

Bond Case Briefs

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Reading Blue Mountain and Northern Railroad v. Seda-Cog Joint Rail Authority

Commonwealth Court of Pennsylvania - July 6, 2020 - A.3d - 2020 WL 3636387

Private railroad operator brought a complaint against joint rail authority board, and named highest-scoring proposer as an indispensable party, seeking declaratory relief that authority violated non-competition provision of Municipality Authorities Act (MAA) by allegedly prohibiting direct completion with private enterprise and that authority violated competitive bidding section of MAA and Procurement Code, and operator sought an injunction prohibiting authority from continuing request for proposal (RFP) process until merits of the case were decided.

The Court of Common Pleas granted authority's motion for summary judgment and proposer's motion for summary judgment. Operator appealed.

The Commonwealth Court held that:

- Services provided by authority's operating agreement were distinct from enterprise of operator;
- Competitive bidding section of both MAA and Procurement Code did not apply to joint rail authority board's operating agreement;
- Trial court's error in relying on extraneous factors in granting authority's motion for summary judgment was harmless;
- Financial details requested by authority as part of RFP process in awarding lease of railroad tracks owned by authority were reasonable; and
- Operator did not adduce sufficient evidence that RFP process was improper, unjust or failed to comply with basic fairness standards.