[Passed Both Houses]

[Second Reprint]

SENATE, No. 1932

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Senator EWING

AN ACT concerning certain contracts of the New Jersey Highway Authority and amending P.L.1968, c.459.

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

1. Section 1 of P.L.1968, c.459 (C.27:12B-5.2) is amended to read as follows:

1. a. The New Jersey Highway Authority, in the exercise of its authority to make and enter into contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers, shall adopt standing operating rules and procedures providing that, except as hereinafter provided, no contract on behalf of the authority shall be entered into for the doing of any work, or for the hiring of equipment or vehicles, where the sum to be expended exceeds the sum of $7,500.00 or, after June 30, 1985, the amount determined pursuant to subsection b. of this section unless the authority shall first publicly advertise for bids therefor, and shall award the contract to the lowest responsible bidder; provided, however, that such advertising shall not be required where the contract to be entered into is one for the furnishing or performing <u>of</u> services of a professional nature or for the supplying of any product or the rendering of any service by a public utility subject to the jurisdiction of the Board of Public **[**Utility Commissioners**]**<u>Utilities</u> of this State and tariffs and schedules of the charges, made, charged, or exacted by the public utility for any such products to be supplied or services to be rendered are filed with the said board. <u>Contracts for</u>

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 <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1] Assembly ATC committee amendments adopted December 11, 1997.
[2] Senate amendments adopted in accordance with Governor's recommendations January 12, 1998.

towing and storage services shall be advertised and awarded pursuant to subsection c. of this section.

This subsection shall not prevent the authority from having any work done by its own employees, nor shall it apply to repairs, or to the furnishing of materials, supplies or labor, or the hiring of equipment or vehicles, when the safety or protection of its or other public property or the public convenience require, or the exigency of the authority's service will not admit of such advertisement. In such case the authority shall, by resolution, passed by the affirmative vote of a majority of its members, declare the exigency or emergency to exist, and set forth in the resolution the nature thereof and the approximate amount to be so expended.

b. Commencing January 1, 1985, the Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of each odd-numbered year, adjust the threshold amount set forth in subsection a. of this section, or subsequent to 1985 the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the consumer price index for all urban consumers in the New York City and the Philadelphia areas as reported by the United States Department of Labor. The Governor shall, no later than June 1 of each odd-numbered year, notify the authority of the adjustment. The adjustment shall become effective on July 1 of each odd-numbered year.

c. The authority shall adopt regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to provide open and competitive procedures for awarding contracts for towing and storage services. [1]Towing and storage services on a highway project may be provided on a rotating basis, provided that the authority determines that there would be no additional cost to the authority [2], excepting administrative costs,[2] as a result of those services being provided on a rotating basis.[1] The regulations shall fix maximum towing and storage fees, [2][subject to regulations promulgated by the Commissioner of Banking and Insurance pursuant to section 60 of P.L.1990, c.8 (C.17:33B-47),][2] and establish objective criteria to be considered in awarding a contract for towing and storage services which shall include, but shall not be limited to, reliability, experience, response time, acceptance of credit cards and prepaid towing contracts, adequate equipment to safely handle a sufficient volume of common vehicle types under a variety of traffic and weather conditions, location of storage and repair facilities, security of vehicles towed or stored, financial return to the authority, [2][and][2] maintenance of adequate liability insurance [2]and appropriate safeguards to protect the personal safety of customers, including considerations related to the criminal background of employees. The Division of Consumer Affairs in the Department of Law and Public Safety shall provide, at the authority's request, a report to the

authority on any prospective contractor for which the Division has information relevant to the prospective contractor's service record, subject to the provisions of the New Jersey consumer fraud act, P.L.1960, c.39 (C. 56:8-1 et. seq.). The Division of Insurance Fraud Prevention in the Department of Banking and Insurance also shall provide, at the authority's request, a report to the authority on any prospective contractor for which the Division has information relevant to the prospective contractor's service record, subject to the "New Jersey Insurance Fraud Prevention Act," P.L.1983, c.320 (C. 17:33A-1 et seq.)[2] . [2][Towing and storage fees, set by the authority, shall not be considered in awarding a contract for towing and storage services.][2]

(cf: P.L.1984, c.128, s.3)

2. This act shall take effect immediately and shall apply to contracts entered into on and after the 60th day following the effective date of this act and to renewals of contracts entered into prior to the effective date of this act, which renewals are effectuated after the 60th day following the effective date of this act.

Requires New Jersey Highway Authority to implement open and competitive contracting procedures for contracts for towing and storage services.