

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2117 Session of
1989

INTRODUCED BY BELFANTI, PHILLIPS, F. TAYLOR, JAROLIN, STEIGHNER,
STABACK, CAWLEY, HASAY, TIGUE, STISH, CORRIGAN, HALUSKA,
McCALL, COLAFELLA, LAUGHLIN, MELIO, BORTNER, WAMBACH,
TANGRETTI, MAYERNIK, PETRARCA, VEON, TRELLO, McNALLY,
GIGLIOTTI, LUCYK, CESSAR, GRUPPO, STAIRS, HERMAN, EVANS,
WILLIAMS, JAMES, BLAUM AND VAN HORNE, NOVEMBER 15, 1989

REFERRED TO COMMITTEE ON APPROPRIATIONS, NOVEMBER 15, 1989

AN ACT

1 Authorizing the Department of General Services to enter into
2 lease/purchase agreements for prison space; authorizing
3 capital budget projects; providing for the issuance of bonds;
4 and making an appropriation.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Authorization.

8 The Department of General Services is authorized to enter
9 into agreements for the lease or purchase of two 1,000-bed
10 prisons in this Commonwealth. One of these prisons is to be
11 located in the western half of this Commonwealth and the other
12 is to be located in the eastern half of this Commonwealth.

13 Section 2. Terms of lease agreements.

14 (a) The terms of the lease agreements shall be at least 20
15 years unless the Commonwealth exercises its option to purchase
16 under subsection (b).

17 (b) The Commonwealth shall have the option to purchase each

1 facility at the time the facility is turned over to the
2 Commonwealth for operation, at the end of the lease term or at
3 intermediate dates as specified in the lease agreements.

4 (c) The lease agreements shall provide that the facilities
5 shall be constructed and equipped in such a manner that, upon
6 execution of a lease, or upon the Commonwealth's execution of
7 its option to purchase the facility, immediate occupancy of the
8 facility is possible.

9 (d) Payment of rent by the Commonwealth shall begin when the
10 facility is occupied by the Commonwealth.

11 (e) The Department of General Services, in consultation with
12 the Office of the Budget, shall have the authority, through
13 negotiations with the contractor, to determine the percentage of
14 the rent to be applied to the purchase of each facility should
15 the Commonwealth choose to exercise its option to purchase, and
16 to determine the amount of payment, if any, due at the end of
17 the term of the lease agreements or at other option dates.

18 Section 3. Selection of contractor.

19 (a) The Department of Corrections, with review by the
20 Department of General Services, shall supply the general
21 specifications for the facilities to be developed.

22 (b) The Department of General Services shall advertise for
23 proposals to construct the prisons and lease the buildings to
24 the Commonwealth.

25 (c) A committee shall be established to review the proposals
26 under subsection (b). This committee shall include
27 representatives from the Department of Corrections, the
28 Department of General Services and the Department of Labor and
29 Industry.

30 (d) The proposals shall be submitted to the Department of

1 General Services for consideration by the committee.

2 (e) The committee shall recommend a proposal to the
3 Secretary of General Services, the Secretary of Corrections and
4 the Secretary of the Office of the Budget for approval.

5 Section 4. Award of contract.

6 The award of a contract under this act shall be made on the
7 basis of the best interest of the Commonwealth to a responsive
8 and responsible proposer. Demonstrated participation of Socially
9 and Economically Restricted Businesses (SERB's) shall be
10 considered as a factor. Although cost may be considered as a
11 factor, it may not be the determining factor.

12 Section 5. Construction oversight and inspection.

13 (a) The Secretary of the Office of the Budget shall exercise
14 construction audit oversight responsibility during selection of
15 the contractors and during the design and construction of the
16 facilities. The secretary may retain such consultants and staff
17 as may be necessary to carry out this oversight function,
18 including the use of the current construction audit unit in the
19 Office of the Budget.

20 (b) The Department of General Services or its duly
21 authorized agent, in consultation with the Department of
22 Corrections, shall inspect the facilities in accordance with the
23 provisions of section 2408 of the act of April 9, 1929 (P.L.177,
24 No.175), known as The Administrative Code of 1929, to determine
25 if construction meets the specifications for the facilities.

26 Section 6. Exemption and nonapplicable acts.

27 The facilities authorized in this act are exempt from the
28 provisions of the act of March 21, 1986 (P.L.64, No.19), known
29 as the Private Prison Moratorium and Study Act.

30 Section 7. Capital projects.

1 (a) In the event that the Commonwealth chooses to exercise
2 its option to purchase the facilities at the time they are
3 turned over to the Commonwealth for operation, there are hereby
4 authorized additional capital projects in the category of public
5 improvement for the purpose of the facilities constructed under
6 this act. The total authorization for these additional capital
7 projects to be acquired by the Department of General Services,
8 its successors or assigns, and to be financed by the incurring
9 of debt, shall be \$120,000,000.

10 (b) Additional capital projects in the category of public
11 improvement projects to be acquired by the Department of General
12 Services, its successors or assigns, and to be financed by the
13 incurring of debt, are hereby itemized, together with their
14 respective estimated financial costs, as follows:

15	Total
16	Project
17	Project Allocation
18 (1) Department of Corrections	\$120,000,000

19 (i) State Correctional Institution - Eastern
20 Pennsylvania

21 (A) Acquisition of a 1,000-bed facility	
22 constructed under lease/purchase	
23 agreement in Eastern Pennsylvania	60,000,000

24 (ii) State Correctional Institution - Western
25 Pennsylvania

26 (A) Acquisition of a 1,000-bed facility	
27 constructed under lease/purchase	
28 agreement in Western Pennsylvania	60,000,000

29 (c) The Governor, Auditor General and State Treasurer are
30 hereby authorized and directed to borrow, from time to time, in

1 addition to any authorization heretofore or hereafter enacted,
2 on the credit of the Commonwealth, subject to the limitations
3 provided in the current capital budget, money not exceeding in
4 the aggregate the sum of \$120,000,000, as may be found necessary
5 to carry out the acquisition and construction of the public
6 improvement projects specifically itemized herein.

7 (d) The indebtedness authorized in this act shall be
8 incurred, from time to time, and shall be evidenced by one or
9 more series of general obligation bonds of the Commonwealth in
10 such aggregate principal amount for each series as the Governor,
11 Auditor General and State Treasurer shall determine, but the
12 latest stated maturity date shall not exceed the estimated
13 useful life of the projects being financed, as stated in
14 subsection (e).

15 (e) The General Assembly states that the estimated useful
16 life of the public improvement projects itemized herein is not
17 less than 30 years. The maximum term of the debt authorized to
18 be incurred hereunder is 30 years.

19 (f) The net proceeds of the sale of the obligations herein
20 authorized are hereby appropriated from the Capital Facilities
21 Fund to the Department of General Services in the maximum amount
22 of \$120,000,000, to be used by it exclusively to defray the
23 financial cost of the public improvement projects specifically
24 itemized herein. After reserving or paying the expenses of the
25 sale of the obligation, the State Treasurer shall pay to the
26 Department of General Services the moneys as required and
27 certified by it to be legally due and payable.

28 Section 8. Effective date.

29 This act shall take effect immediately.