

**CHAPTER 55**  
**(CORRECTED COPY)**

**AN ACT** authorizing the establishment of county hospital authorities, amending and supplementing P.L.2006, c.46, and amending P.L.1971, c.198 and P.L.1999, c.440.

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

1. Section 1 of P.L.2006, c.46 (C.30:9-23.15) is amended to read as follows:

C.30:9-23.15 Short title.

1. Sections 1 through 9 of P.L.2006, c.46 (C.30:9-23.15 et al.), and section 7 of P.L.2016, c.55 (C.30:9-23.24) shall be known and may be cited as the " Local Hospital Authority Law."

2. Section 3 of P.L.2006, c.46 (C.30:9-23.17) is amended to read as follows:

C.30:9-23.17 Definitions relative to local hospital authorities.

3. For the purposes of this act:

"Acquisition" means the receiving, by purchase, gift, or otherwise, of all or any part of the assets and liabilities of a hospital located within a city through a contract or other agreement requiring at least \$12 million in working capital contributions from either the prior owner thereof or another nongovernmental source, as certified by the Local Finance Board in the Department of Community Affairs.

"Authority" or "local hospital authority" means a municipal hospital authority or a county hospital authority created pursuant to section 4 of P.L.2006, c.46 (C.30:9-23.18).

"Bonds" means bonds issued by an authority pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.).

"Chief executive officer of the county" means the county executive or the president of the board of chosen freeholders, as appropriate to the form of government of a county.

"City" means a city that is classified for legislative purposes pursuant to N.J.S.40A:6-4 and which adopts an ordinance creating a municipal hospital authority pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.).

"County" means a county that, by ordinance or resolution, as appropriate, creates a county hospital authority pursuant to section 4 of P.L.2006, c.46 (C.30:9-23.18).

"County hospital" means a hospital that is owned , operated, or maintained by or on behalf of a county or by or on behalf of a county hospital authority, which hospital makes available at least 800 beds for long term care, acute care, or behavioral health care patients, or any combination thereof.

"Governing body" means a governing body as defined in the "Local Fiscal Affairs Law," N.J.S.40A:5-1 et seq.

"Hospital" means an institution licensed and classified as a general hospital by the Commissioner of Health pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) and N.J.A.C.8:43G-1 et seq., notwithstanding that the general hospital also may be licensed to provide inpatient psychiatric or comprehensive rehabilitation hospital services, or other related services.

"Local Finance Board" means the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs.

"Manager" means the management entity or entities hired by an authority to manage and operate a hospital, or any portion of a hospital.

"Notes" means notes issued by the authority pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.).

"Operate and maintain" means overseeing the management and operation of a hospital, or managing and operating a hospital; overseeing capital improvements and purchases of equipment related to the operation, maintenance, expansion, renovation, or rehabilitation of a hospital; and overseeing the provision of working capital for operation of a hospital, along with any required costs of issuing any bonds or notes therefor.

3. Section 4 of P.L.2006, c.46 (C.30:9-23.18) is amended to read as follows:

C.30:9-23.18 Creation of hospital authority.

4. a. (1) The governing body of a city may create, by ordinance, a body corporate and politic to be known as the " . . . . Municipal Hospital Authority," inserting the name of such city. The authority shall constitute an agency and instrumentality of the city creating it.

(2) The governing body of a county that owns a county hospital may create by ordinance or resolution as appropriate, a body corporate and politic to be known as the " . . . . County Hospital Authority," inserting the name of the county. The authority shall constitute an agency and instrumentality of the county creating it.

(3) A governing body of a city or county creating a local hospital authority shall have power from time to time and for such period and upon such terms, with or without consideration, as may be provided by such resolution or ordinance and accepted by the authority:

(a) to appropriate moneys for the purposes of the authority, and to loan or donate such money to the authority in such installments and upon such terms as may be agreed upon with the authority,

(b) to covenant and agree with the authority to pay to or on the order of the authority annually or at shorter intervals as a subsidy for the promotion of its purposes not exceeding such sums of money as may be stated in such resolution or ordinance or computed in accordance therewith, and

(c) upon authorization by it in accordance with law of the performance of any act or thing which it is empowered by law to authorize and perform and after appropriation of the moneys (if any) necessary for such performance, to covenant and agree with the authority to do and perform such act or thing and as to the time, manner and other details of its doing and performance, and, in accordance with the limitations and any exceptions thereto and in the manner or mode of procedure prescribed by the local bond law to incur indebtedness, borrow money and issue its negotiable bonds for the purpose of financing such project and appropriation, and to pay the proceeds of such bonds to the authority.

b. A local hospital authority created pursuant to this section shall be subject to the procedures of the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), and shall operate pursuant to the provisions of that law, except as otherwise provided in P.L.2006, c.46 (C.30:9-23.15 et al.). The sole purpose of a municipal hospital authority shall be to carry out an acquisition and to operate and maintain a hospital. The sole purpose of a county hospital authority shall be to operate and maintain a county hospital. Nothing in P.L.2006, c.46 (C.30:9-23.15 et al.) or any other State statute or regulation shall require that a county hospital authority hold any facility license to accomplish any of the objectives of P.L.2006, c.46 (C.30:9-23.15 et al.) or for a hospital to be designated a "county hospital" or to prohibit the right to apply for a license by any operator. Further, nothing herein or any action taken in accordance with P.L.2006, c.46 (C.30:9-23.15 et al.) shall affect a county

hospital's designation or ability to operate, manage, or obtain reimbursement as a county hospital, as provided by New Jersey law.

