

[Second Reprint]

ASSEMBLY, No. 4535

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED OCTOBER 15, 2018

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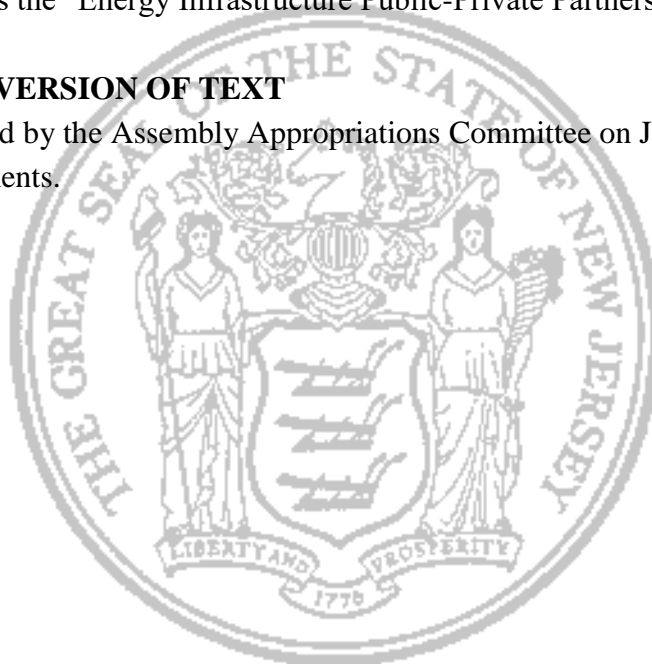
**Assemblymen McGuckin, A.M.Bucco, Assemblywoman Timberlake,
Assemblymen Benson, Wirths, Assemblywomen Lampitt, Pinkin, Jasey
and Assemblyman Calabrese**

SYNOPSIS

Establishes the “Energy Infrastructure Public-Private Partnership Act.”

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on January 9, 2020,
with amendments.



(Sponsorship Updated As Of: 1/14/2020)

1 AN ACT concerning energy infrastructure public-private
2 partnerships and supplementing Title 52 of the Revised Statutes
3 and amending P.L.1971, c.198 and N.J.S.18A:18A-42.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. (New section) This act shall be known and may be cited as
9 the “Energy Infrastructure Public-Private Partnerships Act.”
10

11 2. (New section) a. The Legislature finds and declares that:

12 (1) It is the public policy of this State to assure that the State’s
13 energy infrastructure is developed and maintained in a manner that
14 assures, to the greatest extent possible, the availability of reliable
15 and resilient state-of-the-art energy resources to the State and, in
16 particular, to the critical governmental facilities that provide
17 necessary lifeline services to the State’s citizens and businesses;

18 (2) The increasing magnitude and frequency of weather events,
19 such as Winter Storm Quinn, Hurricane Irene, and Superstorm
20 Sandy, and the devastation they inflicted on the State, has revealed
21 the vulnerability, inadequacies, and obsolescence of the State’s
22 energy infrastructure, which has failed, sometimes for prolonged
23 periods of time, to provide adequate, reliable, and resilient service
24 to the State;

25 (3) These weather events, and the current condition of the
26 State’s aging energy infrastructure, underscore the substantial and
27 immediate need for the State to improve the energy resources
28 available to State, county, and municipal facilities that provide
29 critical lifeline services, including medical facilities, police and fire
30 departments, water and wastewater treatment facilities, shelters,
31 colleges, universities, schools, and prisons;

32 (4) The reliability, resiliency, and efficiency of the State’s
33 energy infrastructure will be improved if the State encourages the
34 development of the energy-related projects contemplated by
35 P.L. , c. (C.) (pending before the Legislature as this bill),
36 which will reduce the vulnerability of critical governmental
37 facilities to threats posed by weather and other exogenous factors,
38 minimize equipment failures caused by deterioration, disrepair and
39 obsolescence, enhance the production and delivery of energy,
40 improve the energy efficiency of governmental facilities, reduce the
41 demand for energy, energy costs and greenhouse gas emissions,
42 create jobs, and promote economic development; and

43 (5) The need to upgrade the State’s energy infrastructure comes
44 at a time of fiscal austerity and budgetary constraints.

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:

¹Assembly AST committee amendments adopted May 16, 2019.

²Assembly AAP committee amendments adopted January 9, 2020.

1 Governmental entities have witnessed dramatic reductions in
2 available revenues as a consequence of the recent recession and
3 major storm events, among other reasons, which have adversely
4 affected the ability of State, county, and municipal governments to
5 make needed investments in energy infrastructure.

6 b. The Legislature therefore determines that:

7 (1) It shall be the public policy of this State to foster energy-
8 related public-private partnerships that will enable governmental
9 entities to partner with private entities to develop needed state-of-
10 the-art energy projects and obviate or minimize the need for capital
11 investments in energy projects by governmental entities, taxpayers,
12 and energy public utility ratepayers;

13 (2) In order to foster the energy projects contemplated by
14 P.L. , c. (C.) (pending before the Legislature as this bill), it
15 is necessary and appropriate for the Legislature to authorize the use
16 of public-private partnerships to leverage private sector financial
17 resources and expertise and permit governmental and private
18 entities to share the responsibilities and benefits of these projects;

19 (3) Current economic conditions, together with the critical and
20 immediate need to improve the State's energy infrastructure,
21 compel the State to pursue the energy-related public-private
22 partnerships contemplated by P.L. , c. (C.) (pending before
23 the Legislature as this bill), which will enhance the reliability,
24 resilience and efficiency of the State's energy infrastructure by
25 introducing state-of-the-art energy technologies that will mitigate
26 current vulnerabilities to major storm events, harden critical
27 infrastructure, energy generation and delivery systems, enhance
28 redundancy in energy supply, promote greater emergency
29 preparedness, enhance fuel supply diversity, increase energy
30 efficiency, expand the use of renewable energy resources, reduce
31 energy demand, energy costs and greenhouse gas emissions, and
32 promote economic development and local job creation, thereby
33 ensuring a better and more prosperous future for the State and its
34 citizens; and

35 (4) The energy-related public-private partnerships contemplated
36 by P.L. , c. (C.) (pending before the Legislature as this bill)
37 will encourage private capital investment and leverage the
38 technical, financial, and managerial expertise of the private sector
39 to enable governmental entities that otherwise lack the necessary
40 resources or expertise, to design, develop, own, manage, operate,
41 and maintain needed energy infrastructure projects.

42

43 3. (New section) As used in P.L. , c. (C.) (pending
44 before the Legislature as this bill):

45 "Board" means the Board of Public Utilities or any successor
46 agency.

47 "Authority" means the New Jersey Economic Development
48 Authority or any successor agency.

1 “District energy system” means an on-site generation facility, as
 2 defined in section 3 of P.L.1999, c.23 (C.48:3-51), that provides
 3 thermal or electric energy services to end-use customers for use for
 4 heating or cooling, or both, regardless of whether the customer is
 5 located on property that is separated from the property on which the
 6 on-site generation facility is located by more than one easement,
 7 public thoroughfare, or transportation or utility-owned right-of-way.

8 “Energy P3 Unit” means the “Energy Public-Private Partnership
 9 Unit” established pursuant to section 7 of P.L. , c. (C.)
 10 (pending before the Legislature as this bill).

11 “Energy-related project” or “project” means a project developed
 12 1, in whole or in part,¹ for a new or existing facility or facilities,
 13 owned by a governmental entity, involving the application of
 14 energy efficiency, energy conservation, 1energy generation,¹ energy
 15 optimization, renewable and non-carbon-emitting energy
 16 technologies, or demand side management measures including, but
 17 not limited to:

18 energy efficient appliances, lighting, motors, and other energy or
 19 water conservation measures;

20 smart metering and smart grid technologies and demand
 21 response; ¹**[and]**¹

22 distributed electric generation resources including, but not
 23 limited to, cogeneration, combined heat and power and on-site
 24 generation facilities, ²and² district energy systems ²**[, and**
 25 microgrids]²;

26 1biogas, waste-to-energy and wastewater-to-energy technologies,
 27 and energy storage technologies; and¹

28 Class I 1renewable energy¹ and Class II renewable energy
 29 ¹**[resources]**¹, as those terms are defined in section 3 of P.L.1999,
 30 c.23 (C.48:3-51) ¹**[, including solar photovoltaic technologies, wind**
 31 energy, geothermal energy, biomass, biogas, waste-to-energy and
 32 wastewater-to-energy technologies, energy storage technologies,
 33 resource recovery, and hydroelectric power facilities]¹.

34 “Energy-related project” shall not include a self-funded energy
 35 efficiency project that is an energy savings improvement program
 36 undertaken pursuant to the provisions of P.L.2009, c.4 (C.18A:18A-
 37 4.6 et al.) and P.L.2012, c.55 (C.52:34-25.1 et al.).

38 “Governmental entity” means the State, its subdivisions, and
 39 ¹**[the departments, agencies, commissions, authorities, boards, and**
 40 **instrumentalities]** any department, agency, commission, authority,
 41 board, or instrumentality¹ thereof, a county, a municipality, a board
 42 of education, a State college or university, a county ¹**[community]**¹
 43 college, a regional or municipal ¹**[utility or utility]** utilities¹
 44 authority, 1a quasi-State agency, a State-created corporation,¹
 45 ²**[and]**² a municipal corporation ², and a private, not-for-profit
 46 hospital licensed by the Department of Health pursuant to the

1 “Health Care Facilities Planning Act,” P.L.1971, c.136 (C.26:2H-1
2 et al.)². “Governmental entity” may include a combination of
3 governmental entities as defined herein, but shall not mean a
4 municipal electric utility established pursuant to R.S.40:62-12.

5 ²“Microgrid” means ¹“**[a group] an independent system**”¹ of
6 interconnected customer loads and distributed ¹“**[energy] electric**
7 **generation**”¹ resources including, but not limited to, combined heat
8 and power, cogeneration ¹“**[,] and**”¹ on-site generation ¹“**facilities**”¹,
9 district energy ¹“**[system] systems**”¹, ¹“**Class I renewable energy and**
10 **Class II**”¹ renewable energy ¹“**[generation]**”¹, dispatchable generation,
11 and energy storage facilities, located within a clearly defined
12 electrical or geographic boundary, that acts as a single controllable
13 entity and ¹“**[is] may be**”¹ capable of disconnection from the utility
14 grid to enable the microgrid to operate in both utility grid-connected
15 and ¹“**[islanded] non-grid connected**”¹ modes. ¹“**[Notwithstanding the**
16 **provisions of any other law, rule, regulation, decision, or order to**
17 **the contrary, a distributed energy resource that is included as part of**
18 **a microgrid shall not be required to be located on the property, or**
19 **on a property contiguous to the property on which a customer that is**
20 **interconnected with the microgrid is located, or be otherwise**
21 **subject to any form of contiguity or proximity-related requirement,**
22 **other than the requirement that all interconnected distributed energy**
23 **resources and customer loads that comprise the microgrid be**
24 **located within the electrical or geographic boundary of the**
25 **microgrid. Nor shall a microgrid be limited with regard to the**
26 **number or type of customers that may be served by the microgrid,**
27 **subject to the limitation that all customers served by the microgrid**
28 **must be located within the electrical or geographic boundary of the**
29 **microgrid. A microgrid may utilize privately-owned distribution**
30 **wires to interconnect the distributed energy resources with**
31 **customers served by the microgrid and that are located within the**
32 **electric or geographic boundary of the microgrid.]**”¹ A microgrid
33 shall be considered an “on-site generation facility” for the purposes
34 of sections 3 and 28 of P.L.1999, c.23, (C.48:3-51 and C.48:3-77.)
35 A microgrid shall not be considered a public utility as defined in
36 R.S.48:2-13.]²

37 “Private entity” means a person, a combination of persons, a
38 business entity, a combination of business entities, or a combination
39 of persons and business entities. “Private entity” shall include a
40 ¹“**[“commercial] commercial, institutional, and industrial**”¹ “**entity**”
41 as the term is mentioned in ¹“**[entity eligible for financial assistance**
42 **pursuant to paragraph (1) of subsection b. of**”¹ section 7 of P.L.2007,
43 c.340 (C.26:2C-51). ¹“**[“Private entity” shall not include a public**
44 **utility as defined in R.S.48:2-13, but shall include an affiliate of a**
45 **public utility that is not subject to regulation pursuant to Title 48 of**
46 **the Revised Statutes or subject to the board’s jurisdiction.]**”¹

1 “Public-private partnership agreement” or “agreement” means an
2 agreement entered into by a governmental entity and a private entity
3 pursuant to section 4 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) for the purposes of undertaking an energy-
5 related project.

6
7 4. (New section) A governmental entity may enter into a
8 public-private partnership agreement with a private entity, pursuant
9 to the provisions of P.L. , c. (C.) (pending before the
10 Legislature as this bill) and subject to the approval of the Energy P3
11 Unit. A public-private partnership agreement shall permit a private
12 entity to develop, design, build, operate, or maintain, one or more
13 energy-related projects, and to assume financial, developmental,
14 operational, managerial and administrative responsibility for one or
15 more energy-related projects, in partnership with a governmental
16 entity. Energy-related projects may involve the design,
17 construction, reconstruction, alteration, or improvement of one or
18 more buildings, structures, or facilities owned, or to be owned, by
19 the governmental entity, provided that the private entity is
20 responsible for the performance of each energy-related project, as
21 the case may be, and the governmental entity retains an ownership
22 or leasehold interest in the land upon which the energy-related
23 project is developed. No particular method or structure of project
24 financing shall be required of a private entity, unless the method or
25 structure of project financing or, if applicable, provision for
26 ownership and title transfer to the governmental entity at the end of
27 the term of the agreement, is clearly described by the governmental
28 entity in any formal authorized solicitation process for an energy-
29 related project. A governmental entity may solicit a proposal for an
30 energy-related project, or receive an unsolicited proposal for an
31 energy-related project, only from a private entity that has been duly
32 qualified by the Energy P3 Unit pursuant to sections 7 and 8 of
33 P.L. , c. (C.) (pending before the Legislature as this bill) and
34 any other applicable law.

