

40A:11-15

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

(Public contracts--equipment)

NJSA: 40A:11-15

LAWS OF: 1997 CHAPTER: 288

BILL NO: S407

SPONSOR(S): Bryant

DATE INTRODUCED: January 18, 1996

COMMITTEE: ASSEMBLY: Local Government
SENATE: Community Affairs

AMENDED DURING PASSAGE: No Senate Committee substitute

DATE OF PASSAGE: ASSEMBLY: December 4, 1997
SENATE: June 27, 1996

DATE OF APPROVAL: January 8 1998

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

KBP:pp

P.L. 1997, CHAPTER 288, *approved January 8, 1998*
Senate Committee Substitute for
Senate, No. 407

1 AN ACT concerning the duration of public contracts for the lease of
2 fire equipment and amending P.L.1971, c.198.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

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

9 15. All purchases, contracts or agreements for the performing of
10 work or the furnishing of materials, supplies or services shall be made
11 for a period not to exceed 12 consecutive months, except that
12 contracts or agreements may be entered into for longer periods of time
13 as follows:

14 (1) Supplying of:

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

17 (b) Fuel or oil for use of airplanes, automobiles, motor vehicles or
18 equipment for any term not exceeding in the aggregate, two years;

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

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

26 (3) The collection and disposal of municipal solid waste, the
27 collection and disposition of recyclable material, or the disposal of
28 sewage sludge, for any term not exceeding in the aggregate, five years;

29 (4) The collection and recycling of methane gas from a sanitary
30 landfill facility, for any term not exceeding 25 years, when such
31 contract is in conformance with a district solid waste management plan
32 approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.), and with the

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 underlined thus is new matter.

1 approval of the Division of Local Government Services in the
2 Department of Community Affairs and the Department of
3 Environmental Protection. The contracting unit shall award the
4 contract to the highest responsible bidder, notwithstanding that the
5 contract price may be in excess of the amount of any necessarily
6 related administrative expenses; except that if the contract requires the
7 contracting unit to expend funds only, the contracting unit shall award
8 the contract to the lowest responsible bidder. The approval by the
9 Division of Local Government Services of public bidding requirements
10 shall not be required for those contracts exempted therefrom pursuant
11 to section 5 of P.L.1971, c.198 (C.40A:11-5);

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

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

15 (7) Leasing or servicing of automobiles, motor vehicles, machinery
16 and equipment of every nature and kind, for a period not to exceed
17 three years; provided, however, such contracts shall be entered into
18 only subject to and in accordance with the rules and regulations
19 promulgated by the Director of the Division of Local Government
20 Services of the Department of Community Affairs;

21 (8) The supplying of any product or the rendering of any service
22 by a telephone company which is subject to the jurisdiction of the
23 Board of Public Utilities for a term not exceeding five years;

24 (9) Any single project for the construction, reconstruction or
25 rehabilitation of any public building, structure or facility, or any public
26 works project, including the retention of the services of any architect
27 or engineer in connection therewith, for the length of time authorized
28 and necessary for the completion of the actual construction;

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

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

34 (12) The performance of work or services or the furnishing of
35 materials or supplies for the purpose of conserving energy in buildings
36 owned by, or operations conducted by, the contracting unit, the entire
37 price of which to be established as a percentage of the resultant
38 savings in energy costs, for a term not to exceed 10 years; provided,
39 however, that such contracts shall be entered into only subject to and
40 in accordance with rules and regulations promulgated by the
41 Department of Environmental Protection establishing a methodology
42 for computing energy cost savings;

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

46 (14) Leasing or servicing of electronic communications equipment

1 for a period not to exceed five years; provided, however, such contract
2 shall be entered into only subject to and in accordance with the rules
3 and regulations promulgated by the Director of the Division of Local
4 Government Services of the Department of Community Affairs;

5 (15) Leasing of motor vehicles, machinery and other equipment
6 primarily used to fight fires, for a term not to exceed **[seven]** ten
7 years, when the contract includes an option to purchase, subject to and
8 in accordance with rules and regulations promulgated by the Director
9 of the Division of Local Government Services of the Department of
10 Community Affairs;

11 (16) The provision of water supply services or the designing,
12 financing, construction, operation, or maintenance, or any combination
13 thereof, of a water supply facility, or any component part or parts
14 thereof, including a water filtration system, for a period not to exceed
15 40 years, when the contract for these services is approved by the
16 Division of Local Government Services in the Department of
17 Community Affairs, the Board of Public Utilities, and the Department
18 of Environmental Protection pursuant to P.L.1985, c.37 (C.58:26-1 et
19 al.), except for those contracts otherwise exempted pursuant to
20 subsection (30), (31), (34) or (35) of this section. For the purposes
21 of this subsection, "water supply services" means any service provided
22 by a water supply facility; "water filtration system" means any
23 equipment, plants, structures, machinery, apparatus, or land, or any
24 combination thereof, acquired, used, constructed, rehabilitated, or
25 operated for the collection, impoundment, storage, improvement,
26 filtration, or other treatment of drinking water for the purposes of
27 purifying and enhancing water quality and insuring its potability prior
28 to the distribution of the drinking water to the general public for
29 human consumption, including plants and works, and other personal
30 property and appurtenances necessary for their use or operation; and
31 "water supply facility" means and refers to the real property and the
32 plants, structures, interconnections between existing water supply
33 facilities, machinery and equipment and other property, real, personal
34 and mixed, acquired, constructed or operated, or to be acquired,
35 constructed or operated, in whole or in part by or on behalf of a
36 political subdivision of the State or any agency thereof, for the
37 purpose of augmenting the natural water resources of the State and
38 making available an increased supply of water for all uses, or of
39 conserving existing water resources, and any and all appurtenances
40 necessary, useful or convenient for the collecting, impounding, storing,
41 improving, treating, filtering, conserving or transmitting of water and
42 for the preservation and protection of these resources and facilities and
43 providing for the conservation and development of future water supply
44 resources;

45 (17) The provision of resource recovery services by a qualified
46 vendor, the disposal of the solid waste delivered for disposal which