c. Except as otherwise limited by P.L.2006, c.46 (C.30:9-23.15 et al.), the authority shall have power:

(1) To finance and implement the acquisition of a hospital and to operate and maintain a hospital;

(2) To sue and be sued;

(3) To have an official seal and alter it at pleasure;

(4) To make and alter bylaws for its organization and internal management and for the conduct of its affairs and business;

(5) To maintain an office at a place within the State as it may determine;

(6) To acquire, hold, use, and dispose of its income, revenues, funds, and moneys;

(7) To acquire, lease as lessee or lessor, rent, hold, use, and dispose of real or personal property for its purposes;

(8) To borrow money and to issue its negotiable bonds or notes and to secure them by a mortgage on its property or any part thereof, or by a pledge of its revenues, and otherwise to provide for and secure the payment of them and to provide for the rights of the holders of the bonds or notes;

(9) To make and enter into all contracts and agreements that are necessary or incidental to the performance of its duties and the exercise of its powers under this act;

(10) To establish, acquire, construct, rehabilitate, repair, improve, own, manage, operate, and maintain a hospital, or oversee the management and operation of a hospital, and let, award and enter into construction contracts, purchase orders and other contracts with respect to a hospital as the authority shall determine;

(11) To fix and revise from time to time, and charge and collect, rents, fees and charges for the use, occupancy or services of the hospital or any part thereof or for admission thereto, and for the grant of concessions therein and for things furnished or services rendered by the authority through a hospital;

(12) To function as the hospital governing body responsible for approving hospital-wide policy, establishing and enforcing rules, regulations and bylaws for the use or operation of the hospital or the conduct of its activities, maintaining quality of care, and providing institutional management and planning, which functions may be delegated or assigned to another entity, so long as the authority retains direct oversight over the entity;

(13) Subject to any agreement with bondholders or noteholders, to invest moneys of the authority not required for immediate use, including proceeds from the sale of any bonds or notes, in obligations, securities and other investments the authority deems prudent;

(14) To contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the United States of America or any agency or instrumentality thereof, or from the State or any agency, instrumentality or political subdivision thereof, or from any other source, including for-profit or nonprofit organizations or the general public, and to comply, subject to the provisions of this act, with the terms and conditions thereof;

(15) Subject to any agreements with bondholders or noteholders, to purchase bonds or notes of the authority out of any funds or money of the authority available for those purposes, and to hold, cancel or resell the bonds or notes;

(16) To appoint and employ an executive director and additional officers, who need not be members of the authority, and accountants, attorneys, financial advisors, or experts and any other officers, agents and employees as it may require and determine their qualifications,

terms of office, duties and compensation, all without regard to the provisions of Title 11A, Civil Service of the New Jersey Statutes;

(17) To do and perform any acts and things authorized by this act under, through, or by means of contracts, including through a joint venture, with a nonprofit or for-profit entity or entities;

(18) To procure insurance against any losses in connection with its property, operations or assets in such amounts and from such insurers as it deems desirable; and

(19) To do anything necessary or convenient to carry out its purposes and exercise the powers granted in P.L.2006, c.46 (C.30:9-23.15 et al.).

4. Section 5 of P.L.2006, c.46 (C.30:9-23.19) is amended to read as follows:

C.30:9-23.19 Governing board of authority.

5. a. A local hospital authority shall be governed by an 11-member board. The members shall be divided among four classes.

(1) The Class I member of a municipal hospital authority shall be the mayor of the city, or his designee, ex officio. The Class I member of a county hospital authority shall be the chief executive officer of the county, or his designee, ex officio.

(2) There shall be two Class II members of a local hospital authority, who shall serve on, and be appointed by, the medical staff executive committee of the hospital, to terms concurrent with their membership on the executive committee, and who need not be residents of the city or county.

(3) There shall be six Class III public members of a local hospital authority, at least four of whom shall be residents of the city or county, but none of whom shall be officers or employees of the city or county or of the manager.

(a) The Class III public members of a municipal hospital authority shall be appointed by the mayor of the city, with the advice and consent of the city council. At least two of the Class III members of a municipal hospital authority shall have special expertise as follows: one shall have extensive expertise in finance of private or nonprofit organizations, and one shall have extensive expertise in nonprofit organizational management. The Class III members shall serve for terms of five years and until their respective successors have been appointed and qualified; except that of the six members first appointed by the mayor, one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, and two for a term of five years.

(b) The Class III public members of a county hospital authority shall be appointed as follows: five members shall be appointed by the chief executive officer of the county, with the advice and consent of the board of chosen freeholders; and one member shall be appointed by the Governor. At least two of the five Class III members of a county hospital authority appointed by the chief executive officer of the county shall have special expertise as follows: one shall have extensive expertise in finance, and one shall have extensive expertise in organizational management. The Class III members of a county hospital authority appointed by the chief executive officer of the county shall serve for terms of five years and until their respective successors have been appointed and qualified; except that initially, one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, and one for a term of five years. The Class III member of a county hospital authority appointed by the Governor shall serve at the pleasure of the Governor, and shall be a physician who is licensed to practice medicine and

surgery in the State and who is knowledgeable about, or has clinical experience in, the field of chemical dependency or addiction-oriented psychiatry.

