

40A: 11-15

LEGISLATIVE HISTORY CHECKLIST
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(Contracts--duration)

NJSA: 40A:11-15

LAWS OF: 1991 CHAPTER: 407

BILL NO: S3433

SPONSOR(S) Schluter

DATE INTRODUCED: May 9, 1991

COMMITTEE: ASSEMBLY: Municipal Government
SENATE: County & Municipal Government

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: January 9, 1992
SENATE: September 26, 1991

DATE OF APPROVAL: January 17, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes (Below)

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

Sponsor Statement: This bill would permit local contracting units to enter into contracts up to three years in duration for the provision of transportation services to elderly, Handicapped or indigent person.

See newspaper clippings--attached
KBG/bas

[FIRST REPRINT]
SENATE, No. 3433

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1991

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By Senator SCHLUTER

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

3

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

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

8 15. Duration of certain contracts. All purchases, contracts or
9 agreements for the performing of work or the furnishing of
10 materials, supplies or services shall be made for a period not to
11 exceed 12 consecutive months, except that contracts or
12 agreements may be entered into for longer periods of time as
13 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 Public Utilities. For the purposes of this paragraph,
24 "cogeneration" means the simultaneous production in one facility
25 of electric power and other forms of useful energy such as
26 heating or process steam;

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

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

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

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 SCM committee amendments adopted June 10, 1991.

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

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

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

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

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

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

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

30 (11) On-site inspections undertaken by private agencies
31 pursuant to the "State Uniform Construction Code Act"
32 (P.L.1975, c.217; C.52:27D-119 et seq.) for any term of not more
33 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
36 buildings owned by, or operations conducted by, the contracting
37 unit, the entire price of which to be established as a percentage
38 of the resultant savings in energy costs, for a term not to exceed
39 10 years; provided, however, that such contracts shall be entered
40 into only subject to and in accordance with rules and regulations
41 promulgated by the Division of Energy Planning and
42 Conservation, of the Board of Public Utilities, establishing a
43 methodology for computing energy cost savings;

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

47 (14) Leasing or servicing of electronic communications
48 equipment for a period not to exceed five years; provided,
49 however, such contract shall be entered into only subject to and

1 in accordance with the rules and regulations promulgated by the
2 Director of the Division of Local Government Services of the
3 Department of Community Affairs;

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

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

44 (17) The provision of solid waste disposal services by a
45 resource recovery facility, the furnishing of products of a
46 resource recovery facility, the disposal of the solid waste
47 delivered for disposal which cannot be processed by a resource
48 recovery facility or the waste products resulting from the
49 operation of a resource recovery facility, including hazardous

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

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

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

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

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

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

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

22 (24) The provision of transportation services to elderly,
23 1[handicapped] disabled¹ or indigent persons for any term of not
24 more than three years. For the purposes of this subsection,
25 "elderly persons" means persons who are 60 years of age or
26 older. 1["Handicapped] Disabled¹ persons" means persons of any
27 age who, by reason of illness, injury, age, congenital malfunction,
28 or other permanent or temporary incapacity or disability, are
29 unable, without special facilities or special planning or design to
30 utilize mass transportation facilities and services as effectively
31 as persons who are not so affected. "Indigent persons" means
32 persons of any age 1[defined as indigent pursuant to the Social
33 Services Block Grant Program, Title XX of the Social Security
34 Act, as amended by the "Omnibus Budget Reconciliation Act of
35 1981," Pub.L.97-35 (42 U.S.C. § 1397) or pursuant to criteria
36 issued by any department of State Government in administering
37 the Social Services Block Grant Program] whose income does not
38 exceed 100 percent of the poverty level, adjusted for family size,
39 established and adjusted under section 673 (2) of subtitle B, the
40 "Community Services Block Grant Act," Pub.L. 97-35 (42
41 U.S.C. §9902 (2))¹.

42 All multi-year leases and contracts entered into pursuant to
43 this section, except contracts for the leasing or servicing of
44 equipment supplied by a telephone company which is subject to
45 the jurisdiction of the Board of Public Utilities, contracts
46 involving the supplying of electricity for the purpose of lighting
47 public streets and contracts for thermal energy authorized
48 pursuant to subsection (1) above, construction contracts
49 authorized pursuant to subsection (9) above, contracts and

1 agreements for the provision of work or the supplying of
2 equipment to promote energy conservation authorized pursuant to
3 subsection (12) above, contracts for water supply services or for a
4 water supply facility, or any component part or parts thereof
5 authorized pursuant to subsection (16) above, contracts for
6 resource recovery services or a resource recovery facility
7 authorized pursuant to subsection (17) above, contracts for the
8 sale of energy produced by a resource recovery facility
9 authorized pursuant to subsection (18) above, contracts for
10 wastewater treatment services or for a wastewater treatment
11 system or any component part or parts thereof authorized
12 pursuant to subsection (19) above, contracts for the purchase of
13 electricity or administrative or dispatching services related to
14 the transmission of such electricity authorized pursuant to
15 subsection (23) above, shall contain a clause making them subject
16 to the availability and appropriation annually of sufficient funds
17 as may be required to meet the extended obligation, or contain an
18 annual cancellation clause.

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

23 (cf: P.L.1991, c.143, s.5)

24 2. This act shall take effect immediately.

25

26

27

LOCAL GOVERNMENT

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Permits three-year contracts for provision of transportation services to elderly, disabled or indigent persons.

1 obligation, or contain an annual cancellation clause.
2 The Division of Local Government Services shall adopt and
3 promulgate rules and regulations concerning the methods of
4 accounting for all contracts that do not coincide with the fiscal
5 year.
6 (cf: P.L.1989, c.159, s.2)
7 2. This act shall take effect immediately.
8
9

10 STATEMENT

11
12 This bill would permit local contracting units to enter into
13 contracts up to three years in duration for the provision of
14 transportation services to elderly, handicapped or indigent
15 persons.
16

17 LOCAL GOVERNMENT

18
19
20 Permits three year contracts for provision of transportation
21 services to elderly, handicapped or indigent persons.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO
[FIRST REPRINT]
SENATE, No. 3433

STATE OF NEW JERSEY

DATED: DECEMBER 9, 1991

The Assembly Municipal Government Committee reports favorably Senate Bill No. 3433(1R).

Senate Bill No. 3433(1R) would permit local contracting units to enter into contracts up to three years in duration for the provision of transportation services to elderly, disabled or indigent persons.

This bill is identical to Assembly Bill No. 2364, as amended by the committee, except for the technical corrections made to the Assembly bill to conform it to current law. These technical corrections shall be made to the Senate bill by the Legislative Counsel, if enacted.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE No. 3433

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 10, 1991

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 3433 with Senate committee amendments.

Senate Bill No. 3433, as amended by the committee, would permit local contracting units to enter into contracts up to three years in duration for the provision of transportation services to elderly, disabled or indigent persons.

The committee amended the bill to change the reference to the type of transportation service from "handicapped" to "disabled" to conform to the use of the term in the "Senior Citizen and Disabled Resident Transportation Assistance Act," P.L.1983, c.578 (C.27:25-25 et seq.). In addition, the committee amended the bill to change the definition of "indigent" to conform to the use of the term in Medicaid law.