

27: 7-29 et. al

LEGISLATIVE HISTORY CHECKLIST

NJSA 27:7-29 et. al.

Laws of 1977 Chapter 67 (Highway contracts--eliminate certain financing costs)

Bill No. S39

Sponsor(s) Feldman

Date Introduced Pre-filed

Committee: Assembly Transportation and Communications

Senate Transportation and Communications

Amended during passage Yes No Amendments during passage denoted by asterisks

Date of passage: Assembly February 17, 1977

Senate June 3, 1976

Date of approval April 21, 1977

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Checked Card Catalog under:

NJ - Roads-Construction

NJ - Road Construction

NJ - Roads-- Contract and Specifications

NJ - Roads-Finance

NJ - Public Contracts

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SENATE, No. 89

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senator FELDMAN

AN ACT concerning bidding and payment procedures on State highway projects and amending ***[R. S. 27:7-25,]*** *R. S.* 27:7-29, 27:7-31 through 27:7-34, amending "An act concerning the classification of prospective bidders on State Highway Department projects and supplementing chapter 7 of Title 27 of the Revised Statutes," approved June 30, 1966 (P. L. 1966, c. 185) and repealing R. S. 27:7-35.

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

1 ***[1.** R. S. 27:7-25 is amended to read as follows:

2 27:7-25. All work of construction or building of unimproved
3 roads and of extensive repairs to improved roads taken over as
4 State highways shall be by contract or by labor of **[inmates of]**
5 State **[institutions]** *employees.**)*

1 ***[2.]*** *1.* R. S. 27:7-29 is amended to read as follows:

2 27:7-29. The commissioner shall advertise for bids on the work
3 and materials covered by the plans and specifications ***[and may**
4 **divide them into two or more contracts, but all bids for the whole**
5 **or as subdivided shall be submitted at the same time]*** *for each*
5A *project*.*.

6 The advertisement shall be by public notice published for at
7 least 3 weeks before *bids on* the contract may be **[awarded]**
8 *received*, at least once a week in each of two newspapers printed
9 in the county or counties where the roads are located, and in one
10 other newspaper in Trenton, and may be inserted in one or more
11 American engineering periodicals.

12 The advertisements shall give a brief description of the work
13 and materials required, specify where plans and specifications
14 can be seen or had, the hour, date, and place where the sealed

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

15 proposals will be received and publicly opened and read, and such
16 other pertinent information as the commissioner may include.

1 ***[3.]*** *2.* R. S. 27:7-31 is amended to read as follows:

2 27:7-31. A **[certified check]** *proposal bond* equal to at least
3 **[10]** 50% of the bid, **[and drawn to the order of the State Treas-**
4 **urer,]** *executed by the contractor with such sureties as shall be*
5 *approved by the commissioner in favor of the State of New Jersey,*
6 *shall accompany each bid and shall be held as security for the*
7 *faithful performance of the contractor in that, if awarded the*
8 *contract, the bidder will deliver **[it]** the contract within 10 working*
9 *days after the **[ratification of the]** award, properly **[signed]***
10 *executed and secured by **[a]** satisfactory **[bond]*** *bonds in*
11 *accordance with the provisions of N. J. S. 2A:44-143 to N. J. S.*
12 *2A:44-147 and specifications for the project*.* **[The amount of**
13 **the check shall in no case exceed \$20,000.00, and if the bid is less**
14 **than \$5,000.00 the check shall be \$500.00.]** The commissioner may
15 require in addition to the **[certified check]** *proposal bond* such
16 additional evidence of the ability of a contractor to perform the
17 work required by the contract as he may deem necessary and
18 advisable.*

1 ***[4.]*** *3.* R. S. 27:7-32 is amended to read as follows:

2 27:7-32. If the bidder fails to provide a satisfactory *proposal*
3 *bond as provided in section 27:7-31 of this Title, his **[check shall***
4 *be forfeited to the State as liquidated damages, and shall be applied*
5 *and become a part of the funds of the commissioner]* *bid shall be*
6 *rejected.*

