

**CONTRACTING  
STUDENT  
TRANSPORTATION  
SERVICES**

New Jersey Department of Education  
Office of Student Transportation  
*student.trans@doe.state.nj.us*  
July 2014

# CONTRACTING TRANSPORTATION SERVICES

## Table of Contents

	<u>Page</u>
I. Introduction	3
II. Bid contracts	4
A. Bidding Requirements	4
B. Specifications	5
C. Bid Methods and Documents	10
D. Bid Advertisement	12
E. Bidders' Responsibility	12
F. Receiving and Opening Bids	13
G. Award of Contract	13
H. Bulk/Combination Bids	15
I. High, Collusive or No Bids	15
III. Multiyear Contracts	16
IV. Nonpublic Transportation Contracts	17
V. Quoted Contracts	18
VI. Parental Contracts	19
VII. Set Aside Contracts	20
VIII. Renewal Contracts	21
IX. Joint Transportation Agreements	24
X. Contract Addendum	25
XI. Transferring Contracts	27
XII. Cancellation of Contract	29
XIII. Submitting Transportation Documents	30

## **CONTRACTING TRANSPORTATION SERVICES**

### **I. INTRODUCTION**

The purpose of this document is to provide assistance in managing and monitoring contracts for student transportation services. The sections that follow describe each type of contract and the procedures to be followed in their administration.

In accordance with statute and administrative code, prior to the opening of school and in sufficient time to publicly advertise for bids, boards of education shall assess their student transportation needs. If the assessment indicates that contracted student transportation services are anticipated or in the aggregate will exceed the statutory bid limit, except for contracts qualifying for renewal, transportation services shall be bid in accordance with *N.J.S.A. 18A:39-3*.

Boards of education shall also assess their school related activities transportation needs. If the assessment indicates that these services are anticipated or in the aggregate will exceed the statutory bid limit, except for contracts qualifying for renewal, this transportation shall be bid.

## **II. BID CONTRACTS**

Definition: A contract for which public advertisement for competitive bid has been made. The following procedures shall be followed in completing the bid process.

### **A. BIDDING REQUIREMENTS**

- Boards of education shall have the option of annually bidding all transportation contracts or awarding annual extensions of an original bid contract. However, no contract for the transportation of students to and from school or school related activities shall be made when the amount to be paid exceeds the bid threshold limit established by the Governor unless the board of education making such contract shall have first publicly advertised for bids.
- Boards of education shall make a determination regarding transportation by a Coordinated Transportation Services Agency (CTSA) for nonpublic school students, vocational school students and special needs students to and from any other school district in accordance with *N.J.A.C. 6A:27-10.2*.
- The board of education shall designate a committee, official or employee to prepare the specifications for each route or contract for which proposals are sought.
- The bid process shall be designed to encourage free, open and competitive bidding. Bidding shall also be designed to prevent fraud, favoritism and extravagance, to safeguard the taxpayers, and protect the lowest responsible bidder.
- Any specification drawn for the purpose of competitive bidding shall be drafted in a manner designed to encourage free, open and competitive bidding. Any contract drawn which fails to meet the requirements of statute and code shall be set aside by the board of education.
- Potential or successful bidders shall not draft specifications, route descriptions or route combinations (tiers).
- Bulk bidding shall not be used to intentionally eliminate competitive bidding.
- A bid number shall be assigned to each advertised bid.
- Each prospective bidder should be given a copy of the contract which the successful bidder will be required to execute.
- It is recommended that the board of education keep a list of the names of all persons who take copies of the specifications.

- Any revisions to the bid specifications shall be furnished to all prospective bidders. Modifications to the specifications shall not invalidate the award of the contract to the successful bidder when it appears that the notice of modifications were received by all prospective bidders prior to the submission of bids.
- If in good faith a board of education finds that it has made a mistake in the specifications that can not be corrected, bids shall not be accepted based upon those specifications.

## **B. SPECIFICATIONS**

- A copy of the specifications shall be submitted to the executive county superintendent of schools for review and compliance with the administrative code prior to advertisement for bids and with sufficient time for county office review.
- Specifications shall not knowingly exclude prospective bidders by reason of the impossibility of performance or bidding by any one bidder.
- Specifications shall not discriminate on the basis of race, religion, sex or national origin. Bidders shall have an approved affirmative action plan as required by P.L. 1975, c.127.
- The specifications and advertisement for bids shall be approved and authorized by formal action of the board.
- Transportation specifications shall be prepared to include, but not be limited to the following items:
  1. A route description. Boards of Education shall design a separate route description for each individual route to and from school. The route description shall be identified by numbers/letters.
    - a. A route is a selected or an established course of travel by a vehicle with definite stops for the purpose of loading and unloading students. Transportation routes should be arranged so that the buses will transverse the highways which serve the largest number of students within a reasonable time limit and at a minimum cost.
    - b. A route for the transportation of regular public school students shall be described from the first bus stop to the destination listing each street traveled. The schedule for arriving and departing shall also be included.