1 cannot be processed by a resource recovery facility or the residual ash
2 generated at a resource recovery facility, including hazardous waste
3 and recovered metals and other materials for reuse, or the design,
4 financing, construction, operation or maintenance of a resource
5 recovery facility for a period not to exceed 40 years when the contract
6 is approved by the Division of Local Government Services in the
7 Department of Community Affairs, and the Department of
8 Environmental Protection pursuant to P.L.1985, c.38 (C.13:1E-136 et
9 al.); and when the resource recovery facility is in conformance with a
10 district solid waste management plan approved pursuant to P.L.1970,
11 c.39 (C.13:1E-1 et seq.). For the purposes of this subsection,
12 "resource recovery facility" means a solid waste facility constructed
13 and operated for the incineration of solid waste for energy production
14 and the recovery of metals and other materials for reuse; or a
15 mechanized composting facility, or any other facility constructed or
16 operated for the collection, separation, recycling, and recovery of
17 metals, glass, paper, and other materials for reuse or for energy
18 production; and "residual ash" means the bottom ash, fly ash, or any
19 combination thereof, resulting from the combustion of solid waste at
20 a resource recovery facility;

21 (18) The sale of electricity or thermal energy, or both, produced
22 by a resource recovery facility for a period not to exceed 40 years
23 when the contract is approved by the Board of Public Utilities, and
24 when the resource recovery facility is in conformance with a district
25 solid waste management plan approved pursuant to P.L.1970, c.39
26 (C.13:1E-1 et seq.). For the purposes of this subsection, "resource
27 recovery facility" means a solid waste facility constructed and operated
28 for the incineration of solid waste for energy production and the
29 recovery of metals and other materials for reuse; or a mechanized
30 composting facility, or any other facility constructed or operated for
31 the collection, separation, recycling, and recovery of metals, glass,
32 paper, and other materials for reuse or for energy production;

33 (19) The provision of wastewater treatment services or the
34 designing, financing, construction, operation, or maintenance, or any
35 combination thereof, of a wastewater treatment system, or any
36 component part or parts thereof, for a period not to exceed 40 years,
37 when the contract for these services is approved by the Division of
38 Local Government Services in the Department of Community Affairs
39 and the Department of Environmental Protection pursuant to
40 P.L.1985, c.72 (C.58:27-1 et al.), except for those contracts otherwise
41 exempted pursuant to subsection (36) of this section. For the
42 purposes of this subsection, "wastewater treatment services" means
43 any services provided by a wastewater treatment system, and
44 "wastewater treatment system" means equipment, plants, structures,
45 machinery, apparatus, or land, or any combination thereof, acquired,
46 used, constructed, or operated for the storage, collection, reduction,

1 recycling, reclamation, disposal, separation, or other treatment of
2 wastewater or sewage sludge, or for the final disposal of residues
3 resulting from the treatment of wastewater, including, but not limited
4 to, pumping and ventilating stations, facilities, plants and works,
5 connections, outfall sewers, interceptors, trunk lines, and other
6 personal property and appurtenances necessary for their operation;

7 (20) The supplying of materials or services for the purpose of
8 lighting public streets, for a term not to exceed five years, provided
9 that the rates, fares, tariffs or charges for the supplying of electricity
10 for that purpose are approved by the Board of Public Utilities;

11 (21) In the case of a contracting unit which is a county or
12 municipality, the provision of emergency medical services by a hospital
13 to residents of a municipality or county as appropriate for a term not
14 to exceed five years;

15 (22) Towing and storage contracts, awarded pursuant to
16 paragraph u. of subsection (1) of section 5 of P.L.1971, c.198
17 (C.40A:11-5) for any term not exceeding three years;

18 (23) Fuel for the purpose of generating electricity for a term not
19 to exceed eight years;

20 (24) The purchase of electricity or administrative or dispatching
21 services related to the transmission of such electricity, from a public
22 utility company subject to the jurisdiction of the Board of Public
23 Utilities, a similar regulatory body of another state, or a federal
24 regulatory agency, or from a qualifying small power producing facility
25 or qualifying cogeneration facility, as defined by 16 U.S.C. 796, by a
26 contracting unit engaged in the generation of electricity for retail sale,
27 as of May 24, 1991, for a term not to exceed 40 years;

28 (25) Basic life support services, for a period not to exceed five
29 years. For the purposes of this subsection, "basic life support" means
30 a basic level of prehospital care, which includes but need not be limited
31 to patient stabilization, airway clearance, cardiopulmonary
32 resuscitation, hemorrhage control, initial wound care and fracture
33 stabilization;

34 (26) Claims administration services, for any term not to exceed
35 three years;

36 (27) The provision of transportation services to elderly, disabled
37 or indigent persons for any term of not more than three years. For the
38 purposes of this subsection, "elderly persons" means persons who are
39 60 years of age or older. "Disabled persons" means persons of any age
40 who, by reason of illness, injury, age, congenital malfunction, or other
41 permanent or temporary incapacity or disability, are unable, without
42 special facilities or special planning or design to utilize mass
43 transportation facilities and services as effectively as persons who are
44 not so affected. "Indigent persons" means persons of any age whose
45 income does not exceed 100 percent of the poverty level, adjusted for
46 family size, established and adjusted under section 673(2) of subtitle

1 B, the "Community Services Block Grant Act," Pub.L.97-35 (42
2 U.S.C.9902 (2));

3 (28) The supplying of liquid oxygen or other chemicals, for a term
4 not to exceed five years, when the contract includes the installation of
5 tanks or other storage facilities by the supplier, on or near the
6 premises of the contracting unit;

7 (29) The performance of patient care services by contracted
8 medical staff at county hospitals, correction facilities and long term
9 care facilities, for any term of not more than three years;

10 (30) The acquisition of an equitable interest in a water supply
11 facility pursuant to section 2 of P.L.1993, c.381 (C.58:28-2), or an
12 agreement entered into pursuant to the "County and Municipal Water
13 Supply Act," N.J.S.40A:31-1 et seq., if the agreement is entered into
14 no later than January 7, 1995, for any term of not more than forty
15 years;

16 (31) The provision of water supply services or the financing,
17 construction, operation or maintenance or any combination thereof, of
18 a water supply facility or any component part or parts thereof, by a
19 partnership or copartnership established pursuant to a contract
20 authorized under section 2 of P.L.1993, c.381 (C.58:28-2), for a
21 period not to exceed 40 years;