7 ***[If the successful bidder shall fail to deliver the properly**
8 **executed contract and to provide a satisfactory bond as provided**
9 **in R. S. 27:7-31 within 10 working days, the commissioner may**
10 **elect to void the award of such contract and award the contract to**
11 **the next lowest responsible bidder. The commissioner shall take**
12 **action to obtain payment under the proposal bond accompanying**
13 **the voided contract for any difference in cost to the State.]***

1 ***[5.]*** *4.* R. S. 27:7-33 is amended to read as follows:

2 27:7-33. The commissioner shall award the contract or reject
3 the bids therefor within **[1 month]** *30 working days* after the bids
4 are received, **except that this time limit may be extended by mutual*
5 *agreement,** and all proposal **[checks]** *bonds* which **[may]** have
6 been delivered with the bids, except *those of the two lowest re-*
7 *sponsible **[bids]** bidders,* shall be returned within 3 *working days*
8 **[thereafter]** *after such bids are received.* **Any and all bids may*
9 *be rejected when the commissioner determines that it is in the*
10 *public interest to do so.**

1 ***[6.]*** *5.* R. S. 27:7-34 is amended to read as follows:

2 27:7-34. Contracts **[may]** *shall* provide for partial payments
 3 at least once each month or from time to time as the work pro-
 4 gresses on work of construction or maintenance. **[Ten]** ****[Two]****
 5 ****Five**** per centum of the amount due on partial payments **[on the**
 6 **first 50% of the total contract price]** ****on the first 50% of the total**
 7 **contract price**** shall be withheld from the contractor pending
 8 completion of the contract****[, except that no]********. *Thereafter,*
 9 *on the remaining 50% of the total contract price, no per centum of*
 10 *the partial payments shall be withheld from the contractor pending*
 11 *such completion, but upon substantial completion of the contract,*
 12 *as defined by rules or regulations of the department 2% shall be*
 12A *withheld. No** retainage shall be withheld on service contracts*
 12B *including, but not limited to, mowing, sweeping, tree trimming and*
 12C *similar contracts. [Thereafter, on the remaining 50% of the total*
 12D *contract price, no per centum of the partial payments shall be with-*
 12E *held from the contractor pending such completion.]**Any partial*
 12F *payments made after substantial completion of the contract shall*
 12G *be made only upon certification by the general contractor to the*
 12H *department that all subcontractors have been paid in the same*
 12I *proportion that he has been paid; however, should the amount owed*
 12J *by a general contractor to a subcontractor be in dispute the depart-*
 12K *ment shall be empowered to advance to the general contractor the*
 12L *amount in dispute after a determination by the commissioner.***

13 Contracts may also provide for partial payments at least once
 14 in each month or from time to time as the work progresses on all
 15 materials placed along or upon the site, *or stored at locations*
 16 *approved by the commissioner,* which are suitable for the use and
 17 execution of the contract, provided the contractor furnishes releases
 18 of liens for all materials furnished at the time each estimate of
 19 work is submitted for payment, but such partial payments shall
 20 **[be 80% of]** *not exceed the [value] cost of the material.*

21 When the contract provides that a portion of the work may be
 22 deferred with the approval of the commissioner, the sum withheld
 23 from the contractor may not be less than 25% of the value of said
 24 work.

25 Any money heretofore or hereafter withheld from contract pay-
 26 ments as provided for herein shall be paid by the State to any
 27 contractor entitled thereto who shall deposit **[with the department]**
 28 *under terms of an escrow agreement, in a banking institution*
 29 *located in this State and approved by the commissioner, negotiable*
 30 *bonds, [approved by] acceptable to the commissioner, issued by*
 31 *the State or any political subdivision thereof, said bonds having*

32 value equal to the amount of money to be paid to any such con-
 33 tractor. For purposes of this section, value shall mean par value
 34 or market value, whichever is lower.