- c. A route for the transportation of nonpublic school students, vocational school students, and special education students shall, at a minimum, be described listing each bus stop, the schedule for arriving and departing and the vehicle capacity. The bid specifications must contain language requiring the successful bidder to submit to the board of education, within 10 days of the start of the contract, a description of the actual streets traveled. The following statement shall also be included: "The direction of the vehicle from the last stop shall be along the safest most direct route to the destination."
2. Language that states that the board of education shall reserve the right, with the approval of the executive county superintendent of schools, to change the route.
  - a. The bid sheet shall contain a provision for adjusting the contract.
  - b. A blank adjustment provision that is submitted to the board of education shall not be considered.
  - c. The basis for any adjustment will be the separate and distinct increase/decrease cost included in the bid.
  - d. If the board of education chooses **not** to accept zero as an increase/decrease, it should be specified as such in the bid specifications.
3. A trip description. Specifications for school related activities transportation shall include any or all, but not limited to the following, the destination(s); the time of departure and return; the vehicle type and capacity; the need for special equipment and instructions; the need for an aide; and the number of vehicles required per trip.
4. Language that states that the board of education shall reserve the right to adjust school related activities transportation contracts.
  - a. This language is required only when the board of education solicits a cost for adjusting these contracts.
  - b. The bid sheet shall contain a provision for adjusting the contract if the board of education wishes to solicit an adjustment cost.
  - c. If any trip change results, the basis for the adjustment shall be the separate and distinct increase/decrease cost provision included in the bid.
5. A statement that all contractors shall comply with current applicable New Jersey statutes, regulations, and policies and procedures of the board of education which governs student transportation.

6. A statement that all equipment shall meet the current specifications for transportation as set forth in the rules of the New Jersey Department of Transportation, the State Board of Education, federal regulations and any additional specifications of the board of education.
7. A statement that alternate bids unsolicited by the board of education will not be considered.
8. The need for specialized equipment, restrictions due to student classification or the need for an aide shall be described.
9. The limits of automobile liability insurance required by the board of education shall be stated and include the requirement that the board of education be listed as an additional insured party to the policy on the certificate of insurance.
  - a. In no instance shall these limits be less than the minimum required by law.
  - b. Language may also be included in the specifications to require that the insurance certificate include joining boards of education as additional insured.
10. A statement which clearly prohibits the commingling of students unless authorized to do so by the board of education through the joint transportation agreement process.
  - a. This provision does not apply to out of district special education routes which are bid on a per student basis.
11. A statement that prevents subcontracting without the prior written approval of the board of education.
12. A provision for a change in route or trip schedule.
13. A provision for emergency school closings.
14. Criteria to be used to award a contract in the event of a tied bid.
15. The term of the contract.
  - a. The term of the contract shall not exceed four years, and in general, shall be from September 1 through June 30 according to the school calendar. Specifications for contracts which are bid after the start of the school year should be bid on a per diem basis from September to June of the current school year with a provision to prorate the contract for the actual number of days remaining in the school year.

16. Payment terms.
17. Local regulations regarding student transportation.
18. If applicable, penalty language for noncompliance with the terms of the contract.
19. A requirement for the bidder's questionnaire form, as prescribed by the Commissioner of Education, to be submitted with the bid.
20. A requirement for a Consent of Surety to be submitted with the bid.
21. A requirement for a business registration certificate to be submitted with the bid.
22. A requirement for proof of the contractor's ability to obtain the insurance required by the specifications to be submitted with the bid.
23. The requirement for a bidder's guarantee, made payable to the board of education, to be submitted with the bid.
  - a. A bid guarantee is required in the form of a bid bond, cashier's or certified check for a minimum of five percent of the annual cost of the transportation contract not to exceed \$50,000. No other form of guarantee is authorized.
  - b. A bid guarantee shall include the bid number of the bid for which it is submitted.
24. A requirement for a surety (performance) bond.
  - a. The performance surety bond shall equal at least the amount of one year of the contract for transportation to and from school. In the case of contracts for more than one year, the bond may be for such an amount in excess of the proportionate annual amount as the board shall determine.
  - b. Contracts for to and from school transportation awarded on a per diem basis shall be bonded in the per annum amount based on the actual number of days transportation is required by the school calendar or, at the discretion of the district board of education, may be in the per annum amount based on 180 days.
  - c. Boards of education may specify one type of surety bond or allow for either a corporate surety bond or personal surety bond. The board has the right to reject an individual surety offer and may request a certification that each individual's net worth is sufficient to guaranty the bond.

