



**DCA** Division of  
Local Government Services

**Department of Community Affairs**

**Lt. Governor Sheila Y. Oliver**  
Commissioner

**Jacquelyn A. Suarez**  
Director of Local Government Services

1



**Procurement Update**

Northern NJ NIGP  
June 8, 2023

New Jersey Department of Community Affairs  
Division of Local Government Services  
**Michele E. Meade**  
Municipal Technical Advisor and Procurement Specialist

2

# Agenda

- Russia-Belarus prohibition
- Disclosure of Investment Activities in Iran
- Unit concrete products law
- Third party agencies
- Elections Transparency Act
- State Contracts
- LPCL Reference Guide



3

**NEW!**  
**Updated LFN.**

**LFN 2023-11**  
**May 22, 2023**

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**Local Finance Notice**

Philip D. Murphy Governor      Lt. Governor Sheila Y. Oliver Commissioner      Jacquelyn A. Suarez Director

**Persons and Entities Engaging in Prohibited Activities in Russia or Belarus; Russia-Belarus & Iran Investment Certification for Vendors and Contractors**

(This Notice supersedes and replaces in its entirety Local Finance Notice 2022-24 originally issued on December 28, 2022. Local officials should review this entire Notice as it provides elaboration and supplemental guidance.)

P.L. 2022, c. 3, signed into law on March 9, 2022, required the State Department of the Treasury (Treasury) to develop, based on credible information available to the public, a list of persons and entities engaging in prohibited activities in Russia or Belarus (Russia-Belarus list). The list is now available on Treasury's website and will be updated at least once every six months. P.L. 2022, c. 3 will expire upon the revocation of federal sanctions contained in Executive Order 14024.

This Notice explains the law's impact on procurement by local contracting units, which includes municipalities, counties, authorities, fire districts, boards of education, and county colleges, along with eligibility to participate in a redevelopment or PILOT agreement. Also explained is the recent update

4

**FROM:** Amanda Truppa  
Director, Division of Administration

**SUBJECT:** Entities Engaged in Prohibited Activities Under C.52:32-60.1  
Updated as of: March 1, 2023

In accordance with C. 52:32-60.1, the following companies are prohibited from:

- (1) entering into or renewing a contract with a State agency, local contracting unit, boards of education, State college or county college for the provision of goods or services or the purchase of bonds or other obligations;
- (2) filing or renewing a Public Works Contractor Registration with the Department of Labor and Workforce Development;
- (3) being approved for or continuing to receive an economic development subsidy from the Economic Development Authority in but not of the Department of the Treasury, being awarded a municipal property tax abatement, or making or entering into a payment in lieu of property tax agreement;
- (4) applying for or receiving a tax clearance certificate from the Director of the Division of Taxation in the Department of the Treasury;
- (5) being certified by the Department of Community Affairs as an urban renewal entity for purposes of the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.); and
- (6) being designated as a redeveloper by a public agency for the purpose of planning, replanning, construction, or undertaking of any project or redevelopment work in accordance with the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.).
- (7) being invested in directly or indirectly through the funds under the management of the Division of Investment; and
- (8) banking with, having or holding stock, debt, or other equity investments of, or maintaining insurance coverage through a policy issued by a financial institution.

IC Company (Technology)
<b>A</b>
A1 (Belarus) (Telecommunications)
Abras-Durso PJSC (Wine Boutique)
Abolut Bank AKB (Financial)
Aeroflot (Consumer Services)
AGC Bor Glasworks OJSC (Glass Manufacturing)
Agrepat PJSC (Industrial Supplies and Parts)
Agrofrma Mzenskaya JSC (Agricultural Firm)
Airport Tolmachevo JSC (Airport)
AK Bars Bank OJSC (Financial)
Akella (Technology)
Akkond OAO (Confectionary Product Manufacturing)
Alfa Group (Conglomerate)
AlfaStrakhovanie JSC (Insurance)
Alasworlds Entertainment (Technology)
Almaz-Antey (Industrials)
Almaz R&P Corp. PJSC (Manufacturing)
ALROSA (Basic Materials)
Altaykrygaservis OAO (Oil/Gas)
Altayvagon OAO (Manufacturing)
Amur Shipbuilding Plant JSC (Machinery Manufacturing)
Amur Shipping Company JSC (Transportation)
Armavir Rubber Products Plant OAO (Consumer Goods)
Arsagera Asset Management (Investment Services)
Arseniev Aviation Co. Progress PJSC (Aerospace Technology)