1 ***[7.]*** *6.* Section 5 of P. L. 1966, c. 185 (C. 27:7-35.5) is
 2 amended to read as follows:

3 5. The classification of the prospective bidder shall be effective
 4 15 days after the receipt of the information specified in section 4
 5 of this act and shall expire **[15 months]** *at such time* after the
 6 **effective** date **[of]** **[that the financial information shall be*
 7 *provided,]* *as specified in regulations promulgated by the com-*
 8 *missioner.* No person shall be qualified to bid on any contract who
 9 does not have a valid classification as to type and amount of work
 10 required by the contract, on the date set for the opening of bids
 11 for such contract.

1 ***[8.]*** *7.* Section 7 of P. L. 1966, c. 185 (C. 27:7-35.7) is
 2 amended to read as follows:

3 7. The prequalification committee, to be appointed by the **[State**
 4 **Highway]** Commissioner of *Transportation*, shall consist of **[the**
 5 **State Highway Engineer; a deputy Attorney General; the Director,**
 6 **Division of Construction; the Director of Accounting and Auditing**
 7 **and the supervising officer, contracts, highway or]** such **[other]**
 8 **officials** as the commissioner may deem appropriate for the per-
 9 formance of these duties.

1 ***[9.]*** *8.* R. S. 27:7-35 is hereby repealed.

1 ***[10.]*** *9.* This act shall take effect immediately.

SENATE, No. 89

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senator FELDMAN

AN ACT concerning bidding and payment procedures on State highway projects and amending R. S. 27:7-25, 27:7-29, 27:7-31 through 27:7-34, amending "An act concerning the classification of prospective bidders on State Highway Department projects and supplementing chapter 7 of Title 27 of the Revised Statutes," approved June 30, 1966 (P. L. 1966, c. 185) and repealing R. S. 27:7-35.

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

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3 roads and of extensive repairs to improved roads taken over as
4 State highways shall be by contract or by labor of **[inmates of]**
5 State **[institutions]** *employees.*

1 2. R. S. 27:7-29 is amended to read as follows:

2 27:7-29. The commissioner shall advertise for bids on the work
3 and materials covered by the plans and specifications and may
4 divide them into two or more contracts, but all bids for the whole
5 or as subdivided shall be submitted at the same time.

6 The advertisement shall be by public notice published for at
7 least 3 weeks before *bids on* the contract may be **[awarded]**
8 *received*, at least once a week in each of two newspapers printed
9 in the county or counties where the roads are located, and in one
10 other newspaper in Trenton, and may be inserted in one or more
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**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

15 proposals will be received and publicly opened and read, and such
16 other pertinent information as the commissioner may include.

1 3. R. S. 27:7-31 is amended to read as follows:

2 27:7-31. A **[certified check]** *proposal bond* equal to at least
3 **[10]** 50% of the bid, **[and drawn to the order of the State Treas-**
4 **urer,]** *executed by the contractor with such sureties as shall be*
5 *approved by the commissioner in favor of the State of New Jersey,*
6 *shall accompany each bid and shall be held as security for the*
7 *faithful performance of the contractor in that, if awarded the*
8 *contract, the bidder will deliver **[it]** the contract within 10 working*
9 *days after the **[ratification of the]** award, properly **[signed]***
10 *executed and secured by a satisfactory bond. **[The amount of the***
11 *check shall in no case exceed \$20,000.00, and if the bid is less than*
12 *\$5,000.00 the check shall be \$500.00.]* The commissioner may require
13 in addition to the **[certified check]** *proposal bond* such additional
14 evidence of the ability of a contractor to perform the work required
15 by the contract as he may deem necessary and advisable.

1 4. R. S. 27:7-32 is amended to read as follows:

2 27:7-32. If the bidder fails to provide a satisfactory *proposal*
3 *bond as provided in section 27:7-31 of this Title, his **[check shall***
4 *be forfeited to the State as liquidated damages, and shall be applied*
5 *and become a part of the funds of the commissioner]* *bid shall be*
6 *rejected.*

7 *If the successful bidder shall fail to deliver the properly executed*
8 *contract and to provide a satisfactory bond as provided in R. S.*
9 *27:7-31 within 10 working days, the commissioner may elect to*
10 *void the award of such contract and award the contract to the next*
11 *lowest responsible bidder. The commissioner shall take action to*
12 *obtain payment under the proposal bond accompanying the voided*
13 *contract for any difference in cost to the State.*

