



NEW JERSEY

Association of State Colleges and Universities

150 West State Street, Trenton NJ 08608

Phone (609) 989-1100



State College Contracts Law

May 29, 2018

The New Jersey Association of State Colleges and Universities would like to highlight a legislative initiative - the revision of the State College Contracts Law (SCCL)- that is positive, productive, and sends a powerful message of support for all public higher education institutions in New Jersey. The SCCL revision represented by S-2627 (Cunningham) and A-4079 (Jasey) would result in no state or local tax increases, no state- aid increases, no tuition or fee increases. The revision would result in more affordable and accessible education for students at both two-year and four-year public institutions, plus, lead to significantly positive economic impacts for the state and municipalities.

- An urgent priority for all the state institutions of higher education (two-year and four-year schools without the “research” designation) is the reform of the 32-year-old State College Contracts Law, many aspects of which are hindering the effective, efficient, and responsive operation of the institutions. The state colleges and universities in size, scope and sophistication are very different entities than they were when the law was originally conceived.
- The reform provides the state colleges and universities with the same standards for procurement and construction as the research institutions (NJIT, Rowan and Montclair--Rutgers has its own status under the Rutgers Compact of 1956). The reform will allow the institutions to be more affordable and responsive to student needs by enabling the schools to become more nimble and cost-efficient in the purchase of goods and construction of facilities.
- Improving the contracting and procurement process will save the state institutions collectively hundreds of millions of dollars.
 - Being forced to go with the lowest bidder has resulted in: inferior construction, missed deadlines, programmatic disruption. Correcting these types of problems over the years has added significantly to the costs of a wide variety of construction projects.

www.njascu.org

*The College of New Jersey
Kean University
Montclair State University*

*New Jersey City University
Ramapo College of New Jersey
Rowan University*

*Stockton University
Thomas Edison State University
William Paterson University*

- The basic economic principal of supply and demand explains that buyers can get a lower price for goods or services if they enter a long-term contract. The state colleges and universities, however, can generally enter a contract for no longer than three years. Putting a limit on the length of a contract puts a limit on the ability of the state colleges to negotiate the best price
- We are seeking a bid threshold of \$100,000 for all the public universities, including the research institutions of Montclair, Rowan and NJIT. The lower bid thresholds cause process gridlock – again hindering nimble and cost-efficient operation.
- Reform of the law would allow the state schools to engage in innovative and cost-efficient partnerships
 - Public-private partnerships;
 - Design-build contracts; and
 - Construction-manager-at-risk contracts
- It should be noted that another legislative initiative A-1299 (Greenwald) is working its way through the legislature; it would allow private companies to partner with a variety of public entities for construction projects among a variety of public entities including public universities, housing authorities and redevelopment agencies and removes the “sunset” provision for project applications. NJASCU institutions are most appreciative of this measure; the public-private partnership issue is one crucial element of the more holistic and much needed revision of the State College Contracts Law.