

40A:11-15

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3 year contracts)

NJSA: 40A:11-15

LAWS OF: 1995 **CHAPTER:** 3

BILL NO: S476

SPONSOR(S): Ciesla and others

DATE INTRODUCED: January 31, 1994

COMMITTEE: **ASSEMBLY:** Local Government
SENATE: Community Affairs

AMENDED DURING PASSAGE: Yes Amendments during passage
First reprint enacted denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** December 1, 1994
SENATE: March 3, 1994

DATE OF APPROVAL: January 10, 1995

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

KBG:pp

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[FIRST REPRINT]

SENATE, No. 476

STATE OF NEW JERSEY

INTRODUCED JANUARY 31, 1994

By Senators CIESLA, CONNORS and Palaia

1 AN ACT allowing for the extension of contracts for laundry and
2 uniform services and amending the "Local Public Contracts
3 Law," P.L.1971, c.198.

4

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

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

14 (1) Supplying of:

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

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

20 (c) Thermal energy produced by a cogeneration facility, for
21 use for heating or air conditioning or both, for any term not
22 exceeding 40 years, when the contract is approved by the Board
23 of ¹[Public Utilities] Regulatory Commissioners¹. For the
24 purposes of this paragraph, "cogeneration" means the
25 simultaneous production in one facility of electric power and
26 other forms of useful energy such as heating or process steam;

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

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

32 (4) The collection and recycling of methane gas from a
33 sanitary landfill facility, for any term not exceeding 25 years,
34 when such contract is in conformance with a solid waste
35 management plan approved pursuant to P.L.1970, c.39 (C.13:1E-1
36 et seq.), and with the approval of the Division of Local
37 Government Services in the Department of Community Affairs
38 and the Department of Environmental Protection. The
39 contracting unit shall award the contract to the highest
40 responsible bidder, notwithstanding that the contract price may
41 be in excess of the amount of any necessarily related
42 administrative expenses; except that if the contract requires the
43 contracting unit to expend funds only, the contracting unit shall

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCO committee amendments adopted February 10, 1994.

1 award the contract to the lowest responsible bidder. The
2 approval by the Division of Local Government Services of public
3 bidding requirements shall not be required for those contracts
4 exempted therefrom pursuant to section 5 of P.L.1971, c.198
5 (C.40A:11-5);

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

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

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

16 (8) The supplying of any product or the rendering of any service
17 by a telephone company which is subject to the jurisdiction of the
18 Board of ¹[Public Utilities] Regulatory Commissioners¹ for a
19 term not exceeding five years;

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

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

28 (11) On-site inspections undertaken by private agencies
29 pursuant to the "State Uniform Construction Code Act,"
30 P.L.1975, c.217 (C.52:27D-119 et seq.) for any term of not more
31 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
34 buildings owned by, or operations conducted by, the contracting
35 unit, the entire price of which to be established as a percentage
36 of the resultant savings in energy costs, for a term not to exceed
37 10 years; provided, however, that such contracts shall be entered
38 into only subject to and in accordance with rules and regulations
39 promulgated by the Department of ¹[Energy] Environmental
40 Protection¹ establishing a methodology for computing energy
41 cost savings;

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

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

51 (15) Leasing of motor vehicles, machinery and other equipment
52 primarily used to fight fires, for a term not to exceed seven
53 years, when the contract includes an option to purchase, subject
54 to and in accordance with rules and regulations promulgated by

1 the Director of the Division of Local Government Services of the
2 Department of Community Affairs;

3 (16) The provision of water supply services or the designing,
4 financing, construction, operation, or maintenance, or any
5 combination thereof, of a water supply facility, or any component
6 part or parts thereof, including a water filtration system, for a
7 period not to exceed 40 years, when the contract for these
8 services is approved by the Division of Local Government
9 Services in the Department of Community Affairs, the Board of
10 ¹[Public Utilities] Regulatory Commissioners¹, and the
11 Department of Environmental Protection pursuant to P.L.1985,
12 c.37 (C.58:26-1 et al.)¹, except for those contracts otherwise
13 exempted pursuant to subsection (30) or (31) of this section¹. For
14 the purposes of this subsection, "water supply services" means
15 any service provided by a water supply facility; "water filtration
16 system" means any equipment, plants, structures, machinery,
17 apparatus, or land, or any combination thereof, acquired, used,
18 constructed, rehabilitated, or operated for the collection,
19 impoundment, storage, improvement, filtration, or other
20 treatment of drinking water for the purposes of purifying and
21 enhancing water quality and insuring its potability prior to the
22 distribution of the drinking water to the general public for human
23 consumption, including plants and works, and other personal
24 property and appurtenances necessary for their use or operation;
25 and "water supply facility" means and refers to the real property
26 and the plants, structures, interconnections between existing
27 water supply facilities, machinery and equipment and other
28 property, real, personal and mixed, acquired, constructed or
29 operated, or to be acquired, constructed or operated, in whole or
30 in part by or on behalf of a political subdivision of the State or
31 any agency thereof, for the purpose of augmenting the natural
32 water resources of the State and making available an increased
33 supply of water for all uses, or of conserving existing water
34 resources, and any and all appurtenances necessary, useful or
35 convenient for the collecting, impounding, storing, improving,
36 treating, filtering, conserving or transmitting of water and for
37 the preservation and protection of these resources and facilities
38 and providing for the conservation and development of future
39 water supply resources;