5

## Russia-Belarus Prohibition

**Who must comply with the law?**

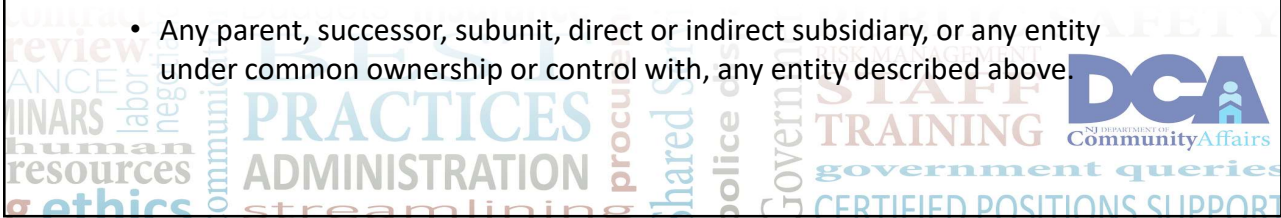
- State
- Municipalities
- Counties
- School districts
- Authorities
- Fire Districts
- County colleges
- Anyone required to follow State, Local, Public School or County College Contracting Laws

6

## Russia-Belarus Prohibition

### **What types of persons or entities must provide certification?**

- A natural person, corporation, company, limited partnership, limited liability partnership, limited liability company, business association, sole proprietorship, joint venture, partnership, society, trust, or any other nongovernmental entity, organization, or group;
- Any governmental entity or instrumentality of a government, including a multilateral development institution, as defined in Section 1701(c)(3) of the International Financial Institutions Act, 22 U.S.C. 262r(c)(3); or
- Any parent, successor, subunit, direct or indirect subsidiary, or any entity under common ownership or control with, any entity described above.



7

## Russia-Belarus Prohibition

### **Persons or entities under the R-B law are broad:**

#### **Does it include?**

- Non-profits – Yes
- NJ State government - Yes
- NJ Local governments - Yes
- Out of state local governments – Yes
- Other states – Yes
- Federal government - No



8

## Russia-Belarus Prohibition

### What types of contracts does the prohibition apply to?

For goods and services:

- Contract awards
- Contract renewals
- Contract amendments
- Contract extensions
  
- a contract subject to the Local Public Contracts Law, Public School Contracts Law, or the County College Contracts Law



9

## Russia-Belarus Prohibition

### What purchases don't apply?

- Not required for shared services agreements
- Where there is no underlying contract award regardless of whether paid by purchase order, examples:
  - Paying tax revenues to schools and county
  - Employee expense reimbursements
  - Permits from DEP
  - Pension payments to State
  - Taxpayer refunds
- Payments to investor-owned BPU-regulated utility companies for electric, gas, water and sewer service where there is no discretionary award



10

## Russia-Belarus Prohibition

### Threshold:

- Treasury has implemented the State's quote threshold as the applicable level at or above which the State must comply with the R-B law, which is \$1,000.
- New guidance – consult with contracting unit attorney to determine whether to apply your own quote threshold.
- Aggregation applies.



11

## Russia-Belarus Prohibition

### Vendor Certification Required:

What do local contracting units need to do:

- Obtain certification that vendor or contractor is not on the Treasury's R-B list
- Review Treasury's R-B list

When is certification due?