22 (32) Laundry service and the rental, supply and cleaning of
23 uniforms for any term of not more than three years;

24 (33) The supplying of any product or the rendering of any service,
25 including consulting services, by a cemetery management company for
26 the maintenance and preservation of a municipal cemetery operating
27 pursuant to the "New Jersey Cemetery Act," N.J.S.8A:1-1 et seq., for
28 a term not exceeding 15 years;

29 (34) A contract between a public entity and a private firm
30 pursuant to P.L.1995, c.101 (C.58:26-19 et al.) for the provision of
31 water supply services may be entered into for any term which, when
32 all optional extension periods are added, may not exceed 40 years;

33 (35) An agreement for the purchase of a supply of water from a
34 public utility company subject to the jurisdiction of the Board of Public
35 Utilities in accordance with tariffs and schedules of charges made,
36 charged or exacted or contracts filed with the Board of Public
37 Utilities, for any term of not more than 40 years;

38 (36) A contract between a public entity and a private firm or
39 public authority pursuant to P.L.1995, c.216 (C.58:27-19 et al.) for
40 the provision of wastewater treatment services may be entered into for
41 any term of not more than 40 years, including all optional extension
42 periods; and

43 (37) The operation and management of a facility under a license
44 issued or permit approved by the Department of Environmental
45 Protection, including a wastewater treatment system or a water supply
46 or distribution facility, as the case may be, for any term of not more

1 than seven years. For the purposes of this subsection, "wastewater
2 treatment system" refers to facilities operated or maintained for the
3 storage, collection, reduction, disposal, or other treatment of
4 wastewater or sewage sludge, remediation of groundwater
5 contamination, stormwater runoff, or the final disposal of residues
6 resulting from the treatment of wastewater; and "water supply or
7 distribution facility" refers to facilities operated or maintained for
8 augmenting the natural water resources of the State, increasing the
9 supply of water, conserving existing water resources, or distributing
10 water to users.

11 All multiyear leases and contracts entered into pursuant to this
12 section, except contracts for the leasing or servicing of equipment
13 supplied by a telephone company which is subject to the jurisdiction
14 of the Board of Public Utilities, contracts involving the supplying of
15 electricity for the purpose of lighting public streets and contracts for
16 thermal energy authorized pursuant to subsection (1) above,
17 construction contracts authorized pursuant to subsection (9) above,
18 contracts and agreements for the provision of work or the supplying
19 of equipment to promote energy conservation authorized pursuant to
20 subsection (12) above, contracts for water supply services or for a
21 water supply facility, or any component part or parts thereof
22 authorized pursuant to subsection (16), (30), (31), (34), (35) or (37)
23 above, contracts for resource recovery services or a resource recovery
24 facility authorized pursuant to subsection (17) above, contracts for the
25 sale of energy produced by a resource recovery facility authorized
26 pursuant to subsection (18) above, contracts for wastewater treatment
27 services or for a wastewater treatment system or any component part
28 or parts thereof authorized pursuant to subsection (19), (36) or (37)
29 above, and contracts for the purchase of electricity or administrative
30 or dispatching services related to the transmission of such electricity
31 authorized pursuant to subsection (24) above, shall contain a clause
32 making them subject to the availability and appropriation annually of
33 sufficient funds as may be required to meet the extended obligation, or
34 contain an annual cancellation clause.

35 The Division of Local Government Services shall adopt and
36 promulgate rules and regulations concerning the methods of
37 accounting for all contracts that do not coincide with the fiscal year.
38 (cf: P.L.1995, c.371, s.1)

39

40 2. This act shall take effect immediately.

41

42

43

44

45 _____
46 Increases maximum length of local public contracts for lease of
equipment for fighting fires.

SENATE, No. 407

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1996

By Senator BRYANT

1 AN ACT concerning the duration of public contracts for the lease of
2 fire equipment and amending P.L.1971, c.198.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

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

9 15. All purchases, contracts or agreements for the performing of
10 work or the furnishing of materials, supplies or services shall be made
11 for a period not to exceed 12 consecutive months, except that
12 contracts or agreements may be entered into for longer periods of time
13 as follows:

14 (1) Supplying of:

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

17 (b) Fuel or oil for use of airplanes, automobiles, motor vehicles or
18 equipment for any term not exceeding in the aggregate, two years;

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

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

26 (3) The collection and disposal of municipal solid waste, the
27 collection and disposition of recyclable material, or the disposal of
28 sewage sludge, for any term not exceeding in the aggregate, five years;

29 (4) The collection and recycling of methane gas from a sanitary
30 landfill facility, for any term not exceeding 25 years, when such
31 contract is in conformance with a solid waste management plan
32 approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.), and with the
33 approval of the Division of Local Government Services in the
34 Department of Community Affairs and the Department of

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 underlined thus is new matter.

1 Environmental Protection. The contracting unit shall award the
2 contract to the highest responsible bidder, notwithstanding that the
3 contract price may be in excess of the amount of any necessarily
4 related administrative expenses; except that if the contract requires the
5 contracting unit to expend funds only, the contracting unit shall award
6 the contract to the lowest responsible bidder. The approval by the
7 Division of Local Government Services of public bidding requirements
8 shall not be required for those contracts exempted therefrom pursuant
9 to section 5 of P.L.1971, c.198 (C.40A:11-5);

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

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

13 (7) Leasing or servicing of automobiles, motor vehicles, machinery
14 and equipment of every nature and kind, for a period not to exceed
15 three years; provided, however, such contracts shall be entered into
16 only subject to and in accordance with the rules and regulations
17 promulgated by the Director of the Division of Local Government
18 Services of the Department of Community Affairs;

19 (8) The supplying of any product or the rendering of any service
20 by a telephone company which is subject to the jurisdiction of the
21 Board of Public Utilities for a term not exceeding five years;

22 (9) Any single project for the construction, reconstruction or
23 rehabilitation of any public building, structure or facility, or any public
24 works project, including the retention of the services of any architect
25 or engineer in connection therewith, for the length of time authorized
26 and necessary for the completion of the actual construction;