35
36 5. (New section) a. An energy-related project may be
37 proposed either by a governmental entity or by a private entity.
38 ²[A] Notwithstanding the provisions of any law, rule, regulation,
39 decision, or order to the contrary, a² public-private partnership
40 agreement may provide that, as part of the agreement, an energy-
41 related project may be proposed and selected individually or as part
42 of the design, construction, reconstruction, alteration, improvement,
43 development or redevelopment of one or more buildings, structures,
44 or facilities owned, or to be owned, by a governmental entity. The
45 public-private partnership agreement may provide for the inclusion
46 of buildings, structures or facilities owned, or to be owned, by one
47 or more non-governmental entities. An energy-related project shall
48 be designed to enable a governmental entity to more reliably,

1 efficiently, and cost-effectively generate, distribute, conserve, store,
2 consume, and acquire energy; improve the reliability and resiliency
3 of its energy infrastructure; reduce greenhouse gas emissions;
4 diversify its sources of energy supply; create jobs; and foster
5 economic development.

6 b. If an unsolicited energy-related project is proposed by a
7 private entity to a governmental entity, the governmental entity to
8 which the energy-related project proposal is made shall determine
9 whether to accept, reject, or modify the proposal. If the energy-
10 related project proposal is accepted in its entirety, or with
11 modifications, by the governmental entity, and the governmental
12 entity elects to implement the energy-related project, the
13 governmental entity shall initiate and adhere to the competitive
14 solicitation procedure established pursuant to sections 8 and 9 of
15 P.L. , c. (C.) (pending before the Legislature as this bill). If
16 the unsolicited proposal is rejected by the governmental entity, the
17 governmental entity shall promptly return the unsolicited proposal,
18 and all copies thereof, to the private entity and shall treat the
19 unsolicited proposal, and all records of communications and
20 negotiations related to the proposal, as confidential and exempt
21 from public disclosure in accordance with the provisions of section
22 17 of P.L. , c. (C.) (pending before the Legislature as this
23 bill).

24
25 6. (New section) a. Notwithstanding the provisions of any
26 law, rule, regulation, decision, or order to the contrary, a
27 governmental entity for which a private entity assumes financial,
28 operational, developmental, managerial, or administrative
29 responsibility for an energy-related project pursuant to
30 P.L. , c. (C.) (pending before the Legislature as this bill)
31 under a public-private partnership agreement, shall not be required
32 to advertise for public bid the energy-related project prior to the
33 private entity assuming responsibility for that project.

34 b. A governmental entity shall be authorized to enter into one
35 or more public-private partnership agreements with a private entity,
36 its affiliates, and approved subcontractors without being subject to
37 the requirement of advertisement for public bid otherwise
38 applicable to the governmental entity, provided that the private
39 entity has been selected by the governmental entity pursuant to a
40 solicitation process conducted pursuant to section 8 of
41 P.L. , c. (C.) (pending before the Legislature as this bill).

42 c. Except as otherwise specifically set forth in
43 P.L. , c. (C.) (pending before the Legislature as this bill)
44 including the provision related to the advertisement for public bid,
45 all solicitations for proposals conducted pursuant to section 8 of
46 P.L. , c. (C.) (pending before the Legislature as this bill)
47 shall be subject to the procurement laws and procedures otherwise
48 applicable to the governmental entity.

1 d. For the purposes of this section, a governmental entity shall
2 include the authority, and any energy-related project undertaken
3 pursuant to P.L. , c. (C.) (pending before the Legislature as
4 this bill) of which the authority becomes an owner or lessee, or
5 which is situated on land of which the authority becomes the lessee,
6 shall be deemed a project as that term is defined in section 3 of
7 P.L.1974, c.80 (C.34:1B-3).

8
9 7. (New section) a. (1) There is hereby established in the
10 authority an Energy Public-Private Partnership Unit or “Energy P3
11 Unit.” The Energy P3 Unit shall be responsible for the formulation
12 and execution of a comprehensive Statewide policy for public-
13 private partnership agreements that facilitate the development of
14 energy-related projects and shall be responsible for the
15 development, promotion, coordination, oversight, and approval of
16 public-private partnership agreements pursuant to P.L. ,
17 c. (C.) (pending before the Legislature as this bill). In doing
18 so, the Energy P3 Unit shall consult and coordinate with
19 representatives of other State departments, agencies, boards, and
20 authorities, including the board, as the Energy P3 Unit and authority
21 shall deem necessary and appropriate, to accomplish the goals of
22 P.L. , c. (C.) (pending before the Legislature as this bill) to
23 facilitate public-private partnership agreements. The costs
24 associated with the establishment and operation of the Energy P3
25 Unit ¹~~shall~~ may be funded from revenues received by the
26 authority from the “Global Warming Solutions Fund” created
27 pursuant to section 6 of P.L.2007, c.340 (C.26:2C-50), and may be
28 repaid from fees collected from private entities pursuant to
29 subsection c. of this section.

30 (2) Within 12 months of the effective date of P.L. ,
31 c. (C.) (pending before the Legislature as this bill), the Energy
32 P3 Unit shall:

33 (a) establish policies and procedures that encourage private
34 entity participation and investment in governmental energy-related
35 projects as necessary and appropriate to implement the provisions
36 of P.L. , c. (C.) (pending before the Legislature as this bill);

37 (b) provide technical advice, guidance, and assistance to
38 governmental entities to ensure the availability of the necessary
39 expertise and capacity to develop and evaluate the merits of
40 proposed energy-related projects;

41 (c) review and approve proposed energy-related projects;

42 (d) promote informed and timely decision-making with regard to
43 the procurement of energy-related projects;

44 (e) establish appropriate qualification criteria for private
45 entities, including the qualification and ranking of private entities to
46 develop particular energy-related projects; and

47 (f) monitor and enforce the procurement policies and
48 procedures established pursuant to P.L. , c. (C.) (pending

1 before the Legislature as this bill). The policies may also include
2 provision for potential revenue sharing opportunities between a
3 governmental entity and a private entity in certain defined or agreed
4 circumstances, including energy-related projects that achieve profits
5 that exceed a negotiated rate of return established for a private
6 entity in a public-private partnership agreement.

7 b. The authority shall identify the resources and personnel of
8 the authority and other participating agencies, departments, boards,
9 and authorities, including the board, that are deemed necessary and
10 appropriate to staff and support the Energy P3 Unit. The authority
11 may retain one or more qualified private consultants with relevant
12 expertise to provide the technical assistance and resources deemed
13 necessary and appropriate to assist the Energy P3 Unit.

14 c. The authority shall provide sufficient funding to the Energy
15 P3 Unit to enable the Energy P3 Unit to adequately and properly
16 perform the duties and responsibilities established by P.L. ,
17 c. (C.) (pending before the Legislature as this bill), including
18 the retention of one or more private consultants to assure
19 compliance with the duties and responsibilities established for the
20 Energy P3 Unit by this section. The Energy P3 Unit shall charge a
21 private entity a fee as compensation for the services rendered by the
22 Energy P3 Unit and, if applicable, by one or more retained private
23 consultants, in connection with a completed energy-related project.
24 The fee shall be assessed on a flat fee or percentage basis, based
25 upon the total costs of a completed energy-related project. If a
26 percentage fee is utilized, the percentage fee shall not exceed three
27 percent of the total costs of a completed energy-related project. The
28 Energy P3 Unit may establish standard project development or
29 project review fees for energy-related projects that are not
30 completed for any reason.

31 d. ¹Notwithstanding the provisions of any law, rule, regulation,
32 decision, or order to the contrary, the authority may, without the
33 requirement of advertisement for public bid and bidding therefor,
34 negotiate and award professional service contracts, containing fee
35 and contract duration terms deemed necessary and appropriate by
36 the authority, to one or more private consultants deemed by the
37 authority to be qualified, by training and experience, to provide the
38 technical assistance required by the Energy P3 Unit to fulfill its
39 responsibilities pursuant to P.L. , c. (C.) (pending before the
40 Legislature as this bill).

41 e.¹ The authority may promulgate rules and regulations,
42 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
43 (C.52:14B-1 et seq.), as are necessary to implement the provisions
44 of P.L. , c. (C.) (pending before the Legislature as this bill).
45 The authority may be assisted as appropriate by other participating
46 agencies, departments, boards, and authorities, including the board
47 and the Division of Purchase and Property in the Department of the
48 Treasury, in the promulgation of necessary rules and regulations.

1 ¹**[e.] f.**¹ The authority shall, within 90 days of the effective
2 date of P.L. , c. (C.) (pending before the Legislature as this
3 bill), undertake a study of the staffing and other resources,
4 including one or more private consultants, deemed necessary to
5 enable the Energy P3 Unit to perform the duties and responsibilities
6 established for the Energy P3 Unit by P.L. , c. (C.) (pending
7 before the Legislature as this bill). The authority shall prepare a
8 report of its study, and shall provide a copy thereof to the Governor
9 and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
10 Legislature, recommending any further action and implementation.

11

12 8. (New section) a. The Energy P3 Unit shall require each
13 private entity that seeks to submit a solicited or unsolicited energy-
14 related project proposal to a governmental entity pursuant to
15 P.L. , c. (C.) (pending before the Legislature as this bill) to
16 provide a certified statement in response to a questionnaire that is
17 standardized for like classes of energy-related projects and private
18 entities. The questionnaire shall be designed to fully develop the
19 prior experience and qualifications, financial strength, adequacy of
20 equipment, plant, organization and personnel of the private entity,
21 and other pertinent and material facts deemed necessary by the
22 Energy P3 Unit, in order to enable the Energy P3 Unit to qualify a
23 private entity for the type, cost, or other applicable metric, of
24 energy-related project that the private entity shall be deemed
25 qualified to develop, design, build, finance, own, operate, or
26 maintain, or a combination ¹**[of]**¹ thereof, as the case may be. The
27 qualification criteria established by the Energy P3 Unit shall be
28 competitively neutral, designed to maximize participation by
29 qualified private entities, and shall not include classifications or
30 requirements that would create preferences or advantages of any
31 nature to particular classes of private entities including, but not
32 limited to, private entities that are located within the State,
33 equipment manufacturers, or incumbent providers of energy-related
34 products or services, including operational and maintenance
35 services, to governmental entities.

36 b. The Energy P3 Unit shall determine the qualification of each
37 private entity that seeks to be qualified to develop an energy-related
38 project. The private entity classifications established pursuant to
39 this section shall be tiered to coincide with the level of experience
40 and qualifications, financial strength, adequacy of personnel,
41 equipment and other necessary resources sufficient for the energy-
42 related projects or classifications that are included within each tier.
43 A finding by the Energy P3 Unit that a private entity is qualified to
44 develop energy-related projects included within a particular tier
45 shall be predicated upon the demonstrated ability of the private
46 entity to develop, design, build, finance, own, operate, and
47 maintain, as the case may be, energy-related projects having the
48 same or similar experience, sophistication, complexity, and capital

1 investment established for projects within the tier. The Energy P3
2 Unit shall classify each private entity within 60 business days after
3 receipt of certified statements from the private entity that are
4 deemed to be administratively complete and fully responsive to the
5 questionnaire described in this section. Notice of the classification
6 shall be forwarded to the private entity by registered mail within
7 five business days after the classification is made. Each
8 classification shall be subject to expiration and renewal upon terms
9 as shall be established by the Energy P3 Unit in accordance with
10 this section.

11 c. A private entity that is dissatisfied with its classification may
12 request, in writing, a hearing before the authority or its designee,
13 and may present the evidence with respect to the financial
14 responsibility, organization, plant and equipment, personnel, or
15 experience of the private entity as might justify a different
16 classification. After presentation of the evidence, the authority or its
17 designee may retain or modify the classification of the private
18 entity.

19 d. A current list of each qualified private entity, arranged by
20 tier of energy-related project or projects for which the private entity
21 has been qualified, shall be maintained by the Energy P3 Unit. Each
22 governmental entity that seeks to develop an energy-related project
23 pursuant to P.L. c. (C.) (pending before the Legislature as
24 this bill) shall be provided with the complete list of approved
25 private entities that have been qualified by the Energy P3 Unit for
26 the type of energy-related project proposed by the governmental
27 entity. The Energy P3 Unit shall post the list on an Internet website
28 maintained by or for the Energy P3 Unit and shall update the list
29 monthly.

30
31 9. (New section) a. For each proposed energy-related project,
32 a governmental entity shall solicit proposals from the private
33 entities set forth on the list of private entities, maintained by the
34 Energy P3 Unit, as required pursuant to section 8 of
35 P.L. , c. (C.) (pending before the Legislature as this bill) that
36 have been qualified for inclusion in the tier established for the
37 energy-related project contemplated by the governmental entity.
38 The solicitation by the governmental entity shall invite each private
39 entity qualified within the applicable tier to submit a proposal to the
40 governmental entity for the proposed energy-related project. Each
41 private entity proposal shall detail how the private entity would
42 design, develop, finance, build, operate, or maintain, as the case
43 may be, the energy-related project, and summarize the experience
44 of the private entity with comparable energy-related projects and all
45 proposed team members and subcontractors. A separate
46 procurement shall not be required for a subcontractor that is part of
47 the private entity's proposal to the governmental entity. The
48 governmental entity or its designee shall review the proposal

1 received from each private entity in response to the solicitation and
2 shall select, pursuant to the criteria set forth in section 8 of P.L. ,
3 c. (C.) (pending before the Legislature as this bill), no more
4 than five private entities deemed to be the most qualified for the
5 energy-related project. The governmental entity may select fewer
6 than three private entities if fewer than three private entities
7 respond to the solicitation.