- d. Boards of education may stipulate the amount of bonding to be provided for school related activities transportation contracts based on the provisions of the bid.
  - e. A corporate bond shall be issued in the name of the school bus contractor with whom the district board of education holds the contract and shall be signed by the contractor and authorized agent of the bonding company.
  - f. The performance surety bond shall be submitted to the district board of education with an executed contract **prior** to the start date of the contract.
  - g. The performance surety bond shall include a multi-contract number or a route number for which it is submitted.
- 25. The affirmative action language as required by P.L. 1975, c. 127.
  - 26. A requirement for a federally approved affirmative action plan, a New Jersey affirmative action certificate or an affirmative action questionnaire to be submitted with the bid.
  - 27. A requirement for a stockholder's disclosure statement or coordinated transportation services agency membership form to be submitted with the bid.
  - 28. A requirement for a noncollusion affidavit to be submitted with the bid.
  - 29. A statement regarding the conditions for cancellation of contracts.
  - 30. A statement requiring the successful bidder to certify to the board of education that they are in compliance with the drug and alcohol testing requirements of the Omnibus Transportation Employee Testing Act.
  - 31. A statement requiring that employers shall ensure that all school bus drivers and school bus aides are properly trained for the functions of their positions and administer a safety education program for all permanent and substitute drivers and aides in accordance with *N.J.A.C. 6A:27-11.3*.
  - 32. A statement that all contracts for transportation require the approval of the executive county superintendent of schools.
  - 33. A copy of the school calendar for to and from school routes.
  - 34. A bid sheet and any other forms prescribed by the board of education to be completed by the contractor.
  - 35. A CTSA membership form.

36. A statement of disclosure of political contributions in accordance with NJSA 19:44A-20.13.

37. A disclosure of Investment Activities in Iran form in accordance with NJSA 52:32-58.

### **C. BID METHODS AND DOCUMENTS**

- Boards of education may package routes (tier) or bid the routes/trips individually and may solicit bulk bids.

1. All methods of bidding require a provision for individual route or trip costs.

- Boards of education shall request bids for transportation to and from school on a per diem or per annum basis and on a per route basis for regular public/nonpublic and in-district special needs students or on a per route, per vehicle, per student, per mileage basis for the transportation of out of district special education students.

- Bids for school related activities shall be solicited on an hourly basis per vehicle or a per trip basis per vehicle.

- Routes that require an aide shall be bid on a per diem basis.

- Transportation To and From School

Bid forms for transportation to and from school shall be designed by the board of education to:

1. Identify each route/contract to be bid.

2. Include a separate provision for the route/contract cost.

3. Include a separate provision for adjusting the contract as follows:

a. On a per mile basis for regular public/nonpublic and in-district special education routes to and from school; and

b. On a per mile, per student, or per vehicle basis for out of district special education routes to and from school.

c. The cost of adjusting the contract shall be the same whether that cost is being increased or decreased.

d. If the board of education chooses not to accept zero as an increase/decrease, it must be specified as such.

4. If applicable, a separate provision for each aide to be bid on a per diem basis.
    - a. If an aide is not required at the time of the bid but the board of education wishes to obtain an aide cost in the event an aide is needed at a later date, the bid specifications shall include such language.
    - b. The aide cost shall not be used in determining the low bidder if the need for the aide is unknown at that time.
    - c. The per diem cost of adding or removing an aide shall be the same.
  5. If applicable, a provision for bulk bids.
    - a. If a bulk bid is solicited by the board of education, the bid form must contain language that states that the deduction offered by the bidder shall be applied to each route/contract solicited in the bid.
  6. If applicable, a provision for alternate bids.
- School Related Activities Transportation

Bid forms for school related transportation shall be designed by the board of education to:

1. Identify and describe the basis of the bid with a separate provision for the cost.
  - a. The basis of the bid shall include a cost per hour per bus or cost per trip per bus and the vehicle type/capacity. If an aide cost is requested, the cost shall be made on a per hour or per trip basis.
  - b. The basis of the bid may also include, but not limited to, any or all of the following: the destination(s); the time of departure and return; the day of week; the vehicle type and capacity; the need for special equipment and instructions; the need for an aide; the number of vehicles required per trip; and the estimated number of trips.
2. If applicable, include a provision for adjusting the contract on a per hour or per mile basis.
  - a. The cost of adjusting the contract shall be the same whether that cost is being increased or decreased.
3. If applicable, a provision for bulk bids.

- a. If a bulk bid is solicited by the board of education, the bid form must contain language that states that the deduction offered by the bidder shall be applied to each trip solicited in the bid.