(4) There shall be two nonvoting Class IV members of a local hospital authority. The Commissioner of Community Affairs shall appoint two individuals as nonvoting Class IV members.

(5) Vacancies shall be filled in the same manner as the original appointments were made, but for the unexpired term.

b. Members of an authority shall not receive compensation for their services, but shall be entitled to reimbursement for actual expenses necessarily incurred in the discharge of the duties of membership, including travel expenses. The powers of the authority shall be vested in the members thereof in office from time to time. Five members shall constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and all other purposes. Action may be taken by the authority upon the affirmative vote of the majority, but not less than five of the members present, unless in any case the bylaws of the authority or State law or regulation shall require a larger number.

c. The authority shall select a chairman and a vice-chairman from among its Class III public members, and may employ an executive director, who may be its secretary.

d. Class II and Class IV members of the authority shall not be deemed to have an interest in the hospital solely by virtue of their membership on the medical staff of the hospital or their employment by or contract with a manager, and they shall not be subject to the provisions of subsections d. and e. of section 5 of P.L.1991, c.29 (C.40A:9-22.5) of the "Local Government Ethics Law."

e. A member of an authority may be removed by the governing body or officer by which he was appointed for inefficiency or neglect of duty or misconduct in office; but only after the member has been given a copy of the charges at least 10 days prior to a hearing thereon and has had the opportunity to be heard in person or by counsel. In the event of a removal of any member of an authority, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk of the city, in the case of a municipal authority, or in the office of the clerk to the board of chosen freeholders, in the case of a county authority.

5. Section 6 of P.L.2006, c.46 (C.30:9-23.20) is amended to read as follows:

C.30:9-23.20 Powers, duties of authority.

6. a. (1) A municipal authority shall exercise its powers and duties to manage and operate a hospital owned by it through a contract or contracts with a manager, which may be entered into without public advertising for bid as otherwise required pursuant to the provisions of section 3 of P.L.1971, c.198 (C.40A:11-3); provided, however, that the primary responsibility of operating the hospital shall remain that of the authority.

(2) A county authority may exercise its powers and duties to manage, operate, and maintain a county hospital through a contract or contracts with a manager, which contract or contracts shall be entered into by competitive contracting pursuant to the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

b. (1) The initial duration of a contract entered into pursuant to paragraph (1) of subsection a. of this section shall not exceed five years. A contract entered into pursuant to paragraph (1) of subsection a. of this section may be renewed for an additional period, not to exceed five years. A contract entered into pursuant to paragraph (1) of subsection a. of this

section more than ten years from the date of the initial contract shall be negotiated as a new contract and not as a renewal contract.

(2) The initial duration of a contract entered into pursuant to paragraph (2) of subsection a. of this section shall not exceed the term provided for in subsection (47) of section 15 of P.L.1971, c.198 (C.40A:11-15).

c. A contract, or a renewal thereof, with a manager to manage and operate a hospital shall be effective only with the prior written consent of the Local Finance Board, which shall consult with the Commissioner of Health and Senior Services. The Local Finance Board shall establish an application procedure, submission requirements, and set minimum standards and content that shall be included in any contract with an entity to manage and operate a hospital.

A contract with a manager shall provide that, in addition to such other matters as determined to be necessary by the authority or as otherwise required by law or regulation:

(1) The authority or its agents, and the city or county or the agents of the city or county, shall have independent access to the books and records of the hospital at all times;

(2) The Governor of the State of New Jersey shall appoint an individual to serve on the board of directors of the manager during the term of the contract, including renewals; and

(3) Other than for routine, day-to-day business activities, the authority shall have the final determination regarding the acquisition and disposition of assets, or the incurring of debt or expenses.

d. When contracting with a manager, the individuals that the manager proposes to designate as the hospital's chief executive officer and chief financial officer, by whatever title, and any change thereof, and all contracts or other arrangements setting forth terms and conditions of employment for those positions shall be subject to the approval of the authority.

e. An authority shall take the following actions pursuant to any requirements that may be established by the Local Finance Board:

(1) adopt a management plan for the hospital, including monitoring and review methods of financial activities;

(2) set minimum requirements for meetings of the authority, and minimum attendance requirements for members;

(3) establish a formal mechanism for communication among the members of the authority's board, hospital administrators and medical staff;

(4) form a finance committee, which shall be responsible for the oversight of the finances of the authority, and delineate the duties and obligations of the finance committee; and

(5) include minimum provisions that shall be included in a contract with a manager. Such provisions shall include the submission of an annual budget of the hospital and of the manager by the manager for the approval of the authority. The approval of these items shall be conditioned upon the approval of the authority's annual budget pursuant to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.). The budget and any supporting documents as may be required by the Division of Local Government Services shall be submitted to the division as part of the submission of the authority's annual budget.

6. Section 7 of P.L.2006, c.46 (C.30:9-23.21) is amended to read as follows:

C.30:9-23.21 Issuance of bonds, notes; contracts between local government and authority.

7. a. Bonds or notes issued under P.L.2006, c.46 (C.30:9-23.15 et al.) shall be issued and sold in the same manner, and subject to the same restrictions, as applicable to bonds of an

authority authorized to be issued pursuant to the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), including specifically sections 25 through 33 (C.40:14B-25 through C.40:14B-33).