8 b. Once the private entities have been selected, each private
9 entity shall be requested to make a formal proposal to the
10 governmental entity regarding the energy-related project. The
11 proposal shall include, but not be limited to, a project scope of
12 work, identification of proposed equipment and measures,
13 subcontractors, projected project costs, and, if applicable, long term
14 maintenance and operations costs and anticipated energy or other
15 cost savings. If the governmental entity so elects, it may request
16 supplemental information or revised proposals from the private
17 entities and may require each private entity to make an oral
18 presentation, and to respond to questions regarding the private
19 entity's proposal. The governmental entity shall afford each private
20 entity a reasonable opportunity to present supplemental information
21 with regard to the private entity's proposal and to respond to
22 questions regarding the private entity's proposal or qualification to
23 develop the energy-related project. Each private entity shall be
24 afforded an opportunity to supplement its proposal to respond to
25 any proposed changes to the scope or specifications of the energy-
26 related project by the governmental entity after review of the
27 private entities' written proposals.

28 c. The governmental entity shall specify the manner in which
29 the price term shall be bid by a private entity as part of a proposal
30 for an energy-related project including, but not limited to, fixed
31 price, guaranteed maximum price, cost-plus open book, cost-plus
32 open book with guaranteed maximum price, or power purchase
33 agreement. If the fixed price option is selected by the governmental
34 entity, the private entity must fully and accurately disclose, in a
35 single line item entry, the total installed cost of the proposed
36 energy-related project. The fixed cost quoted shall include, but not
37 be limited to, all costs for all products, measures and equipment,
38 fees for all subcontractors, installation labor, and professional,
39 administrative and management services necessary to fully develop
40 and implement the proposed energy-related project, including
41 procurement of all required licenses, permits, and approvals from
42 governmental entities with jurisdiction over the energy-related
43 project. Any proposal by a private entity which includes a fixed
44 price bid that does not comply with the requirements of this section
45 shall be rejected by the governmental entity and the Energy P3
46 Unit.

47 d. The governmental entity shall award the energy-related
48 project to the private entity whose proposal is determined to be the

1 most advantageous to the governmental entity, with price and other
2 factors considered. The criteria upon which the determination shall
3 be based shall include, but not be limited to:

4 (1) the general reputation, industry experience, technical
5 capability, and expertise of the private entity;

6 (2) the cost of the proposed energy-related project;

7 (3) the responsiveness, creativity, innovativeness, and
8 comprehensiveness of the private entity's proposal;

9 (4) if applicable, the ability of the private entity to arrange
10 financing on terms favorable to the governmental entity;

11 (5) the proposed allocation of risks and performance guarantees;

12 (6) the incorporation of innovative terms and conditions that
13 would not otherwise be available to, or would not be available upon
14 a comparable basis to the governmental entity;

15 (7) if applicable, any cost savings associated with the energy-
16 related project;

17 (8) the public benefits of the energy-related project, including
18 economic development, job creation, and reduced electric demand
19 and greenhouse gas emissions; and

20 (9) the experience and capability of the private entity in the
21 implementation of comparable energy-related projects.

22 e. The governmental entity shall negotiate a public-private
23 partnership agreement for the energy-related project with the
24 private entity selected as having submitted the most advantageous
25 proposal in accordance with the selection standards set forth in the
26 section. If the governmental entity elected the fixed price option
27 described in this section, the price term included in any public
28 private partnership agreement shall not exceed, by more than ten
29 percent, the quoted price for the same scope of work presented
30 during the procurement phase of the energy-related project. In the
31 event that the price term presented by a private entity for inclusion
32 in a public-private partnership agreement shall exceed, by more
33 than ten percent, the private entity's original fixed price quoted for
34 the same scope of work, the governmental entity may, at its sole
35 election, terminate negotiations with the private entity, without cost
36 or penalty to the governmental entity.

37 f. If the governmental entity is unable to negotiate a public-
38 private partnership agreement with the selected private entity on
39 terms that the governmental entity determines to be fair and
40 reasonable, negotiations with the selected private entity shall be
41 terminated. The governmental entity shall then commence
42 negotiations with the private entity deemed to have submitted the
43 next best proposal in accordance with the selection standards set
44 forth in this section. If the governmental entity is unable to
45 negotiate a public-private partnership agreement with the second
46 selected private entity, the governmental entity shall terminate
47 negotiations and commence negotiations with the third selected
48 private entity. If the governmental entity is unable to negotiate a

1 public-private partnership agreement with the third selected private
2 entity, the governmental entity shall continue to negotiate with the
3 remaining private entities that submitted proposals, in order of
4 selection, as are necessary in order to enable the governmental
5 entity to conclude a satisfactory public-private partnership
6 agreement with a qualified private entity. If the governmental entity
7 is unable to conclude a satisfactory public-private partnership
8 agreement with a qualified private entity, the governmental entity
9 may cease further negotiations and terminate the energy-related
10 project or commence a new proposal procedure in accordance with
11 the provisions of P.L. _____, c. _____ (C. _____) (pending before the
12 Legislature as this bill).

13

14 10. (New section) Prior to, or in connection with, the
15 negotiation and execution of a public-private partnership
16 agreement, a governmental entity may negotiate and execute a
17 preliminary agreement with the private entity selected for the
18 energy-related project. The preliminary agreement may:

19 a. authorize the private entity to commence certain preliminary
20 activities for which it may be compensated including, but not
21 limited to, project planning, design and engineering, performance of
22 initial and supplemental energy audits and environmental studies,
23 securing project financing, and acquisition of equipment;

24 b. establish the terms and conditions and procedures for the
25 negotiation of the public-private partnership agreement;

26 c. define the nature and extent of the expenditures that may be
27 made pursuant to the preliminary agreement; and

28 d. establish other terms and conditions that the governmental
29 entity and private entity deem necessary and appropriate to foster
30 the development of the energy-related project.

31

32 11. (New section) a. A governmental entity and a private entity
33 shall cooperate to leverage, to the greatest extent possible, available
34 private sector financial resources and expertise and to enhance the
35 ability of the energy-related project to obtain and maximize federal,
36 State, local or other funds, including the “Global Warming
37 Solutions Fund,” grants or incentives, tax advantages, or financial
38 and other benefits to finance, secure, guarantee, service or reduce
39 project debt, or to minimize, repay, or accelerate the repayment of
40 project costs, or provide other financial or other advantages.
41 Notwithstanding the provisions of any law, rule, regulation,
42 decision, or order to the contrary, funding available to an energy-
43 related project from the “Global Warming Solutions Fund” shall be
44 ²available to a “private entity,” as defined pursuant to section 3 of
45 P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill),
46 and shall be² incremental to funding available to an energy-related
47 project from all other sources including, but not limited to, the New
48 Jersey Clean Energy Program administered by the board.

1 b. In order to facilitate the financing, development, and
2 delivery of, or to minimize the costs associated with, an energy-
3 related project, a governmental entity may:

4 (1) become the owner or lessee of the energy-related project, or
5 lessee of the land, or both;

6 (2) issue indebtedness in accordance with the governmental
7 entity's enabling legislation provided that, at a minimum, the
8 private entity guarantees the performance of the energy-related
9 project to the governmental entity;

10 (3) dedicate any property interest, including land,
11 improvements, fixtures, and tangible personal property that the
12 governmental entity has for public use; and

13 (4) exercise all powers conferred on the governmental entity by
14 law including, but not limited to, the power to lease or grant rights
15 of way, easements, and access, exercise the power of eminent
16 domain, grant development rights, issue and accelerate permits and
17 other authorizations, and grant licenses, franchises, contractual, and
18 real property rights.

19 c. A public-private partnership agreement may also provide for
20 the sale, long-term lease, or lease-purchase of, or grant of
21 concessions for, the existing and new assets and facilities of a
22 governmental entity to a private entity, and to enter into revenue
23 sharing opportunities between the governmental entity and private
24 entity in agreed circumstances. If the public-private partnership
25 agreement provides for ownership of the energy-related project, or a
26 portion thereof, by the private entity during the term of the
27 agreement, the agreement may provide for the transfer of the project
28 by the private entity to the governmental entity at no charge upon
29 the expiration of the term of the agreement or any extension thereof.
30

31 12. (New section) The development of an energy-related project
32 pursuant to P.L. , c. (C.) (pending before the Legislature as
33 this bill) shall be deemed to constitute the performance of an
34 essential public function. All energy-related projects predominantly
35 used by, or developed in furtherance of the purposes of a
36 governmental entity pursuant to P.L. , c. (C.) (pending
37 before the Legislature as this bill) that are owned by or leased to a
38 governmental entity, nonprofit business entity, foreign or domestic,
39 or business entity wholly owned by a nonprofit business entity,
40 shall be exempt from property taxation and special assessments of
41 the State, or any municipality, or other political subdivision of the
42 State and, notwithstanding the provisions of section 15 of P.L.1974,
43 c.80 (C.34:1B-15) or section 2 of P.L.1977, c.272 (C.54:4-2.2b) or
44 any other law to the contrary, shall not be required to make
45 payments in lieu of taxes. The land upon which the energy-related
46 project is located shall be exempt from property taxation. The
47 energy-related project and the land upon which the energy-related
48 project is located shall not be subject to the provisions of section 1

1 of P.L.1984, c.176 (C.54:4-1.10) regarding the tax liability of
2 private parties conducting for-profit activities on tax exempt land,
3 or section 1 of P.L.1949, c.177 (C.54:4-2.3) regarding the taxation
4 of leasehold interests in exempt property that are held by
5 nonexempt parties. This section shall apply only when the energy-
6 related project is owned by or leased to the governmental entity, a
7 nonprofit business entity, foreign or domestic, or a business entity
8 wholly owned by a nonprofit business entity, and the energy-related
9 project furthers the purposes of the governmental entity.

10
11 13. (New section) If no public fund has been established for the
12 financing of an energy-related project developed pursuant to
13 P.L. , c. (C.) (pending before the Legislature as this bill), the
14 chief financial officer of the governmental entity may require the
15 private entity responsible for the development of the energy-related
16 project to post, or to cause to be posted, a bond guaranteeing
17 prompt payment of funds due to the contractor, its subcontractors,
18 and to all persons furnishing labor or materials to the contractor or
19 its subcontractors in the conduct of the work on the energy-related
20 project.

21
22 14. (New section) a. All workers employed in the performance
23 of any construction undertaken in connection with an energy-related
24 project for which a public-private partnership agreement has been
25 negotiated pursuant to P.L. , c. (C.) (pending before the
26 Legislature as this bill), including all workers for subcontractors
27 employed in the performance of any construction undertaken in
28 connection with an energy-related project, shall be paid not less
29 than the prevailing wage rate for the worker's craft or trade as
30 determined by the Commissioner of Labor and Workforce
31 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
32 and P.L.2005, c.379 (C.34:11-56.58 et seq.).

33 b. All energy-related projects developed pursuant to a public-
34 private partnership agreement negotiated pursuant to
35 P.L. , c. (C.) (pending before the Legislature as this bill)
36 may contain a project labor agreement. A project labor agreement
37 shall be subject to the provisions of P.L.2002, c.44 (C.52:38-1 et
38 seq.) and shall be structured in a manner that to the greatest extent
39 possible enhances employment opportunities for individuals
40 residing in the county in which the energy-related project will be
41 located.

42 c. A private entity selected by a governmental entity to develop
43 an energy-related project pursuant to P.L. , c. (C.) (pending
44 before the Legislature as this bill), and all affiliates and
45 subcontractors of the private entity, shall comply with the
46 provisions of "The Public Works Contractor Registration Act,"
47 P.L.1999, c. 238 (C.34:11-56.48 et seq.).

1 15. (New section) Each general contractor, construction
2 manager, design-build team, and subcontractor that performs work
3 in connection with an energy-related project pursuant to
4 P.L. , c. (C.) (pending before the Legislature as this bill)
5 shall be classified by the Energy P3 Unit in accordance with the
6 provisions of P.L. , c. (C.) (pending before the Legislature
7 as this bill), in consultation with the Division of Property
8 Management and Construction in the Department of the Treasury.

9
10 16. (New section) a. All energy-related projects proposed by a
11 governmental entity, upon receiving a solicited or unsolicited
12 energy-related project proposal pursuant to section 8 of
13 P.L. , c. (C.) (pending before the Legislature as this bill),
14 shall be submitted to the Energy P3 Unit for project review and
15 approval. Only an application deemed to be complete by the Energy
16 P3 Unit shall be considered. In order for an application to be
17 deemed complete, the application shall include, but not be limited
18 to:

19 (1) a public-private partnership agreement between a
20 governmental entity and a private entity and, if applicable, a
21 preliminary agreement;

22 (2) a copy of any land lease or land agreement between the
23 governmental entity and the private entity;

24 (3) a project narrative that includes a full description of the
25 background and experience of the private entity, and the nature and
26 scope of the energy-related project and its anticipated benefits;

27 (4) financial information, including the estimated cost of the
28 energy-related project, a sources and uses statement, an operating
29 pro forma, evidence of legally binding financial commitments,
30 evidence of the private entity's bonding capacity for the
31 development and operation of the energy-related project and, if
32 applicable, a long term service agreement;

33 (5) a detailed project schedule, including a timetable for
34 completion of all predevelopment, development, and placed-in-
35 service tasks and milestones, which shall demonstrate that the
36 energy-related project will be constructed within five years of the
37 date of approval by the Energy P3 Unit;

38 (6) proof of receipt or anticipated date of receipt of required
39 approvals;

40 (7) if applicable, a demonstration of projected energy cost
41 savings; and

42 (8) any other requirements that the Energy P3 Unit may
43 reasonably deem necessary or appropriate for the energy-related
44 project.

45 b. As part of the estimated costs and financial documentation
46 for an energy-related project, the application of the private entity
47 shall contain a long-range operation and maintenance plan and shall
48 separately state and clearly set forth the expenditures associated

1 with the plan. The long-range operation and maintenance plan shall
2 be approved by the Energy P3 Unit pursuant to regulations
3 promulgated by the Energy P3 Unit that reflect national building
4 maintenance standards and other appropriate building maintenance
5 benchmarks.