- Before contract award
- Local contracting unit can establish a deadline for receipt

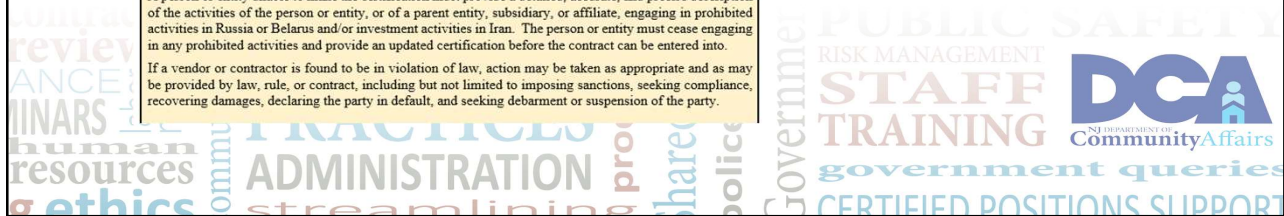


12

## Russia-Belarus Prohibition

Prohibited Russia-Belarus Activities & Iran Investment Activities	
Person or Entity	
Part 1: Certification	
<p><b>COMPLETE PART 1 BY CHECKING ONE OF THE THREE BOXES BELOW</b></p> <p>Pursuant to law, any person or entity that is a successful bidder or proposer, or otherwise proposes to enter into or renew a contract, for goods or services must complete the certification below prior to contract award to attest, under penalty of perjury, that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list or Chapter 25 list as a person or entity engaging in prohibited activities in Russia, Belarus or Iran. Before a contract for goods or services can be amended or extended, a person or entity must certify that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list. Both lists are found on Treasury's website at the following web addresses:</p> <p><a href="https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf">https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf</a>  <a href="http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf">www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf</a></p> <p>As applicable to the type of contract, the above-referenced lists must be reviewed prior to completing the below certification.</p> <p>A person or entity unable to make the certification must provide a detailed, accurate, and precise description of the activities of the person or entity, or of a parent entity, subsidiary, or affiliate, engaging in prohibited activities in Russia or Belarus and/or investment activities in Iran. The person or entity must cease engaging in any prohibited activities and provide an updated certification before the contract can be entered into.</p> <p>If a vendor or contractor is found to be in violation of law, action may be taken as appropriate and as may be provided by law, rule, or contract, including but not limited to imposing sanctions, seeking compliance, recovering damages, declaring the party in default, and seeking debarment or suspension of the party.</p>	

**DLGS**  
model certification




13

## Russia-Belarus Prohibition

**False certification:**

- If contracting unit becomes aware of credible information that a vendor or contractor certification may be false, must
  - Notify vendor contractor and collect written documentation
  - Terminate contract depending on response
  - Report to Attorney General, who may seek penalties
  - Contracting unit Attorney may seek penalties if AG not already doing so



14

## Russia-Belarus Prohibition

### Prevailing Wage Work – NJSA 34:11-56.26:

- Contracts meeting definition of “public work” within prevailing wage law
  - State will obtain R-B certification through the issuance or renewal of the Public Works Contractor registration; therefore local don’t have to
  - Also applies to construction contracts below prevailing wage thresholds
  - If they have a current PWCR (unexpired) , can be awarded the contract even if on the list.
  
- Some public works contracts are actually “good and services” contracts
  - Certain repair and maintenance contracts
  - Painting
  - Others - refer to definitions in prevailing wage
  - Local contracting units need to obtain R-B certification

15

## Russia-Belarus Prohibition

### Purchase Orders:

- Obtain certification for each purchase order over threshold – apply aggregation
  
- Open-ended contract awards – obtain certification before award only and good until contract expires

#### **40A:11-2. Definitions**

(21) "Contract" means any agreement, including but not limited to a purchase order or a formal agreement, which is a legally binding relationship enforceable by law, between a vendor who agrees to provide or perform goods or services and a contracting unit which agrees to compensate a vendor, as defined by and subject to the terms and conditions of the agreement. A contract also may include an arrangement whereby a vendor compensates a contracting unit for the vendor's right to perform a service, such as, but not limited to, operating a concession.

16



## Russia-Belarus Prohibition

### Cooperative Purchasing:

- Lead agent obtains certification for State and DLGS-registered cooperative pricing contracts,
- AND**
- Local contracting units using co-op pricing contracts obtain certification upon their “award”
    - With each purchase order for fixed amount contracts, OR
    - Once for open-end contract which is good until contract expires
  - Only the lead agent obtains certification for joint purchasing and commodity resale systems

17

## Russia-Belarus Prohibition

### Emergency Purchases:

- Follow 40A:11-6 and NJAC 5:34-6.1 regarding emergencies
- Notify vendor or contractor of R-B certification
- Consult legal counsel