An authority formed pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.) shall be deemed to be a municipal authority for the purposes of sections 59, 62, 63, 64, and 65 of P.L.1957, c.183 (C.40:14B-59 and C.40:14B-62 through C.40:14B-65), and those sections shall be applicable to a local hospital authority and its bonds as authorized pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.). P.L.2006, c.46 (C.30:9-23.15 et al.) shall be construed liberally to effectuate the legislative intent and as complete and independent authority for the performance by a local hospital authority of each and every act and thing herein authorized.

For purposes of P.L.2006, c.46 (C.30:9-23.15 et al.), "costs" means, in addition to the usual connotations thereof, the cost of acquisition or construction of all or any part of a hospital and of all or any property, rights, easements, privileges, or agreements deemed by the authority to be necessary or useful and convenient therefor or in connection therewith, including interest or discount on bonds, cost of issuance of bonds, and legal expenses, cost of financial, professional and other estimates and advice, organization, administrative, operating and other expenses of the authority or of a hospital owned by the authority prior to and during such acquisition or construction, and all such other expenses as may be necessary or incident to the financing, acquisition, construction and completion of the hospital, or any part thereof, and the placing of the same in operation, and also such provision or reserves for working capital, operating, maintenance or replacement expenses or for payment or security of principal of or interest on bonds during or after such acquisition or construction as the authority may determine, and also reimbursements to the authority or the city or the county of any moneys theretofore expended for the purposes of the authority. In addition, the issuance of any bonds or other instruments by a local hospital authority shall be subject to the approval of the Local Finance Board in the Department of Community Affairs.

b. Contracts entered into between a city and an authority, or a county and an authority, pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.), may contain provisions as to the financing and payment of expenses to be incurred by the authority and determined by it to be necessary for its purposes. Every such contract shall be authorized and entered into under and pursuant to a resolution adopted by the authority and either an ordinance of the governing body of the city, or an ordinance or resolution of the governing body of the county, but the terms or text of the contract need not be set forth in full or stated in any such resolution or ordinance if the form of the contract is on file in the office of the municipal clerk or clerk to the board of chosen freeholders, as appropriate, and the place in fact of such filing is described in the resolution or ordinance. Any such contract may be made with or without consideration and for a specified or an unlimited time and on any terms and conditions which may be approved by or on behalf of the city or county and which may be agreed to by the authority in conformity with its contracts with the holders of any bonds or notes, and shall be valid whether or not an appropriation with respect thereto is made by the city or county prior to authorization or execution thereof. Every such city or county is hereby authorized and directed to do and perform any and all acts or things necessary, convenient or desirable to carry out and perform every such contract and to provide for the payment or discharge of any obligation thereunder in the same manner as other obligations of that city or county.

c. The city or county may unconditionally guarantee the punctual payment of the principal of and interest on any bonds or notes issued by the authority, in the same manner, and subject to the same restrictions, as municipal guarantees of bonds of an authority

authorized to be issued pursuant to the "Parking Authority Law," P.L.1948, c.198 (C.40:11A-1 et seq.).

d. The provisions of N.J.S.40A:2-11 shall not apply to any bond ordinance of the city or county authorizing bonds pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.).

e. Notwithstanding any provision of P.L.2006, c.46 (C.30:9-23.15 et al.) to the contrary, any investments of money by the authority shall be made consistent with the provisions of N.J.S.40A:5-1 et seq.

C.30:9-23.24 Authority may enter into contract with private entity.

7. a. (1) A county hospital authority may enter into a contract with a private entity, subject to subsection f. of this section, to be referred to as a public-private partnership agreement, that permits the private entity to assume full financial and administrative responsibility for a project, provided that the project is financed in whole or in part by the private entity and that the county or the county hospital authority retains full ownership of the land upon which the project is completed.

(2) As used in this section, "project" means the on-site construction, reconstruction, repair, alteration, improvement, extension, management, or operation of a building, structure, or facility of, or for the benefit of, a county hospital.

(3) A public-private partnership agreement may include an agreement under which a county hospital authority leases to a private entity, in whole or in part, the operation of a revenue-producing facility of a county hospital to which the county or the county hospital authority holds title, in exchange for up-front or structured financing by the private entity for the construction of a building, structure, or facility of, or for the benefit of, the hospital. Under the lease agreement, the county or county hospital authority shall continue to hold title to the facility, and may continue to hold the license of the facility, and the private entity shall be responsible for the management, operation, and maintenance of the facility. A county or county hospital authority is permitted, in its discretion, to assign the right to apply for or acquire the license for the facility to the private entity, provided the county or county hospital authority obtains covenants and conditions from the private entity for the management, operation, or maintenance of the facility. The private entity shall receive some or all, as per the agreement, of the revenue generated by the facility and shall operate the facility in accordance with hospital standards. At the end of the lease term, subsequent revenue generated by the facility, along with management, operation, and maintenance responsibility, shall revert to the county or the county hospital authority.

b. (1) A private entity that assumes financial and administrative responsibility for a project pursuant to subsection a. of this section shall not be subject to the procurement and contracting requirements of any statute applicable to a county hospital authority, including the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.). For the purposes of facilitating the financing of a project pursuant to subsection a. of this section, a public entity:

(a) may become the owner or lessee of the project or the lessee of the land, or both,

(b) may become the lessee of a revenue-producing facility to which the county or the county hospital authority holds title,

(c) may issue indebtedness in accordance with the public entity's enabling legislation, and

(d) notwithstanding any provision of law to the contrary, shall be empowered to enter into contracts with a private entity and its affiliates without being subject to the procurement and contracting requirements of any statute applicable to the public entity provided that the



private entity has been selected by the county hospital authority pursuant to a solicitation of proposals or qualifications.