6 c. The Energy P3 Unit shall review all applications for
7 completeness in accordance with this section, and may request
8 additional information as may be required to make a complete
9 assessment of the energy-related project. The Energy P3 Unit shall
10 perform a substantive review of the application, which shall include
11 an assessment of the feasibility and design of the project, the
12 experience and qualification of the private entity, the soundness of
13 the financial plan, the adequacy of the public-private partnership
14 agreement, preliminary agreement, land lease, and other
15 agreements, and the adequacy of the long range operation and
16 maintenance plan. The Energy P3 Unit shall have the right to obtain
17 additional information from a private entity if required to complete
18 the review, including the right to issue notices of deficiency to the
19 private entity and require that the record be supplemented until it is
20 deemed complete.

21 d. An energy-related project shall not proceed until the
22 application has met the conditions established pursuant to the
23 provisions of this section and has received the approval of the
24 Energy P3 Unit. The Energy P3 Unit shall be permitted to revoke an
25 approval if it determines that an energy-related project materially
26 deviates from the application submitted pursuant to this section or
27 has not received all required approvals, including a certificate of
28 occupancy. An energy-related project that has been approved by the
29 Energy P3 Unit shall be completed within five years after the date
30 of approval by the Energy P3 Unit.

31
32 17. (New section) a. Notwithstanding the provisions of any
33 law, rule, regulation, decision, or order to the contrary, a private
34 entity that submits a proposal in response to a solicitation for an
35 energy-related project may identify those portions of the proposal
36 that the private entity deems to be confidential, competitively
37 sensitive bid-related information, including, but not limited to,
38 pricing and financing terms, and proprietary or trade secret
39 information. The private entity shall provide justification as to why
40 the materials identified as confidential should not, upon request, be
41 produced to others by the governmental entity. Information
42 determined by the governmental entity to be confidential,
43 competitively sensitive bid-related information shall not be subject
44 to disclosure or considered a public or government record under
45 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et
46 al.), or otherwise, prior to the selection of the winning proposal.
47 Disclosure of confidential, competitively sensitive bid-related
48 information shall occur, upon request, after the selection of the

1 winning proposal, but prior to the execution of the final public-
2 private partnership agreement by the governmental entity and the
3 private entity. Information determined to be proprietary or trade
4 secret information shall not be subject to production at any time by
5 the governmental entity pursuant to P.L.1963, c.73 (C.47:1A-
6 1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et al.), or otherwise.

7 b. Notwithstanding the provisions of any law, rule, regulation,
8 decision, or order to the contrary, a private entity that submits an
9 unsolicited proposal for an energy-related project that is accepted
10 by a governmental entity and made the basis for a solicitation for an
11 energy-related project pursuant to P.L. , c. (C.) (pending
12 before the Legislature as this bill), may identify those portions of
13 the unsolicited proposal that the private entity deems to be
14 confidential, competitively sensitive bid-related information,
15 including, but not limited to, pricing, financing terms, and
16 proprietary or trade secret information. The private entity shall
17 provide justification as to why the materials identified as
18 confidential should not, upon request, be produced to others by the
19 governmental entity. Information determined by the governmental
20 entity to be confidential, competitively sensitive bid-related
21 information shall not be subject to disclosure or considered a public
22 or government record under P.L.1963, c.73 (C.47:1A-1 et seq.) or
23 P.L.2001, c.404 (C.47:1A-5 et al.) or otherwise, prior to the
24 selection of the winning proposal. Disclosure of confidential,
25 competitively sensitive bid-related information shall occur, upon
26 request, after the selection of the winning proposal, but prior to the
27 execution of the final public-private partnership agreement by the
28 governmental entity and the private entity. Information determined
29 to be proprietary or trade secret information shall not be subject to
30 production at any time by the governmental entity pursuant to
31 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-
32 5 et al.), or otherwise.

33 c. Notwithstanding the provisions of any law, rule, regulation,
34 decision, or order to the contrary, a private entity that submits an
35 unsolicited proposal for an energy-related project that is rejected by
36 a governmental entity and not made the basis of a solicitation for an
37 energy-related project pursuant to P.L. , c. (C.) (pending
38 before the Legislature as this bill), may request the governmental
39 entity to return the entire unsolicited proposal to the private entity,
40 and the governmental entity shall promptly comply with any
41 request. An unsolicited proposal for a governmental entity energy-
42 related project that is rejected by a governmental entity and not
43 made the basis of a solicitation for an energy-related project shall
44 not be subject to disclosure or considered a public or government
45 record under P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404
46 (C.47:1A-5 et al.), or otherwise, and no disclosure of the unsolicited
47 proposal, or any portion thereof, or records of any communications
48 relating to the unsolicited proposal, shall be made to the public

1 pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404
2 (C.47:1A-5 et al.), or otherwise.

3
4 18. (New section) Notwithstanding the provisions of section 2
5 of P.L.1999, c.440 (C.40A:11-4.2), section 46 of P.L.1999, c.440
6 (C.18A:18A-4.2), and P.L.1954, c.48 (C.52:34-6 et seq.), and any
7 other law, regulation, decision, or order to the contrary, a public-
8 private partnership agreement between a governmental entity and a
9 private entity to design, develop, finance, build, own, operate ²,²
10 maintain, or a combination thereof, an energy-related project in
11 accordance with the provisions of P.L. , c. (C.) (pending
12 before the Legislature as this bill), may have a term not to exceed
13 20 years. A public-private partnership agreement between a
14 governmental entity and a private entity to design, develop, finance,
15 build, own, operate or maintain an energy-related project that
16 includes a combined heat and power facility, cogeneration facility,
17 or on-site generation facility, as those terms are defined pursuant to
18 section 3 of P.L.1999, c.23 (C.48:3-51), a district energy system ²[,
19 a microgrid]² , or a distributed ²[energy] electric generation²
20 resource in accordance with the provisions of P.L. , c. (C.)
21 (pending before the Legislature as this bill) may have a term not to
22 exceed 25 years, which term shall commence after construction of
23 the combined heat and power facility, cogeneration facility, on-site
24 generation facility, district energy system, ²[microgrid,]²
25 distributed ²[energy] electric generation² resource has been
26 completed and commercial operation of the facility has commenced.
27 A public-private partnership agreement between a governmental
28 entity and a private entity may authorize the entry of a long term
29 service agreement that may include routine and preventive
30 maintenance and overhaul and rebuild coverage, for coverage
31 periods of not less than 10 years, up to the period coinciding with
32 the useful life of the equipment included within the scope of the
33 service agreement.

34
35 ²[¹19. (New section) Notwithstanding the provisions of any
36 law, rule, regulation, decision, or order to the contrary, a distributed
37 electric generation resource that is included as part of a microgrid
38 shall not be required to be located on the property, or on a property
39 contiguous to the property, on which a customer that is
40 interconnected with the microgrid is located, or be otherwise
41 subject to any form of contiguity or proximity-related requirement,
42 provided that all interconnected distributed electric generation
43 resources and customer loads that comprise the microgrid shall be
44 located within the electrical or geographic boundary of the
45 microgrid, and the microgrid shall satisfy the engineering and safety
46 requirements and procedures of the electric public utility to which
47 the microgrid is interconnected. A microgrid shall not be limited

1 with regard to the number or type of customers that may be served
 2 by the microgrid, provided that all customers served by the
 3 microgrid shall be located within the electrical or geographic
 4 boundary of the microgrid and shall include a governmental entity.
 5 A net metered solar facility shall be permitted to operate on the
 6 same circuit as a combined heat and power, cogeneration, or on-site
 7 generation facility and obtain authorized credits for solar energy
 8 produced by the net metered solar facility if the output of the net
 9 metered solar facility is separately metered, and the total power
 10 exported to the power grid by the solar facility does not exceed the
 11 total power imported from the power grid to the customer or
 12 customers served by the solar facility, as measured on an annualized
 13 basis. A private entity or a government entity that seeks to operate a
 14 net metered solar facility on the same circuit as a combined heat
 15 and power, cogeneration, or on-site generation facility shall satisfy
 16 all other regulatory and utility requirements applicable to the
 17 facility and necessary applications, including, but not limited to, all
 18 PJM Interconnection and electric public utility interconnection
 19 policies, practices, and procedures, and electric public utility
 20 engineering analyses concerning the capacity of a circuit to
 21 accommodate both facilities. A microgrid may utilize privately-
 22 owned distribution wires to interconnect a distributed electric
 23 generation resource with customers served by the microgrid and
 24 that are located within the electric or geographic boundary of the
 25 microgrid. A microgrid that attaches to or collocates on electric
 26 public utility poles and distribution wires that are part of an electric
 27 public utility distribution system shall be developed utilizing only
 28 skilled labor that is knowledgeable regarding the electric public
 29 utility's distribution system and safety practices, and shall
 30 compensate the electric public utility for the use of its facilities.¹²

31

32 ¹~~19.1~~ ²~~20.1~~ 19.² (New section) The provisions of P.L.2009,
 33 c.136 (C.52:18-42 et seq.) shall not apply to any energy-related
 34 project developed pursuant to P.L. , c. (C.) (pending before
 35 the Legislature as this bill).

36

37 ¹~~20.1~~ ²~~21.1~~ 20.² (New section) Nothing in P.L. ,
 38 c. (C.) (pending before the Legislature as this bill) shall ¹be
 39 construed to¹ limit the powers of the Office of the State
 40 Comptroller pursuant to P.L.2007, c.52 (C.52:15C-1 et al.)¹, or be
 41 construed to limit the authority of the board¹.

42

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

45 15. All contracts for the provision or performance of goods or
 46 services shall be awarded for a period not to exceed 24 consecutive
 47 months, except that contracts for professional services pursuant to

1 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of
2 P.L.1971, c.198 (C.40A:11-5) shall be awarded for a period not to
3 exceed 12 consecutive months. Contracts may be awarded for
4 longer periods of time as follows:

5 (1) Supplying of:

6 (a) (Deleted by amendment, P.L.1996, c.113.)

7 (b) (Deleted by amendment, P.L.1996, c.113.)

8 (c) Thermal energy produced by a cogeneration facility, for use
9 for heating or air conditioning or both, for any term not exceeding
10 40 years, when the contract is approved by the Board of Public
11 Utilities. For the purposes of this paragraph, "cogeneration" means
12 the simultaneous production in one facility of electric power and
13 other forms of useful energy such as heating or process steam;

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

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

19 (4) The collection and recycling of methane gas from a sanitary
20 landfill facility, for any term not exceeding 25 years, when the
21 contract is in conformance with a district solid waste management
22 plan approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.), and
23 with the approval of the Division of Local Government Services in
24 the Department of Community Affairs and the Department of
25 Environmental Protection. The contracting unit shall award the
26 contract to the highest responsible bidder, notwithstanding that the
27 contract price may be in excess of the amount of any necessarily
28 related administrative expenses; except that if the contract requires
29 the contracting unit to expend funds only, the contracting unit shall
30 award the contract to the lowest responsible bidder. The approval
31 by the Division of Local Government Services of public bidding
32 requirements shall not be required for those contracts exempted
33 therefrom pursuant to section 5 of P.L.1971, c.198 (C.40A:11-5);

34 (5) Data processing service, for any term of not more than seven
35 years;

36 (6) Insurance, including the purchase of insurance coverages,
37 insurance consulting or administrative services, claims
38 administration services and including participation in a joint self-
39 insurance fund, risk management program or related services
40 provided by a contracting unit insurance group, or participation in
41 an insurance fund established by a local unit pursuant to
42 N.J.S.40A:10-6, or a joint insurance fund established pursuant to
43 P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more
44 than three years;

45 (7) Leasing or servicing of (a) automobiles, motor vehicles,
46 machinery, and equipment of every nature and kind, for a period not
47 to exceed five years, or (b) machinery and equipment used in the
48 generation of electricity by a municipal shared services energy

1 authority established pursuant to section 4 of P.L.2015, c.129
2 (C.40A:66-4), or a contracting unit engaged in the generation of
3 electricity, for a period not to exceed 20 years; provided, however, a
4 contract shall be awarded only subject to and in accordance with the
5 rules and regulations promulgated by the Director of the Division of
6 Local Government Services in the Department of Community
7 Affairs;

8 (8) The supplying of any product or the rendering of any service
9 by a company providing voice, data, transmission, or switching
10 services for a term not exceeding five years;

11 (9) Any single project for the construction, reconstruction, or
12 rehabilitation of any public building, structure, or facility, or any
13 public works project, including the retention of the services of any
14 architect or engineer in connection therewith, for the length of time
15 authorized and necessary for the completion of the actual
16 construction;

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

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

23 (12) (Deleted by amendment, P.L.2009, c.4.)**[.]**

24 (13) (Deleted by amendment, P.L.1999, c.440.)

25 (14) (Deleted by amendment, P.L.1999, c.440.)

