

2. Compliance Requirements

Bus purchases must be properly bid and awarded pursuant to *N.J.S.A. 18A:18A et seq.*

Suggested Audit Procedures

- Verify that bidding procedures for bus purchases comply with the Public School Contracts Law (*N.J.S.A. 18A:18A et seq.*). Please refer to Section I, Chapter 5 of *The Audit Program*, “Bids & Contracts/Purchasing.”

3. Compliance Requirements

All transportation contracts and renewals must be supported by a signed Executive County Superintendent’s Approval Memo and a certified copy of the board minutes approving the contract. Contracts may not be bid for a term exceeding four years. Contracts may be renewed annually with a negotiated “cost of living” increase not to exceed the current Consumer Price Index (CPI). The CPI increase is calculated on the prior contract cost. For the 2009-10 school year the CPI is 3.34 percent. The contract cost is defined as the final cost to the board of education for those items included in the bid. (Please note that effective May 5, 2003, P.L.2003, c.69 amended this provision of *N.J.S.A. 18A:39-3* to clarify that the CPI increase when a contract is extended is based on the previous contract, not the original contract). In addition to this negotiated increase, contracts and renewals may also increase or decrease according to the terms of the original contract (such as additional mileage or the addition of an aide included in the original bid). An addendum to the contract (prescribed form) must be used for this type of change. (*N.J.A.C. 6A:27-9.14*)

Suggested Audit Procedures

- Verify that all transportation contracts and renewals are supported by an Executive County Superintendent Approval Memo and that there is a certified copy of the board minutes approving the contracts. Transportation contracts and renewals must meet the requirements as prescribed by the administrative code. (*N.J.A.C. 6A:27-9 et seq.*)

4. Compliance Requirements

The district must advertise for bids to provide transportation for nonprofit private school students eligible to receive transportation services. However, the district is not required to advertise for bids when another board of education or Coordinated Transportation Services Agency (CTSA) has bid on the board’s behalf, or they can provide transportation utilizing a district owned vehicle or through a contract renewal. If the district has advertised for bids, and no bids are received or the bids exceed the statutory limit of \$884 per pupil, the district must attempt to utilize the services of a Coordinated Transportation Services Agency (CTSA). If no bids are then received, or if the cost generated by those bids would exceed the statutory limit of \$884, the district may provide the parent or guardian with Aid in Lieu of Transportation. (*N.J.S.A. 18A:39-1* and *N.J.A.C. 6A:27-10.1*)