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Acme Bus Corp. v. Orange County

Court of Appeals of New York - November 22, 2016 - N.E.3d - 2016 WL 6837923 - 2016 N.Y. Slip Op. 07835

Bus company petitioned for article 78 review of a county's determination to accept proposals from two of company's competitors to provide school bus transportation services for special needs students and to award contracts to competitors.

The Supreme Court, Orange County, denied petition and dismissed proceeding. Company appealed. The Supreme Court, Appellate Division, affirmed. Company appealed.

The Court of Appeals of New York held that county acted arbitrarily by accepting proposals for school bus transportation services based on a method of evaluation that was inconsistent with the standard set out in the request for proposals.

County acted arbitrarily as a matter of law by evaluating proposals for school bus transportation services for special needs students using a method that was inconsistent with the standard set out in county's request for proposals (RFP). While the RFP explained that if difference between the lowest offeror and the next lowest offeror was 10%, then the next lowest offeror would have two points deducted from the maximum cost score of 20, the county used a two-point deduction in scoring proposals for every 4% difference in price.