

## **BEST MANAGEMENT PRACTICES**

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(5/10/05)

**Topic Area:** State and Local Procurement

**Audience:** City, County, and State Procurement Administrators;  
State Administrative Agencies



**Description:** Under Local Financial Notice (LFN) 2004-21, dated September 22, 2004, (<http://www.state.nj.us/dca/lgs/lpcl/index.shtml>) regulations permit contracting units to spend federal homeland security grant funds to purchase approved homeland security goods without public bidding, and expands the pool of vendors from which you may directly purchase, to any of those described below.

The limits and requirements of the program are as follows:

- Any grant program involving the U.S. Department of Homeland Security or other federal agency for goods or services related to homeland security and domestic preparedness is now eligible for the program. Expenditures not being paid for or reimbursed by federal funds awarded by the U.S. Department of Homeland Security or other federal agency must go through the normal purchasing process
- The contracts can only be used to purchase the homeland security goods approved in the grant award.
- **The contracts cannot be used for any other purpose, nor can state or local funds be used or combined, even if for the same purpose.** The budget law is very precise in restricting the purpose of the bidding exception to this program and this purpose.
- There is a wider pool of federal contractors available. Now, any vendor participating in a federal procurement program established by a federal department or agency can be used. In addition, the original prime vendor program is continued. State contracts can also be used, and the State Treasurer is authorized to issue other contracts in consultation with the New Jersey Domestic Security Preparedness Task Force.
- All homeland security purchases herein shall continue to be subject to all grant requirements and conditions approved by the State administrative agency.

Once a county is offered a grant by the federal agency, a single "For Domestic Security Grants Pursuant To The State Budget" resolution that includes the following elements can be passed:

1. Accepting the grant
2. Inserting the amount as an item of revenue and appropriation in the budget
3. Approval to purchase the items in the grant from federally approved vendors or a state contract, without public bidding.
4. Certification of availability of funds

The resolution takes effect upon filing it with the Division.

The Division has prepared the form of resolution to be used by counties. It may be used by municipalities only with advance approve of the Division. It follows this Notice and is available as a Word document under the Emergency Responder section on the Division's Local Procurement Web Site. <http://www.state.nj.us/dca/lgs/>.

## **Unique or Special Statutes Involved:**

Revision of State's Procurement Regulation

## **How long practiced:**

Since 2004

**Jurisdiction:** Statewide

## **Point of Contact:**

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