18

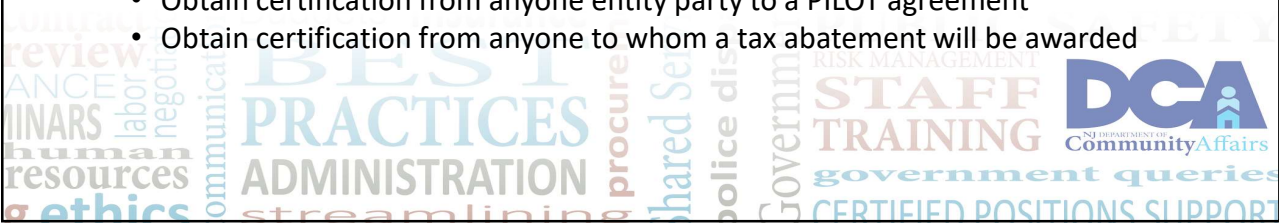
## Russia-Belarus Prohibition

### **Banking and Insurance:**

- Obtain certification for banks
- Obtain certification for insurance providers
- JIF's are local government entities

### **Redevelopment and PILOT Agreements:**

- Obtain certification from anyone designated as redeveloper
- Obtain certification from anyone entity party to a PILOT agreement
- Obtain certification from anyone to whom a tax abatement will be awarded



19

## Disclosure of Investment Activities in Iran

### **Who must comply with the law?**

- Same as R-B

### **What types of persons or entities must provide certification?**

- Same as R-B

### **What types of contracts does the prohibition apply to?**

- Goods and services
  - Contract awards
  - Contract renewals



20

## Disclosure of Investment Activities in Iran

**Threshold:**

- Same as R-B

**Vendor Certification Required:**

- Same as R-B
- Changed in 2021 to be prior to contracts award or contract renewal

**False certification:**

- Similar to R-B



21

## Disclosure of Investment Activities in Iran

**Prevailing Wage Work – NJSA 34:11-56.26:**

- Same as R-B

**Purchase Orders:**

- Same as R-B

**Cooperative Purchasing:**

- Same as R-B

**Emergency Purchases:**

- Same as R-B



22

# Disclosure of Investment Activities in Iran

## Banking and Insurance:

- Section of R-B law (52:32-60.2) about banking and insurance is NOT contained in Iran law
- Arguably, these are services therefore would be applicable in Iran law too

## Redevelopment & PILOT agreements:

- Not applicable



23

# Disclosure of Investment Activities in Iran

The following list represents entities determined, based on credible information available to the public, to be engaged in prohibited activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25"):

1. AK Makina Ltd.
2. Amona
3. Bank Markazi Iran (Central Bank of Iran)
4. Bank Mellat
5. Bank Melli Iran
6. Bank Saderat PLC
7. Bank Sazeh
8. Bank Tejarat
9. China International United Petroleum & Chemicals Co., Ltd. (Unipec)
10. China National Offshore Oil Corporation (CNOOC)
11. China National Petroleum Corporation (CNPC)
12. China National United Oil Corporation (ChinaOIL)
13. China Oilfield Services Limited
14. China Petroleum & Chemical Corporation (Sinopec)
15. China Precision Machinery Import-Export Corp. (CPMEIC)
16. Indian Oil Corporation
17. Kingdream PLC
18. Natfiran Intertrade Company (NICO)
19. National Iranian Tanker Company (NITC)
20. Oil and Natural Gas Corporation (ONGC)
21. Oil India Limited
22. Persia International Bank
23. Petróleos de Venezuela (PDVSA Petróleo, SA)
24. PetroChina Company, Ltd.
25. Sarmeh Alzar Tajik Co. (SATCO)
26. Shandong Fin Cnc Machine Company, Ltd.
27. Sinyhydro Co., Ltd.
28. SK Energy Co. Ltd.
29. SKS Ventures
30. Som Petrol AS
31. Zhuzhai Zhenrong Company