(2) For the purposes of this section, a public entity shall include the New Jersey Health Care Facilities Financing Authority, and any project undertaken pursuant to subsection a. of this section of which the authority becomes the owner or lessee, or which is situated on land of which the authority becomes the lessee, shall be deemed a "project" under the "New Jersey Health Care Facilities Financing Authority Law," P.L.1972, c.29 (C.26:2I-1 et seq.).

(3) As the carrying out of any project described pursuant to this section constitutes the performance of an essential public function, a project predominantly used in furtherance of the purposes of a county hospital authority undertaken pursuant to this section, provided it is owned by or leased to a public entity, non-profit business entity, foreign or domestic, or a business entity wholly owned by a non-profit business entity, shall at all times be exempt from property taxation and special assessments of the State, or any municipality, or other political subdivision of the State and, notwithstanding the provisions of section 15 of P.L.1974, c.80 (C.34:1B-15), section 2 of P.L.1977, c.272 (C.54:4-2.2b), or any other section of law to the contrary, shall not be required to make payments in lieu of taxes. The land upon which a project is located shall also at all times be exempt from property taxation. Further, the project and land upon which the project is located shall not be subject to the provisions of section 1 of P.L.1984, c.176 (C.54:4-1.10) regarding the tax liability of private parties conducting for profit activities on tax exempt land, or section 1 of P.L.1949, c.177 (C.54:4-2.3) regarding the taxation of leasehold interests in exempt property that are held by nonexempt parties.

c. The general contractor, construction manager, design-build team, or subcontractor for a project proposed in accordance with this section shall be classified by the Division of Property Management and Construction to perform work on a public-private partnership hospital project.

d. (1) Projects proposed in accordance with this section shall be submitted to the New Jersey Health Care Facilities Financing Authority for its review and approval and, when practicable, are encouraged to adhere to the Leadership in Energy and Environmental Design Green Building Rating System as adopted by the United States Green Building Council.

(2) Where no public fund has been established for the financing of a public improvement, the chief financial officer of the public owner shall require the private entity for whom the public improvement is being made to post, or cause to be posted, a bond guaranteeing prompt payment of moneys due to the contractor, his or her subcontractors and to all persons furnishing labor or materials to the contractor or his or her subcontractors in the prosecution of the work on the public improvement.

e. A general contractor, construction manager, design-build team, or subcontractor shall be registered pursuant to the provisions of P.L.1999, c.238 (C.34:11-56.48 et seq.), and shall be classified by the Division of Property Management and Construction to perform work on a public-private partnership hospital project.

f. (1) All projects proposed in accordance with this section shall be submitted to the New Jersey Health Care Facilities Financing Authority for the authority's review and approval. The projects are encouraged, when practicable, to adhere to the green building manual prepared by the Commissioner of Community Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6).

(2) (a) In order for an application to be complete and considered by the authority, the application shall include, but not be limited to:

(i) a public-private partnership agreement between the county hospital authority and the private developer;

(ii) a full description of the project, including a description of any agreement for the lease of a revenue-producing facility related to the project;

(iii) the estimated costs and financial documentation for the project;

(iv) a timetable for completion of the project extending no more than five years after consideration and approval; and

(v) any other requirements that the authority deems appropriate or necessary.

(b) As part of the estimated costs and financial documentation for the project, the application shall contain a long-range maintenance plan and shall specify the expenditures that qualify as an appropriate investment in maintenance. The long-range maintenance plan shall be approved by the New Jersey Health Care Facilities Financing Authority pursuant to regulations promulgated by the authority that reflect national building maintenance standards and other appropriate building maintenance benchmarks.

(3) The authority shall review all completed applications, and request additional information as is needed to make a complete assessment of the project. No project shall be undertaken until final approval has been granted by the New Jersey Health Care Facilities Financing Authority; provided, however, that the authority shall retain the right to revoke approval if it determines that the project has deviated from the plan submitted pursuant to paragraph (2) of this subsection.

(4) The New Jersey Health Care Facilities Financing Authority may promulgate any rules and regulations necessary to implement this subsection, including provisions for fees to cover administrative costs.

g. Where no public fund has been established for the financing of a public improvement, the chief financial officer of the public owner shall require the private entity for whom the public improvement is being made to post, or cause to be posted, a bond guaranteeing prompt payment of moneys due to the contractor, his or her subcontractors and to all persons furnishing labor or materials to the contractor or his or her subcontractors in the prosecution of the work on the public improvement.

h. The provisions of P.L.2009, c.136 (C.52:18-42 et al.) shall not apply to any project carried out pursuant to this section.

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

C.40A:11-2 Definitions.