26 (15) Leasing of motor vehicles, machinery, and other equipment
27 primarily used to fight fires, for a term not to exceed ten years,
28 when the contract includes an option to purchase, subject to and in
29 accordance with rules and regulations promulgated by the Director
30 of the Division of Local Government Services in the Department of
31 Community Affairs;

32 (16) The provision of water supply services or the designing,
33 financing, construction, operation, or maintenance, or any
34 combination thereof, of a water supply facility, or any component
35 part or parts thereof, including a water filtration system, for a period
36 not to exceed 40 years, when the contract for these services is
37 approved by the Division of Local Government Services in the
38 Department of Community Affairs, the Board of Public Utilities,
39 and the Department of Environmental Protection pursuant to
40 P.L.1985, c.37 (C.58:26-1 et al.), except that no approvals shall be
41 required for those contracts otherwise exempted pursuant to
42 subsection (30), (31), (34), (35), or (43) of this section. For the
43 purposes of this subsection, "water supply services" means any
44 service provided by a water supply facility; "water filtration
45 system" means any equipment, plants, structures, machinery,
46 apparatus, or land, or any combination thereof, acquired, used,
47 constructed, rehabilitated, or operated for the collection,
48 impoundment, storage, improvement, filtration, or other treatment

1 of drinking water for the purposes of purifying and enhancing water
2 quality and insuring its potability prior to the distribution of the
3 drinking water to the general public for human consumption,
4 including plants and works, and other personal property and
5 appurtenances necessary for their use or operation; and "water
6 supply facility" means and refers to the real property and the plants,
7 structures, or interconnections between existing water supply
8 facilities, machinery and equipment and other property, real,
9 personal, and mixed, acquired, constructed, or operated, or to be
10 acquired, constructed, or operated, in whole or in part by or on
11 behalf of a political subdivision of the State or any agency thereof,
12 for the purpose of augmenting the natural water resources of the
13 State and making available an increased supply of water for all
14 uses, or of conserving existing water resources, and any and all
15 appurtenances necessary, useful, or convenient for the collecting,
16 impounding, storing, improving, treating, filtering, conserving, or
17 transmitting of water and for the preservation and protection of
18 these resources and facilities and providing for the conservation and
19 development of future water supply resources;

20 (17) The provision of resource recovery services by a qualified
21 vendor, the disposal of the solid waste delivered for disposal which
22 cannot be processed by a resource recovery facility or the residual
23 ash generated at a resource recovery facility, including hazardous
24 waste and recovered metals and other materials for reuse, or the
25 design, financing, construction, operation, or maintenance of a
26 resource recovery facility for a period not to exceed 40 years when
27 the contract is approved by the Division of Local Government
28 Services in the Department of Community Affairs, and the
29 Department of Environmental Protection pursuant to P.L.1985, c.38
30 (C.13:1E-136 et al.); and when the resource recovery facility is in
31 conformance with a district solid waste management plan approved
32 pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.). For the purposes of
33 this subsection, "resource recovery facility" means a solid waste
34 facility constructed and operated for the incineration of solid waste
35 for energy production and the recovery of metals and other
36 materials for reuse; or a mechanized composting facility, or any
37 other facility constructed or operated for the collection, separation,
38 recycling, and recovery of metals, glass, paper, and other materials
39 for reuse or for energy production; and "residual ash" means the
40 bottom ash, fly ash, or any combination thereof, resulting from the
41 combustion of solid waste at a resource recovery facility;

42 (18) The sale of electricity or thermal energy, or both, produced
43 by a resource recovery facility for a period not to exceed 40 years
44 when the contract is approved by the Board of Public Utilities, and
45 when the resource recovery facility is in conformance with a district
46 solid waste management plan approved pursuant to P.L.1970, c.39
47 (C.13:1E-1 et seq.). For the purposes of this subsection, "resource
48 recovery facility" means a solid waste facility constructed and

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

7 (19) The provision of wastewater treatment services or the
8 designing, financing, construction, operation, or maintenance, or
9 any combination thereof, of a wastewater treatment system, or any
10 component part or parts thereof, for a period not to exceed 40 years,
11 when the contract for these services is approved by the Division of
12 Local Government Services in the Department of Community
13 Affairs and the Department of Environmental Protection pursuant to
14 P.L.1985, c.72 (C.58:27-1 et al.), except that no approvals shall be
15 required for those contracts otherwise exempted pursuant to
16 subsection (36) or (43) of this section. For the purposes of this
17 subsection, "wastewater treatment services" means any services
18 provided by a wastewater treatment system, and "wastewater
19 treatment system" means equipment, plants, structures, machinery,
20 apparatus, or land, or any combination thereof, acquired, used,
21 constructed, or operated for the storage, collection, reduction,
22 recycling, reclamation, disposal, separation, or other treatment of
23 wastewater or sewage sludge, or for the final disposal of residues
24 resulting from the treatment of wastewater, including, but not
25 limited to, pumping and ventilating stations, facilities, plants and
26 works, connections, outfall sewers, interceptors, trunk lines, and
27 other personal property and appurtenances necessary for their
28 operation;

29 (20) The supplying of goods or services for the purpose of
30 lighting public streets, for a term not to exceed five years;

31 (21) The provision of emergency medical services for a term not
32 to exceed five years;

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

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

38 (24) The purchase of electricity or administrative or dispatching
39 services related to the transmission of electricity, from a supplier of
40 electricity subject to the jurisdiction of a federal regulatory agency,
41 from a qualifying small power producing facility or qualifying
42 cogeneration facility, as defined by 16 U.S.C. s.796, or from any
43 supplier of electricity within any regional transmission organization
44 or independent system operator or from an organization or operator
45 or their successors, by a contracting unit engaged in the generation
46 of electricity for retail sale, as of May 24, 1991, for a term not to
47 exceed 40 years, or by a contracting unit engaged solely in the
48 distribution of electricity for retail sale for a term not to exceed ten

1 years, except that a contract with a contracting unit, engaged solely
2 in the distribution of electricity for retail sale, in excess of ten
3 years, shall require the written approval of the Director of the
4 Division of Local Government Services. If the director fails to
5 respond in writing to the contracting unit within 10 business days,
6 the contract shall be deemed approved;

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

13 (26) (Deleted by amendment, P.L.1999, c.440.)

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

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

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

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

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

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

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

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

10 (35) A contract for the purchase of a supply of water from a
11 public utility company subject to the jurisdiction of the Board of
12 Public Utilities in accordance with tariffs and schedules of charges
13 made, charged or exacted or contracts filed with the Board of Public
14 Utilities, for any term of not more than 40 years;

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

20 (37) The operation and management of a facility under a license
21 issued or permit approved by the Department of Environmental
22 Protection, including a wastewater treatment system or a water
23 supply or distribution facility, as the case may be, for any term of
24 not more than ten years. For the purposes of this subsection,
25 "wastewater treatment system" refers to facilities operated or
26 maintained for the storage, collection, reduction, disposal, or other
27 treatment of wastewater or sewage sludge, remediation of
28 groundwater contamination, stormwater runoff, or the final disposal
29 of residues resulting from the treatment of wastewater; and "water
30 supply or distribution facility" refers to facilities operated or
31 maintained for augmenting the natural water resources of the State,
32 increasing the supply of water, conserving existing water resources,
33 or distributing water to users;

34 (38) Municipal solid waste collection from facilities owned by a
35 contracting unit, for any term of not more than three years;

36 (39) Fuel for heating purposes, for any term of not more than
37 three years;

38 (40) Fuel or oil for use in motor vehicles for any term of not
39 more than three years;

40 (41) Plowing and removal of snow and ice for any term of not
41 more than three years;

42 (42) Purchases made under a contract awarded by the Director of
43 the Division of Purchase and Property in the Department of the
44 Treasury for use by counties, municipalities, or other contracting
45 units pursuant to section 3 of P.L.1969, c.104 (C.52:25-16.1), for a
46 term not to exceed the term of that contract;

47 (43) A contract between the governing body of a city of the first
48 class and a duly incorporated nonprofit association for the provision

1 of water supply services as defined in subsection (16) of this
2 section, or wastewater treatment services as defined in subsection
3 (19) of this section, may be entered into for a period not to exceed
4 40 years;

5 (44) The purchase of electricity generated through class I
6 renewable energy or from a power production facility that is fueled
7 by methane gas extracted from a landfill in the county of the
8 contacting unit for any term not exceeding 25 years;

9 (45) The provision or performance of goods or services for the
10 purpose of producing class I renewable energy or class II renewable
11 energy, as those terms are defined in section 3 of P.L.1999, c.23
12 (C.48:3-51), at, or adjacent to, buildings owned by, or operations
13 conducted by, the contracting unit, the entire price of which is to be
14 established as a percentage of the resultant savings in energy costs,
15 for a term not to exceed 15 years; provided, however, that a contract
16 shall be entered into only subject to and in accordance with
17 guidelines promulgated by the Board of Public Utilities establishing
18 a methodology for computing energy cost savings and energy
19 generation costs;

20 (46) A power supply contract, as defined pursuant to section 3 of
21 P.L.2015, c.129 (C.40A:66-3), between a member municipality as
22 defined pursuant to section 3 of P.L.2015, c.129 (C.40A:66-3), and
23 the municipal shared services energy authority established pursuant
24 to the provisions of P.L.2015, c.129 (C.40A:66-1 et al.) to meet the
25 electric power needs of its members, for the lease, operation, or
26 management of electric generation within a member municipality's
27 corporate limits and franchise area or the purchase of electricity, or
28 the purchase of fuel for generating units for a term not to exceed 40
29 years; **[and]**

30 (47) A contract entered into pursuant to paragraph (2) of
31 subsection a. of section 6 of P.L.2006, c.46 (C.30:9-23.20) between
32 a county hospital authority and a manager for the management,
33 operation, and maintenance of a hospital owned by the authority or
34 the county for a term not to exceed 20 years, provided, however,
35 that a contract entered into pursuant to paragraph (2) of subsection
36 a. of section 6 of P.L.2006, c.46 (C.30:9-23.20) may be renewed for
37 two additional periods, not to exceed five years each **[.] ; and**

38 (48) The sale of electricity or thermal energy, or both, produced
39 by a combined heat and power facility, cogeneration facility, or on-
40 site generation facility, as those terms are defined pursuant to
41 section 3 of P.L.1999, c.23 (C.48:3-51), a microgrid, as that term is
42 defined in section 3 of P.L. , c. (C.) (pending before the
43 Legislature as this bill), a district energy system, or a distributed
44 energy resource, for a period not to exceed 25 years, which period
45 shall commence after construction of the facility has been
46 completed and commercial operation of the facility has commenced.

47 Any contract for services other than professional services, the
48 statutory length of which contract is for three years or less, may

1 include provisions for no more than one two-year, or two one-year,
2 extensions, subject to the following limitations: a. The contract
3 shall be awarded by resolution of the governing body upon a
4 finding by the governing body that the services are being performed
5 in an effective and efficient manner; b. No contract shall be
6 extended so that it runs for more than a total of five consecutive
7 years; c. Any price change included as part of an extension shall be
8 based upon the price of the original contract as cumulatively
9 adjusted pursuant to any previous adjustment or extension and shall
10 not exceed the change in the index rate for the 12 months preceding
11 the most recent quarterly calculation available at the time the
12 contract is renewed; and d. The terms and conditions of the contract
13 remain substantially the same.

14 All multiyear leases and contracts entered into pursuant to this
15 section, including any two-year or one-year extensions, except
16 contracts involving the supplying of electricity for the purpose of
17 lighting public streets and contracts for thermal energy authorized
18 pursuant to subsection (1) above, construction contracts authorized
19 pursuant to subsection (9) above, contracts for the provision or
20 performance of goods or services or the supplying of equipment to
21 promote energy conservation through the production of class I
22 renewable energy or class II renewable energy authorized pursuant
23 to subsection (45) above, contracts for water supply services or for
24 a water supply facility, or any component part or parts thereof
25 authorized pursuant to subsection (16), (30), (31), (34), (35), (37),
26 or (43) above, contracts for resource recovery services or a resource
27 recovery facility authorized pursuant to subsection (17) above,
28 contracts for the sale of energy produced by a resource recovery
29 facility authorized pursuant to subsection (18) above, contracts for
30 wastewater treatment services or for a wastewater treatment system
31 or any component part or parts thereof authorized pursuant to
32 subsection (19), (36), (37), or (43) above, and contracts for the
33 purchase of electricity or administrative or dispatching services
34 related to the transmission of electricity authorized pursuant to
35 subsection (24) above, contracts for the purchase of electricity
36 generated from a power production facility that is fueled by
37 methane gas authorized pursuant to subsection (44) above, and
38 power supply contracts authorized pursuant to subsection (46)
39 respectively, shall contain a clause making them subject to the
40 availability and appropriation annually of sufficient funds as may
41 be required to meet the extended obligation, or contain an annual
42 cancellation clause.

43 The Division of Local Government Services in the Department
44 of Community Affairs shall adopt and promulgate rules and
45 regulations concerning the methods of accounting for all contracts
46 that do not coincide with the fiscal year.

47 All contracts shall cease to have effect at the end of the
48 contracted period and shall not be extended by any mechanism or

1 provision, unless in conformance with the "Local Public Contracts
 2 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), except that a contract
 3 may be extended by mutual agreement of the parties to the contract
 4 when a contracting unit has commenced rebidding prior to the time
 5 the contract expires or when the awarding of a contract is pending
 6 at the time the contract expires.
 7 (cf: P.L.2016, c.55, s.10)]¹

8
 9 ²[¹22.] 21.² (New section) ²[a.]² Subject to the provisions
 10 ²[of section 19]² of P.L. , c. (C.) (pending before the
 11 Legislature as this bill), nothing in P.L. , c. (C.) (pending
 12 before the Legislature as this bill) shall be construed to permit a
 13 private entity or a governmental entity to engage in the provision of
 14 public utility distribution or transmission service, or to attach or
 15 collocate on, without the explicit, written approval of the public
 16 utility, a public utility facility, including, but not limited to, a public
 17 utility distribution and transmission system, and other support
 18 facilities that are owned or controlled by a public utility. A private
 19 entity or government entity may petition the board for resolution of
 20 a dispute arising from a public utility's denial of the request of the
 21 private entity or government entity for interconnection or to utilize
 22 facilities owned or controlled by the public utility.