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

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

32 (12) The performance of work or services or the furnishing of
33 materials or supplies for the purpose of conserving energy in buildings
34 owned by, or operations conducted by, the contracting unit, the entire
35 price of which to be established as a percentage of the resultant
36 savings in energy costs, for a term not to exceed 10 years; provided,
37 however, that such contracts shall be entered into only subject to and
38 in accordance with rules and regulations promulgated by the
39 Department of Environmental Protection establishing a methodology
40 for computing energy cost savings;

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

44 (14) Leasing or servicing of electronic communications equipment
45 for a period not to exceed five years; provided, however, such contract
46 shall be entered into only subject to and in accordance with the rules

1 and regulations promulgated by the Director of the Division of Local
2 Government Services of the Department of Community Affairs;

3 (15) Leasing of motor vehicles, machinery and other equipment
4 primarily used to fight fires, for a term not to exceed seven years, or
5 for a term not to exceed 10 years if the contracting unit is a
6 municipality with a population of not more than 15,000 or is within the
7 territorial boundaries of a municipality with a population of not more
8 than 15,000 according to the latest federal decennial census, when the
9 contract includes an option to purchase, subject to and in accordance
10 with rules and regulations promulgated by the Director of the Division
11 of Local Government Services of the Department of Community
12 Affairs;

13 (16) The provision of water supply services or the designing,
14 financing, construction, operation, or maintenance, or any combination
15 thereof, of a water supply facility, or any component part or parts
16 thereof, including a water filtration system, for a period not to exceed
17 40 years, when the contract for these services is approved by the
18 Division of Local Government Services in the Department of
19 Community Affairs, the Board of Public Utilities, and the Department
20 of Environmental Protection pursuant to P.L.1985, c.37 (C.58:26-1 et
21 al.), except for those contracts otherwise exempted pursuant to
22 subsection (30) or (31) of this section. For the purposes of this
23 subsection, "water supply services" means any service provided by a
24 water supply facility; "water filtration system" means any equipment,
25 plants, structures, machinery, apparatus, or land, or any combination
26 thereof, acquired, used, constructed, rehabilitated, or operated for the
27 collection, impoundment, storage, improvement, filtration, or other
28 treatment of drinking water for the purposes of purifying and
29 enhancing water quality and insuring its potability prior to the
30 distribution of the drinking water to the general public for human
31 consumption, including plants and works, and other personal property
32 and appurtenances necessary for their use or operation; and "water
33 supply facility" means and refers to the real property and the plants,
34 structures, interconnections between existing water supply facilities,
35 machinery and equipment and other property, real, personal and
36 mixed, acquired, constructed or operated, or to be acquired,
37 constructed or operated, in whole or in part by or on behalf of a
38 political subdivision of the State or any agency thereof, for the
39 purpose of augmenting the natural water resources of the State and
40 making available an increased supply of water for all uses, or of
41 conserving existing water resources, and any and all appurtenances
42 necessary, useful or convenient for the collecting, impounding, storing,
43 improving, treating, filtering, conserving or transmitting of water and
44 for the preservation and protection of these resources and facilities and
45 providing for the conservation and development of future water supply
46 resources;

1 (17) The provision of solid waste disposal services by a resource
2 recovery facility, the furnishing of products of a resource recovery
3 facility, the disposal of the solid waste delivered for disposal which
4 cannot be processed by a resource recovery facility or the waste
5 products resulting from the operation of a resource recovery facility,
6 including hazardous waste and recovered metals and other materials
7 for reuse, or the design, financing, construction, operation or
8 maintenance of a resource recovery facility for a period not to exceed
9 40 years when the contract is approved by the Division of Local
10 Government Services in the Department of Community Affairs, the
11 Board of Public Utilities, and the Department of Environmental
12 Protection; and when the facility is in conformance with a solid waste
13 management plan approved pursuant to P.L.1970, c.39 (C.13:1E-1 et
14 seq.). For the purposes of this subsection, "resource recovery facility"
15 means a solid waste facility constructed and operated for the
16 incineration of solid waste for energy production and the recovery of
17 metals and other materials for reuse; or a mechanized composting
18 facility, or any other solid waste facility constructed or operated for
19 the collection, separation, recycling, and recovery of metals, glass,
20 paper, and other materials for reuse or for energy production;

21 (18) The sale of electricity or thermal energy, or both, produced by
22 a resource recovery facility for a period not to exceed 40 years when
23 the contract is approved by the Board of Public Utilities, and when the
24 facility is in conformance with a solid waste management plan
25 approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.). For the
26 purposes of this subsection, "resource recovery facility" means a solid
27 waste facility constructed and operated for the incineration of solid
28 waste for energy production and the recovery of metals and other
29 materials for reuse; or a mechanized composting facility, or any other
30 solid waste facility constructed or operated for the collection,
31 separation, recycling, and recovery of metals, glass, paper, and other
32 materials for reuse or for energy production;

33 (19) The provision of wastewater treatment services or the
34 designing, financing, construction, operation, or maintenance, or any
35 combination thereof, of a wastewater treatment system, or any
36 component part or parts thereof, for a period not to exceed 40 years,
37 when the contract for these services is approved by the Division of
38 Local Government Services in the Department of Community Affairs
39 and the Department of Environmental Protection pursuant to
40 P.L.1985, c.72 (C.58:27-1 et al.). For the purposes of this subsection,
41 "wastewater treatment services" means any services provided by a
42 wastewater treatment system, and "wastewater treatment system"
43 means equipment, plants, structures, machinery, apparatus, or land, or
44 any combination thereof, acquired, used, constructed, or operated for
45 the storage, collection, reduction, recycling, reclamation, disposal,
46 separation, or other treatment of wastewater or sewage sludge, or for

1 the final disposal of residues resulting from the treatment of
2 wastewater, including, but not limited to, pumping and ventilating
3 stations, facilities, plants and works, connections, outfall sewers,
4 interceptors, trunk lines, and other personal property and
5 appurtenances necessary for their operation;

6 (20) The supplying of materials or services for the purpose of
7 lighting public streets, for a term not to exceed five years, provided
8 that the rates, fares, tariffs or charges for the supplying of electricity
9 for that purpose are approved by the Board of Public Utilities;

