

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 456 Session of  
2007

INTRODUCED BY KAUFFMAN, BAKER, BIANCUCCI, BOYD, CAPPELLI,  
CUTLER, DENLINGER, FAIRCHILD, FLECK, GEIST, GINGRICH, HARHAI,  
HENNESSEY, HERSHEY, HESS, HICKERNELL, M. KELLER, McILHATTAN,  
MILLARD, R. MILLER, NAILOR, O'NEILL, PEIFER, PETRI, PHILLIPS,  
PICKETT, RAPP, REICHLEY, ROCK, ROSS, SAYLOR, SCAVELLO,  
SONNEY, STERN, TRUE, TURZAI AND WATSON, MARCH 6, 2007

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 6, 2007

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled, as  
2 reenacted and amended, "An act concerning townships of the  
3 second class; and amending, revising, consolidating and  
4 changing the law relating thereto," further providing for  
5 competitive bidding of contracts.

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

8 Section 1. Section 3102(a), (b) and (h) of the act of May 1,  
9 1933 (P.L.103, No.69), known as The Second Class Township Code,  
10 reenacted and amended November 9, 1995 (P.L.350, No.60), and  
11 amended December 18, 1996 (P.L.1142, No.172), December 19, 1996  
12 (P.L.1412, No.181) and October 11, 2000 (P.L.535, No.70), are  
13 amended and the section is amended by adding a subsection to  
14 read:

15 Section 3102. Letting Contracts.--(a) All contracts or  
16 purchases in excess of the required advertising amount of [ten  
17 thousand dollars (\$10,000)] eighteen thousand dollars (\$18,000),

1 subject to adjustment under subsection (b.1), except those  
2 specifically excluded, shall not be made except with and from  
3 the lowest responsible bidder after due notice in one newspaper  
4 of general circulation in the township. The notice for bids  
5 shall be published at least two times at intervals of not less  
6 than three days in daily newspapers or once a week for two  
7 successive weeks in weekly newspapers. The first advertisement  
8 shall be published not more than forty-five days, and the second  
9 advertisement not less than ten days, before the date set for  
10 the opening of bids. Notice of proposed contracts or purchases  
11 shall also be posted where the board of supervisors normally  
12 meets or in a conspicuous place within the township. Any  
13 published notice for bids shall contain full plans and  
14 specifications, or refer to the places where copies thereof can  
15 be obtained, state the amount of the performance bond determined  
16 under subsection (g) and give the date, time and place of a  
17 meeting at which an individual or committee appointed by the  
18 board of supervisors or the board of supervisors will open and  
19 read the bids.

20 (b) Written or telephonic price quotations from at least  
21 three qualified and responsible contractors shall be requested  
22 for all contracts that exceed [four thousand dollars (\$4,000)]  
23 seven thousand dollars (\$7,000), subject to adjustment under  
24 subsection (b.1), but are less than the amount requiring  
25 advertisement and competitive bidding, or, in lieu of price  
26 quotations, a memorandum shall be kept on file showing that  
27 fewer than three qualified contractors exist in the market area  
28 within which it is practicable to obtain quotations. A written  
29 record of telephonic price quotations shall be made and shall  
30 contain at least the date of the quotation, the name of the

1 contractor and the contractor's representative, the  
2 construction, reconstruction, repair, maintenance or work which  
3 was the subject of the quotation and the price. Written price  
4 quotations, written records of telephonic price quotations and  
5 memoranda shall be retained for a period of three years.

6 (b.1) Adjustments shall be made as follows:

7 (1) Annually, beginning with the year in which this  
8 subsection becomes applicable to contracts and purchases, the  
9 Department of Labor and Industry shall calculate the percentage  
10 change in the Consumer Price Index for All Urban Consumers (CPI-  
11 U) for the United States city average for all items as published  
12 by the United States Department of Labor, Bureau of Labor  
13 Statistics, for the twelve-month average ending in September of  
14 the prior year.

15 (2) The amount at which competitive bidding is required  
16 under subsection (a) and the amount at which written or  
17 telephonic price quotations are required under subsection (b)  
18 shall be adjusted annually as follows:

19 (i) In the case of competitive bidding, the positive  
20 percentage change, as determined in accordance with paragraph  
21 (1), shall be multiplied by the amount applicable under  
22 subsection (a) for the current year and the product thereof  
23 shall be added to the amount applicable under subsection (a) for  
24 the current year, with the result rounded to the nearest  
25 multiple of ten dollars (\$10).

26 (ii) In the case of written or telephonic price quotations,  
27 the positive percentage change, as determined in accordance with  
28 paragraph (1), shall be multiplied by the amount applicable  
29 under subsection (b) for the current year and the product  
30 thereof shall be added to the amount applicable under subsection

(b) for the current year, with the result rounded to the nearest multiple of ten dollars (\$10).

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

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

(5) The department shall give notice in the Pennsylvania Bulletin prior to January 1 of each calendar year of the annual percentage change determined in accordance with paragraph (1) and the amounts, whether adjusted or unadjusted in accordance with paragraph (2), at which competitive bidding is required under subsection (a) and written or telephonic price quotations are required under subsection (b) for the calendar year beginning the first day of January after publication of the notice.

\* \* \*

(h) The contracts or purchases made by the board of supervisors involving payments in excess of the required advertising amount, which do not require advertising, bidding or price quotations are as follows:

(1) Those made for emergency, or routine maintenance, repairs or replacements for water, electric light and other public works of the township if they do not constitute new additions, extensions or enlargements of existing facilities and

1 equipment.

2 (2) Those made for improvements, repairs or maintenance of  
3 any kind made or provided by any township through its own  
4 employees. All contracts or purchases of materials used for  
5 improvement, maintenance or construction [in excess of four  
6 thousand dollars (\$4,000) but less than the required advertising  
7 amount] are subject to the provisions contained in subsection  
8 (a) and (b)[, and those contracts or purchases in excess of the  
9 required advertising amount are subject to the advertising  
10 requirements contained in subsection (a)].

11 (3) Those involving any policies of insurance or surety  
12 company bonds, those made for public utility service, those made  
13 for electricity, natural gas or telecommunications service  
14 either directly or with an association authorized under Article  
15 XIV in which the township is a member and those made with  
16 another municipal corporation, county, school district or  
17 municipality authority or Federal or State Government, including  
18 the sale, leasing or loan of any supplies or materials by the  
19 Federal or State Government or their agencies.

20 (4) Those involving personal or professional services.

21 (5) Those made for materials and supplies or equipment  
22 rental under emergency conditions under 35 Pa.C.S. Pt. V  
23 (relating to emergency management services).

24 (6) Those contracts involving equipment rental with  
25 operators if more than fifty percent of the total labor  
26 personnel hours required for the completion of the contract is  
27 supplied by the township through its own employees.

28 (7) Those contracts for the purchase of repair parts or  
29 materials for use in existing township equipment or facilities  
30 if the item or material to be purchased is the sole item of its

1 kind on the market or is manufactured as a replacement for the  
2 original item or equipment being repaired.

3 (8) Those for used equipment, articles, apparatus,  
4 appliances, vehicles or parts thereof being purchased from a  
5 public utility.

6 (9) Those where particular types, models or pieces of  
7 equipment, articles, apparatus, appliances, vehicles or parts  
8 thereof which are patented and manufactured products.

9 \* \* \*

10 Section 2. The amendment or addition of section 3102(a),  
11 (b), (b.1) and (h) of the act shall apply to contracts and  
12 purchases advertised after December 31 of the year in which this  
13 section takes effect.

14 Section 3. This act shall take effect immediately.