**D. BID ADVERTISEMENT**

Advertisement for school transportation bids shall be published once in a newspaper circulating in the district at least 10 days prior to the date fixed for receiving proposals for such transportation. All bids shall be advertised with the time and place fixed to each advertisement for submission of proposals to the board of education.

**E. BIDDERS' RESPONSIBILITY**

- Bidders shall comply with all provisions of the specifications governing the bid and with all rules and regulations governing student transportation.
- The following shall accompany the bid:
  1. A completed bid form as prescribed by the board of education;
  2. A federally approved affirmative action plan, a New Jersey affirmative action certificate or an affirmative action questionnaire;
  3. A stockholder's disclosure statement or coordinated transportation services agency membership form;
  4. The questionnaire form as prescribed by the Commissioner of Education;
  5. A consent of surety;
  6. A business registration certificate;
  7. Proof of the ability to obtain automobile liability insurance coverage required by the specifications;
  8. A statement of noncollusion;
  9. A bid guarantee; and
  10. All other documents required by the board of education.
- Bids are to be placed in a sealed envelope and plainly marked "BID FOR STUDENT TRANSPORTATION SERVICES, SCHOOL DISTRICT OF \_\_\_\_\_" and presented to the board in session, an authorized committee, a designated official or an

employee of the board. The board or designated official shall unseal the bids in the presence of the parties bidding and publicly announce the contents.

#### **F. RECEIVING AND OPENING BIDS**

- Unless the proposals are to be received in a meeting of the board of education, a committee, officer, or employee of the board must be designated to receive the proposals at a time and place included in the advertisement for bids. At the time and place so designated and advertised, the board or any committee, officer, or employee designated by the board to do so, shall receive the proposals and proceed to unseal them and publicly announce their contents in the presence of the bidders or their agents.
- No proposals shall be opened previous to the hour designated in the advertisement and none shall be received thereafter.
- A board of education cannot impose new conditions and bidders cannot be allowed to change bids or make oral bids after they are opened.
- Specifications may not be modified after bids have been received and the contract awarded to one of the bidders based upon those revised specifications.
- Alternate bids which are not solicited by the board of education shall not be considered for award.
- Bulletins issued to explain minor details of specifications and to make minor changes will not invalidate the award of a contract to the successful bidder when it appears that all such bulletins were received in advance of the submission of bids by all prospective and actual bidders. The officer of the board responsible for distributing specifications to prospective bidders shall keep a list of their names and addresses so that bulletins can be issued to them, if necessary. If, in good faith, a board finds it has made a mistake in its specifications that cannot be corrected, it shall reject all bids and readvertise.
- Except for the three lowest bidders, the bid guarantee must be returned to all unsuccessful bidders within 10 days after the opening of the bid.

#### **G. AWARD OF CONTRACT**

- The contract shall be awarded to the lowest responsible bidder meeting the specifications by formal action of the board of education at a public meeting. The board is not authorized to delegate its power to enter into a transportation contract.

- Any award of a contract made by a board of education after advertisement must be according to the terms advertised to prospective bidders.
- Each bidder shall be compelled to conform to every substantial condition imposed upon other bidders.
- After a contract has been awarded, a bidder cannot be relieved from conforming to the conditions imposed upon him or her in the specifications, and cannot substitute something which does not conform to the specifications.
- A board of education cannot reject a bid of the lowest bidder upon the ground that he or she is not responsible without giving him or her a hearing upon the facts. To determine that a bidder is not responsible, the board of education must find as a fact, after notice and a public hearing, that the bidder is so lacking in experience, financial ability, equipment and facilities to justify that he or she would be unable to carry out the contract, if awarded.
- The lack of ability upon the part of a contractor to work in harmony or the board of education's inability to enforce the terms of a previous contract cannot be controlling factors in determining the bidder's responsibility. Disputes involving controverted questions of fact with reference to the performance of a previous contract do not constitute grounds for declaring a bidder irresponsible, if such disputed matters can be taken care of under a contract properly safeguarding the public interest with a contractor who is financially responsible.
- Boards of education may disqualify a bidder, by resolution approved by a majority of the board of education, because of prior negative experience. The disqualification may be for a reasonable, defined period of time not to exceed 3 years.
- Prior negative experience means any of the following:
  1. The bidder has been found to be nonperforming under the contract, after a hearing which shall include the bidder, the superintendent of schools, and the executive county superintendent of schools.  
  
The executive county superintendent shall make the determination regarding nonperformance. The decision may be appealed to the Commissioner and the State Board, as provided by law.
  2. The bidder defaulted on the contract requiring the board of education to utilize the services of another contractor.
  3. The bidder defaulted on the contract requiring the board of education to look to the bidder's surety bond for satisfaction of the contract.