40 (17) The provision of solid waste disposal services by a
41 resource recovery facility, the furnishing of products of a
42 resource recovery facility, the disposal of the solid waste
43 delivered for disposal which cannot be processed by a resource
44 recovery facility or the waste products resulting from the
45 operation of a resource recovery facility, including hazardous
46 waste and recovered metals and other materials for reuse, or the
47 design, financing, construction, operation or maintenance of a
48 resource recovery facility for a period not to exceed 40 years
49 when the contract is approved by the Division of Local
50 Government Services in the Department of Community Affairs,
51 the Board of ¹[Public Utilities] Regulatory Commissioners¹, and
52 the Department of Environmental Protection; and when the
53 facility is in conformance with a solid waste management plan
54 approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.). For the

1 purposes of this subsection, "resource recovery facility" means a
2 solid waste facility constructed and operated for the incineration
3 of solid waste for energy production and the recovery of metals
4 and other materials for reuse; or a mechanized composting
5 facility, or any other solid waste facility constructed or operated
6 for the collection, separation, recycling, and recovery of metals,
7 glass, paper, and other materials for reuse or for energy
8 production;

9 (18) The sale of electricity or thermal energy, or both,
10 produced by a resource recovery facility for a period not to
11 exceed 40 years when the contract is approved by the Board of
12 ¹[Public Utilities] Regulatory Commissioners¹, and when the
13 facility is in conformance with a solid waste management plan
14 approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.). For the
15 purposes of this subsection, "resource recovery facility" means a
16 solid waste facility constructed and operated for the incineration
17 of solid waste for energy production and the recovery of metals
18 and other materials for reuse; or a mechanized composting
19 facility, or any other solid waste facility constructed or operated
20 for the collection, separation, recycling, and recovery of metals,
21 glass, paper, and other materials for reuse or for energy
22 production;

23 (19) The provision of wastewater treatment services or the
24 designing, financing, construction, operation, or maintenance, or
25 any combination thereof, of a wastewater treatment system, or
26 any component part or parts thereof, for a period not to exceed
27 40 years, when the contract for these services is approved by the
28 Division of Local Government Services in the Department of
29 Community Affairs and the Department of Environmental
30 Protection pursuant to P.L.1985, c.72 (C.58:27-1 et al.). For the
31 purposes of this subsection, "wastewater treatment services"
32 means any services provided by a wastewater treatment system,
33 and "wastewater treatment system" means equipment, plants,
34 structures, machinery, apparatus, or land, or any combination
35 thereof, acquired, used, constructed, or operated for the storage,
36 collection, reduction, recycling, reclamation, disposal,
37 separation, or other treatment of wastewater or sewage sludge,
38 or for the final disposal of residues resulting from the treatment
39 of wastewater, including, but not limited to, pumping and
40 ventilating stations, facilities, plants and works, connections,
41 outfall sewers, interceptors, trunk lines, and other personal
42 property and appurtenances necessary for their operation;

43 (20) The supplying of materials or services for the purpose of
44 lighting public streets, for a term not to exceed five years,
45 provided that the rates, fares, tariffs or charges for the supplying
46 of electricity for that purpose are approved by the Board of
47 ¹[Public Utilities] Regulatory Commissioners¹;

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

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

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

3 (24) The purchase of electricity or administrative or
4 dispatching services related to the transmission of such
5 electricity, from a public utility company subject to the
6 jurisdiction of the Board of ¹[Public Utilities] Regulatory
7 Commissioners¹, a similar regulatory body of another state, or a
8 federal regulatory agency, or from a qualifying small power
9 producing facility or qualifying cogeneration facility, as defined
10 by 16 U.S.C. §796, by a contracting unit engaged in the
11 generation of electricity for retail sale, as of the date of this
12 amendatory act, for a term not to exceed 40 years;

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

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

21 (27) The provision of transportation services to elderly,
22 disabled or indigent persons for any term of not more than three
23 years. For the purposes of this subsection, "elderly persons"
24 means persons who are 60 years of age or older. "Disabled
25 persons" means persons of any age who, by reason of illness,
26 injury, age, congenital malfunction, or other permanent or
27 temporary incapacity or disability, are unable, without special
28 facilities or special planning or design to utilize mass
29 transportation facilities and services as effectively as persons
30 who are not so affected. "Indigent persons" means persons of any
31 age whose income does not exceed 100 percent of the poverty
32 level, adjusted for family size, established and adjusted under
33 section 673(2) of subtitle B, the "Community Services Block
34 Grant Act," Pub.L. 97-35 (42 U.S.C. §9902 (2));