23 ²[b. Subject to the provisions of section 19 of
 24 P.L. , c. (C.) (pending before the Legislature as this bill), a
 25 microgrid shall not engage in the provision of electric distribution
 26 service or natural gas distribution service for public use pursuant to
 27 R.S. 48:2-13, or in violation of a franchise granted to an electric
 28 public utility or natural gas public utility pursuant to R.S.48:2-
 29 14.¹]²

30
 31 ²[¹23.] 22.² (New section) The authority shall, within three
 32 years after the effective date of P.L. , c. (C.) (pending
 33 before the Legislature as this bill), and annually thereafter, prepare
 34 a report to the Governor and, pursuant to section 2 of P.L.1991,
 35 c.164 (C.52:14-19.1), to the Legislature regarding the number,
 36 nature, structure, and scope of energy-related public private
 37 partnership agreements developed pursuant to P.L. , c. (C.)
 38 (pending before the Legislature as this bill), including: (1) a
 39 description of the improvements made to the energy infrastructure
 40 of participating governmental entities; (2) environmental impacts;
 41 (3) job creation and other economic and societal benefits; (4) costs
 42 incurred; and (5) where applicable, reductions in energy usage and
 43 demand and enhancements to the resiliency and reliability of the
 44 State's energy infrastructure. The report shall also address any
 45 implementation issues, including authority staffing and resource
 46 requirements, and set forth recommendations regarding how the
 47 processes and methods adopted to foster the development of

1 energy-related public private partnership agreements under
2 P.L. , c. (C.) (pending before the Legislature as this bill)
3 may be improved, expanded, or made more efficient.¹
4

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

7 15. All contracts for the provision or performance of goods or
8 services shall be awarded for a period not to exceed 24 consecutive
9 months, except that contracts for professional services pursuant to
10 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of
11 P.L.1971, c.198 (C.40A:11-5) shall be awarded for a period not to
12 exceed 12 consecutive months. Contracts may be awarded for
13 longer periods of time as follows:

14 (1) Supplying of:

15 (a) (Deleted by amendment, P.L.1996, c.113.)

16 (b) (Deleted by amendment, P.L.1996, c.113.)

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

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

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

28 (4) The collection and recycling of methane gas from a sanitary
29 landfill facility, for any term not exceeding 25 years, when the
30 contract is in conformance with a district solid waste management
31 plan approved pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.), and
32 with the approval of the Division of Local Government Services in
33 the Department of Community Affairs and the Department of
34 Environmental Protection. The contracting unit shall award the
35 contract to the highest responsible bidder, notwithstanding that the
36 contract price may be in excess of the amount of any necessarily
37 related administrative expenses; except that if the contract requires
38 the contracting unit to expend funds only, the contracting unit shall
39 award the contract to the lowest responsible bidder. The approval
40 by the Division of Local Government Services of public bidding
41 requirements shall not be required for those contracts exempted
42 therefrom pursuant to section 5 of P.L.1971, c.198 (C.40A:11-5);

43 (5) Data processing service, for any term of not more than seven
44 years;

45 (6) Insurance, including the purchase of insurance coverages,
46 insurance consulting or administrative services, claims
47 administration services and including participation in a joint self-
48 insurance fund, risk management program or related services

1 provided by a contracting unit insurance group, or participation in
2 an insurance fund established by a local unit pursuant to
3 N.J.S.40A:10-6, or a joint insurance fund established pursuant to
4 P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more
5 than three years;

6 (7) Leasing or servicing of (a) automobiles, motor vehicles,
7 machinery, and equipment of every nature and kind, for a period not
8 to exceed five years, or (b) machinery and equipment used in the
9 generation of electricity by a municipal shared services energy
10 authority established pursuant to section 4 of P.L.2015, c.129
11 (C.40A:66-4), or a contracting unit engaged in the generation of
12 electricity, for a period not to exceed 20 years; provided, however, a
13 contract shall be awarded only subject to and in accordance with the
14 rules and regulations promulgated by the Director of the Division of
15 Local Government Services in the Department of Community
16 Affairs;

17 (8) The supplying of any product or the rendering of any service
18 by a company providing voice, data, transmission, or switching
19 services for a 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 any
23 architect or engineer in connection therewith, for the length of time
24 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 and plan review services undertaken by
29 private agencies pursuant to the "State Uniform Construction Code
30 Act," P.L.1975, c.217 (C.52:27D-119 et seq.) for any term of not
31 more than three years;

32 (12) (Deleted by amendment, P.L.2009, c.4.)**【.】**

33 (13) (Deleted by amendment, P.L.1999, c.440.)

34 (14) (Deleted by amendment, P.L.1999, c.440.)

35 (15) Leasing of motor vehicles, machinery, and other equipment
36 primarily used to fight fires, for a term not to exceed ten years,
37 when the contract includes an option to purchase, subject to and in
38 accordance with rules and regulations promulgated by the Director
39 of the Division of Local Government Services in the Department of
40 Community Affairs;

41 (16) The provision of water supply services or the designing,
42 financing, construction, operation, or maintenance, or any
43 combination thereof, of a water supply facility, or any component
44 part or parts thereof, including a water filtration system, for a period
45 not to exceed 40 years, when the contract for these services is
46 approved by the Division of Local Government Services in the
47 Department of Community Affairs, the Board of Public Utilities,
48 and the Department of Environmental Protection pursuant to

1 P.L.1985, c.37 (C.58:26-1 et al.), except that no approvals shall be
2 required for those contracts otherwise exempted pursuant to
3 subsection (30), (31), (34), (35) or (43) of this section. For the
4 purposes of this subsection, "water supply services" means any
5 service provided by a water supply facility; "water filtration
6 system" means any equipment, plants, structures, machinery,
7 apparatus, or land, or any combination thereof, acquired, used,
8 constructed, rehabilitated, or operated for the collection,
9 impoundment, storage, improvement, filtration, or other treatment
10 of drinking water for the purposes of purifying and enhancing water
11 quality and insuring its potability prior to the distribution of the
12 drinking water to the general public for human consumption,
13 including plants and works, and other personal property and
14 appurtenances necessary for their use or operation; and "water
15 supply facility" means and refers to the real property and the plants,
16 structures, or interconnections between existing water supply
17 facilities, machinery and equipment and other property, real,
18 personal, and mixed, acquired, constructed, or operated, or to be
19 acquired, constructed, or operated, in whole or in part by or on
20 behalf of a political subdivision of the State or any agency thereof,
21 for the purpose of augmenting the natural water resources of the
22 State and making available an increased supply of water for all
23 uses, or of conserving existing water resources, and any and all
24 appurtenances necessary, useful, or convenient for the collecting,
25 impounding, storing, improving, treating, filtering, conserving, or
26 transmitting of water and for the preservation and protection of
27 these resources and facilities and providing for the conservation and
28 development of future water supply resources;

29 (17) The provision of resource recovery services by a qualified
30 vendor, the disposal of the solid waste delivered for disposal which
31 cannot be processed by a resource recovery facility or the residual
32 ash generated at a resource recovery facility, including hazardous
33 waste and recovered metals and other materials for reuse, or the
34 design, financing, construction, operation, or maintenance of a
35 resource recovery facility for a period not to exceed 40 years when
36 the contract is approved by the Division of Local Government
37 Services in the Department of Community Affairs, and the
38 Department of Environmental Protection pursuant to P.L.1985, c.38
39 (C.13:1E-136 et al.); and when the resource recovery facility is in
40 conformance with a district solid waste management plan approved
41 pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.). For the purposes of
42 this subsection, "resource recovery facility" means a solid waste
43 facility constructed and operated for the incineration of solid waste
44 for energy production and the recovery of metals and other
45 materials for reuse; or a mechanized composting facility, or any
46 other facility constructed or operated for the collection, separation,
47 recycling, and recovery of metals, glass, paper, and other materials
48 for reuse or for energy production; and "residual ash" means the

1 bottom ash, fly ash, or any combination thereof, resulting from the
2 combustion of solid waste at a resource recovery facility;

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

16 (19) The provision of wastewater treatment services or the
17 designing, financing, construction, operation, or maintenance, or
18 any combination thereof, of a wastewater treatment system, or any
19 component part or parts thereof, for a period not to exceed 40 years,
20 when the contract for these services is approved by the Division of
21 Local Government Services in the Department of Community
22 Affairs and the Department of Environmental Protection pursuant to
23 P.L.1985, c.72 (C.58:27-1 et al.), except that no approvals shall be
24 required for those contracts otherwise exempted pursuant to
25 subsection (36) or (43) of this section. For the purposes of this
26 subsection, "wastewater treatment services" means any services
27 provided by a wastewater treatment system, and "wastewater
28 treatment system" means equipment, plants, structures, machinery,
29 apparatus, or land, or any combination thereof, acquired, used,
30 constructed, or operated for the storage, collection, reduction,
31 recycling, reclamation, disposal, separation, or other treatment of
32 wastewater or sewage sludge, or for the final disposal of residues
33 resulting from the treatment of wastewater, including, but not
34 limited to, pumping and ventilating stations, facilities, plants and
35 works, connections, outfall sewers, interceptors, trunk lines, and
36 other personal property and appurtenances necessary for their
37 operation;

38 (20) The supplying of goods or services for the purpose of
39 lighting public streets, for a term not to exceed five years;

40 (21) The provision of emergency medical services for a term not
41 to exceed five years;

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

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

47 (24) The purchase of electricity or administrative or dispatching
48 services related to the transmission of electricity, from a supplier of

1 electricity subject to the jurisdiction of a federal regulatory agency,
2 from a qualifying small power producing facility or qualifying
3 cogeneration facility, as defined by 16 U.S.C. s.796, or from any
4 supplier of electricity within any regional transmission organization
5 or independent system operator or from an organization or operator
6 or their successors, by a contracting unit engaged in the generation
7 of electricity for retail sale, as of May 24, 1991, for a term not to
8 exceed 40 years, or by a contracting unit engaged solely in the
9 distribution of electricity for retail sale for a term not to exceed ten
10 years, except that a contract with a contracting unit, engaged solely
11 in the distribution of electricity for retail sale, in excess of ten
12 years, shall require the written approval of the Director of the
13 Division of Local Government Services. If the director fails to
14 respond in writing to the contracting unit within 10 business days,
15 the contract shall be deemed approved;

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

22 (26) (Deleted by amendment, P.L.1999, c.440.)

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

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

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

44 (30) The acquisition of an equitable interest in a water supply
45 facility pursuant to section 2 of P.L.1993, c.381 (C.58:28-2), or a
46 contract entered into pursuant to the "County and Municipal Water
47 Supply Act," N.J.S.40A:31-1 et seq., if the contract is entered into

1 no later than January 7, 1995, for any term of not more than forty
2 years;

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

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

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

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

20 (35) A contract for the purchase of a supply of water from a
21 public utility company subject to the jurisdiction of the Board of
22 Public Utilities in accordance with tariffs and schedules of charges
23 made, charged or exacted or contracts filed with the Board of Public
24 Utilities, for any term of not more than 40 years;

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

30 (37) The operation and management of a facility under a license
31 issued or permit approved by the Department of Environmental
32 Protection, including a wastewater treatment system, a stormwater
33 management system, or a water supply or distribution facility, as
34 the case may be, for any term of not more than ten years. For the
35 purposes of this subsection, "wastewater treatment system" refers to
36 facilities operated or maintained for the storage, collection,
37 reduction, disposal, or other treatment of wastewater or sewage
38 sludge, remediation of groundwater contamination, stormwater
39 runoff, or the final disposal of residues resulting from the treatment
40 of wastewater; "stormwater management system" means the same
41 as that term is defined in section 3 of P.L.2019, c.42 (C.40A:26B-
42 3); and "water supply or distribution facility" refers to facilities
43 operated or maintained for augmenting the natural water resources
44 of the State, increasing the supply of water, conserving existing
45 water resources, or distributing water to users;

46 (38) Municipal solid waste collection from facilities owned by a
47 contracting unit, for any term of not more than three years;

1 (39) Fuel for heating purposes, for any term of not more than
2 three years;

3 (40) Fuel or oil for use in motor vehicles for any term of not
4 more than three years;

5 (41) Plowing and removal of snow and ice for any term of not
6 more than three years;

7 (42) Purchases made under a contract awarded by the Director of
8 the Division of Purchase and Property in the Department of the
9 Treasury for use by counties, municipalities, or other contracting
10 units pursuant to section 3 of P.L.1969, c.104 (C.52:25-16.1), for a
11 term not to exceed the term of that contract;

12 (43) A contract between the governing body of a city of the first
13 class and a duly incorporated nonprofit association for the provision
14 of water supply services as defined in subsection (16) of this
15 section, or wastewater treatment services as defined in subsection
16 (19) of this section, may be entered into for a period not to exceed
17 40 years;

18 (44) The purchase of electricity generated through class I
19 renewable energy or from a power production facility that is fueled
20 by methane gas extracted from a landfill in the county of the
21 contacting unit for any term not exceeding 25 years;

22 (45) The provision or performance of goods or services for the
23 purpose of producing class I renewable energy or class II renewable
24 energy, as those terms are defined in section 3 of P.L.1999, c.23
25 (C.48:3-51), at, or adjacent to, buildings owned by, or operations
26 conducted by, the contracting unit, the entire price of which is to be
27 established as a percentage of the resultant savings in energy costs,
28 for a term not to exceed 15 years; provided, however, that a contract
29 shall be entered into only subject to and in accordance with
30 guidelines promulgated by the Board of Public Utilities establishing
31 a methodology for computing energy cost savings and energy
32 generation costs;

33 (46) A power supply contract, as defined pursuant to section 3 of
34 P.L.2015, c.129 (C.40A:66-3), between a member municipality as
35 defined pursuant to section 3 of P.L.2015, c.129 (C.40A:66-3), and
36 the municipal shared services energy authority established pursuant
37 to the provisions of P.L.2015, c.129 (C.40A:66-1 et al.) to meet the
38 electric power needs of its members, for the lease, operation, or
39 management of electric generation within a member municipality's
40 corporate limits and franchise area or the purchase of electricity, or
41 the purchase of fuel for generating units for a term not to exceed 40
42 years; **[and]**

43 (47) A contract entered into pursuant to paragraph (2) of
44 subsection a. of section 6 of P.L.2006, c.46 (C.30:9-23.20) between
45 a county hospital authority and a manager for the management,
46 operation, and maintenance of a hospital owned by the authority or
47 the county for a term not to exceed 20 years, provided, however,
48 that a contract entered into pursuant to paragraph (2) of subsection

1 a. of section 6 of P.L.2006, c.46 (C.30:9-23.20) may be renewed for
2 two additional periods, not to exceed five years each ; and

3 (48) The sale of electricity or thermal energy, or both, produced
4 by a combined heat and power facility, cogeneration facility, or on-
5 site generation facility, as those terms are defined pursuant to
6 section 3 of P.L.1999, c.23 (C.48:3-51), a microgrid, as that term is
7 defined in section 3 of P.L. , c. (C.) (pending before the
8 Legislature as this bill), a district energy system, or a distributed
9 energy resource, for a period not to exceed 25 years, which period
10 shall commence after construction of the facility has been
11 completed and commercial operation of the facility has commenced.

