



On October 15, 2015, the Board selected One Call Concepts, Inc. (“OCC”) as the System operator, for a five-year term beginning March 1, 2016 and ending February 28, 2021 (“Contract”).<sup>2</sup> On December 17, 2015, OCC sought Board approval of an initial tariff establishing a first year Ticket rate of \$1.25, which the Board approved on January 27, 2016. On September 21, 2018, OCC sought Board approval of an eleven-cent per Ticket rate increase, from \$1.25 to \$1.36, which the Board approved on October 29, 2018. On February 3, 2020, OCC sought Board approval of a seven-cent per Ticket rate increase, from \$1.36 to \$1.43, which the Board approved on April 6, 2020. The \$1.43 rate per Ticket is the current rate.

According to the Contract, OCC receives compensation for each Message received, and OCC collects such compensation through a per-Ticket charge to underground facility operators based upon an estimated average number of Tickets per Message (“Ratio”). The Ratio ensures that OCC receives the Contract rate of \$7.41 per Message. If the estimated Ratio results in over-compensation to OCC, OCC must set a lower charge per Ticket for the following year, provided OCC has sufficient funds. Additionally, the tariff sets forth rates for other services under the Contract. When calculating the annual reconciliation, as well as subsequent rate changes and true-ups, OCC must also include the tariff rates in the calculation.

Additionally, any receipts in excess of the rate per serial number generated or incoming Messages shall be applied to reduce tariff charges per Ticket through future tariff filings required under the Contract. If an actual surplus exists at the end of the term of the Contract or at the time a new contract is executed with either OCC or another vendor, any surplus will need to be returned to the State or the State’s designee within 60 days. According to the Contract, any monies received thereafter shall be transferred to the State or its designee within 10 days of receipt.

The Contract permits two (2) one-year extensions. On April 6, 2020, the Board granted both Contract extensions: March 1, 2021 to February 28, 2022; and March 1, 2022 to February 28, 2023. On February 17, 2023, the Board approved a third Contract extension pursuant to Section 5.3 of the State of New Jersey Standard Terms and Conditions (“SSTC”). This extension terminates on February 28, 2024.<sup>3</sup>

The SSTC provides an option to extend a contract when the extension is in the best interest of the State:

### **5.3 CONTRACT TERM AND EXTENSION OPTION**

If, in the opinion of the Director [of the Division of Purchase and Property] it is in the best interest of the State to extend a contract, the contractor shall be so notified of the Director’s Intent at least 30 days prior to the expiration date of the existing contract. The contractor shall have 15 calendar days to respond to the Director’s request to extend the term and period of performance of the contract. If the contractor agrees to the extension, all terms and conditions of the original contract shall apply unless more

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<sup>2</sup> In re the Request for Proposal 15X23298 Designation of System Operator for New Jersey’s One-Call Damage Prevention System, Docket No. AA15090993, Order dated October 15, 2015.

<sup>3</sup> In re the Letter Request by One Call Concepts, Inc. for Approval of a Tariff for Operation of the New Jersey One-Call Damage Prevention System and Request to Extend Contract for Underground Facilities Protection Services, Docket No. AA15090993, Order dated February 17, 2023.

favorable terms for the State have been negotiated.<sup>4</sup>

As such, the Board found that the services of OCC are essential to the State of New Jersey, and a third extension was imperative to ensure health, protection, and safety of all New Jersey residents with proper measures in place to prevent disruption of this statutory mandate.

### **CURRENT APPLICATION**

Although currently underway, the procurement process will not be completed before the Contract expires on February 28, 2024. OCC provides a service that is federally mandated and protects excavators, employees of utility companies and the residents of New Jersey from harm caused by the accidental damage of gas, electric, water, sewerage and telecommunications lines.

On September 14, 2023, OCC submitted a letter agreeing to the Fourth Contract Extension. Pursuant to OMB Circular 14-07-DPP/OMB/OIT, this matter was forwarded to OMB because it involved an extension to a State Contract for Professional Services in excess of \$250,000. The extension was approved by OMB on January 12, 2024.

According to OCC, the Fourth Contract Extension will maintain the current terms and conditions of the Contract, except for the per Message rate, which will increase from \$7.41 to \$8.49. The extension will ensure continuity in System operations while Board Staff ("Staff") finalizes a Request for Proposal ("RFP").

