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January 14, 2015

**VIA E-MAIL [[dmanney@peppm.org](mailto:dmanney@peppm.org)]**

David L. Manney, PEPPM Coordinator  
PEPPM  
Central Susquehanna Intermediate Unit  
90 Lawton Lane  
Milton, PA 17847

**Re: PEPPM Technology Bidding and Purchasing Program (PEPPM) – New Jersey**

Dear David:

As you know, the State of New Jersey passed P.L. 2011, c.139 (the “Law”) in 2011 adding language to N.J.S.A. 52:34-6.2 which allows local contracting units to utilize national cooperative contracts as a method of procurement. The Department of Community Affairs and Division of Local Government Services issued Local Finance Notice 2012-10 (the “LFN”) on May 14, 2012 to provide guidance to contracting units seeking to implement the new national cooperative contracting option. As of the date of this letter, both the Law and LFN remain in effect and unamended.

Section D. 2) of the LFN sets forth national cooperative contract standards, and states that the following three requirements make a contract part of a national cooperative:

- a. The national cooperative contract must have been awarded through a “competitive bidding process” that complies with the laws covering the issuing entity.
- b. The contract being awarded pursuant to the national cooperative model must have been awarded by a contracting unit as defined in the Law, and cannot have been awarded by a non-profit or private organization, even if a member of the cooperative.

A Pennsylvania Limited Liability Partnership

California Connecticut Delaware Florida Nevada New Jersey New York Pennsylvania

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- c. The original bid must have been advertised as a national cooperative contract (or a regional contract that includes New Jersey in its region) – not as a strictly local contract that is made “national” or “regional” after the receipt of bids.

PEPPM contracts awarded in Pennsylvania meet these three criteria. The references to a, b and c below are to correspond with requirements a, b and c above.

- a. PEPPM contracts are awarded in two states – Pennsylvania and California. In Pennsylvania PEPPM contracts are awarded by the Central Susquehanna Intermediate Unit. Such award is done using an open and competitive sealed bidding process, with public advertisements for bids, and awards made to the contractor determined to be the lowest responsive and responsible bidder under Pennsylvania law. This type of competitive bidding process should easily meet the intent of the Law as it is a long standing public procurement process, is one of the most rigorous public procurement processes, and is akin to the Local Public Contracts Law and the Public School Contracts Law in New Jersey. See N.J.S.A. 40A:11-4 and N.J.S.A. 18A:18A-4.
- b. As mentioned above, PEPPM contracts in Pennsylvania are awarded by the Central Susquehanna Intermediate Unit. The Central Susquehanna Intermediate Unit is an intermediate unit formed under Article IX-A of the Pennsylvania Public School Code, 24 P.S. Sections 9-951 et seq. Intermediate units in Pennsylvania are akin to county special services school districts in New Jersey. See N.J.S.A. 18A:46-29. Accordingly, for purposes of the Law, the Central Susquehanna Intermediate Unit would fall into the category of “school district” and qualify as a “contracting unit” under the Law. Thus, PEPPM contracts are solicited and awarded by a “contracting unit” as defined by the Law.
- c. Although PEPPM Contracts are presently awarded in California and Pennsylvania, they are designed to allow “piggybacking” by local government agencies and local educational agencies in other states. When bids are solicited, vendors are asked if they are willing to extend their PEPPM bid prices to agencies in other states. In completing its bid, the PEPPM vendor indicates which states it is willing to extend its bid prices to. Accordingly, bidders are aware of the scope of government agencies outside of the issuing agency that could potentially use the contract.

Thus, the PEPPM contracts awarded in Pennsylvania by the Central Susquehanna Intermediate Unit, and made available to other local governmental and educational agencies through

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piggybacking, meet the national cooperative contract standards set forth in Section D. 2) of the LFN.

Sincerely,

A handwritten signature in cursive script that reads "Ellen M. Enters".

Ellen M. Enters

EME:ja

cc: Charles E. Peterson, Director of Cooperative Business Services & Operations  
(Via E-Mail Only - [cpeterson@csiu.org](mailto:cpeterson@csiu.org))