

40A:11-15

4/6/87

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:11-15 (Methane gas collection-- sanitary landfills--allow 25-year contracts for local government)

CHAPTER 177

Laws Of: 1986

Bill No: A1126

Sponsor(s): Ogden

Date Introduced: Pre-filed

Committee: Assembly: County Government

Senate: County & Municipal Government

Amended during passage: Yes Amendments during passage denoted by asterisks

Date of Passage: **Assembly:** June 9, 1986
Senate: October 23, 1986

Date of Approval: December 8, 1986

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

12-8-86

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ASSEMBLY, No. 1126**STATE OF NEW JERSEY**

PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblywoman OGDEN

AN ACT concerning the term of certain contracts and amending
P. L. 1971, c. 198.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 15 of P. L. 1971, c. 198 (C. 40A:11-15) is amended to
2 read as follows:

3 15. Duration of certain contracts. All purchases, contracts or
4 agreements for the performing of work or the furnishing of
5 materials, supplies or services shall be made for a period not to
6 exceed 12 consecutive months, except that contracts or agree-
7 ments may be entered into for longer periods of time as follows:

8 (1) Supplying of

9 (a) Fuel for heating purposes, for any term not exceeding
10 in the aggregate, two years;

11 (b) Fuel or oil for use of airplanes, automobiles, motor
12 vehicles or equipment for any term not exceeding in the aggre-
13 gate, two years;

14 (c) Thermal energy produced by a cogeneration facility, for
15 use for heating or air conditioning or both, for any term not
16 exceeding 40 years, when the contract is approved by the
17 Board of Public Utilities. For the purposes of this paragraph,
18 "cogeneration" means the simultaneous production in one
19 facility of electric power and other forms of useful energy
20 such as heating or process steam;

21 (2) (Deleted by amendment; P. L. 1977, c. 53.)

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted May 22, 1986.**

****—Senate committee amendments adopted October 2, 1986.**

22 (3) The collection and disposal of garbage and refuse and the
23 barging and disposal of sewage sludge, for any term not exceeding
23A in the aggregate, five years;

24 (4) The recycling of solid waste, **including the collection of meth-*
25 *ane gas from a sanitary landfill facility,** for any term not exceed-
26 ing 25 years, when such contract is in conformance with a solid
27 waste management plan approved pursuant to P. L. 1970, c. 39 (C.
28 13:1E-1 et seq.), and with the approval of the Division of Local
29 Government Services and the Department of Environmental Pro-
29A tection. **The contracting unit shall award the contract to the high-*
29B *est responsible bidder, notwithstanding that the contract price may*
29C *be in excess of the amount of any necessarily related administrative*
29D *expenses* **; except that if the contract requires the contracting*
29E *unit to expend funds only, the contracting unit shall award the*
29F *contract to the lowest responsible bidder**;*

30 (5) Data processing service, for any term of not more than three
31 years;

32 (6) Insurance, for any term of not more than three years;

33 (7) Leasing or servicing of automobiles, motor vehicles, ma-
34 chinery and equipment of every nature and kind, for a period not
35 to exceed three years; provided, however, such contracts shall be
36 entered into only subject to and in accordance with the rules and
37 regulations promulgated by the Director of the Division of Local
38 Government Services of the Department of Community Affairs;

39 (8) The supplying of any product or the rendering of any ser-
40 vice by a telephone company which is subject to the jurisdiction of
41 the Board of Public Utilities for a term not exceeding five years;

42 (9) Any single project for the construction, reconstruction or
43 rehabilitation of any public building, structure or facility, or any
44 public works project, including the retention of the services of
45 any architect or engineer in connection therewith, for the length
46 of time authorized and necessary for the completion of the actual
47 construction;

48 (10) The providing of food services for any term not exceeding
49 three years;

50 (11) On-site inspections undertaken by private agencies pur-
51 suant to the "State Uniform Construction Code Act" (P. L. 1975,
52 c. 217; C. 52:27D-119 et seq.) for any term of not more than three
53 years;

54 (12) The performance of work or services or the furnishing of
55 materials or supplies for the purpose of conserving energy in build-
56 ings owned by, or operations conducted by, the contracting unit,

57 the entire price of which to be established as a percentage of the
58 resultant savings in energy costs, for a term not to exceed 10 years;
59 provided, however, that such contracts shall be entered into only
60 subject to and in accordance with rules and regulations promulgated
61 by the Department of Energy establishing a methodology for com-
62 puting energy cost savings;

63 (13) The performance of work or services or the furnishing of
64 materials or supplies for the purpose of elevator maintenance for
65 any term not exceeding three years;

66 (14) Leasing or servicing of electronic communications equip-
67 ment for a period not to exceed five years; provided, however, such
68 contract shall be entered into only subject to and in accordance
69 with the rules and regulations promulgated by the Director of the
70 Division of Local Government Services of the Department of Com-
71 munity Affairs;

