

27:25-11

LEGISLATIVE HISTORY CHECKLIST
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(NJ Transit--rolling stock)

NJSA: 27:25-11

LAWS OF: 1996 CHAPTER: 104

BILL NO: A1937

SPONSOR(S): DeCroce and Bucco

DATE INTRODUCED: May 6, 1996

COMMITTEE: ASSEMBLY: Transportation
SENATE: Transportation

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: May 30, 1996
SENATE: May 6, 1996

DATE OF APPROVAL: August 19, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: No

VE TO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1996, CHAPTER 104, *approved August 19, 1996*
Assembly, No. 1937

1 **AN ACT** concerning certain rolling stock and equipment purchases by
2 the New Jersey Transit Corporation and amending P.L.1979, c.150.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 11 of P.L.1979, c.150 (C.27:25-11) is amended to read
8 as follows:

9 11. a. All purchases, contracts or agreements pursuant to this act
10 shall be made or awarded directly by the corporation, except as
11 otherwise provided in this act, only after public advertisement for bids
12 therefor, in the manner provided in this act, notwithstanding the
13 provisions to the contrary of P.L.1948, c.92 (C.52:18A-1 et seq.) and
14 chapters 25, 32, 33, 34 and 35 of Title 52 of the Revised Statutes.

15 b. Whenever advertising is required: (1) specifications and
16 invitations for bids shall permit such full and free competition as is
17 consistent with the procurement of supplies and services necessary to
18 meet the requirements of the corporation; (2) the advertisement for
19 bids shall be in such newspaper or newspapers selected by the
20 corporation as will best give notice thereof to bidders and shall be
21 sufficiently in advance of the purchase or contract to promote
22 competitive bidding; (3) the advertisement shall designate the time and
23 place when and where sealed proposals shall be received and publicly
24 opened and read, the amount of the cash, certified check, cashier's
25 check or bank check, if any, which shall accompany each bid, and such
26 other terms as the corporation may deem proper.

27 c. The corporation may reject any or all bids not in accord with
28 the advertisement of specifications, or may reject any or all bids if the
29 price of the work materials is excessively above the estimate cost or
30 when the corporation shall determine that it is in the public interest to
31 do so. The corporation shall prepare a list of the bids, including any
32 rejected and the cause therefor. The corporation may accept bids
33 containing minor informalities. Awards shall be made by the
34 corporation with reasonable promptness by written notice to the

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

Matter underlined thus is new matter.

1 responsible bidder whose bid, conforming to the invitation for bids,
2 will be the most advantageous to the State, price and other factors
3 considered.

4 d. A bid bond in an amount, not to exceed 50% of the bid, to be
5 determined by the corporation with such sureties as shall be approved
6 by the corporation in favor of the State of New Jersey, or a deposit
7 consisting of a cashier's check, certified check or letter of credit in an
8 amount set forth by the corporation, shall accompany each bid and
9 shall be held as security for the faithful performance of the contractor
10 in that, if awarded the contract, the bidder will deliver the contract
11 within 10 working days after the notice, of award, properly executed
12 and secured by satisfactory bonds in accordance with the provisions of
13 N.J.S.2A:44-143 through N.J.S.2A:44-147 and specifications for the
14 project. The corporation may require in addition to the bid bond or
15 deposit such additional evidence of the ability of a contractor to
16 perform the work required by the contract as it may deem necessary
17 and advisable. All bid bonds or deposits which have been delivered
18 with the bids, except those of the two lowest responsible bidders, shall
19 be returned within 30 working days after such bids are received.

20 e. If the bidder fails to provide a satisfactory bid bond or deposit
21 as provided in subsection d. of this section, the bid shall be rejected.

22 f. The corporation shall determine the terms and conditions of the
23 various types of agreements or contracts, including provisions for
24 adequate security, the time and amount or percentage of each payment
25 thereon and the amount to be withheld pending completion of the
26 contract, and it shall issue and publish rules and regulations concerning
27 such terms and conditions, standard contract forms and such other
28 rules and regulations concerning purchasing or procurement, not
29 inconsistent with any applicable law, as it may deem advisable to
30 promote competition and to protect the public interest.

31 g. Any purchase, contract or agreement pursuant to subsection a.
32 hereof may be made, negotiated or awarded by the corporation
33 without advertising under the following circumstances:

34 (1) When the aggregate amount involved does not exceed the
35 amount determined pursuant to section 2 of P.L.1954, c.48
36 (C.52:34-7); or

37 (2) In all other cases when the corporation seeks:

38 (a) To acquire public or private entities engaged in the provision
39 of public transportation service, used public transportation equipment
40 or existing public transportation facilities or rights of way; or

41 (b) To acquire subject matter which is that described in section 4
42 of P.L.1954, c.48 (C.52:34-9); or

43 (c) To make a purchase or award or make a contract or agreement
44 under the circumstances described in section 5 of P.L.1954, c.48
45 (C.52:34-10); or

46 (d) To contract pursuant to section 6 of **[this act]** P.L.1979, c.150

1 (C.27:25-6); or

2 (e) To acquire or overhaul motorbuses, light rail vehicles, rail cars,
3 locomotives, signal systems or fare collection systems.