4. The bidder has at least 10% ownership in any school bus company that has prior negative experience, as defined, with the board of education.
- If a contract is not awarded to the lowest bidder, a rationale statement from the district's board attorney must be presented to the board and submitted with the contract to the executive county superintendent.
  - All contracts for transportation require the approval of the executive county superintendent of schools. Documents required for the submission of contracts to the executive county superintendent of schools are listed on the last page of this document.

## **H. BULK/COMBINATION BIDS**

Definition: A combination bid is a bid that provides for a packaging or grouping of specified routes (tier). A bulk bid is a bid that is awarded for a lesser price than the sum of the individual bids when all routes/trips advertised in the bulk bid are awarded to one contractor.

- A board of education may receive bulk and/or combination bids.
- Bulk and combination bids for transportation to and from school shall include individual route/contract costs. If a percentage deduction is permitted by the board of education, the deduction offered by the bidder shall be applied to each route/contract solicited in the bid when all routes/contracts are awarded to that bidder.
- Bulk bids for school related activities transportation shall include individual trip costs. If a percentage deduction is permitted by the board of education, the deduction offered by the bidder shall be applied to each trip solicited in the bid when all trips are awarded to that bidder.
- Route combinations (tiers) shall be designed by the board of education.
- Bulk bidding shall not be used to intentionally eliminate competitive bidding. Requiring bidders to submit bids for all routes/trips may restrict competitive bidding.

## **I. HIGH, COLLUSIVE OR NO BIDS**

- If on two occasions no bids were received or bids were rejected by the board of education because they were too high or not independently arrived at, contracts shall be awarded pursuant to *N.J.S.A. 18A:18A-5(c)* and (d).

### III. MULTIYEAR CONTRACTS

Definition: A contract which is bid for a term of more than one year. The term of the original contract shall not exceed four years.

- Any board of education having power to provide for the transportation of students to and from school may enter into a contract for such transportation, approved by the executive county superintendent, for a term not exceeding four years.
- In the first year of the contract there are no restrictions on increases in cost made according to the bid.
- Beginning in the second year of the contract and continuing through its term, multiyear contracts may, at the discretion of the local board of education and subject to approval by the executive county superintendent of schools, be increased annually not to exceed 7 ½% of the original contract cost at the end of the first year. The maximum 7 ½% increase shall include any adjustments made according to the bid.
- Contracts which exceed 7 ½% of the original contract cost at the end of the first year may continue for the remainder of the year, but must be rebid for the following school year.
- At the end of the term of the original contract, a multiyear contract may be renewed on a yearly basis in accordance with *N.J.S.A. 18A:39-3*.
- All renewals of multiyear contracts are subject to a maximum CPI increase, which shall be calculated on the annual contract cost at the end of the term of the contract.
- Districts contemplating the use of multi-year contracts should contact their county office for technical assistance.

#### **IV. NONPUBLIC SCHOOL TRANSPORTATION CONTRACTS**

- Nonpublic school transportation contracts shall not be awarded when the per student cost of the route exceeds the statutory maximum established by *N.J.S.A. 18A:39-1a*. In determining the per student cost, the bid amount of each route shall be divided by the total number of public and nonpublic students assigned to that route. This also includes all eligible and courtesy students who are transported. The calculation does not include administrative fees charged by a coordinated transportation services agency.
- Contracts shall not be adjusted on a per student basis since the only permitted provision for adjustment is an increase/decrease per mile.
- Adjustments shall not cause the per student cost of the route to exceed the statutory maximum permitted per student expenditure.

## V. QUOTED CONTRACTS

Definition: A quoted contract is a contract which was not publicly advertised for bid.

- Quotations may be sought after the opening of school for unanticipated school transportation services. All anticipated transportation services **must** be bid. The process of soliciting quotations cannot be used by boards of education to intentionally split transportation routes into smaller parts so as to avoid reaching the amount determined by the Governor as the formal competitive bidding requirement.
- Quoted contracts, within the bid threshold, may be issued for unanticipated transportation school transportation services provided the following requirements are met:
  1. At least three quotations shall be sought;
  2. All quotations shall be documented by the board of education in writing;
  3. Quotations shall be solicited on a per diem basis;
  4. Quotations may include a provision to adjust the quotation, within the bid threshold;
  5. The board of education may, at its discretion, require a performance surety bond for quoted contracts that are under the bid threshold;
  6. Quoted contracts under the bid threshold may be in effect for the balance of the school year but must be included in the aggregate cost of transportation services for the ensuing school year;
  7. Quoted contracts over the bid threshold may be issued for a period of time not to exceed the bid threshold. The competitive bid process, not a requote, must be completed prior to exceeding the bid threshold. Awarded contracts shall then be implemented for the balance of the school year; and
  8. Quoted contracts shall not be renewed.
- Documents required for the submission of contracts to the executive county superintendent of schools are listed on the last page of this document.

