



POTENTIAL SALE OF BOROUGH OF BERNARDSVILLE WASTEWATER SYSTEM

SUMMARY OF RFB AND SALES CONTRACT REQUIREMENTS

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REQUEST FOR BIDS (RFB)

- Procured Pursuant to “Referendum Law” N.J.S.A. 40:62-3 et seq.
- Request for Bids (not Proposals)
 - Award to Highest Responsible Bidder
- RFB will include description of Borough’s objectives, description of wastewater system (including any engineering reports that may be prepared), procurement process, timeline, bid forms, and form of sale contract
- RFB will also identify information that Bidders will need to provide with Bid (e.g., proposed purchase price, qualifications information, Bid Bond, proposed rate structure (subject to BPU approval))

SALES CONTRACT REQUIREMENTS

- Limit rate increases during first couple of years following Closing
- Payment of Borough's Transaction Costs (\$100,000-200,000 is typical)
- Employ all current wastewater employees
- Undertake Specific Capital Improvements, if necessary
- Connect certain areas of town to wastewater system that are not currently connected

SALES CONTRACT REQUIREMENTS (Cont'd)

- Service to Borough at no cost to Borough at same volume levels as existed at Closing (for a certain time period following Closing)
- Pave curb to curb on streets where sewer connections repaired or replaced

Recent Municipal System Sales

State	Municipality	Year	System(s) Sold	# of Connections	Purchase Price
NJ	Salem*	2023	Water & Sewer	4,600	\$18,00,000
NJ	Somerville	2022	Sewer Collection	3,800	\$7,000,000
NJ	Bound Brook	2021	Sewer Collection	2,900	\$5,000,000
NJ	Egg Harbor City**	2021	Water & Sewer Collection	3,000	\$21,800,000
NJ	Long Hill	2020	Sewer Collection & Treatment	2,800	\$12,700,000
NJ	Mount Ephraim	2019	Sewer Collection	1,800	\$1,400,000
NJ	Haddonfield	2015	Water & Sewer Collection	9,000	\$28,500,000

* Referendum approved by voters in Nov '23 election (~60% in favor) and Agreement executed Dec '23; anticipate Close in '24

** State's 1st Water Infrastructure Protection Act acquisition

PROCUREMENT TIMELINE (REFERENDUM PROCESS)

BOROUGH OF BERNARDSVILLE – SALE OF WASTEWATER SYSTEM

Deadline	Milestone Task
March 2024	Engineer to prepare condition assessment, if necessary
March – April 2024	Preparation of RFB and Draft Contract
April 22, 2024	Regularly Scheduled Borough Council Meeting – Resolution passed by Governing Body authorizing bids for the sale of the utility
May 7, 2024	Advertise RFB in newspaper (1) + advertise in municipal publication (Star Ledger) and League of Municipalities (Classifieds Section)
May 14, 2024	Advertise RFB (2)
May 21, 2024	Optional Pre-Bid Meeting
May 21-23, 2024	Bidder Site Tours (By Appt.) (Coordinate with Borough Administrator)
May 21, 2024	Advertise RFB (3)
May 28, 2024	Advertise RFB (4)
May 31, 2024	Bidder Questions Due
June 4, 2024	Advertise RFB (5)
June 11, 2024	Advertise RFB (6)

PROCUREMENT TIMELINE (REFERENDUM PROCESS)

BOROUGH OF BERNARDSVILLE – SALE OF WASTEWATER SYSTEM (con’t)

Deadline	Milestone Task
June 18, 2024	Bid Submission Due Date
June 18 – June 28, 2024	Review Bids and Select Highest Responsible Bidder or Reject all Bids; Finalize Agreement of Sale
July 8, 2024	Regularly Scheduled Borough Council Meeting – First Reading - Introduce Ordinance to (i) Authorize Execution of a Sale Contract with Highest Responsible Bidder and (ii) Place a question on the November General Election Ballot for the sale of the utility
August 12, 2024	Regularly Scheduled Borough Council Meeting – Second Reading - Adopt Ordinance
August 16, 2024	Deadline for submission of Public Question to County Clerk for Printing (81 days prior to election)
August – October, 2024	Public Meetings Regarding Sale
November 5, 2024	General Election: Public Referendum on the Ordinance
End of November 2024	Clerk certifies the referendum results
Early December 2024	Execution of Contract and Submission of Final Contract to OSC (within 20 days of award)
December 2024 – June 1, 2025	Pre-Closing Conditions to be Achieved (BPU Approval of contract; Municipal Ordinance to consent to the use of public rights of way by the purchaser)
June 2025 or after	Closing

ISSUES TO DISCUSS

- Potential Borough Requirements
- Identify Necessary Preparation Activities (e.g., engineer assessment)
- Identify Factors that can Affect Procurement
 - Existing contracts
 - Any portions of system in other towns
 - Permit issues
 - Existing debt
 - Required capital modifications
 - Others?