List Date: July 1, 2022



**State of New Jersey**  
 DEPARTMENT OF THE TREASURY  
 DIVISION OF ADMINISTRATION



24

## Disclosure of Investment Activities in Iran

<b>Prohibited Russia-Belarus Activities &amp; Iran Investment Activities</b>	
<b>Person or Entity</b>	
Part 1: Certification	
<p style="text-align: center; margin: 0;"><b>COMPLETE PART 1 BY CHECKING <u>ONE OF THE THREE BOXES BELOW</u></b></p> <p style="font-size: small; margin: 0;">Pursuant to law, any person or entity that is a successful bidder or proposer, or otherwise proposes to enter into or renew a contract, for goods or services must complete the certification below prior to contract award to attest, under penalty of perjury, that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list or Chapter 25 list as a person or entity engaging in prohibited activities in Russia, Belarus or Iran. Before a contract for goods or services can be amended or extended, a person or entity must certify that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list. Both lists are found on Treasury's website at the following web addresses:</p> <p style="font-size: small; margin: 0;"> <a href="https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf">https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf</a>  <a href="http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf">www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf</a> </p>	

25

## Unit Concrete Products Law

[PL 2021, chapter 278](#) – Effective November 8, 2021 - Requires builders to offer unit concrete products that utilize carbon footprint-reducing technology as option in new construction; whenever technically feasible. It also establishes tax incentives, and State and local purchasing requirements, for unit concrete products that utilize carbon footprint-reducing technology.

- ❖ Requires DEP to establish standards and procedures to implement the law and then publish a list of unit concrete products certified by the department. This is still in progress.

26

## Unit Concrete Products Law

### What should local contracting units do in the meantime?

Guidance per DEP-

- include in an invitation to bid where relevant, “a statement that any response to the invitation shall use unit concrete products that utilize carbon footprint-reducing technology whenever technically feasible.”
- since there are no certified products yet (which is how “unit concrete products...” are defined), that requirement would not be a factor in evaluating bids.

27

## Third Party Agencies

- **A573 signed into law – permits competitive contracting**
- **N.J.A.C. 5:23-4.12 et seq.** Already allows contracts with private agencies for particular UCC subcode inspections in accordance with these rules
- **New section of LPCL - N.J.S.A. 40A:11-4.1.s** - Private on-site inspection agency services, as may be authorized by rules and regulations adopted by the Department of Community Affairs - can use competitive contracting for these services without Director approval

28

## Elections Transparency Act

- Amends parts of Pay to Play Law, mostly impacting elections and not procurement
- Repeals 40A:11-51 of the Local Public Contracts Law
- Took effect retroactively to January 1, 2023 for most parts

29

## Elections Transparency Act

### What you need to know:

- Pay to play threshold is the same \$17,500
- Contribution level changed from over \$300 to over \$200
- Local pay to play laws that were permitted under 40A:11-51 are repealed retroactive to January 1, 2023.
- Explicitly states that QPAs can award “window” contracts
- Clearly defines that public bidding and competitive contracting are considered “fair and open” processes.
- PCD forms will be updated as well as non-fair and open sample contract language and list of agencies with elected officials.

30

## Elections Transparency Act

**Examples:**

Business entity contributes over \$200 to Democratic Party Committee of XX County during preceding one-year period.	County (or any agency or instrumentality thereof) <u>is allowed to</u> award non-fair and open contract to the business entity.
Business entity contributes over \$200 to Republican Party Committee of XX Municipality during preceding one-year period.	Municipality (or any agency or instrumentality thereof) <u>is allowed to</u> award non-fair and open contract to the business entity.
Business entity contributes over \$200 to Committee to Elect Smith & Jones to the Board of County Commissioners during preceding one-year period.	County (or any agency or instrumentality thereof) <u>cannot</u> award a non-fair and open contract to the business entity.
Business entity contributes over \$200 to Committee to Elect Smith & Jones to Borough Council during preceding one-year period.	Municipality (or any agency or instrumentality thereof) <u>cannot</u> award a non-fair and open contract to the business entity.

31

## A word on State Contracts

- Read the specifications to understand:
  - Has the contract been extended to local contracting units?
  - What is and is not covered by the contract
  - Terms and conditions
  - Contract expiration
  - Contract can only be used exactly as offered by State, no deviations
- Because these are written for the State, they may contain procedures not typical of LPCL contracts
  - Mini-bids or other selection processes for contracts awarded to one or more vendors

32