1 5. R. S. 27:7-33 is amended to read as follows:

2 27:7-33. The commissioner shall award the contract or reject
3 the bids therefor within **[1 month]** *30 working days* after the bids
4 are received, and all proposal **[checks]** *bonds* which **[may]** have
5 been delivered with the bids, except *those of the two lowest re-*
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1 6. R. S. 27:7-34 is amended to read as follows:

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3 at least once each month or from time to time as the work pro-
4 gresses on work of construction or maintenance. **[Ten]** *Two*
5 *per centum of the amount due on partial payments **[on the first***

6 50% of the total contract price] shall be withheld from the con-
 7 tractor pending completion of the contract, *except that no retain-*
 8 *age shall be withheld on service contracts including, but not limited*
 9 *to, mowing, sweeping, tree trimming and similar contracts.* [There-
 10 after, on the remaining 50% of the total contract price, no per
 11 centum of the partial payments shall be withheld from the con-
 12 tractor pending such completion.]

13 Contracts may also provide for partial payments at least once
 14 in each month or from time to time as the work progresses on all
 15 materials placed along or upon the site, *or stored at locations*
 16 *approved by the commissioner*, which are suitable for the use and
 17 execution of the contract, provided the contractor furnishes releases
 18 of liens for all materials furnished at the time each estimate of
 19 work is submitted for payment, but such partial payments shall
 20 [be 80% of] *not exceed* the [value] *cost* of the material.

21 When the contract provides that a portion of the work may be
 22 deferred with the approval of the commissioner, the sum withheld
 23 from the contractor may not be less than 25% of the value of said
 24 work.

25 Any money heretofore or hereafter withheld from contract pay-
 26 ments as provided for herein shall be paid by the State to any
 27 contractor entitled thereto who shall deposit [with the department]
 28 *under terms of an escrow agreement, in a banking institution*
 29 *located in this State and approved by the commissioner*, negotiable
 30 bonds, [approved by] *acceptable* to the commissioner, issued by
 31 the State or any political subdivision thereof, said bonds having
 32 value equal to the amount of money to be paid to any such con-
 33 tractor. For purposes of this section, value shall mean par value
 34 or market value, whichever is lower.

1 7. Section 5 of P. L. 1966, c. 185 (C. 27:7-35.5) is amended to
 2 read as follows:

3 5. The classification of the prospective bidder shall be effective
 4 15 days after the receipt of the information specified in section 4
 5 of this act and shall expire [15 months] *at such time* after the date
 6 [of] *that* the financial information *shall be provided, as specified*
 7 *in regulations promulgated by the commissioner*. No person shall
 8 be qualified to bid on any contract who does not have a valid
 9 classification as to type and amount of work required by the con-
 10 tract, on the date set for the opening of bids for such contract.

1 8. Section 7 of P. L. 1966, c. 185 (C. 27:7-35.7) is amended to
 2 read as follows:

3 7. The prequalification committee, to be appointed by the [State
4 Highway] Commissioner of *Transportation*, shall consist of [the
5 State Highway Engineer; a deputy Attorney General; the Director,
6 Division of Construction; the Director of Accounting and Auditing
7 and the supervising officer, contracts, highway or] such [other]
8 officials as the commissioner may deem appropriate for the per-
9 formance of these duties.

1 9. R. S. 27:7-35 is hereby repealed.

1 10. This act shall take effect immediately.

STATEMENT

This bill substitutes a 50% proposal bond for the 10% certified check which accompanied all bids on State highway contracts. In addition, the bill specifies the procedure to be followed in the event the successful bidder fails to provide a properly executed contract or a satisfactory performance and payment bond.

The bill permits contractors to receive the entire amount of partial payments and the entire amount for materials where there is no reason to withhold payment. This should reduce the cost of State contracts by eliminating some financing costs from bids on such contracts.

The surety bond requirement is eliminated.

