#) (Kean), debarment, suspension and disqualification are measures which shall be invoked by the State to exclude or render ineligible certain persons from participation in contracts and subcontracts with the State. The Agency should also consider reviewing other State's debarment lists as well as the Federal debarment list, when federal funds are utilized in the procurement.

3. Submission of the Contract Approval Request Package

- Once RFQ process or other approved process for the solicitation of quotes is complete, and a vendor or vendors selected, the Agency shall submit a contract approval package to the Division's assigned contact. The package shall include:
 - a) A copy of the final solicitation document or RFQ, and any addenda thereto;
 - b) All required forms/certifications (as set forth in Section VI.6 of this Circular);
 - c) A statement that similar goods or services requested are not on an existing State contract.
 - d) Copies of all quotes received and, if less than three quotes are received, an explanation documenting the efforts to solicit quotes from other vendors;
 - e) All research, vendor selection determination, and supporting documentation;
 - f) A written statement detailing the Agency's evaluation of the quotes received and a recommendation for award; and
 - g) Any additional information requested by the Division.
- Incomplete approval packages will not be processed by the Division and will be returned to the Agency.

4. Approval of the Federally-Based Contract

- If the Division approves the proposed contract award, the Division shall issue a notice of intent to award letter to all vendors who submitted a quote in response to the Agency's RFQ. The notice of intent to award letter will provide all vendors with the opportunity to submit a response to the notice of intent to award. The Division will provide a response to any comment received.
- After the comment period is over, the Division will assign a unique contract number, and shall include the contract on the Division's website with its list of available State contracts.

VI. CONTRACT PROVISIONS

Although they are based on Federal Supply Schedule pricing, Federally-Based Contracts are independent State Contracts executed between the State of New Jersey and the selected Federal Supply Schedule Vendor. As such, the Agency Scope of Work or RFQs and Federally-Based Contracts must include the following provisions:

1. The price of the goods or services being procured shall be no greater than the price offered to federal agencies.
2. The State shall receive the benefit of federally mandated price reductions during the term of the State Contract if any are provided for in the Federal Supply Schedule Contract or by law.
3. The Federally-Based Contract shall list the specific goods or services being purchased and the price for each.
4. The Federally-Based Contract shall have an initial term of one or two years, with up to three one-year extensions, unless otherwise approved by the Director.
5. The Federally-Based Contract shall incorporate the State of New Jersey Standard Terms and Conditions (SSTC).
6. The Vendor must satisfy all the procurement requirements for State contracting, i.e., submitting any statutorily required forms and certifications before contract award. The required forms and certifications, listed below and unless otherwise noted, are available on the Division's website at: <http://www.nj.gov/treasury/purchase/forms.shtml>.

A. Forms, Registrations and Certifications Required with Quotes:

- Offer and Acceptance Page, Federally-Based Contracts - This form details the above requirements and, by signature, commits the Bidder to adherence to the RFQ, State's Standard Terms and Conditions, MacBride Principals Certification, Subcontractor Certification, Non-Collusion, and the NJ Business Ethics Guide.
- [Ownership Disclosure Form](#)
- [Disclosure of Investment Activities in Iran Form](#)

- [Source Disclosure Certification Form](#) (if contract is primarily for the performance of services)
- A valid [Public Works Contractor Registration](#) issued by the New Jersey Department of Labor and Workforce Development, if the contract is deemed a public work pursuant to the laws of the State of New Jersey. This requirement applies to both the prime and any subcontractor.

B. Forms, Registrations and Certifications Required before Contract Award:


- [Disclosure of Investigations and Actions Involving Bidder Form](#)
- [Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions](#)
- [Vendor/Bidder Certification and Political Contribution Disclosure Form Public Law 2005, Chapter 271](#)
- Proof of Affirmative Action Compliance: [Affirmative Action Supplement with Affirmative Action Employee Information Report](#) or certificate of compliance with Affirmative Action requirements by the State or Federal government, together with the \$150.00 filing fee, if applicable.
- Proof of [NJ Business Registration](#) with the Division of Revenue and Enterprise Services (<http://www.state.nj.us/treasury/revenue/>)
- **Insurance Certificates:** In accordance with the State of New Jersey Standard Terms and Conditions, the Vendor shall, prior to beginning work, secure and maintain in force for the term of the contract, insurance as required by the terms of the contract. The Vendor shall provide the State with current certificates of insurance for all coverages and renewals thereof, naming the State as an Additional Insured.
- The Division may choose to extend a Federally-Based Contract to Cooperative Purchasing Program participants pursuant to [N.J.A.C. 17:12-2.3](#). If applicable, the Cooperative Purchasing Form may be required.

VII. EXCEPTIONS TO FEDERALLY-BASED CONTRACTS

Because the Director must grant priority to overriding legislative mandates, if any goods or services are available under the following special procurement programs, an Agency may not purchase the same or similar goods or services through a Federally-Based Contract. These special procurement programs are:

1. The State Distribution and Support Services Center (DSS);
2. The Bureau of State Use Industries (DEPTCOR);
3. Central Non-Profit Agency (CNA) set-aside contracts;
4. Partial or complete small business set-aside contracts issued pursuant to [N.J.A.C. 17:13-4.1](#) to 4.4;
5. Energy Savings Services contracts as set forth in [N.J.S.A. 52:34-25](#).

Federally-Based Contracts shall also comply with statutes and Executive Order to purchase energy-efficient and/or environmentally preferable products or services, including, but not limited to products bearing the U.S. Environmental Protection Agency's "Energy Star" label pursuant to [N.J.S.A. 52:34-6.4](#); compact fluorescent light bulbs pursuant to [N.J.S.A. 52:34-6.5](#); recycled paper products pursuant to [Executive Order #91](#) (Florio); and environmentally preferable cleaning products pursuant to [Executive Order #76](#) (Codey). If an Agency seeks to purchase goods or services subject to these requirements through a Federally-Based Contract, the Agency shall explain to the satisfaction of the Division how the request meets the requirements of the relevant statute or Executive Order.



Maurice Griffin, Acting Director