72 (15) Leasing of motor vehicles, machinery and other equipment
73 primarily used to fight fires, for a term not to exceed seven years,
74 when the contract includes an option to purchase, subject to and in
75 accordance with rules and regulations promulgated by the Director
76 of the Division of Local Government Services of the Department
77 of Community Affairs;

78 (16) The provision of water supply services or the designing,
79 financing, construction, operation, or maintenance, or any combina-
80 tion thereof, of a water supply facility, or any component part or
81 parts thereof, including a water filtration system, for a period not
82 to exceed 40 years, when the contract for these services is approved
83 by the Division of Local Government Services in the Department
84 of Community Affairs, the Board of Public Utilities, and the De-
85 partment of Environmental Protection pursuant to P. L. 1985,
86 c. 37 (C. 58:26-1 et seq.). For the purposes of this paragraph,
87 "water supply services" means any service provided by a water
88 supply facility; "water filtration system" means any equipment,
89 plants, structures, machinery, apparatus, or land, or any combi-
90 nation thereof, acquired, used, constructed, rehabilitated, or op-
91 erated for the collection, impoundment, storage, improvement,
92 filtration, or other treatment of drinking water for the purposes
93 of purifying and enhancing water quality and insuring its pota-
94 bility prior to the distribution of the drinking water to the general
95 public for human consumption, including plants and works, and
96 other personal property and appurtenances necessary for their
97 use or operation; and "water supply facility" means and refers
98 to the real property and the plants, structures, interconnections

99 between existing water supply facilities, machinery and equipment
100 and other property, real, personal and mixed, acquired, constructed
101 or operated, or to be acquired, constructed or operated, in whole
102 or in part by or on behalf of a political subdivision of the State
103 or any agency thereof, for the purpose of augmenting the natural
104 water resources of the State and making available an increased
105 supply of water for all uses, or of conserving existing water
106 resources, and any and all appurtenances necessary, useful or con-
107 venient for the collecting, impounding, storing, improving, treating,
108 filtering, conserving or transmitting of water and for the preser-
109 vation and protection of these resources and facilities and provid-
110 ing for the conservation and development of future water supply
111 resources;

112 (17) The provision of solid waste disposal services by a resource
113 recovery facility, the furnishing of products of a resource recovery
114 facility, the disposal of the solid waste delivered for disposal which
115 cannot be processed by a resource recovery facility or the waste
116 products resulting from the operation of a resource recovery facil-
117 ity, including hazardous waste and recovered metals and other
118 materials for reuse, or the design, financing, construction, opera-
119 tion or maintenance of a resource recovery facility for a period
120 not to exceed 40 years when the contract is approved by the Division
121 of Local Government Services in the Department of Community
122 Affairs, the Board of Public Utilities, and the Department of En-
123 vironmental Protection; and when the facility is in conformance
124 with a solid waste management plan approved pursuant to P. L.
125 1970, c. 39 (C. 13:1E-1 et seq.). For the purposes of this subsec-
126 tion, "resource recovery facility" means a solid waste facility con-
127 structed and operated for the incineration of solid waste for energy
128 production and the recovery of metals and other materials for re-
129 use; or a mechanized composting facility, or any other solid waste
130 facility constructed or operated for the collection, separation, re-
131 cycling, and recovery of metals, glass, paper, and other materials
132 for reuse or for energy production;

133 (18) The sale of electricity or thermal energy, or both, produced
134 by a resource recovery facility for a period not to exceed 40 years
135 when the contract is approved by the Board of Public Utilities; and
136 when the facility is in conformance with a solid waste management
137 plan approved pursuant to P. L. 1970, c. 39 (C. 13:1E-1 et seq.).
138 For the purposes of this subsection, "resource recovery facility"
139 means a solid waste facility constructed and operated for the in-
140 cineration of solid waste for energy production and the recovery

141 of metals and other materials for reuse; or a mechanized compost-
 142 ing facility, or any other solid waste facility constructed or operated
 143 for the collection, separation, recycling, and recovery of metals,
 144 glass, paper, and other materials for reuse or for energy production;

145 (19) The provision of wastewater treatment services or the de-
 146 signing, financing, construction, operation, or maintenance, or any
 147 combination thereof, of a wastewater treatment system, or any com-
 148 ponent part or parts thereof, for a period not to exceed 40 years,
 149 when the contract for these services is approved by the Division of
 150 Local Government Services in the Department of Community Af-
 151 fairs and the Department of Environmental Protection pursuant
 152 to P. L. 1985, c. 72 (C. 58:27-1 et seq.). For the purposes of this
 153 paragraph, "wastewater treatment services" means any service pro-
 154 vided by a wastewater treatment system, and "wastewater treat-
 155 ment system" means equipment, plants, structures, machinery,
 156 apparatus, or land, or any combination thereof, acquired, used,
 157 constructed, or operated for the storage, collection, reduction, re-
 158 cycling, reclamation, disposal, separation, or other treatment of
 159 wastewater or sewer sludge, or for the final disposal of residues
 160 resulting from the treatment of wastewater, including, but not
 161 limited to, pumping and ventilating stations, facilities, plants and
 162 works, connections, outfall sewers, interceptors, trunk lines, and
 163 other personal property and appurtenances necessary for their
 164 operation.***