SENATE, No. 89

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senator FELDMAN

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7 *faithful performance of the contractor in that, if awarded the*
8 *contract, the bidder will deliver ~~it~~ the contract within 10 working*
9 *days after the ~~ratification of the~~ award, properly ~~signed~~*
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13 ~~the check shall in no case exceed \$20,000.00, and if the bid is less~~
14 ~~than \$5,000.00 the check shall be \$500.00.~~ The commissioner may
15 require in addition to the ~~certified check~~ *proposal bond* such
16 additional evidence of the ability of a contractor to perform the
17 work required by the contract as he may deem necessary and
18 advisable.

1 *~~4.~~* *3.* R. S. 27:7-32 is amended to read as follows:
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3 *bond* as provided in section 27:7-31 of this Title, his ~~check shall~~
4 ~~be forfeited to the State as liquidated damages, and shall be applied~~
5 ~~and become a part of the funds of the commissioner~~ *bid shall be*
6 *rejected.*

7 *~~If the successful bidder shall fail to deliver the properly~~
8 ~~executed contract and to provide a satisfactory bond as provided~~
9 ~~in R. S. 27:7-31 within 10 working days, the commissioner may~~
10 ~~elect to void the award of such contract and award the contract to~~
11 ~~the next lowest responsible bidder. The commissioner shall take~~
12 ~~action to obtain payment under the proposal bond accompanying~~
13 ~~the voided contract for any difference in cost to the State.~~*

1 *~~5.~~* *4.* R. S. 27:7-33 is amended to read as follows:
2 27:7-33. The commissioner shall award the contract or reject
3 the bids therefor within ~~1 month~~ 30 working days after the bids
4 are received, *except that this time limit may be extended by mutual*
5 *agreement,* and all proposal ~~checks~~ *bonds* which ~~may~~ have
6 been delivered with the bids, except those of the two lowest re-
7 sponsible ~~bids~~ *bidders*, shall be returned within 3 working days
8 ~~thereafter~~ *after such bids are received.* *Any and all bids may*
9 *be rejected when the commissioner determines that it is in the*
10 *public interest to do so.**

1 *~~[6.]~~* *5.* R. S. 27:7-34 is amended to read as follows:

2 27:7-34. Contracts ~~[may]~~ shall provide for partial payments
3 at least once each month or from time to time as the work pro-
4 gresses on work of construction or maintenance. ~~[Ten]~~ Two
5 per centum of the amount due on partial payments ~~[on the first~~
6 50% of the total contract price] shall be withheld from the con-
7 tractor pending completion of the contract, *except that no retain-*
8 *age shall be withheld on service contracts including, but not limited*
9 *to, mowing, sweeping, tree trimming and similar contracts.* ~~[There-~~
10 ~~after, on the remaining 50% of the total contract price, no per~~
11 ~~centum of the partial payments shall be withheld from the con-~~
12 ~~tractor pending such completion.]~~

13 Contracts may also provide for partial payments at least once
14 in each month or from time to time as the work progresses on all
15 materials placed along or upon the site, *or stored at locations*
16 *approved by the commissioner*, which are suitable for the use and
17 execution of the contract, provided the contractor furnishes releases
18 of liens for all materials furnished at the time each estimate of
19 work is submitted for payment, but such partial payments shall
20 ~~[be 80% of]~~ *not exceed* the ~~[value]~~ cost of the material.

21 When the contract provides that a portion of the work may be
22 deferred with the approval of the commissioner, the sum withheld
23 from the contractor may not be less than 25% of the value of said
24 work.

25 Any money heretofore or hereafter withheld from contract pay-
26 ments as provided for herein shall be paid by the State to any
27 contractor entitled thereto who shall deposit ~~[with the department]~~
28 *under terms of an escrow agreement, in a banking institution*
29 *located in this State and approved by the commissioner*, negotiable
30 bonds, ~~[approved by]~~ *acceptable* to the commissioner, issued by
31 the State or any political subdivision thereof, said bonds having
32 value equal to the amount of money to be paid to any such con-
33 tractor. For purposes of this section, value shall mean par value
34 or market value, whichever is lower.