## **VI. PARENTAL CONTRACTS**

**Definition:** A parental contract is a negotiated contract between a board of education and a parent or legal guardian, transporting only his or her own child or children.

- The contract shall not exceed the bid threshold limit established by the Governor. The following documents must be provided:
  1. An executed contract;
  2. A certificate of liability insurance in the minimum amount of \$1 million combined single limit coverage (Parents are not required to list the board of education as an additional insured to the policy.);
  3. Evidence of a current vehicle registration (the vehicle need not be registered as a school bus); and
  4. Evidence of a valid driver's license.
- Documents required for the submission of contracts to the executive county superintendent of schools are listed on the last page of this document.

## **VII. SET-ASIDE CONTRACTS**

Definition: Set-aside contracts are contracts designated for award to qualified minority, women or small business enterprises.

- A board of education may, by resolution, establish a qualified minority business enterprise, women's business enterprise or small business enterprise set-aside program. In authorizing such a program, the board of education shall establish a goal of setting aside a certain percentage of the dollar value of total procurements to be awarded as set-aside contracts.
- Set-aside programs shall comply with state regulations as described in *N.J.S.A.* 18A:18A-52 through 59.

## VIII. RENEWAL CONTRACTS

Definition: A renewal contract is an annual extension of a bid contract.

- Contracts entered into through competitive bidding may be renewed when:
  1. The renewal terms of the contract (such as the bonding and insurance requirements) are the same as the terms of the originally bid contract;
  2. An annual extension imposes no additional cost to the board of education even if the route description has changed;
  3. The annual negotiated “cost of living” increase does not exceed the rise in the Consumer Price Index (CPI) for that year;
  4. The increase in the renewal year exceeds the CPI for that year, but a provision for the increase was provided in the original bid and is directly attributable to a route change to accommodate new student riders, safety concerns, or the addition of an aide.
  5. The school destination remains the same as in the original contract. School destination is defined as the physical location of the school. Additional destinations may be added to the route provided that the original destination remains part of that route.
- After a contract has been renewed, any change in the terms of the original contract (such as the addition of an aide or change in vehicle type) may continue for the remainder of the school year but the contract must be bid the following year.

Exception: Rebidding is not required if the change did not cause the contract to exceed the CPI for that year, and the contract is renewed according to the terms of the original contract (i.e., the adjustment is not part of the renewal).

**NOTE:** Districts should be cautioned that a change in vehicle type because of a reduction in students may result in a car being used rather than a vehicle which is identified as a school bus (i.e., yellow with flashing lights).

- Documents required for the submission of renewal contracts to the executive county superintendent of schools are listed on the last page of this document.

## CALCULATING THE CPI INCREASE

- Pursuant to *N.J.S.A.* 18A:39-3, contracts which have been competitively bid may be renewed annually within the CPI for that year.
- The law requires the CPI increase to be calculated on the prior year's contractual cost. The contractual cost is the sum of the actual cost to the board of education of those items included in the bid at the end of the term of the prior year's contract (the route cost, the aide cost if applicable, and the adjustments made according to the bid).
- In addition to the CPI increase, renewal contracts may also increase according to the adjustment provisions contained in the original bid (such as mileage).

Note: Prior to the 2003-04 school year, the CPI calculation was to be based on the actual cost to the board of education at the end of the original contract year.

**The following are examples of a contract that was bid with a mileage increase/decrease provision and renewed in accordance with the original terms of the contract.**

### **Example #1 Adjustments were made in accordance with the bid.**

<b>2001- 02 Original Contract</b>	\$17,500.00
Increase attributed to additional mileage	<u>500.00</u>
Final Contract Cost	\$18,000.00

<b>2002-03 Renewal Contract</b>	
Prior Year Contract Cost	\$18,000.00
2.88% CPI increase based on <u>Original Year</u> Cost	<u>518.40</u>
Renewal Contract Cost	\$18,518.40

<b>2003-04 Renewal Contract</b>	
Prior Year Contract Cost	\$18,518.40
2.11% CPI increase based on <u>Prior Year</u> Cost	<u>390.74</u>
Renewal Contract Cost	\$18,909.14

**Example #2 Adjustments were in accordance with the bid and negotiated.**

<b>2001- 02 Original Contract</b>	\$17,500.00
Increase attributed to additional mileage	<u>500.00</u>
Contract Cost	\$18,000.00
* Increase attributed to a negotiated aide	<u>3,000.00</u>
Final Contract Cost	\$21,000.00

**2002-03 Renewal Contract (\* Renewed according to the original terms of the contract - without the aide)**

Prior Year Contract Cost	\$18,000.00
2.88% CPI increase based on <u>Original Year Cost</u>	<u>518.40</u>
Renewal Contract Cost	\$18,518.40