10 (21) In the case of a contracting unit which is a county or
11 municipality, the provision of emergency medical services by a hospital
12 to residents of a municipality or county as appropriate for a term not
13 to exceed five years;

14 (22) Towing and storage contracts, awarded pursuant to paragraph
15 u. of subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5) for
16 any term not exceeding three years;

17 (23) Fuel for the purpose of generating electricity for a term not to
18 exceed eight years;

19 (24) The purchase of electricity or administrative or dispatching
20 services related to the transmission of such electricity, from a public
21 utility company subject to the jurisdiction of the Board of Public
22 Utilities, a similar regulatory body of another state, or a federal
23 regulatory agency, or from a qualifying small power producing facility
24 or qualifying cogeneration facility, as defined by 16 U.S.C. §796, by
25 a contracting unit engaged in the generation of electricity for retail
26 sale, as of the date of this amendatory act, for a term not to exceed 40
27 years;

28 (25) Basic life support services, for a period not to exceed five
29 years. For the purposes of this subsection, "basic life support" means
30 a basic level of prehospital care, which includes but need not be limited
31 to patient stabilization, airway clearance, cardiopulmonary
32 resuscitation, hemorrhage control, initial wound care and fracture
33 stabilization;

34 (26) Claims administration services, for any term not to exceed
35 three years;

36 (27) The provision of transportation services to elderly, disabled or
37 indigent persons for any term of not more than three years. For the
38 purposes of this subsection, "elderly persons" means persons who are
39 60 years of age or older. "Disabled persons" means persons of any age
40 who, by reason of illness, injury, age, congenital malfunction, or other
41 permanent or temporary incapacity or disability, are unable, without
42 special facilities or special planning or design to utilize mass
43 transportation facilities and services as effectively as persons who are
44 not so affected. "Indigent persons" means persons of any age whose
45 income does not exceed 100 percent of the poverty level, adjusted for
46 family size, established and adjusted under section 673(2) of subtitle

1 B, the "Community Services Block Grant Act," Pub.L.97-35 (42
2 U.S.C. §9902 (2));

3 (28) The supplying of liquid oxygen or other chemicals, for a term
4 not to exceed five years, when the contract includes the installation of
5 tanks or other storage facilities by the supplier, on or near the
6 premises of the contracting unit;

7 (29) The performance of patient care services by contracted medical
8 staff at county hospitals, correction facilities and long term care
9 facilities, for any term of not more than three years;

10 (30) The acquisition of an equitable interest in a water supply
11 facility pursuant to section 2 of P.L.1993, c.381 (C.58:28-2), or an
12 agreement entered into pursuant to the "County and Municipal Water
13 Supply Act," N.J.S.40A:31-1 et seq., if the agreement is entered into
14 no more than six months after the effective date of this amendatory
15 act, P.L.1994, c.71, for any term of not more than 40 years;

16 (31) The provision of water supply services or the financing,
17 construction, operation or maintenance or any combination thereof, of
18 a water supply facility or any component part or parts thereof, by a
19 partnership or copartnership established pursuant to a contract
20 authorized under section 2 of P.L.1993, c.381 (C.58:28-2) for a period
21 not to exceed 40 years; and

22 (32) Laundry service and the rental, supply and cleaning of
23 uniforms for any term of not more than three years; and

24 (33) The supplying of any product or the rendering of any service,
25 including consulting services, by a cemetery management company for
26 the maintenance and preservation of a municipal cemetery operating
27 pursuant to the "New Jersey Cemetery Act," N.J.S.8A:1-1 et seq., for
28 a term not exceeding 15 years.

29 All multiyear leases and contracts entered into pursuant to this
30 section, except contracts for the leasing or servicing of equipment
31 supplied by a telephone company which is subject to the jurisdiction
32 of the Board of Public Utilities, contracts involving the supplying of
33 electricity for the purpose of lighting public streets and contracts for
34 thermal energy authorized pursuant to subsection (1) above,
35 construction contracts authorized pursuant to subsection (9) above,
36 contracts and agreements for the provision of work or the supplying
37 of equipment to promote energy conservation authorized pursuant to
38 subsection (12) above, contracts for water supply services or for a
39 water supply facility, or any component part or parts thereof
40 authorized pursuant to subsection (16) above, contracts for resource
41 recovery services or a resource recovery facility authorized pursuant
42 to subsection (17) above, contracts for the sale of energy produced by
43 a resource recovery facility authorized pursuant to subsection (18)
44 above, contracts for wastewater treatment services or for a wastewater
45 treatment system or any component part or parts thereof authorized
46 pursuant to subsection (19) above, and contracts for the purchase of

1 electricity or administrative or dispatching services related to the
2 transmission of such electricity authorized pursuant to subsection (24)
3 above, shall contain a clause making them subject to the availability
4 and appropriation annually of sufficient funds as may be required to
5 meet the extended obligation, or contain an annual cancellation clause.

6 The Division of Local Government Services shall adopt and
7 promulgate rules and regulations concerning the methods of
8 accounting for all contracts that do not coincide with the fiscal year.
9 (cf: P.L.1995, c.41, s.2)

10
11 2. This act shall take effect immediately.

12
13
14 STATEMENT

15
16 This bill amends subsection (15) of section 15 of P.L.1971, c.198
17 (C.40A:11-15) to provide that any contracting unit which is a
18 municipality with a population of not more than 15,000 or is within the
19 territorial boundaries of a municipality with a population of not more
20 than 15,000, according to the latest federal decennial census, may
21 enter into a contract for the leasing of motor vehicles, machinery and
22 other equipment primarily used to fight fires for a term not to exceed
23 10 years, when the contract includes an option to purchase that
24 equipment. Currently, the "Local Public Contracts Law," P.L.1971,
25 c.198 (C.40A:11-1 et seq.) provides that all purchases, contracts or
26 agreements made by a contracting unit for the performance of work or
27 for the furnishing of materials, supplies or services shall not exceed a
28 period of 12 consecutive months. Section 15 of P.L.1971, c.198
29 (C.40A:11-15) delineates numerous exceptions to this 12-month limit,
30 including subsection (15) which permits contracts for the leasing of
31 fire equipment for a term not to exceed seven years, when the contract
32 includes an option to purchase the equipment. This bill increases the
33 contract time limit to a term not to exceed 10 years for contracts made
34 by any municipality with a population of not more than 15,000 or any
35 contracting unit within the territorial boundaries of a municipality with
36 a population of not more than 15,000 according to the latest federal
37 decennial census.

