

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

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

3

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

6

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

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

14 (1) Supplying of:

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

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

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

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

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

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

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

**Matter underlined thus is new matter.**

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

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

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

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

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

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

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

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

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

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

46 (14) Leasing or servicing of electronic communications equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 B, the "Community Services Block Grant Act," Pub.L.97-35 (42  
2 U.S.C.9902 (2));
- 3 (28) The supplying of liquid oxygen or other chemicals, for a term  
4 not to exceed five years, when the contract includes the installation of  
5 tanks or other storage facilities by the supplier, on or near the  
6 premises of the contracting unit;
- 7 (29) The performance of patient care services by contracted  
8 medical staff at county hospitals, correction facilities and long term  
9 care facilities, for any term of not more than three years;
- 10 (30) The acquisition of an equitable interest in a water supply  
11 facility pursuant to section 2 of P.L.1993, c.381 (C.58:28-2), or an  
12 agreement entered into pursuant to the "County and Municipal Water  
13 Supply Act," N.J.S.40A:31-1 et seq., if the agreement is entered into  
14 no later than January 7, 1995, for any term of not more than forty  
15 years;
- 16 (31) The provision of water supply services or the financing,  
17 construction, operation or maintenance or any combination thereof, of  
18 a water supply facility or any component part or parts thereof, by a  
19 partnership or copartnership established pursuant to a contract  
20 authorized under section 2 of P.L.1993, c.381 (C.58:28-2), for a  
21 period not to exceed 40 years;
- 22 (32) Laundry service and the rental, supply and cleaning of  
23 uniforms for any term of not more than three years;
- 24 (33) The supplying of any product or the rendering of any service,  
25 including consulting services, by a cemetery management company for  
26 the maintenance and preservation of a municipal cemetery operating  
27 pursuant to the "New Jersey Cemetery Act," N.J.S.8A:1-1 et seq., for  
28 a term not exceeding 15 years;
- 29 (34) A contract between a public entity and a private firm  
30 pursuant to P.L.1995, c.101 (C.58:26-19 et al.) for the provision of  
31 water supply services may be entered into for any term which, when  
32 all optional extension periods are added, may not exceed 40 years;
- 33 (35) An agreement for the purchase of a supply of water from a  
34 public utility company subject to the jurisdiction of the Board of Public  
35 Utilities in accordance with tariffs and schedules of charges made,  
36 charged or exacted or contracts filed with the Board of Public  
37 Utilities, for any term of not more than 40 years;
- 38 (36) A contract between a public entity and a private firm or  
39 public authority pursuant to P.L.1995, c.216 (C.58:27-19 et al.) for  
40 the provision of wastewater treatment services may be entered into for  
41 any term of not more than 40 years, including all optional extension  
42 periods; and
- 43 (37) The operation and management of a facility under a license  
44 issued or permit approved by the Department of Environmental  
45 Protection, including a wastewater treatment system or a water supply  
46 or distribution facility, as the case may be, for any term of not more

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

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

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

39

40 2. This act shall take effect immediately.

41

42

43

44

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