**2003-04 Renewal Contract**

Prior Year Contract Cost	\$18,518.40
2.11% CPI increase based on <u>Prior Year Cost</u>	<u>390.74</u>
Renewal Contract Cost	\$18,909.14

**Example #3 Adjustments were in accordance with the bid and negotiated.**

<b>2001- 02 Original Contract</b>	\$17,500.00
Increase attributed to additional mileage	<u>500.00</u>
Contract Cost	\$18,000.00

**2002-03 Renewal Contract**

Prior Year Contract Cost	\$18,000.00
2.88% CPI increase based on <u>Original Year Cost</u>	<u>518.40</u>
Renewal Contract Cost	\$18,518.40
Increase attributed to a negotiated aide	<u>3,000.00</u>
Final Renewal Contract Cost	\$21,518.40

**2003-04 Can not be renewed**

**The contract exceeded CPI because of the negotiated aide in the prior year (2002-03).**

## IX. JOINT TRANSPORTATION AGREEMENTS

Definition: A joint transportation agreement is a contract between two or more boards of education providing jointly for the transportation of students to and from any school(s), within or outside the district or county.

- Whenever in the judgment of the executive county superintendent of schools transportation of students could be more economically accomplished by joint transportation, he or she may order such joint transportation, assign the administration to one board of education as host and prorate the cost to the joining boards of education.
- In the event that any controversy or dispute concerning joint transportation should arise, the dispute shall be referred to the executive county superintendent of schools in which the districts are located for determination.
- The procedure outlined below should be accomplished within 60 days:
  1. The board of education providing the transportation, either by district-owned vehicle or contracted vehicle, will be referred to as the "host."
  2. The host district will prepare the joint transportation agreement form. The joint transportation agreement form along with a copy of the board minutes authorizing the joint agreement and a PT-1 form shall be forwarded to the joiner district.
  3. The joiner district shall sign the joint agreement and attach their board minutes authorizing participation in the joint agreement. The joint agreement, host and joiner districts' board minutes, and PT-1 forms shall be submitted to the host district's executive county superintendent of schools for approval.
  4. Approved joint agreements shall be distributed by the county transportation coordinator as follows:
    - send a copy to the host district;
    - send a copy to the joiner district; and
    - retain two copies in the county office, one for the host district's file and one for the joiner district's file.
- Documents required for the submission of joint transportation agreements to the executive county superintendent of schools are listed on the last page of this document.

## **X. CONTRACT ADDENDUM**

Definition: A prescribed method of adjusting an existing contract or contract renewal.

- An addendum to a contract or contract renewal shall be submitted on the prescribed Contract Addendum form to the executive county superintendent of schools for approval within 30 days of the district board's approval.
- An addendum to a contract or contract renewal for regular students and special needs students transported to schools within the school district shall be made on a per route basis and calculated based on the increase/decrease mileage clause stated in the original bid.
- An addendum to a contract or contract renewal for special needs students transported outside the school district shall be made on a per route, per student, per mile or per vehicle basis and shall be calculated based on the per mile, per vehicle or per student increase/decrease clause stated in the original bid.
- The per diem cost of removing each aide shall be equal to the per diem cost of the aide in the original bid.
- An addendum to a contract or contract renewal for the purpose of adding each aide may be a negotiated cost if this provision was not part of the original bid. This negotiated cost shall not exceed the bid threshold.
  1. The negotiated per diem cost of an aide shall be the same per diem cost whether adding or removing the aide.
- Increased bonding is required when an addendum is added to an existing contract increasing the cost.
  1. When an addendum is added to the contract increasing the cost, additional bond coverage will not be required if the prorated cost of the original contract plus the additional cost of the addendum does not exceed the amount of the original bond.
- Any addendum that changes the terms of the original contract (such as the addition of an aide or change in vehicle type) may continue for the remainder of the school year but must be bid the following year.

Exceptions:

A rebid of an original contract is not required if the contract is renewed according to the terms of the original contract.

A rebid of a renewal contract is not required if the change did not cause the contract to exceed the CPI for that year, and the contract is renewed according to the terms of the original contract.

- Documents required for the submission of contract addenda to the executive county superintendent of schools are listed on the last page of this document.