4 h. The corporation shall require that all persons proposing to
5 submit bids on improvements to capital facilities and equipment shall
6 first be classified by the corporation as to the character or amount or
7 both of the work on which they shall be qualified to submit bids. Bids
8 shall be accepted only from persons qualified in accordance with such
9 classification.

10 (cf: P.L.1993, c.313, s.2)

11

12 2. This act shall take effect immediately.

13

14

15

STATEMENT

16

17 The New Jersey Transit Corporation (the corporation) is currently
18 required to use a competitive sealed bid process, after public
19 advertisement of such bids, for the purchase or overhaul of equipment
20 such as bus and rail rolling stock and signal and fare collection
21 systems. This bid process requires the development of detailed
22 specifications and price is the primary factor when comparing eligible
23 bids. The detailed specifications required for the competitive bid
24 process do not allow the corporation to respond to bids submitted and
25 may require that a bid which does not meet all specifications,
26 regardless of the degree of nonconformity, be deemed ineligible.

27 This bill would permit any contract or agreement for the purchase
28 or overhaul of public transit rolling stock and signal and fare collection
29 systems to be negotiated or awarded by the corporation without
30 advertising. Current law authorizes a purchase, contract or agreement
31 to be negotiated or awarded by the corporation without advertising
32 under the following circumstances: if the aggregate amount of the
33 purchase or contract does not exceed the State threshold amount for
34 public bidding (currently \$11,200); for the acquisition of public or
35 private entities engaged in the provision of public transportation
36 service, used public transportation equipment or existing public
37 transportation facilities or rights of way; for the acquisition of
38 professional or technical services; for the purchase or award a contract
39 under emergency circumstances; and for the contracting for the
40 operation of rail passenger or motorbus services. Corporation
41 regulations require that all purchases, whether by formal advertising
42 or otherwise, be made on a competitive basis to the maximum extent
43 possible.

- 1 _____
- 2
- 3 Permits negotiated bid for certain types of public transit rolling stock
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ASSEMBLY TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1937

STATE OF NEW JERSEY

DATED: MAY 13, 1996

The Assembly Transportation and Communications Committee favorably reports Assembly Bill No. 1937.

This bill would amend current law to permit the New Jersey Transit Corporation (the corporation) to negotiate or award any contract or agreement for the purchase or overhaul of public transit rolling stock and signal and fare collection systems without advertising.

The corporation is currently required to use a competitive sealed bid process, after public advertisement of such bids, for the purchase or overhaul of such equipment. This bid process requires the development of detailed specifications and price is the primary factor when comparing eligible bids. The detailed specifications required for the competitive bid process do not allow the corporation to respond to bids submitted and may require that a bid which does not meet all specifications, regardless of the degree of nonconformity, be deemed ineligible.

Current law authorizes a purchase, contract or agreement to be negotiated or awarded by the corporation without advertising under the following circumstances: if the aggregate amount of the purchase or contract does not exceed the State threshold amount for public bidding (currently \$11,200); for the acquisition of public or private entities engaged in the provision of public transportation service, used public transportation equipment or existing public transportation facilities or rights of way; for the acquisition of professional or technical services; for the purchase or award a contract under emergency circumstances; and for the contracting for the operation of rail passenger or motorbus services. Corporation regulations require that all purchases, whether by formal advertising or otherwise, be made on a competitive basis to the maximum extent possible.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1937

STATE OF NEW JERSEY

DATED: JUNE 6, 1996

The Senate Transportation Committee released without recommendation Assembly Bill No. 1937.

This bill would amend current law to permit the New Jersey Transit Corporation (the corporation) to negotiate or award any contract or agreement for the purchase or overhaul of public transit rolling stock and signal and fare collection systems without advertising.

The corporation is currently required to use a competitive sealed bid process, after public advertisement of such bids, for the purchase or overhaul of such equipment. This bid process requires the development of detailed specifications and price is the primary factor when comparing eligible bids. The detailed specifications required for the competitive bid process do not allow the corporation to respond to bids submitted and may require that a bid which does not meet all specifications, regardless of the degree of nonconformity, be deemed ineligible.

Current law authorizes a purchase, contract or agreement to be negotiated or awarded by the corporation without advertising under the following circumstances: if the aggregate amount of the purchase or contract does not exceed the State threshold amount for public bidding (currently \$11,200); for the acquisition of public or private entities engaged in the provision of public transportation service, used public transportation equipment or existing public transportation facilities or rights of way; for the acquisition of professional or technical services; for the purchase or award a contract under emergency circumstances; and for the contracting for the operation of rail passenger or motorbus services. Corporation regulations require that all purchases, whether by formal advertising or otherwise, be made on a competitive basis to the maximum extent possible.

This bill is identical to S-1168, released by the committee on the same date.