35 (28) The supplying of liquid oxygen or other chemicals, for a
36 term not to exceed five years, when the contract includes the
37 installation of tanks or other storage facilities by the supplier, on
38 or near the premises of the contracting unit; [and]

39 (29) The performance of patient care services by contracted
40 medical staff at county hospitals, correction facilities and long
41 term care facilities, for any term of not more [that] than three
42 years; ¹[and]¹

43 (30) ¹The acquisition of an equitable interest in a water supply
44 facility pursuant to section 2 of P.L.1993, c.381 (C.58:28-2), for
45 any term of not more than 40 years;

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

52 (32)¹ Laundry service and the rental, supply and cleaning of
53 uniforms for any term of not more than three years.

54 All multiyear leases and contracts entered into pursuant to this

1 section, except contracts for the leasing or servicing of
2 equipment supplied by a telephone company which is subject to
3 the jurisdiction of the Board of ¹[Public Utilities] Regulatory
4 Commissioners¹, contracts involving the supplying of electricity
5 for the purpose of lighting public streets and contracts for
6 thermal energy authorized pursuant to subsection (1) above,
7 construction contracts authorized pursuant to subsection (9)
8 above, contracts and agreements for the provision of work or the
9 supplying of equipment to promote energy conservation
10 authorized pursuant to subsection (12) above, contracts for water
11 supply services or for a water supply facility, or any component
12 part or parts thereof authorized pursuant to subsection (16)
13 above, contracts for resource recovery services or a resource
14 recovery facility authorized pursuant to subsection (17) above,
15 contracts for the sale of energy produced by a resource recovery
16 facility authorized pursuant to subsection (18) above, contracts
17 for wastewater treatment services or for a wastewater treatment
18 system or any component part or parts thereof authorized
19 pursuant to subsection (19) above, and contracts for the purchase
20 of electricity or administrative or dispatching services related to
21 the transmission of such electricity authorized pursuant to
22 subsection (24) above, shall contain a clause making them subject
23 to the availability and appropriation annually of sufficient funds
24 as may be required to meet the extended obligation, or contain an
25 annual cancellation clause.

26 The Division of Local Government Services shall adopt and
27 promulgate rules and regulations concerning the methods of
28 accounting for all contracts that do not coincide with the fiscal
29 year.

30 (cf: P.L.1993, c.381, s.5)

31 2. This act shall take effect immediately.

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36 Permits three year contracts for laundry and uniform services.

1 wastewater treatment services or for a wastewater treatment
2 system or any component part or parts thereof authorized
3 pursuant to subsection (19) above, and contracts for the purchase
4 of electricity or administrative or dispatching services related to
5 the transmission of such electricity authorized pursuant to
6 subsection (18) above, contracts for wastewater treatment
7 services or for a wastewater treatment system or any component
8 part or parts thereof authorized pursuant to subsection (19)
9 above, and contracts for the purchase of electricity or
10 administrative or dispatching services related to the transmission
11 of such electricity authorized pursuant to subsection (24) above,
12 shall contain a clause making them subject to the availability and
13 appropriation annually of sufficient funds as may be required to
14 meet the extended obligation, or contain an annual cancellation
15 clause.

16 The Division of Local Government Services shall adopt and
17 promulgate rules and regulations concerning the methods of
18 accounting for all contracts that do not coincide with the fiscal
19 year.

20 (cf: P.L.1992, c.98, s.2)

21 2. This act shall take effect immediately.

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23

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STATEMENT

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26 This bill amends section 15 of the "Local Public Contracts
27 Law," P.L.1971, c.198 (C.40A:11-15) to permit local contracting
28 units to enter into contracts for laundry service and the
29 supplying, rental and cleaning of uniforms for any term not to
30 exceed three years. Under current law, these contracts cannot
31 exceed 12 consecutive months.

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36 Permits three year contracts for laundry and uniform services.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 476

STATE OF NEW JERSEY

DATED: MAY 2, 1994

The Assembly Local Government Committee reports favorably Senate Bill No. 476 [1R].

This bill changes 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 laundry service and the supplying, rental and cleaning of uniforms for any term not to exceed three years. Under current law, these contracts cannot exceed 12 consecutive months.

This bill is identical to Assembly Bill No. 1657, as amended.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 476

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 1994

The Senate Community Affairs Committee reports favorably Senate Bill No. 476 with committee amendments.

As amended by the committee, this bill changes 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 laundry service and the supplying, rental and cleaning of uniforms for any term not to exceed three years. Under current law, these contracts cannot exceed 12 consecutive months.

The committee amended the bill to reflect changes to the current law which have occurred since this bill was introduced.