## **XI. TRANSFERRING CONTRACTS**

- Whenever a contractor has entered into or intends to enter into an agreement to sell or assign to a purchaser all of the contractor's rights and liabilities with respect to all of the transportation contracts between the board of education and the contractor, such assignment requires the approval of the board of education and the executive county superintendent of schools. The assignment of selected contracts to another person or company is not to be considered a transfer, but shall be considered subcontracting.
- When a contractor has entered into or intends to enter into an agreement to sell or assign to a purchaser all of the contractor's rights and liabilities with respect to all of the transportation contracts serviced by a specific terminal(s) that will no longer be operated by the contractor for student transportation services, such assignment requires the approval of the district board(s) of education and their Executive county Superintendent of Schools.
- The transfer shall impose no additional cost to the board of education.
- All terms of the original contract shall remain in effect.
- The assignment between the board of education and the purchaser shall not become effective until the purchaser provides:
  1. A certificate of insurance;
  2. A surety (performance) bond;
  3. A stockholders' disclosure statement;
  4. A business registration certificate;
  5. Affirmative action documentation; and
  6. A non-collusion affidavit.
- The assignment of selected contracts to another person or company is not to be considered a transfer, but shall be considered subcontracting. In this case, all the provisions of the contract shall remain in effect and shall impose no additional cost to the board of education.
  1. Contracts shall not be subcontracted without the approval of the board of education.
  2. Confirmation of the board's approval shall be in writing.
- When a board of education assigns to another board of education the board's rights and liabilities for any or all transportation contracts held by the board, such assignment requires the approval of both district boards of education and the Executive County Superintendent of Schools.

- Documents required for the submission of contract transfer agreements to the executive county superintendent of schools are listed on the last page of this document.

## **XII. CANCELLATION OF CONTRACT**

- If any person operating a school bus under contract with a board of education shall fail to comply with any of the rules governing student transportation or the terms of the bid specifications, the board of education shall immediately notify such person in writing of his or her failure to comply.
- If the violation is repeated, the board of education may require the violator to show cause at a hearing why his or her failure to comply should not be deemed a breach of contract.
- If, after due notice and hearing, the board of education shall determine that a breach of contract exists, it may call upon the bondsperson or surety company, as the case may be, to perform the contract or to reimburse the board for any financial loss resulting from the breach of the contract.
- The following procedure shall be used to arrange for immediate transportation services once a contract has been cancelled due to a breach of the contract.
  1. Contact the bonding company to determine what remediation will be offered.
  2. If other means of transportation must be arranged, solicit at least three per diem quotations.
    - a. Quoted contracts under the bid threshold may be in effect for the balance of the school year, but must be bid for the next school year.
    - b. Quoted contracts over the bid threshold may be issued for a period not to exceed the bid threshold. The competitive bid process must be completed within that time. Awarded contracts shall then be implemented for the balance of the school year.

**XIII. SUBMITTING TRANSPORTATION CONTRACTS, CONTRACT RENEWALS, JOINT TRANSPORTATION AGREEMENTS AND RELATED DOCUMENTS TO THE EXECUTIVE COUNTY SUPERINTENDENT OF SCHOOLS**

In accordance with *N.J.A.C. 6A:27-9*, all contracts for transportation shall be submitted to the executive county superintendent of schools for approval within 30 days of the award of the contract by the board of education or by September 1 of the school year in which transportation is to be provided. The following documents shall be submitted to the executive county superintendent of schools for the approval of:

**ORIGINAL CONTRACT**

PT-1 Form  
Specifications  
Route Description  
Certified Board Minutes  
Summary of all Bids Received  
Investment Activities in Iran Disclosure  
Insurance Certificate  
Bid Advertisement  
Consent of Surety  
Bidder's Guarantee  
Performance Bond  
Affirmative Action Material  
Stockholder's Disclosure Statement  
Non-Collusion Statement  
Bid Sheet of Successful Bidder  
Business Registration Certificate  
Request for Executive County Superintendent Approval

**CONTRACT TRANSFER AGREEMENT**

PT-1 Form  
Certified Board Minutes  
Insurance Certificate  
Stockholder's Disclosure Statement  
Performance Bond  
Affirmative Action Material  
Non-collusion Statement  
Business Registration Certificate

**CONTRACT RENEWAL**

PT-1 Form  
Certified Board Minutes  
Insurance Certificate  
Performance Bond  
Affirmative Action Material  
Investment Activities in Iran Disclosure  
Request for Executive County Superintendent Approval

**CONTRACT ADDENDUM**

PT-1 Form  
Certified Board Minutes  
Performance Bond (if applicable)  
Request for Executive County Superintendent Approval

**PARENTAL CONTRACT**

PT-1 Form  
Certified Board Minutes  
Insurance Certificate  
Copy of a Current Vehicle  
Registration  
Copy of a Valid Driver's  
License  
Request for Executive County Superintendent Approval

**JOINT TRANSPORTATION  
AGREEMENT**

PT-1 Form

Certified Board Minutes

**QUOTED CONTRACT**

PT-1 Form

Certified Board Minutes

Insurance Certificate

Performance Bond (if applicable)

Evidence of Three Quotes

Business Registration Certificate

Investment Activities in Iran Disclosure

Request for Executive County Superintendent

Approval