1 *~~[7.]~~* *6.* Section 5 of P. L. 1966, c. 185 (C. 27:7-35.5) is
2 amended to read as follows:

3 5. The classification of the prospective bidder shall be effective
4 15 days after the receipt of the information specified in section 4
5 of this act and shall expire ~~[15 months]~~ *at such time* after the
6 *effective* date ~~[of]~~ *~~[that~~ the financial information shall be
7 ~~provided,]~~* *as specified in regulations promulgated by the com-*
8 *missioner.* No person shall be qualified to bid on any contract who

9 does not have a valid classification as to type and amount of work
10 required by the contract, on the date set for the opening of bids
11 for such contract.

1 ***[8.]*** *7.* Section 7 of P. L. 1966, c. 185 (C. 27:7-35.7) is
2 amended to read as follows:

3 7. The prequalification committee, to be appointed by the **[State**
4 **Highway]** Commissioner of *Transportation*, shall consist of **[the**
5 **State Highway Engineer**; a deputy Attorney General; the Director,
6 Division of Construction; the Director of Accounting and Auditing
7 and the supervising officer, contracts, highway or] such **[other]**
8 officials as the commissioner may deem appropriate for the per-
9 formance of these duties.

1 ***[9.]*** *8.* R. S. 27:7-35 is hereby repealed.

1 ***[10.]*** *9.* This act shall take effect immediately.

ASSEMBLY TRANSPORTATION AND
COMMUNICATIONS COMMITTEE

STATEMENT TO

SENATE No. 89

[SECOND OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 1977

This bill concerns bidding and payment procedures on State highway projects. The intent of this bill is to reduce the cost of State contracts by eliminating certain financing costs from bids on such contracts.

The bill does the following:

(1) Requires that the advertisement of bids on work and materials shall be by public notice published for at least 3 weeks before bids on the contract may be received;

(2) Substitutes a proposal bond equal to at least 50% of the bid for the 10% certified check which presently accompanies all bids on State highway contracts;

(3) States that if the bidder fails to provide a satisfactory proposal bond, his bid shall be rejected;

(4) Provides that the Commissioner of Transportation shall award the contract or reject the bids therefor within 30 working days after the bids are received except that this time limit may be extended by mutual agreement and that all proposal bonds which have been delivered with the bids, except those of the two lowest responsible bidders, shall be returned within 3 working days after such bids are received;

(5) Requires that contracts shall provide for partial payments. Five per centum of the amount due on partial payments on the first 50% of the total contract price shall be withheld from the contractor pending completion of the contract. In addition, on the remaining 50% of the total contract price, no per centum of the partial payments shall be withheld pending completion of the work, but upon substantial completion of the contract, the Department of Transportation shall withhold 2%. Furthermore, no retainage shall be withheld on service contracts including, but not limited to mowing, sweeping, tree trimming and similar contracts;

(6) Provides that the classification of a prospective bidder shall expire at such time as specified in regulations promulgated by the Commissioner of Transportation;

(7) Repeals R. S. 27:7-35 and thereby eliminates the requirement of a contractor's bond on the completion of work for a 100% State financed project;

(8) Allows the Commissioner of Transportation discretion in appointing members of the prequalification committee and in rejecting any and all bids if he determines it is in the public interest to do so.

The Department of Transportation concurs with the provisions of this bill and recommends that it be enacted into law.

SENATE TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO

SENATE No. 89

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MARCH 29, 1976

This bill concerns bidding and payment procedures on State highway projects. It provides for substituting a 50% proposal bond for the 10% certified check which has accompanied all bids on State highway projects; eliminating the contractor's bond on the completion of work; allowing the Commissioner of Transportation discretion in appointing members of the prequalification committee and in rejecting any and all bids; and withholding from the contractor 2% of the amount due on partial payments pending completion of the contract, except that no retainage shall be withheld on service contracts. The intent of this bill is to reduce the cost of State contracts by eliminating certain financing costs from bids on such contracts.