According to OCC, in its New Jersey One Call Price Analysis, OCC demonstrated that its costs have risen over the last several years and there have been no increases in the Contract amount OCC was paid since 2015. OCC stated that Google mapping service fees and labor rates have increased over the last eight years, including cost impacts from inflation in other areas. OCC requested that in order to extend the Contract, they require an increase in the incoming Message rate from \$7.41 to \$8.49. OCC is not requesting any changes to the outgoing Ticket rate of \$1.43.

Pursuant to the existing Contract, any receipts in excess of the rate per serial number generated or incoming Messages shall be applied to reduce tariff charges per Ticket through future tariff filings required under the Contract. If an actual surplus exists at the end of the term of the Contract or at the time a new Contract is executed with either OCC or another vendor, any surplus will need to be returned to the State or the State's designee within 60 days. Consistent with the Contract, any monies received thereafter shall be transferred to the State or its designee within 10 days of receipt. Specifically regarding this extension, if any deficit or under-recovery of the current tariff rate per Ticket at \$1.43 is insufficient to cover the increase in the Contract Message rate, OCC will be responsible for covering that loss during the extended Contract period after applying any surplus.

### **DISCUSSION AND FINDINGS**

After a thorough review of the record in this matter, the Board **HEREBY FINDS** that a Fourth Contract Extension will ensure that System operations remain uninterrupted during the procurement process which is essential to the health and safety of all New Jersey citizens. As such, the Board **HEREBY GRANTS** the Fourth Contract Extension, beginning February 29, 2024, and terminating on February 28, 2025, or as soon as a new contract is awarded.

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<sup>4</sup> State of New Jersey Standard Terms and Conditions, Revised 2/1/2021.

The Board **HEREBY ORDERS** that the Fourth Contract Extension shall include an increase of the incoming Message rate from \$7.41 to \$8.49 per Message, and the Board **FURTHER ORDERS** that the existing Contract terms other than the incoming Message rate shall remain in full force and effect during the Fourth Contract Extension.

The Board **FURTHER ORDERS** that, if any deficit or under-recovery of the current tariff rate per Ticket at \$1.43 is insufficient to cover the increase in the Contract Message rate, OCC will be responsible for covering that loss during the extended Contract period after applying any surplus. Any surplus applied will include any under-spending in past years on the mandated Contract minimum spending for advertising and promotions.

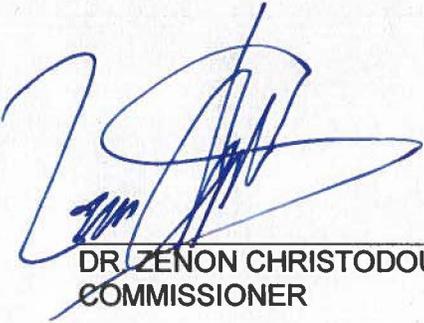
The Board **HEREBY DIRECTS** Staff to complete the RFP process and obtain Board approval for a new System operator, on or before February 28, 2025.

The information presented by OCC, and a review of the proper collection and calculation of rates and ratios, is subject to audit by the Board, including a review of collection activities, proper expenditure of money, and any additional over/under collections. This Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate because of any such audit.

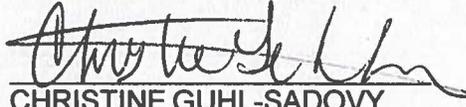
The effective date of this Order is February 7, 2024.

DATED: January 31, 2024

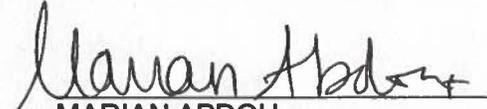
BOARD OF PUBLIC UTILITIES  
BY:



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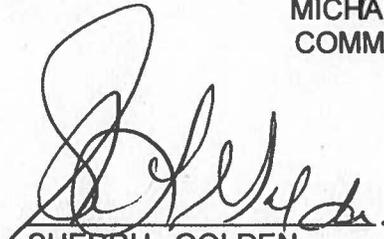


MARIAN ABDOU  
COMMISSIONER



MICHAEL BANGE  
COMMISSIONER

ATTEST:



SHERRIL L. GOLDEN  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE LETTER REQUEST BY ONE CALL CONCEPTS, INC. FOR APPROVAL OF A  
CONTRACT EXTENSION OF NEW JERSEY ONE-CALL DAMAGE PREVENTION SYSTEM FOR UNDERGROUND  
UTILITIES

DOCKET NO. AA15090993

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