164A (20) The supplying of materials or services for the purpose of
 164B lighting public streets, for a term not to exceed five years, provided
 164C that the rates, fares, tariffs or charges for the supplying of
 164D electricity for that purpose are approved by the Board of Public
 164E Utilities.***

165 **[20. The collection of methane gas from a sanitary landfill facil-*
 166 *ity, for any term not exceeding 20 years for which the contracting*
 167 *unit may receive a contract price in excess of the amount of any*
 168 *necessarily related administrative expenses.]**

169 All multi-year leases and contracts entered into pursuant to this
 170 section 15, except contracts for the leasing or servicing of equipment
 171 supplied by a telephone company which is subject to the jurisdiction
 172 of the Board of Public Utilities, ***contracts involving the supply-
 173 ing of electricity for the purpose of lighting public streets and***
 174 contracts for thermal energy authorized pursuant to subsection (1)
 175 above, construction contracts authorized pursuant to subsection
 176 (9) above, **[or]** contracts and agreements for the provision of work
 177 or the supplying of equipment to promote energy conservation

178 authorized pursuant to subsection (12) above, *contracts for water
 179 supply services or for a water supply facility, or any component
 180 part or parts thereof authorized pursuant to subsection (16) above,
 181 contracts for resource recovery services or a resource recovery
 182 facility authorized pursuant to subsection (17) above, contracts for
 183 the sale of energy produced by a resource recovery facility autho-
 184 rized pursuant to subsection (18) above, **[or]** contracts for waste-
 185 water treatment services or for a wastewater treatment system or
 186 any component part or parts thereof authorized pursuant to sub-
 187 section (19) above, ***[or contracts for the collection of methane gas**
 188 *authorized pursuant to subsection (20) above,***]*** shall contain a
 189 clause making them subject to the availability and appropriation
 190 annually of sufficient funds as may be required to meet the extended
 191 obligation, or contain an annual cancellation clause.

192 The Division of Local Government Services shall adopt and pro-
 193 mulgate rules and regulations concerning the methods of accounting
 194 for all contracts that do not coincide with the fiscal year.

1 2. This act shall take effect immediately.

LOCAL PUBLIC CONTRACTS

Permits local contracting units to enter into contracts for terms of
 up to 25 years for collection of methane gas from landfills.

STATEMENT

This bill would amend the "Local Public Contracts Law," P. L. 1971, c. 198 (C. 40A:11-1 et seq.) to permit contracting units to enter into 20-year contracts for the collection of methane gas from sanitary landfill facilities. In addition, the bill would permit a contracting unit to receive money as part of the contract agreement.

A1126 (1986)

ASSEMBLY COUNTY GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1126

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 22, 1986

The Assembly County Government Committee reports Assembly Bill No. 1126 favorably and with committee amendments.

Assembly Bill No. 1126, as amended by the committee, amends section 15 of the "Local Public Contracts Law," P. L. 1971, c. 198 (C. 40A:11-15) to permit local contracting units to enter into contracts for a term of up to 25 years for the collection of methane gas from sanitary landfill facilities.

The bill also waives the current statutory requirement that all contracts be awarded to the lowest responsible bidder in order to require local contracting units to award a contract for the collection of methane gas to the highest responsible bidder. The inclusion of this provision will enable local units to earn revenues from the sale of methane gases collected from their sanitary landfill facilities.

Assembly Bill No. 1126 was pre-filed for the 1986 Legislative Session pending technical review by Legislative Counsel. As amended and reported by the committee the bill includes the changes required by technical review which has been performed.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1126

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with Senate committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 2, 1986

The Senate County and Municipal Government Committee reports favorably and with committee amendments Assembly Bill No. 1126 OCR.

Assembly Bill No. 1126 OCR Sea amends section 15 of the "Local Public Contracts Law," P. L. 1971, c. 198 (C. 40A:11-15) to permit local contracting units to enter into contracts for a term of up to 25 years for the collection of methane gas from sanitary landfill facilities.

The bill also requires local contracting units to award a recycling contract to the highest responsible bidder when a contract price may be received by the contracting unit in excess of any necessarily related administrative expenses. The inclusion of this provision will enable local units to earn revenues from the sale of recyclable materials.

The committee amended the bill to clarify that any recycling contract which requires the contracting unit to expend funds only, shall be awarded to the lowest responsible bidder.