

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 498 Session of
1991

INTRODUCED BY REINARD, THOMAS, HALUSKA, GODSHALL, MELIO, PESCI,
D. W. SNYDER, JAROLIN, STABACK, FARMER, MARSICO, SCHEETZ,
COLAIZZO, HERSHEY, JOHNSON, COY, G. SNYDER, FARGO, SCHULER,
NOYE, WOZNIAK, FLEAGLE, CLYMER, BUNT, SAURMAN, SCRIMENTI,
VROON, ULIANA, MERRY, GEIST, M. N. WRIGHT, BILLOW, DEMPSEY,
COLAFELLA, CORRIGAN, RAYMOND, TRELLO, LEH, MICOZZIE,
E. Z. TAYLOR, LaGROTTA, BATTISTO, S. H. SMITH, NAHILL, ITKIN,
CARLSON, FLICK, ADOLPH, ARMSTRONG, OLASZ, DeLUCA, SEMMEL AND
KING, MARCH 11, 1991

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MARCH 11, 1991

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; and prescribing the manner in which the
18 number and compensation of the deputies and all other
19 assistants and employes of certain departments, boards and
20 commissions shall be determined," providing for alternate
21 security for performance of contracts.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 Section 1. Section 2409(j) and (k) of the act of April 9,

1 1929 (P.L.177, No.175), known as The Administrative Code of
2 1929, amended December 19, 1980 (P.L.1333, No.244), are amended
3 and the section is amended by adding a subsection to read:

4 Section 2409. Method of Awarding Contracts for Stationery,
5 Paper, Fuel, Repairs, Furnishings, and Supplies.--* * *

6 (j) Except as hereinafter provided, no proposal for any
7 contract shall be considered unless such proposal is accompanied
8 by a certified or bank check, to the order of the State
9 Treasurer, in one-fourth the amount of the estimated contract,
10 or by a bond or alternate security in such form and amount as
11 may be prescribed by the department. Any such bond or alternate
12 security shall be conditioned for the faithful performance of
13 the terms of the contract, if awarded, and shall have as surety
14 one surety company authorized to act as surety in this
15 Commonwealth, or two individual sureties approved by the
16 Department of Justice.

17 (j.1) In lieu of a bond to secure a bidder's performance,
18 the department in its discretion may accept, as a substitute
19 therefor, alternate security in the form of an assignment of
20 time certificates of deposit of banks licensed by the
21 Commonwealth, securities of or those guaranteed by the United
22 States of America, the Commonwealth and its political
23 subdivisions, or shares of savings and loan institutions
24 authorized to transact business in this Commonwealth. In the
25 event such alternate security is accepted, the bidder shall be
26 entitled to all interest or income earned on such security, and
27 all such security shall be returned to the bidder by the
28 department within sixty days after performance.

29 (k) A bidder, who shall have accompanied his proposal with a
30 certified or bank check as aforesaid, and to whom a contract

1 shall have been awarded, may, within ten days after such award,
2 substitute for said check a bond or alternate security as herein
3 prescribed, otherwise said check shall be retained in lieu of a
4 bond.

5 * * *

6 Section 2. This act shall take effect in 60 days.