12 Any contract for services other than professional services, the
13 statutory length of which contract is for three years or less, may
14 include provisions for no more than one two-year, or two one-year,
15 extensions, subject to the following limitations: a. The contract
16 shall be awarded by resolution of the governing body upon a
17 finding by the governing body that the services are being performed
18 in an effective and efficient manner; b. No contract shall be
19 extended so that it runs for more than a total of five consecutive
20 years; c. Any price change included as part of an extension shall be
21 based upon the price of the original contract as cumulatively
22 adjusted pursuant to any previous adjustment or extension and shall
23 not exceed the change in the index rate for the 12 months preceding
24 the most recent quarterly calculation available at the time the
25 contract is renewed; and d. The terms and conditions of the contract
26 remain substantially the same.

27 All multiyear leases and contracts entered into pursuant to this
28 section, including any two-year or one-year extensions, except
29 contracts involving the supplying of electricity for the purpose of
30 lighting public streets and contracts for thermal energy authorized
31 pursuant to subsection (1) above, construction contracts authorized
32 pursuant to subsection (9) above, contracts for the provision or
33 performance of goods or services or the supplying of equipment to
34 promote energy conservation through the production of class I
35 renewable energy or class II renewable energy authorized pursuant
36 to subsection (45) above, contracts for water supply services or for
37 a water supply facility, or any component part or parts thereof
38 authorized pursuant to subsection (16), (30), (31), (34), (35), (37),
39 or (43) above, contracts for resource recovery services or a resource
40 recovery facility authorized pursuant to subsection (17) above,
41 contracts for the sale of energy produced by a resource recovery
42 facility authorized pursuant to subsection (18) above, contracts for
43 wastewater treatment services or for a wastewater treatment system
44 or any component part or parts thereof authorized pursuant to
45 subsection (19), (36), (37), or (43) above, contracts for the
46 operation and maintenance of a stormwater management system
47 authorized pursuant to subsection (37) above, and contracts for the
48 purchase of electricity or administrative or dispatching services

1 related to the transmission of electricity authorized pursuant to
2 subsection (24) above, contracts for the purchase of electricity
3 generated from a power production facility that is fueled by
4 methane gas authorized pursuant to subsection (44) above, and
5 power supply contracts authorized pursuant to subsection (46)
6 respectively, shall contain a clause making them subject to the
7 availability and appropriation annually of sufficient funds as may
8 be required to meet the extended obligation, or contain an annual
9 cancellation clause.

10 The Division of Local Government Services in the Department
11 of Community Affairs shall adopt and promulgate rules and
12 regulations concerning the methods of accounting for all contracts
13 that do not coincide with the fiscal year.

14 All contracts shall cease to have effect at the end of the
15 contracted period and shall not be extended by any mechanism or
16 provision, unless in conformance with the "Local Public Contracts
17 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), except that a contract
18 may be extended by mutual agreement of the parties to the contract
19 when a contracting unit has commenced rebidding prior to the time
20 the contract expires or when the awarding of a contract is pending
21 at the time the contract expires.¹

22 (cf: P.L.2019, c.42, s.22) **J**²

23

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

26 15. All contracts for the provision or performance of goods or
27 services shall be awarded for a period not to exceed 24 consecutive
28 months, except that contracts for professional services pursuant to
29 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of
30 P.L.1971, c.198 (C.40A:11-5) shall be awarded for a period not to
31 exceed 12 consecutive months. Contracts may be awarded for
32 longer periods of time as follows:

33 (1) Supplying of:

34 (a) (Deleted by amendment, P.L.1996, c.113.)

35 (b) (Deleted by amendment, P.L.1996, c.113.)

36 (c) Thermal energy produced by a cogeneration facility, for use
37 for heating or air conditioning or both, for any term not exceeding
38 40 years, when the contract is approved by the Board of Public
39 Utilities

40 For the purposes of this paragraph, "cogeneration" means the
41 simultaneous production in one facility of electric power and other
42 forms of useful energy such as heating or process steam;

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

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

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

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

18 (6) Insurance, including the purchase of insurance coverages,
19 insurance consulting or administrative services, claims
20 administration services, including participation in a joint self-
21 insurance fund, risk management program or related services
22 provided by a contracting unit insurance group, or participation in
23 an insurance fund established by a local unit pursuant to
24 N.J.S.40A:10-6, or a joint insurance fund established pursuant to
25 P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more
26 than three years;

27 (7) Leasing or servicing of (a) automobiles, motor vehicles,
28 machinery, and equipment of every nature and kind, for a period not
29 to exceed five years, or (b) machinery and equipment used in the
30 generation of electricity by a municipal shared services energy
31 authority established pursuant to section 4 of P.L.2015, c.129
32 (C.40A:66-4), or a contracting unit engaged in the generation of
33 electricity, for a period not to exceed 20 years; provided, however, a
34 contract shall be awarded only subject to and in accordance with the
35 rules and regulations promulgated by the Director of the Division of
36 Local Government Services in the Department of Community
37 Affairs;

38 (8) The supplying of any product or the rendering of any service
39 by a company providing voice, data, transmission, or switching
40 services for a term not exceeding five years;

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

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

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

5 (12) (Deleted by amendment, P.L.2009, c.4.) **[.]**

6 (13) (Deleted by amendment, P.L.1999, c.440.)

7 (14) (Deleted by amendment, P.L.1999, c.440.)

8 (15) Leasing of motor vehicles, machinery, and other equipment
9 primarily used to fight fires, for a term not to exceed ten years,
10 when the contract includes an option to purchase, subject to and in
11 accordance with rules and regulations promulgated by the Director
12 of the Division of Local Government Services in 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
16 combination thereof, of a water supply facility, or any component
17 part or parts thereof, including a water filtration system, for a period
18 not to exceed 40 years, when the contract for these services is
19 approved by the Division of Local Government Services in the
20 Department of Community Affairs, the Board of Public Utilities,
21 and the Department of Environmental Protection pursuant to
22 P.L.1985, c.37 (C.58:26-1 et al.), except that no approvals shall be
23 required for those contracts otherwise exempted pursuant to
24 subsection (30), (31), (34), (35) or (43) of this section.

25 For the purposes of this subsection, "water supply services"
26 means any service provided by a water supply facility; "water
27 filtration system" means any equipment, plants, structures,
28 machinery, apparatus, or land, or any combination thereof,
29 acquired, used, constructed, rehabilitated, or operated for the
30 collection, impoundment, storage, improvement, filtration, or other
31 treatment of drinking water for the purposes of purifying and
32 enhancing water quality and insuring its potability prior to the
33 distribution of the drinking water to the general public for human
34 consumption, including plants and works, and other personal
35 property and appurtenances necessary for their use or operation; and
36 "water supply facility" means and refers to the real property and the
37 plants, structures, or interconnections between existing water
38 supply facilities, machinery and equipment and other property, real,
39 personal, and mixed, acquired, constructed, or operated, or to be
40 acquired, constructed, or operated, in whole or in part by or on
41 behalf of a political subdivision of the State or any agency thereof,
42 for the purpose of augmenting the natural water resources of the
43 State and making available an increased supply of water for all
44 uses, or of conserving existing water resources, and any and all
45 appurtenances necessary, useful, or convenient for the collecting,
46 impounding, storing, improving, treating, filtering, conserving, or
47 transmitting of water and for the preservation and protection of

1 these resources and facilities and providing for the conservation and
2 development of future water supply resources;

3 (17)The provision of resource recovery services by a qualified
4 vendor, the disposal of the solid waste delivered for disposal which
5 cannot be processed by a resource recovery facility or the residual
6 ash generated at a resource recovery facility, including hazardous
7 waste and recovered metals and other materials for reuse, or the
8 design, financing, construction, operation, or maintenance of a
9 resource recovery facility for a period not to exceed 40 years when
10 the contract is approved by the Division of Local Government
11 Services in the Department of Community Affairs, and the
12 Department of Environmental Protection pursuant to P.L.1985, c.38
13 (C.13:1E-136 et al.); and when the resource recovery facility is in
14 conformance with a district solid waste management plan approved
15 pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.).

16 For the purposes of this subsection, "resource recovery facility"
17 means a solid waste facility constructed and operated for the
18 incineration of solid waste for energy production and the recovery
19 of metals and other materials for reuse, or a mechanized composting
20 facility, or any other facility constructed or operated for the
21 collection, separation, recycling, and recovery of metals, glass,
22 paper, and other materials for reuse or for energy production; and
23 "residual ash" means the bottom ash, fly ash, or any combination
24 thereof, resulting from the combustion of solid waste at a resource
25 recovery facility;

26 (18)The sale of electricity or thermal energy, or both, produced
27 by a resource recovery facility for a period not to exceed 40 years
28 when the contract is approved by the Board of Public Utilities, and
29 when the resource recovery facility is in conformance with a district
30 solid waste management plan approved pursuant to P.L.1970, c.39
31 (C.13:1E-1 et seq.).

32 For the purposes of this subsection, "resource recovery facility"
33 means a solid waste facility constructed and operated for the
34 incineration of solid waste for energy production and the recovery
35 of metals and other materials for reuse, or a mechanized composting
36 facility, or any other facility constructed or operated for the
37 collection, separation, recycling, and recovery of metals, glass,
38 paper, and other materials for reuse or for energy production;

39 (19)The provision of wastewater treatment services or the
40 designing, financing, construction, operation, or maintenance, or
41 any combination thereof, of a wastewater treatment system, or any
42 component part or parts thereof, for a period not to exceed 40 years,
43 when the contract for these services is approved by the Division of
44 Local Government Services in the Department of Community
45 Affairs and the Department of Environmental Protection pursuant to
46 P.L.1985, c.72 (C.58:27-1 et al.), except that no approvals shall be
47 required for those contracts otherwise exempted pursuant to
48 subsection (36) or (43) of this section.

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

13 (20)The supplying of goods or services for the purpose of
14 lighting public streets, for a term not to exceed five years;

15 (21)The provision of emergency medical services for a term not
16 to exceed five years;

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

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

22 (24)The purchase of electricity or administrative or dispatching
23 services related to the transmission of electricity, from a supplier of
24 electricity subject to the jurisdiction of a federal regulatory agency,
25 from a qualifying small power producing facility or qualifying
26 cogeneration facility, as defined by 16 U.S.C. s.796, or from any
27 supplier of electricity within any regional transmission organization
28 or independent system operator or from an organization or operator
29 or their successors, by a contracting unit engaged in the generation
30 of electricity for retail sale, as of May 24, 1991, for a term not to
31 exceed 40 years; or by a contracting unit engaged solely in the
32 distribution of electricity for retail sale for a term not to exceed ten
33 years, except that a contract with a contracting unit, engaged solely
34 in the distribution of electricity for retail sale, in excess of ten
35 years, shall require the written approval of the Director of the
36 Division of Local Government Services. If the director fails to
37 respond in writing to the contracting unit within 10 business days,
38 the contract shall be deemed approved;

39 (25)Basic life support services, for a period not to exceed five
40 years.

41 For the purposes of this subsection, "basic life support" means a
42 basic level of prehospital care, which includes but need not be
43 limited to patient stabilization, airway clearance, cardiopulmonary
44 resuscitation, hemorrhage control, initial wound care, and fracture
45 stabilization;

46 (26)(Deleted by amendment, P.L.1999, c.440.)

1 (27)The provision of transportation services to an elderly person,
2 an individual with a disability, or an indigent person for any term of
3 not more than three years.

4 For the purposes of this subsection, "elderly person" means a
5 person who is 60 years of age or older. "Individual with a
6 disability" means a person of any age who, by reason of illness,
7 injury, age, congenital malfunction, or other permanent or
8 temporary incapacity or disability, is unable, without special
9 facilities or special planning or design to utilize mass transportation
10 facilities and services as effectively as persons who are not so
11 affected. "Indigent person " means a person of any age whose
12 income does not exceed 100 percent of the poverty line, adjusted
13 for family size, established and adjusted under section 2 of the
14 "Community Services Block Grant Act," (42 U.S.C. s.9902);

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

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

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

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

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

36 (33)The supplying of any product or the rendering of any
37 service, including consulting services, by a cemetery management
38 company for the maintenance and preservation of a municipal
39 cemetery operating pursuant to the "New Jersey Cemetery Act,
40 2003," P.L.2003, c.261 (C.45:27-1 et seq.), for a term not exceeding
41 15 years;

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

46 (35)A contract for the purchase of a supply of water from a
47 public utility company subject to the jurisdiction of the Board of
48 Public Utilities in accordance with tariffs and schedules of charges

1 made, charged or exacted or contracts filed with the Board of Public
2 Utilities, for any term of not more than 40 years;

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

8 (37)The operation and management of a facility under a license
9 issued or permit approved by the Department of Environmental
10 Protection, including a wastewater treatment system, a stormwater
11 management system, or a water supply or distribution facility, as
12 the case may be, for any term of not more than ten years.

