

ASSEMBLY TRANSPORTATION AND INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO **ASSEMBLY, No. 5818**

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 2021

The Assembly Transportation and Independent Authorities Committee reports favorably and with committee amendments Assembly Bill No. 5818.

As amended and reported, this bill requires the State Board of Education to provide for debarment of school bus contractors for certain violations. Under current law, a board of education must, with limited exception, accept the lowest responsible bid for a pupil transportation contract. A board of education may only disqualify the lowest responsible bidder if the board finds it has had certain prior negative experiences with the bidder.

Under the bill, the State Board of Education is required to provide for debarment from bidding on any pupil transportation contract of a person for certain causes that include, but are not limited to: failing to comply with certain provisions of law pertaining to the qualification of school bus drivers and school bus inspections; the commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract, or subcontract thereunder, or in the performance of such contract or subcontract; the commission of a criminal offense that includes child abuse or sexual misconduct involving a child; a record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more pupil transportation contracts; knowingly submitting a bid for a pupil transportation contract that fails to identify each person who has any ownership interest in the company and that would have included a person debarred from bidding on a pupil transportation contract under the bill; and debarment by some other department or agency in the Executive Branch of the New Jersey State government. Under the bill, debarment, which must be for a reasonable, defined period of time of not less than one year and not longer than five years, based on one of the above causes is not automatic. The decision to debar will be at the discretion of the Commissioner of Education or School Bus Safety Ombudsman and rendered in the best interest of the State.

The bill requires that a list of persons debarred from bidding on a pupil transportation contract under the bill be maintained on the Department of Education's Internet website and distributed to each school district and board of education in the State by March 1 of each year. The commissioner or ombudsman may keep the names of debarred persons on this list beyond the completion of a period of debarment. The bill defines "person" to mean an individual and any business, including any corporation, partnership, association, or proprietorship in which such individual is a principal, or with respect to which the individual owns, directly or indirectly, or controls any of the stock or other equity interest of such business.

The bill amends current law to require a bid for a pupil transportation contract to identify each person who has any ownership interest in the company submitting the bid and to require a board of education to review the debarment list prior to awarding a pupil transportation contract. The bill prohibits a board of education from awarding a pupil transportation contract to any person debarred from bidding on a pupil transportation contract under the provisions of the bill.

The bill also expands what qualifies as a prior negative experience for which a board of education may disqualify the lowest responsible bidder for a pupil transportation contract. Under the bill, a board of education may disqualify the lowest responsible bidder when the bidder has any ownership interest in any contractor that had prior negative experiences with the board or in any contractor that is debarred from bidding on a pupil transportation contract under the provisions of the bill. Current law provides that a board of education may disqualify a bidder when the bidder has at least 10 percent ownership in any contractor that had a prior negative experience with the board.

This bill will take effect upon the enactment of Senate Bill No. 3851 and Assembly Bill No. 5814, which are currently pending before the Legislature.

COMMITTEE AMENDMENTS

The committee amended the bill to update the information pertaining to the bills tied to this bill's effective date and to change references to the "Bus Safety Ombudsman" to the "School Bus Safety Ombudsman."