

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1870

Session of
2005

INTRODUCED BY HICKERNELL, HERMAN, LESCOVITZ, HANNA, M. KELLER,
HARHAI, O'NEILL, KAUFFMAN, ROSS, HARPER, PETRI, T. STEVENSON,
McNAUGHTON, GINGRICH, HENNESSEY, BIANCUCCI, ARMSTRONG,
BALDWIN, BOYD, CAPPELLI, DALLY, DENLINGER, DeWEESE, FRANKEL,
GEIST, HARRIS, HERSHEY, McILHATTAN, PHILLIPS, PICKETT,
SCAVELLO AND WATSON, JULY 3, 2005

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, DECEMBER 6, 2005

AN ACT

1 Amending the act of May 1, 1913 (P.L.155, No.104), entitled "An
2 act regulating the letting of certain contracts for the
3 erection, construction, and alteration of public buildings,"
4 increasing the minimum bid requirement; AND PROVIDING FOR
5 EVASION OF REQUIREMENTS. <—

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

8 Section 1. Section 1 of the act of May 1, 1913 (P.L.155,
9 No.104), entitled "An act regulating the letting of certain
10 contracts for the erection, construction, and alteration of
11 public buildings," amended December 22, 1981 (P.L.546, No.159),
12 is amended to read:

13 Section 1. (a) Be it enacted, &c., That hereafter in the
14 preparation of specifications for the erection, construction,
15 and alteration of any public building, when the entire cost of
16 such work shall exceed [four thousand dollars] ~~twenty five~~ <—
17 ~~thousand dollars~~ EIGHTEEN THOUSAND DOLLARS subject to annual <—

1 adjustment under subsection (b), it shall be the duty of the
2 architect, engineer, or other person preparing such
3 specifications, to prepare separate specifications for the
4 plumbing, heating, ventilating, and electrical work; and it
5 shall be the duty of the person or persons authorized to enter
6 into contracts for the erection, construction, or alteration of
7 such public buildings to receive separate bids upon each of the
8 said branches of work, and to award the contract for the same to
9 the lowest responsible bidder for each of said branches.

10 Every contract for the construction, reconstruction,
11 alteration, repair, improvement or maintenance of public works
12 shall comply with the provisions of the act of March 3, 1978
13 (P.L.6, No.3), known as the "Steel Products Procurement Act."

14 ~~(b) (1) The Department of Labor and Industry shall~~ <—
15 ~~determine the percentage change in the Consumer Price Index for~~
16 ~~All Urban Consumers for the twelve month period ending September~~
17 ~~30 of the calendar year in which this subsection becomes~~
18 ~~effective, and for each successive twelve month period~~
19 ~~thereafter.~~

20 (B) (1) ANNUALLY, BEGINNING WITH THE YEAR IN WHICH THIS <—
21 SUBSECTION BECOMES APPLICABLE TO CONTRACTS AND PURCHASES, THE
22 DEPARTMENT OF LABOR AND INDUSTRY SHALL CALCULATE THE PERCENTAGE
23 CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-
24 U) FOR THE UNITED STATES CITY AVERAGE FOR ALL ITEMS AS PUBLISHED
25 BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR
26 STATISTICS, FOR THE TWELVE-MONTH AVERAGE ENDING IN SEPTEMBER OF
27 THE PRIOR YEAR.

28 (2) The amount at which competitive bidding is required
29 under subsection (a) shall be adjusted annually. The positive
30 percentage change, as determined in accordance with clause (1),

1 shall be multiplied by the amount applicable under subsection
2 (a) for the current year and the product thereof shall be added
3 to the amount applicable under subsection (a) for the current
4 year, with the result rounded to the nearest multiple of ten
5 dollars.

6 (3) The annual determination required under clause (1) and
7 the calculation of the adjustments required under clause (2)
8 shall be made in the period between October 1 and November 15 of
9 the year following the effective date of this subsection, and
10 annually between October 1 and November 15 of each successive
11 year.

12 (4) The adjusted amounts obtained in accordance with clause
13 (2) shall become effective January 1 for the calendar year
14 following the year in which the determination required under
15 clause (1) is made.

16 (5) The Department of Labor and Industry shall give notice
17 in the Pennsylvania Bulletin prior to January 1 of each calendar
18 year of the annual percentage change determined in accordance
19 with clause (1) and the amounts, whether adjusted or unadjusted
20 in accordance with clause (2), at which competitive bidding is <—
21 required under subsection (a) for the calendar year beginning
22 the first day of January after publication of the notice.

23 SECTION 2. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

24 SECTION 1.1. NO PERSON SHALL EVADE THE PROVISIONS OF SECTION
25 1 BY PURCHASING OR CONTRACTING FOR SERVICES AND PERSONAL
26 PROPERTIES PIECEMEAL TO OBTAIN PRICES UNDER THE REQUIRED
27 ADVERTISING PRICE, SUBJECT TO ANNUAL ADJUSTMENT UNDER SECTION
28 1(B). THIS PROVISION IS INTENDED TO MAKE UNLAWFUL THE MAKING OF
29 A SERIES OF PURCHASES OR CONTRACTS EACH FOR LESS THAN THE PRICE
30 TO WHICH SECTION 1 APPLIES, OR BY MAKING SEVERAL SIMULTANEOUS

1 PURCHASES OR CONTRACTS, EACH BELOW SAID PRICE, WHEN IN EITHER
2 CASE, THE TRANSACTIONS INVOLVED SHOULD HAVE BEEN MADE AS ONE
3 TRANSACTION FOR ONE PRICE. ANY PERSONS WHO VIOLATE THIS
4 PROVISION, AND WHO KNOW THAT THE TRANSACTION IN QUESTION IS OR
5 OUGHT TO BE A PART OF A LARGER TRANSACTION, AND THAT IT IS BEING
6 DIVIDED IN ORDER TO EVADE THE REQUIREMENTS OF SECTION 1, SHALL
7 BE JOINTLY AND SEVERALLY SUBJECT TO SURCHARGE FOR TEN PER CENTUM
8 OF THE FULL AMOUNT OF THE CONTRACT OR PURCHASE.

9 Section ~~2~~ 3. This act shall apply to contracts and purchases <—
10 advertised on or after January 1 of the year following the
11 effective date of this section.

12 Section ~~3~~ 4. This act shall take effect in 60 days. <—