13 For the purposes of this subsection, "wastewater treatment
14 system" refers to facilities operated or maintained for the storage,
15 collection, reduction, disposal, or other treatment of wastewater or
16 sewage sludge, remediation of groundwater contamination,
17 stormwater runoff, or the final disposal of residues resulting from
18 the treatment of wastewater; "stormwater management system"
19 means the same as that term is defined in section 3 of P.L.2019,
20 c.42 (C.40A:26B-3); and "water supply or distribution facility"
21 refers to facilities operated or maintained for augmenting the
22 natural water resources of the State, increasing the supply of water,
23 conserving existing water resources, or distributing water to users;

24 (38)Municipal solid waste collection from facilities owned by a
25 contracting unit, for any term of not more than three years;

26 (39)Fuel for heating purposes, for any term of not more than
27 three years;

28 (40)Fuel or oil for use in motor vehicles for any term of not more
29 than three years;

30 (41)Plowing and removal of snow and ice for any term of not
31 more than three years;

32 (42)Purchases made under a contract awarded by the Director of
33 the Division of Purchase and Property in the Department of the
34 Treasury for use by counties, municipalities, or other contracting
35 units pursuant to section 3 of P.L.1969, c.104 (C.52:25-16.1), for a
36 term not to exceed the term of that contract;

37 (43)A contract between the governing body of a city of the first
38 class and a duly incorporated nonprofit association for the provision
39 of water supply services as defined in subsection (16) of this
40 section, or wastewater treatment services as defined in subsection
41 (19) of this section, may be entered into for a period not to exceed
42 40 years;

43 (44)The purchase of electricity generated through Class I
44 renewable energy or from a power production facility that is fueled
45 by methane gas extracted from a landfill in the county of the
46 contacting unit for any term not exceeding 25 years;

47 (45)The provision or performance of goods or services for the
48 purpose of producing Class I renewable energy or Class II

1 renewable energy, as those terms are defined in section 3 of
2 P.L.1999, c.23 (C.48:3-51), at, or adjacent to, buildings owned by,
3 or operations conducted by, the contracting unit, the entire price of
4 which is to be established as a percentage of the resultant savings in
5 energy costs, for a term not to exceed 15 years; provided, however,
6 that a contract shall be entered into only subject to and in
7 accordance with guidelines promulgated by the Board of Public
8 Utilities establishing a methodology for computing energy cost
9 savings and energy generation costs;

10 (46) A power supply contract, as defined pursuant to section 3 of
11 P.L.2015, c.129 (C.40A:66-3), between a member municipality as
12 defined pursuant to section 3 of P.L.2015, c.129 (C.40A:66-3), and
13 the municipal shared services energy authority established pursuant
14 to the provisions of P.L.2015, c.129 (C.40A:66-1 et al.) to meet the
15 electric power needs of its members, for the lease, operation, or
16 management of electric generation within a member municipality's
17 corporate limits and franchise area or the purchase of electricity, or
18 the purchase of fuel for generating units for a term not to exceed 40
19 years;

20 (47) A contract entered into pursuant to paragraph (2) of
21 subsection a. of section 6 of P.L.2006, c.46 (C.30:9-23.20) between
22 a county hospital authority and a manager for the management,
23 operation, and maintenance of a hospital owned by the authority or
24 the county for a term not to exceed 20 years, provided, however,
25 that a contract entered into pursuant to paragraph (2) of subsection
26 a. of section 6 of P.L.2006, c.46 (C.30:9-23.20) may be renewed for
27 two additional periods, not to exceed five years each; **[and]**

28 (48) (a) A lease agreement that provides for the use, lease, lease-
29 back, acquisition, operation, or maintenance of ferry boats and
30 related facilities and services, for a period not to exceed 20 years,
31 except as provided by paragraph (b) of this subsection. For the
32 purposes of this subsection, "related facilities and services"
33 includes, but is not limited to, docks and terminals, parking
34 facilities, intermodal facilities, ingress and egress to the parking and
35 terminal facilities, and the provision of goods and services to the
36 public, provided that a contract for the provision or performance of
37 such goods or services is related to ferry services and requires:

38 (1) a total capital expenditure exceeding \$300,000, as certified
39 by the chief financial officer of the contracting unit, including but
40 not limited to capital expenditures made by the lessee; or

41 (2) a capital improvement that has a life expectancy upon
42 completion exceeding 20 years, as certified by the chief financial
43 officer of the contracting unit.

44 (b) A lease agreement for a capital improvement under
45 subparagraph (2) of paragraph (a) of this subsection may be
46 awarded for a period not to exceed 50 years.

47 (c) Each worker employed in a construction project under a
48 contract executed pursuant to this subsection shall be paid not less

1 than the prevailing wage rate for the worker's craft or trade as
2 determined by the Commissioner of Labor and Workforce
3 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) ;
4 and

5 (49)The sale of electricity or thermal energy, or both, produced
6 by a combined heat and power facility, cogeneration facility, or on-
7 site generation facility, as those terms are defined pursuant to
8 section 3 of P.L.1999, c.23 (C.48:3-51), a district energy system, or
9 a distributed electric generation resource, for a period not to exceed
10 25 years, which period shall commence after construction of the
11 facility has been completed and commercial operation of the facility
12 has commenced.

13 Any contract for services other than professional services, the
14 statutory length of which contract is for three years or less, may
15 include provisions for no more than one two-year, or two one-year,
16 extensions, subject to the following limitations: a. The contract
17 shall be awarded by resolution of the governing body upon a
18 finding by the governing body that the services are being performed
19 in an effective and efficient manner; b. No contract shall be
20 extended so that it runs for more than a total of five consecutive
21 years; c. Any price change included as part of an extension shall be
22 based upon the price of the original contract as cumulatively
23 adjusted pursuant to any previous adjustment or extension and shall
24 not exceed the change in the index rate for the 12 months preceding
25 the most recent quarterly calculation available at the time the
26 contract is renewed; and d. The terms and conditions of the contract
27 remain substantially the same.

28 All multiyear leases and contracts entered into pursuant to this
29 section, including any two-year or one-year extensions, except
30 contracts involving the supplying of electricity for the purpose of
31 lighting public streets and contracts for thermal energy authorized
32 pursuant to subsection (1) above, construction contracts authorized
33 pursuant to subsection (9) above, contracts for the provision or
34 performance of goods or services or the supplying of equipment to
35 promote energy conservation through the production of Class I
36 renewable energy or Class II renewable energy authorized pursuant
37 to subsection (45) above, contracts for water supply services or for
38 a water supply facility, or any component part or parts thereof
39 authorized pursuant to subsection (16), (30), (31), (34), (35), (37),
40 or (43) above, contracts for resource recovery services or a resource
41 recovery facility authorized pursuant to subsection (17) above,
42 contracts for the sale of energy produced by a resource recovery
43 facility authorized pursuant to subsection (18) above, contracts for
44 wastewater treatment services or for a wastewater treatment system
45 or any component part or parts thereof authorized pursuant to
46 subsection (19), (36), (37), or (43) above, contracts for the
47 operation and maintenance of a stormwater management system
48 authorized pursuant to subsection (37) above, and contracts for the

1 purchase of electricity or administrative or dispatching services
2 related to the transmission of electricity authorized pursuant to
3 subsection (24) above, contracts for the purchase of electricity
4 generated from a power production facility that is fueled by
5 methane gas authorized pursuant to subsection (44) above, and
6 power supply contracts authorized pursuant to subsection (46)
7 respectively, shall contain a clause making them subject to the
8 availability and appropriation annually of sufficient funds as may
9 be required to meet the extended obligation, or contain an annual
10 cancellation clause.

11 The Division of Local Government Services in the Department
12 of Community Affairs shall adopt and promulgate rules and
13 regulations concerning the methods of accounting for all contracts
14 that do not coincide with the fiscal year.

15 All contracts shall cease to have effect at the end of the
16 contracted period and shall not be extended by any mechanism or
17 provision, unless in conformance with the "Local Public Contracts
18 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), except that a contract
19 may be extended by mutual agreement of the parties to the contract
20 when a contracting unit has commenced rebidding prior to the time
21 the contract expires or when the awarding of a contract is pending
22 at the time the contract expires.²

23 (cf: P.L.2019, c.79, s.1)

24
25 ¹[22.] ²[25. ¹] 24.² N.J.S.18A:18A-42 is amended to read as
26 follows:

27 18A:18A-42. All contracts for the provision or performance of
28 goods or services shall be awarded for a period not to exceed 24
29 consecutive months, except that contracts for professional services
30 pursuant to paragraph (1) of subsection a. of N.J.S.18A:18A-5 shall
31 be awarded for a period not to exceed 12 consecutive months. Any
32 board of education may award a contract for longer periods of time
33 as follows:

34 a. Supplying of:

35 (1) Fuel for heating purposes, for any term not exceeding in the
36 aggregate, three years;

37 (2) Fuel or oil for use of automobiles, autobuses, motor vehicles
38 or equipment, for any term not exceeding in the aggregate, three
39 years;

40 (3) Thermal energy produced by a cogeneration facility, for use
41 for heating or air conditioning or both, for any term not exceeding
42 40 years, when the contract is approved by the Board of Public
43 Utilities. For the purposes of this paragraph, "cogeneration" means
44 the simultaneous production in one facility of electric power and
45 other forms of useful energy such as heating or process steam; or

46 b. Plowing and removal of snow and ice, for any term not
47 exceeding in the aggregate, three years; or

- 1 c. Collection and disposal of garbage and refuse, for any term
2 not exceeding in the aggregate, three years; or
- 3 d. Data processing service, for any term of not more than seven
4 years; or
- 5 e. Insurance, including the purchase of insurance coverages,
6 insurance consultant or administrative services, and including
7 participation in a joint self-insurance fund, risk management
8 program or related services provided by a school board insurance
9 group, or participation in an insurance fund established by a county
10 pursuant to N.J.S.40A:10-6, or a joint insurance fund established
11 pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of
12 not more than three years; or
- 13 f. Leasing or servicing of automobiles, motor vehicles,
14 electronic communications equipment, machinery and equipment of
15 every nature and kind and textbooks and non-consumable
16 instructional materials, for any term not exceeding in the aggregate,
17 five years; except that contracts for the leasing of school buses may
18 be awarded for any term not exceeding in the aggregate ten years.
19 Contracts awarded pursuant to this subsection shall be awarded only
20 subject to and in accordance with rules and regulations promulgated
21 by the State Board of Education; or
- 22 g. Supplying of any product or the rendering of any service by
23 a company providing voice, data, transmission or switching
24 services, for a term not exceeding five years; or
- 25 h. (Deleted by amendment, P.L.1999, c.440.)
- 26 i. Driver education instruction conducted by private, licensed
27 driver education schools, for any term not exceeding in the
28 aggregate, three years; or
- 29 j. (Deleted by amendment, P.L.2009, c.4.)**[.]**
- 30 k. Any single project for the construction, reconstruction or
31 rehabilitation of any public building, structure or facility, or any
32 public works project, including the retention of the services of any
33 architect or engineer in connection therewith, for the length of time
34 authorized and necessary for the completion of the actual
35 construction; or
- 36 l. Laundry service and the rental, supply and cleaning of
37 uniforms for any term of not more than three years; or
- 38 m. Food supplies and food services for any term of not more
39 than three years; or
- 40 n. Purchases made under a contract awarded by the Director of
41 the Division of Purchase and Property in the Department of the
42 Treasury for use by counties, municipalities or other contracting
43 units pursuant to section 3 of P.L.1969, c.104 (C.52:25-16.1), for a
44 term not to exceed the term of that contract; or
- 45 o. The provision or performance of goods or services for the
46 purpose of producing class I renewable energy, as that term is
47 defined in section 3 of P.L.1999, c.23 (C.48:3-51), at, or adjacent
48 to, buildings owned by any local board of education, the entire price

1 of which is to be established as a percentage of the resultant savings
2 in energy costs, for a term not to exceed 15 years; provided,
3 however, that these contracts shall be entered into only subject to
4 and in accordance with guidelines promulgated by the Board of
5 Public Utilities establishing a methodology for computing energy
6 cost savings and energy generation costs.

7 p. The sale of electricity or thermal energy, or both, produced
8 by a combined heat and power facility, cogeneration facility, or on-
9 site generation facility, as those terms are defined pursuant to
10 section 3 of P.L.1999, c.23 (C.48:3-51) ²[, a microgrid, as that term
11 is defined in section 3 of P.L. , c. (C.) (now pending before
12 the Legislature as this bill)]², a district energy system, or a
13 distributed ²[energy] electric generation² resource, for a period not
14 to exceed 25 years, which period shall commence after construction
15 of such facility has been completed and commercial operation of the
16 facility has commenced.

17 Any contract for services other than professional services, the
18 statutory length of which contract is for three years or less, may
19 include provisions for no more than one two-year, or two one-year,
20 extensions, subject to the following limitations: a. the contract shall
21 be awarded by resolution of the board of education upon a finding
22 by the board of education that the services are being performed in
23 an effective and efficient manner; b. no such contract shall be
24 extended so that it runs for more than a total of five consecutive
25 years; c. any price change included as part of an extension shall be
26 based upon the price of the original contract as cumulatively
27 adjusted pursuant to any previous adjustment or extension and shall
28 not exceed the change in the index rate for the 12 months preceding
29 the most recent quarterly calculation available at the time the
30 contract is renewed; and d. the terms and conditions of the contract
31 remain substantially the same.

32 All multiyear leases and contracts entered into pursuant to this
33 section, including any two-year or one-year extensions, except
34 contracts for insurance coverages, insurance consultant or
35 administrative services, participation or membership in a joint self-
36 insurance fund, risk management programs or related services of a
37 school board insurance group, participation in an insurance fund
38 established by a county pursuant to N.J.S.40A:10-6 or contracts for
39 thermal energy authorized pursuant to subsection a. above, and
40 contracts for the provision or performance of goods or services to
41 promote energy conservation through the production of class I
42 renewable energy, authorized pursuant to subsection o. of this
43 section, shall contain a clause making them subject to the
44 availability and appropriation annually of sufficient funds as may
45 be required to meet the extended obligation, or contain an annual
46 cancellation clause. All contracts shall cease to have effect at the
47 end of the contracted period and shall not be extended by any
48 mechanism or provision, unless in conformance with the "Public

1 School Contracts Law," N.J.S.18A:18A-1 et seq., except that a
2 contract may be extended by mutual agreement of the parties to the
3 contract when a board of education has commenced rebidding prior
4 to the time the contract expires or when the awarding of a contract
5 is pending at the time the contract expires.

6 (cf: P.L.2009, c.4, s.3)

7

8 ¹~~[23.]~~ ²~~[26.1]~~ 25.² This act shall take effect immediately.