SENATE COMMITTEE AMENDMENTS TO

SENATE, No. 89

STATE OF NEW JERSEY

ADOPTED MARCH 29, 1976

Amend page 1, title, line 2, after "amending", omit "R. S. 27:7-25," insert "R. S.".

Amend page 1, section 1, lines 1 through 5, omit in its entirety.

Amend page 1, section 2, line 1, omit "2.", insert "1.".

Amend page 1, section 2, line 3, after "specifications", omit "and may".

Amend page 1, section 2, line 4, omit.

Amend page 1, section 2, line 5, omit "or as subdivided shall be submitted at the same time", insert "for each project".

Amend page 2, section 3, line 1, omit "3.", insert "2.".

Amend page 2, section 3, line 10, after "by", omit "a"; after "satisfactory" omit "bond", insert "bonds in accordance with the provisions of N. J. S. 2A:44-143 to N. J. S. 2A:44-147 and the specifications for the project".

Amend page 2, section 4, line 1, omit "4.", insert "3.".

Amend page 2, section 4, lines 7 through 13, omit.

Amend page 2, section 5, line 1, omit "5.", insert "4.".

Amend page 2, section 5, line 4, after "received," insert "except that this time limit may be extended by mutual agreement,".

Amend page 2, section 5, line 7, after "received.", insert "Any and all bids may be rejected when the commissioner determines that it is in the public interest to do so.".

Amend page 2, section 6, line 1, omit "6.", insert "5.".

Amend page 3, section 7, line 1, omit "7.", insert "6.".

Amend page 3, section 7, line 5, after "the", insert "effective".

Amend page 3, section 7, line 6, omit "that the financial information shall be provided,".

Amend page 3, section 8, line 1, omit "8.", insert "7.".

Amend page 4, section 9, line 1, omit "9.", insert "8.".

Amend page 4, section 10, line 1, omit "10.", insert "9.".

SENATE AMENDMENTS TO

SENATE No. 89

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED MAY 24, 1976

Amend page 3, section 5, line 4, after “[Ten]”, omit “Two”, insert “Five”.

Amend page 3, section 5, line 6, after “price]”, reinsert “on the first 50% of the total contract price”.

Amend page 3, section 5, line 7, after “contract”, omit “, except that no”, insert “. Thereafter, on the remaining 50% of the total contract price, no per centum of the partial payments shall be withheld from the contractor pending such completion, but upon substantial completion of the contract, as defined by rules or regulations of the department 2% shall be withheld. No”.

Amend page 3, section 5, after line 12, insert “Any partial payments made after substantial completion of the contract shall be made only upon certification by the general contractor to the department that all subcontractors have been paid in the same proportion that he has been paid; however, should the amount owed by a general contractor to a subcontractor be in dispute the department shall be empowered to advance to the general contractor the amount in dispute after a determination by the commissioner.”.

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

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APRIL 21, 1977

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

ANNE BURNS

Governor Brendan Byrne Thursday signed into law the following bills:

S-89 - sponsored by Senator Matthew Feldman (D-Bergen) which revises the bidding and payment procedures on State highway projects.

The bill does the following:

1. Requires that the advertisement of bids on work and materials shall be published by public notice for at least 3 weeks before bids on the contract may be received.
2. Substitutes a proposal bond equal to at least 50 per cent of the bid for the 10 per cent certified check which presently accompanies all bids on state highway contracts.
3. States that if the bidder fails to provide a satisfactory proposal bond, his bid will be rejected.
4. Provides that the Commissioner of Transportation shall award the contract or reject the bids within 30 days after the bids are received, except when this time limit is extended by mutual agreement; and that all proposal bonds which have been delivered with the bids, except those of the two lowest responsible bidders, shall be returned within three working days after the low bids are received.

S-506 - sponsored by Senator Wayne Dumont, Jr., (R-Sussex), which permits multi-year contracts for the transportation of pupils to be increased up to 5 per cent annually of the original yearly contract cost beginning with the second year of the contract.

The bill also provides that the cumulative cost increase from the annual extensions of the contract may not exceed 20 per cent of the original amount without a competitive rebidding of the contract.

(more)

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