2. As used herein the following words have the following definitions, unless the context otherwise indicates:

(1) "Contracting unit" means:

(a) Any county; or

(b) Any municipality; or

(c) Any board, commission, committee, authority or agency, which is not a State board, commission, committee, authority, except as provided pursuant to P.L.2013, c.4, or agency, and which has administrative jurisdiction over any district other than a school district, project, or facility, included or operating in whole or in part, within the territorial boundaries of any county or municipality which exercises functions which are appropriate for the exercise by one or more units of local government, including functions exercised in relation to the administration and oversight of a tourism district located in a municipality in which authorized casino gaming occurs, and which has statutory power to make purchases and enter

into contracts awarded by a contracting agent for the provision or performance of goods or services.

The term shall not include a private firm that has entered into a contract with a public entity for the provision of water supply services pursuant to P.L.1995, c.101 (C.58:26-19 et al.).

"Contracting unit" shall not include a private firm or public authority that has entered into a contract with a public entity for the provision of wastewater treatment services pursuant to P.L.1995, c.216 (C.58:27-19 et al.).

"Contracting unit" shall not include a duly incorporated nonprofit association that has entered into a contract with the governing body of a city of the first class for the provision of water supply services or wastewater treatment services pursuant to section 2 of P.L.2002, c.47 (C.40A:11-5.1).

"Contracting unit" shall not include an entity that has entered into a contract for management and operation services with a local hospital authority established pursuant to P.L.2006, c.46 (C.30:9-23.15 et al.).

(2) "Governing body" means:

(a) The governing body of the county, when the purchase is to be made or the contract or agreement is to be entered into by, or on behalf of, a county; or

(b) The governing body of the municipality, when the purchase is to be made or the contract or agreement is to be entered into by, or on behalf of, a municipality; or

(c) Any board, commission, committee, authority or agency of the character described in subsection (1) (c) of this section.

(3) "Contracting agent" means the governing body of a contracting unit, or appointed membership of a State authority authorized to enter into a cooperative purchasing agreement pursuant to P.L.2013, c.4, or its authorized designee, which has the power to prepare the advertisements, to advertise for and receive bids and, as permitted by this act, to make awards for the contracting unit in connection with purchases, contracts or agreements.

(4) "Purchase" means a transaction, for a valuable consideration, creating or acquiring an interest in goods, services and property, except real property or any interest therein.

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

(6) "Professional services" means services rendered or performed by a person authorized by law to practice a recognized profession, whose practice is regulated by law, and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training. Professional services may also mean services rendered in the provision or performance of goods or services that are original and creative in character in a recognized field of artistic endeavor.

(7) "Extraordinary unspecifiable services" means services which are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor.

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

(9) "Work" includes services and any other activity of a tangible or intangible nature performed or assumed pursuant to a contract or agreement with a contracting unit.

(10) "Homemaker--home health services" means at home personal care and home management provided to an individual or members of the individual's family who reside with the individual, or both, necessitated by the individual's illness or incapacity. "Homemaker--home health services" includes, but is not limited to, the services of a trained homemaker.

(11) "Recyclable material" means those materials which would otherwise become municipal solid waste, and which may be collected, separated or processed and returned to the economic mainstream in the form of raw materials or products.

(12) "Recycling" means any process by which materials which would otherwise become solid waste are collected, separated or processed and returned to the economic mainstream in the form of raw materials or products.

(13) "Marketing" means the sale, disposition, assignment, or placement of designated recyclable materials with, or the granting of a concession to, a reseller, processor, materials recovery facility, or end-user of recyclable material, in accordance with a district solid waste management plan adopted pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.) and shall not include the collection of such recyclable material when collected through a system of routes by local government unit employees or under a contract administered by a local government unit.

(14) "Municipal solid waste" means, as appropriate to the circumstances, all residential, commercial and institutional solid waste generated within the boundaries of a municipality; or the formal collection of such solid wastes or recyclable material in any combination thereof when collected through a system of routes by local government unit employees or under a contract administered by a local government unit.

(15) "Distribution" (when used in relation to electricity) means the process of conveying electricity from a contracting unit that is a generator of electricity or a wholesale purchaser of electricity to retail customers or other end users of electricity.

(16) "Transmission" (when used in relation to electricity) means the conveyance of electricity from its point of generation to a contracting unit that purchases it on a wholesale basis for resale.

(17) "Disposition" means the transportation, placement, reuse, sale, donation, transfer or temporary storage of recyclable materials for all possible uses except for disposal as municipal solid waste.

(18) "Cooperative marketing" means the joint marketing by two or more contracting units of the source separated recyclable materials designated in a district recycling plan required pursuant to section 3 of P.L.1987, c.102 (C.13:1E-99.13) pursuant to a written cooperative agreement entered into by the participating contracting units thereof.

(19) "Aggregate" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a contracting agent.

(20) "Bid threshold" means the dollar amount set in section 3 of P.L.1971, c.198 (C.40A:11-3), above which a contracting unit shall advertise for and receive sealed bids in accordance with procedures set forth in P.L.1999, c.440 (C.40A:11-4.1 et al.).

(21) "Contract" means any agreement, including but not limited to a purchase order or a formal agreement, which is a legally binding relationship enforceable by law, between a vendor who agrees to provide or perform goods or services and a contracting unit which agrees to compensate a vendor, as defined by and subject to the terms and conditions of the agreement. A contract also may include an arrangement whereby a vendor compensates a contracting unit for the vendor's right to perform a service, such as, but not limited to, operating a concession.