38
39
40
41
42 _____
43 Permits public contracts involving lease of fire equipment to be
44 extended to period of not more than 10 years under certain
circumstances.

[Passed Both Houses]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 407

STATE OF NEW JERSEY

ADOPTED JUNE 3, 1996

Sponsored by Senator BRYANT

1 AN ACT concerning the duration of public contracts for the lease of
2 fire equipment and amending P.L.1971, c.198.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

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

9 15. All purchases, contracts or agreements for the performing of
10 work or the furnishing of materials, supplies or services shall be made
11 for a period not to exceed 12 consecutive months, except that
12 contracts or agreements may be entered into for longer periods of time
13 as follows:

14 (1) Supplying of:

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

17 (b) Fuel or oil for use of airplanes, automobiles, motor vehicles or
18 equipment for any term not exceeding in the aggregate, two years;

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

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

26 (3) The collection and disposal of municipal solid waste, the
27 collection and disposition of recyclable material, or the disposal of
28 sewage sludge, for any term not exceeding in the aggregate, five years;

29 (4) The collection and recycling of methane gas from a sanitary

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 underlined thus is new matter.

1 landfill facility, for any term not exceeding 25 years, when such
2 contract is in conformance with a district solid waste management plan
3 approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.), and with the
4 approval of the Division of Local Government Services in the
5 Department of Community Affairs and the Department of
6 Environmental Protection. The contracting unit shall award the
7 contract to the highest responsible bidder, notwithstanding that the
8 contract price may be in excess of the amount of any necessarily
9 related administrative expenses; except that if the contract requires the
10 contracting unit to expend funds only, the contracting unit shall award
11 the contract to the lowest responsible bidder. The approval by the
12 Division of Local Government Services of public bidding requirements
13 shall not be required for those contracts exempted therefrom pursuant
14 to section 5 of P.L.1971, c.198 (C.40A:11-5);

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

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

18 (7) Leasing or servicing of automobiles, motor vehicles, machinery
19 and equipment of every nature and kind, for a period not to exceed
20 three years; provided, however, such contracts shall be entered into
21 only subject to and in accordance with the rules and regulations
22 promulgated by the Director of the Division of Local Government
23 Services of the Department of Community Affairs;

24 (8) The supplying of any product or the rendering of any service
25 by a telephone company which is subject to the jurisdiction of the
26 Board of Public Utilities for a term not exceeding five years;

27 (9) Any single project for the construction, reconstruction or
28 rehabilitation of any public building, structure or facility, or any public
29 works project, including the retention of the services of any architect
30 or engineer in connection therewith, for the length of time authorized
31 and necessary for the completion of the actual construction;

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

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

37 (12) The performance of work or services or the furnishing of
38 materials or supplies for the purpose of conserving energy in buildings
39 owned by, or operations conducted by, the contracting unit, the entire
40 price of which to be established as a percentage of the resultant
41 savings in energy costs, for a term not to exceed 10 years; provided,
42 however, that such contracts shall be entered into only subject to and
43 in accordance with rules and regulations promulgated by the
44 Department of Environmental Protection establishing a methodology
45 for computing energy cost savings;

46 (13) The performance of work or services or the furnishing of

1 materials or supplies for the purpose of elevator maintenance for any
2 term not exceeding three years;

3 (14) Leasing or servicing of electronic communications equipment
4 for a period not to exceed five years; provided, however, such contract
5 shall be entered into only subject to and in accordance with the rules
6 and regulations promulgated by the Director of the Division of Local
7 Government Services of the Department of Community Affairs;

8 (15) Leasing of motor vehicles, machinery and other equipment
9 primarily used to fight fires, for a term not to exceed ~~seven~~ ten
10 years, when the contract includes an option to purchase, subject to and
11 in accordance with rules and regulations promulgated by the Director
12 of the Division of Local Government Services of the Department of
13 Community Affairs;

14 (16) The provision of water supply services or the designing,
15 financing, construction, operation, or maintenance, or any combination
16 thereof, of a water supply facility, or any component part or parts
17 thereof, including a water filtration system, for a period not to exceed
18 40 years, when the contract for these services is approved by the
19 Division of Local Government Services in the Department of
20 Community Affairs, the Board of Public Utilities, and the Department
21 of Environmental Protection pursuant to P.L.1985, c.37 (C.58:26-1 et
22 al.), except for those contracts otherwise exempted pursuant to
23 subsection (30), (31), (34) or (35) of this section. For the purposes
24 of this subsection, "water supply services" means any service provided
25 by a water supply facility; "water filtration system" means any
26 equipment, plants, structures, machinery, apparatus, or land, or any
27 combination thereof, acquired, used, constructed, rehabilitated, or
28 operated for the collection, impoundment, storage, improvement,
29 filtration, or other treatment of drinking water for the purposes of
30 purifying and enhancing water quality and insuring its potability prior
31 to the distribution of the drinking water to the general public for
32 human consumption, including plants and works, and other personal
33 property and appurtenances necessary for their use or operation; and
34 "water supply facility" means and refers to the real property and the
35 plants, structures, interconnections between existing water supply
36 facilities, machinery and equipment and other property, real, personal
37 and mixed, acquired, constructed or operated, or to be acquired,
38 constructed or operated, in whole or in part by or on behalf of a
39 political subdivision of the State or any agency thereof, for the
40 purpose of augmenting the natural water resources of the State and
41 making available an increased supply of water for all uses, or of
42 conserving existing water resources, and any and all appurtenances
43 necessary, useful or convenient for the collecting, impounding, storing,
44 improving, treating, filtering, conserving or transmitting of water and
45 for the preservation and protection of these resources and facilities and
46 providing for the conservation and development of future water supply

1 resources;