(22) "Contract year" means the period of 12 consecutive months following the award of a contract.

(23) "Competitive contracting" means the method described in sections 1 through 5 of P.L.1999, c.440 (C.40A:11-4.1 thru 40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or administrator; and the governing body awards a contract to a vendor or vendors from among the formal proposals received.

(24) "Goods and services" or "goods or services" means any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, except real property or any interest therein, provided or performed through a contract awarded by a contracting agent, including goods and property subject to N.J.S.12A:2-101 et seq.

(25) "Library and educational goods and services" means textbooks, copyrighted materials, student produced publications and services incidental thereto, including but not limited to books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter and audiovisual and other materials of a similar nature, necessary binding or rebinding of library materials, and specialized computer software used as a supplement or in lieu of textbooks or reference material.

(26) "Lowest price" means the least possible amount that meets all requirements of the request of a contracting agent.

(27) "Lowest responsible bidder or vendor" means the bidder or vendor: (a) whose response to a request for bids offers the lowest price and is responsive; and (b) who is responsible.

(28) "Official newspaper" means any newspaper designated by the contracting unit pursuant to R.S.35:1-1 et seq.

(29) "Purchase order" means a document issued by the contracting agent authorizing a purchase transaction with a vendor to provide or perform goods or services to the contracting unit, which, when fulfilled in accordance with the terms and conditions of a request of a contracting agent and other provisions and procedures that may be established by the contracting unit, will result in payment by the contracting unit.

(30) "Purchasing agent" means the individual duly assigned the authority, responsibility, and accountability for the purchasing activity of the contracting unit, and who has such duties as are defined by an authority appropriate to the form and structure of the contracting unit, pursuant to P.L.1971, c.198 (C.40A:11-1 et seq.) and who possesses a qualified purchasing agent certificate.

(31) "Quotation" means the response to a formal or informal request made by a contracting agent by a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing, or taken verbally if a record is kept by the contracting agent.

(32) "Responsible" means able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.

(33) "Responsive" means conforming in all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.

(34) "Public works" means building, altering, repairing, improving or demolishing any public structure or facility constructed or acquired by a contracting unit to house local government functions or provide water, waste disposal, power, transportation, and other public infrastructures.

(35) "Director" means the Director of the Division of Local Government Services in the Department of Community Affairs.

(36) "Administrator" means a municipal administrator appointed pursuant to N.J.S.40A:9-136 and N.J.S.40A:9-137; a business administrator, a municipal manager or a municipal administrator appointed pursuant to the "Optional Municipal Charter Law," P.L.1950, c.210 (C.40:69A-1 et seq.); a municipal manager appointed pursuant to "the municipal manager form of government law," R.S.40:79-1 et seq.; or the person holding responsibility for the overall operations of an authority that falls under the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.).

(37) "Concession" means the granting of a license or right to act for or on behalf of the contracting unit, or to provide a service requiring the approval or endorsement of the contracting unit, and which may or may not involve a payment or exchange, or provision of services by or to the contracting unit.

(38) "Index rate" means the rate of annual percentage increase, rounded to the nearest half-percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, computed and published quarterly by the United States Department of Commerce, Bureau of Economic Analysis.

(39) "Proprietary" means goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the governing body of the contracting unit to be necessary for the conduct of its affairs.

(40) "Service or services" means the performance of work, or the furnishing of labor, time, or effort, or any combination thereof, not involving or connected to the delivery or ownership of a specified end product or goods or a manufacturing process. Service or services may also include an arrangement in which a vendor compensates the contracting unit for the vendor's right to operate a concession.

(41) "Qualified purchasing agent certificate" means a certificate granted by the director pursuant to section 9 of P.L.1971, c.198 (C.40A:11-9).

(42) "Mistake" means, for a public works project, a clerical error that is an unintentional and substantial computational error or an unintentional omission of a substantial quantity of labor, material, or both, from the final bid computation.

9. Section 1 of P.L.1999, c.440 (C.40A:11-4.1) is amended to read as follows:

C.40A:11-4.1 Purposes for which competitive contracting may be used by local units.

1. Notwithstanding the provisions of any law, rule or regulation to the contrary, competitive contracting may be used by local contracting units in lieu of public bidding for procurement of specialized goods and services the price of which exceeds the bid threshold, for the following purposes:

a. The purchase or licensing of proprietary computer software designed for contracting unit purposes, which may include hardware intended for use with the proprietary software. This subsection shall not be utilized for the purpose of acquiring general purpose computer hardware or software;

b. The hiring of a for-profit entity or a not-for-profit entity incorporated under Title 15A of the New Jersey Statutes for the purpose of:

(1) the operation and management of a wastewater treatment system or a water supply or distribution facility of the type described in subsection (37) of section 15 of P.L.1971, c.198 (C.40A:11-15), provided that competitive contracting shall not be used as a means of

awarding contracts pursuant to P.L.1985, c.37 (C.58:26-1 et al.) and P.L.1985, c.72 (C.58:27-1 et al.);

(2) the operation, management or administration of recreation or social service facilities or programs, which shall not include the administration of benefits under the Work First New Jersey program established pursuant to P.L.1997, c.38 (C.44:10-55 et seq.), or under General Assistance;