2 (17) The provision of resource recovery services by a qualified
3 vendor, the disposal of the solid waste delivered for disposal which
4 cannot be processed by a resource recovery facility or the residual ash
5 generated at a resource recovery facility, including hazardous waste
6 and recovered metals and other materials for reuse, or the design,
7 financing, construction, operation or maintenance of a resource
8 recovery facility for a period not to exceed 40 years when the contract
9 is approved by the Division of Local Government Services in the
10 Department of Community Affairs, and the Department of
11 Environmental Protection pursuant to P.L.1985, c.38 (C.13:1E-136 et
12 al.); and when the resource recovery facility is in conformance with a
13 district solid waste management plan approved pursuant to P.L.1970,
14 c.39 (C.13:1E-1 et seq.). For the purposes of this subsection,
15 "resource recovery facility" means a solid waste facility constructed
16 and operated for the incineration of solid waste for energy production
17 and the recovery of metals and other materials for reuse; or a
18 mechanized composting facility, or any other facility constructed or
19 operated for the collection, separation, recycling, and recovery of
20 metals, glass, paper, and other materials for reuse or for energy
21 production; and "residual ash" means the bottom ash, fly ash, or any
22 combination thereof, resulting from the combustion of solid waste at
23 a resource recovery facility;

24 (18) The sale of electricity or thermal energy, or both, produced
25 by a resource recovery facility for a period not to exceed 40 years
26 when the contract is approved by the Board of Public Utilities, and
27 when the resource recovery facility is in conformance with a district
28 solid waste management plan approved pursuant to P.L.1970, c.39
29 (C.13:1E-1 et seq.). For the purposes of this subsection, "resource
30 recovery facility" means a solid waste facility constructed and operated
31 for the incineration of solid waste for energy production and the
32 recovery of metals and other materials for reuse; or a mechanized
33 composting facility, or any other facility constructed or operated for
34 the collection, separation, recycling, and recovery of metals, glass,
35 paper, and other materials for reuse or for energy production;

36 (19) The provision of wastewater treatment services or the
37 designing, financing, construction, operation, or maintenance, or any
38 combination thereof, of a wastewater treatment system, or any
39 component part or parts thereof, for a period not to exceed 40 years,
40 when the contract for these services is approved by the Division of
41 Local Government Services in the Department of Community Affairs
42 and the Department of Environmental Protection pursuant to
43 P.L.1985, c.72 (C.58:27-1 et al.), except for those contracts otherwise
44 exempted pursuant to subsection (36) of this section. For the
45 purposes of this subsection, "wastewater treatment services" means
46 any services provided by a wastewater treatment system, and

1 "wastewater treatment system" means equipment, plants, structures,
2 machinery, apparatus, or land, or any combination thereof, acquired,
3 used, constructed, or operated for the storage, collection, reduction,
4 recycling, reclamation, disposal, separation, or other treatment of
5 wastewater or sewage sludge, or for the final disposal of residues
6 resulting from the treatment of wastewater, including, but not limited
7 to, pumping and ventilating stations, facilities, plants and works,
8 connections, outfall sewers, interceptors, trunk lines, and other
9 personal property and appurtenances necessary for their operation;

10 (20) The supplying of materials or services for the purpose of
11 lighting public streets, for a term not to exceed five years, provided
12 that the rates, fares, tariffs or charges for the supplying of electricity
13 for that purpose are approved by the Board of Public Utilities;

14 (21) In the case of a contracting unit which is a county or
15 municipality, the provision of emergency medical services by a hospital
16 to residents of a municipality or county as appropriate for a term not
17 to exceed five years;

18 (22) Towing and storage contracts, awarded pursuant to
19 paragraph u. of subsection (1) of section 5 of P.L.1971, c.198
20 (C.40A:11-5) for any term not exceeding three years;

21 (23) Fuel for the purpose of generating electricity for a term not
22 to exceed eight years;

23 (24) The purchase of electricity or administrative or dispatching
24 services related to the transmission of such electricity, from a public
25 utility company subject to the jurisdiction of the Board of Public
26 Utilities, a similar regulatory body of another state, or a federal
27 regulatory agency, or from a qualifying small power producing facility
28 or qualifying cogeneration facility, as defined by 16 U.S.C. 796, by a
29 contracting unit engaged in the generation of electricity for retail sale,
30 as of May 24,1991, for a term not to exceed 40 years;

31 (25) Basic life support services, for a period not to exceed five
32 years. For the purposes of this subsection, "basic life support" means
33 a basic level of prehospital care, which includes but need not be limited
34 to patient stabilization, airway clearance, cardiopulmonary
35 resuscitation, hemorrhage control, initial wound care and fracture
36 stabilization;

37 (26) Claims administration services, for any term not to exceed
38 three years;

39 (27) The provision of transportation services to elderly, disabled
40 or indigent persons for any term of not more than three years. For the
41 purposes of this subsection, "elderly persons" means persons who are
42 60 years of age or older. "Disabled persons" means persons of any age
43 who, by reason of illness, injury, age, congenital malfunction, or other
44 permanent or temporary incapacity or disability, are unable, without
45 special facilities or special planning or design to utilize mass
46 transportation facilities and services as effectively as persons who are

1 not so affected. "Indigent persons" means persons of any age whose
2 income does not exceed 100 percent of the poverty level, adjusted for
3 family size, established and adjusted under section 673(2) of subtitle
4 B, the "Community Services Block Grant Act," Pub.L.97-35 (42
5 U.S.C.9902 (2));

6 (28) The supplying of liquid oxygen or other chemicals, for a term
7 not to exceed five years, when the contract includes the installation of
8 tanks or other storage facilities by the supplier, on or near the
9 premises of the contracting unit;

10 (29) The performance of patient care services by contracted
11 medical staff at county hospitals, correction facilities and long term
12 care facilities, for any term of not more than three years;

13 (30) The acquisition of an equitable interest in a water supply
14 facility pursuant to section 2 of P.L.1993, c.381 (C.58:28-2), or an
15 agreement entered into pursuant to the "County and Municipal Water
16 Supply Act," N.J.S.40A:31-1 et seq., if the agreement is entered into
17 no later than January 7, 1995, for any term of not more than forty
18 years;