(3) the operation, management or administration of data processing services; or

(4) the operation and management of a county hospital pursuant to the "Local Hospital Authority Law," P.L.2006, c.46 (C.30:9-23.15 et al.);

c. (Deleted by amendment, P.L.2009, c.4).

d. Homemaker--home health services;

e. Laboratory testing services;

f. Emergency medical services;

g. Contracted food services;

h. Performance of patient care services by contracted medical staff at county hospitals, correctional facilities and long-term care facilities;

i. At the option of the governing body of the contracting unit, any good or service that is exempt from bidding pursuant to section 5 of P.L.1971, c.198 (C.40A:11-5);

j. Concessions;

k. The operation, management or administration of other services, with the approval of the Director of the Division of Local Government Services;

l. Maintenance, custodial, and groundskeeping services;

m. Consulting services;

n. Emergency medical billing services;

o. Property appraisal services;

p. Reassessment or revaluation services;

q. Grant writing services;

r. Animal control services.

Any purpose included herein shall not be considered by a contracting unit as an extraordinary unspecifiable service pursuant to subparagraph (ii) of paragraph (a) of subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5).

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

C.40A:11-15 Duration of certain contracts.

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

(1) Supplying of:

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) (Deleted by amendment, P.L.2009, c.4).

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

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

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



(16) The provision of water supply services or the designing, financing, construction, operation, or maintenance, or any combination thereof, of a water supply facility, or any component part or parts thereof, including a water filtration system, for a period not to exceed 40 years, when the contract for these services is approved by the Division of Local Government Services in the Department of Community Affairs, the Board of Public Utilities, and the Department of Environmental Protection pursuant to P.L.1985, c.37 (C.58:26-1 et al.), except that no approvals shall be required for those contracts otherwise exempted pursuant to subsection (30), (31), (34), (35) or (43) of this section. For the purposes of this subsection, "water supply services" means any service provided by a water supply facility; "water filtration system" means any equipment, plants, structures, machinery, apparatus, or land, or any combination thereof, acquired, used, constructed, rehabilitated, or operated for the collection, impoundment, storage, improvement, filtration, or other treatment of drinking water for the purposes of purifying and enhancing water quality and insuring its potability prior to the distribution of the drinking water to the general public for human consumption, including plants and works, and other personal property and appurtenances necessary for their use or operation; and "water supply facility" means and refers to the real property and the plants, structures, or interconnections between existing water supply facilities, machinery and equipment and other property, real, personal, and mixed, acquired, constructed, or operated, or to be acquired, constructed, or operated, in whole or in part by or on behalf of a political subdivision of the State or any agency thereof, for the purpose of augmenting the natural water resources of the State and making available an increased supply of water for all uses, or of conserving existing water resources, and any and all appurtenances necessary, useful, or convenient for the collecting, impounding, storing, improving, treating, filtering, conserving, or transmitting of water and for the preservation and protection of these resources and facilities and providing for the conservation and development of future water supply resources;

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

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

recovery of metals and other materials for reuse; or a mechanized composting facility, or any other facility constructed or operated for the collection, separation, recycling, and recovery of metals, glass, paper, and other materials for reuse or for energy production;

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

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

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

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

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

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

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

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

(27) The provision of transportation services to an elderly person, an individual with a disability, or an indigent person for any term of not more than three years. For the purposes of this subsection, "elderly person " means a person who is 60 years of age or older. "Individual with a disability" means a person of any age who, by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, are

unable, without special facilities or special planning or design to utilize mass transportation facilities and services as effectively as persons who are not so affected. "Indigent person " means a person of any age whose income does not exceed 100 percent of the poverty level, adjusted for family size, established and adjusted under section 673(2) of subtitle B, the "Community Services Block Grant Act," Pub.L.97-35 (42 U.S.C. s.9902 (2));

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All multiyear leases and contracts entered into pursuant to this section, including any two-year or one-year extensions, except contracts involving the supplying of electricity for the purpose of lighting public streets and contracts for thermal energy authorized pursuant to

subsection (1) above, construction contracts authorized pursuant to subsection (9) above, contracts for the provision or performance of goods or services or the supplying of equipment to promote energy conservation through the production of class I renewable energy or class II renewable energy authorized pursuant to subsection (45) above, contracts for water supply services or for a water supply facility, or any component part or parts thereof authorized pursuant to subsection (16), (30), (31), (34), (35), (37), or (43) above, contracts for resource recovery services or a resource recovery facility authorized pursuant to subsection (17) above, contracts for the sale of energy produced by a resource recovery facility authorized pursuant to subsection (18) above, contracts for wastewater treatment services or for a wastewater treatment system or any component part or parts thereof authorized pursuant to subsection (19), (36), (37), or (43) above, and contracts for the purchase of electricity or administrative or dispatching services related to the transmission of electricity authorized pursuant to subsection (24) above, contracts for the purchase of electricity generated from a power production facility that is fueled by methane gas authorized pursuant to subsection (44) above, and power supply contracts authorized pursuant to subsection (46) respectively, shall contain a clause making them subject to the availability and appropriation annually of sufficient funds as may be required to meet the extended obligation, or contain an annual cancellation clause.

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

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

11. This act shall take effect immediately.

Approved September 21, 2016.