19 (31) The provision of water supply services or the financing,
20 construction, operation or maintenance or any combination thereof, of
21 a water supply facility or any component part or parts thereof, by a
22 partnership or copartnership established pursuant to a contract
23 authorized under section 2 of P.L.1993, c.381 (C.58:28-2), for a
24 period not to exceed 40 years;

25 (32) Laundry service and the rental, supply and cleaning of
26 uniforms for any term of not more than three years;

27 (33) The supplying of any product or the rendering of any service,
28 including consulting services, by a cemetery management company for
29 the maintenance and preservation of a municipal cemetery operating
30 pursuant to the "New Jersey Cemetery Act," N.J.S.8A:1-1 et seq., for
31 a term not exceeding 15 years;

32 (34) A contract between a public entity and a private firm
33 pursuant to P.L.1995, c.101 (C.58:26-19 et al.) for the provision of
34 water supply services may be entered into for any term which, when
35 all optional extension periods are added, may not exceed 40 years;

36 (35) An agreement for the purchase of a supply of water from a
37 public utility company subject to the jurisdiction of the Board of Public
38 Utilities in accordance with tariffs and schedules of charges made,
39 charged or exacted or contracts filed with the Board of Public
40 Utilities, for any term of not more than 40 years;

41 (36) A contract between a public entity and a private firm or
42 public authority pursuant to P.L.1995, c.216 (C.58:27-19 et al.) for
43 the provision of wastewater treatment services may be entered into for
44 any term of not more than 40 years, including all optional extension
45 periods; and

46 (37) The operation and management of a facility under a license

1 issued or permit approved by the Department of Environmental
2 Protection, including a wastewater treatment system or a water supply
3 or distribution facility, as the case may be, for any term of not more
4 than seven years. For the purposes of this subsection, "wastewater
5 treatment system" refers to facilities operated or maintained for the
6 storage, collection, reduction, disposal, or other treatment of
7 wastewater or sewage sludge, remediation of groundwater
8 contamination, stormwater runoff, or the final disposal of residues
9 resulting from the treatment of wastewater; and "water supply or
10 distribution facility" refers to facilities operated or maintained for
11 augmenting the natural water resources of the State, increasing the
12 supply of water, conserving existing water resources, or distributing
13 water to users.

14 All multiyear leases and contracts entered into pursuant to this
15 section, except contracts for the leasing or servicing of equipment
16 supplied by a telephone company which is subject to the jurisdiction
17 of the Board of Public Utilities, contracts involving the supplying of
18 electricity for the purpose of lighting public streets and contracts for
19 thermal energy authorized pursuant to subsection (1) above,
20 construction contracts authorized pursuant to subsection (9) above,
21 contracts and agreements for the provision of work or the supplying
22 of equipment to promote energy conservation authorized pursuant to
23 subsection (12) above, contracts for water supply services or for a
24 water supply facility, or any component part or parts thereof
25 authorized pursuant to subsection (16), (30), (31), (34), (35) or (37)
26 above, contracts for resource recovery services or a resource recovery
27 facility authorized pursuant to subsection (17) above, contracts for the
28 sale of energy produced by a resource recovery facility authorized
29 pursuant to subsection (18) above, contracts for wastewater treatment
30 services or for a wastewater treatment system or any component part
31 or parts thereof authorized pursuant to subsection (19), (36) or (37)
32 above, and contracts for the purchase of electricity or administrative
33 or dispatching services related to the transmission of such electricity
34 authorized pursuant to subsection (24) above, shall contain a clause
35 making them subject to the availability and appropriation annually of
36 sufficient funds as may be required to meet the extended obligation, or
37 contain an annual cancellation clause.

38 The Division of Local Government Services shall adopt and
39 promulgate rules and regulations concerning the methods of
40 accounting for all contracts that do not coincide with the fiscal year.
41 (cf: P.L.1995, c.371, s.1)

42

43 2. This act shall take effect immediately.

SCS for S407

8

1

2

3 Increases maximum length of local public contracts for lease of
4 equipment for fighting fires.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 407

STATE OF NEW JERSEY

DATED: AUGUST 23, 1996

The Assembly Local Government Committee reports favorably the Senate Committee Substitute for Senate Bill No. 407.

The bill would amend subsection (15) of section 15 of P.L.1971, c.198 (C.40A:11-15) to provide that any contracting unit may enter into a contract, for a term not to exceed ten years, for the leasing of motor vehicles, machinery and other equipment primarily used to fight fires, when the contract includes an option to purchase the equipment.

Currently, the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) provides that all purchases, contracts or agreements made by a contracting unit for the performance of work or for the furnishing of materials, supplies or services shall not exceed a period of twelve consecutive months. Section 15 of P.L.1971, c.198 (C.40A:11-15) delineates numerous exceptions to the twelve-month limit, including subsection (15), which permits contracts for the leasing of fire equipment for a term not to exceed seven years, when the contract includes an option to purchase the equipment.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 407

STATE OF NEW JERSEY

DATED: JUNE 3, 1996

The Senate Community Affairs Committee reports favorably Senate Committee Substitute for Senate Bill No. 407.

This committee substitute would amend subsection (15) of section 15 of P.L.1971, c.198 (C.40A:11-15) to provide that any contracting unit may enter into a contract, for a term not to exceed ten years, for the leasing of motor vehicles, machinery, and other equipment primarily used to fight fires, when the contract includes an option to purchase that equipment.

Currently, the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) provides that all purchases, contracts, or agreements made by a contracting unit for the performance of work or for the furnishing of materials, supplies, or services shall not exceed a period of twelve consecutive months. Section 15 of P.L.1971, c.198 (C.40A:11-15) delineates numerous exceptions to this twelve month limit, including subsection (15), which permits contracts for the leasing of fire equipment for a term not to exceed seven years, when the contract includes an option to purchase the equipment.

This committee substitute would increase the contract time limit to a term not to exceed ten years, from a term not to exceed seven years, and would eliminate a provision of this bill that the contracts be made by any municipality with a population of not more than 15,000 or any contracting unit within the territorial boundaries of a municipality with a population of not more than 15,000, according to the latest federal decennial census. All municipalities in the State would be able to take advantage of this provision.

The committee adopted this committee substitute to effect technical corrections to the bill by incorporating intervening legislation which had been enacted into law.