

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1083 Session of
2007

INTRODUCED BY BRUBAKER, REGOLA, FERLO, ARMSTRONG, BAKER, BROWNE,
CORMAN, COSTA, EICHELBERGER, ERICKSON, FOLMER, FONTANA,
GORDNER, GREENLEAF, KASUNIC, LAVALLE, PILEGGI, PIPPY, PUNT,
ROBBINS, SCARNATI, STOUT, TOMLINSON, VANCE AND WONDERLING,
SEPTEMBER 21, 2007

REFERRED TO EDUCATION, SEPTEMBER 21, 2007

AN ACT

1 Amending the act of July 5, 1947 (P.L.1217, No.498), entitled
2 "An act to promote the education and educational facilities
3 of the people of the Commonwealth of Pennsylvania; creating a
4 State Public School Building Authority as a body corporate
5 and politic with power to construct, improve and operate
6 projects and to lease the same and to fix and collect fees,
7 rentals and charges for the use thereof; authorizing school
8 districts to enter into contracts to lease; authorizing and
9 regulating the issuance of bonds by said Authority; and
10 providing for the payment of such bonds and the rights of the
11 holders thereof; granting the right of eminent domain;
12 increasing the powers and duties of the Department of Public
13 Instruction; and providing that no debt of the Commonwealth
14 shall be incurred in the exercise of any of eminent domain;
15 increasing the powers and duties of the Department of Public
16 Instruction; and providing that no debt of the Commonwealth
17 shall be incurred in the exercise of any of the powers
18 granted under this act; and making an appropriation to said
19 Authority to pay expenses incident to its formation," further
20 providing for competitive bidding of contracts; and providing
21 for evasion of advertising requirements.

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

24 Section 1. Section 10 of the act of July 5, 1947 (P.L.1217,
25 No.498), known as the State Public School Building Authority
26 Act, amended April 20, 1949 (P.L.636, No.142), October 4, 1978

1 (P.L.1024, No.227) and December 22, 1981 (P.L.554, No.164), is
2 amended to read:

3 Section 10. Competition in Award of Contracts.--(a) If any
4 project or any portion thereof, or any improvement thereof,
5 shall be constructed pursuant to a contract, and the estimated
6 cost thereof exceeds [four thousand dollars (\$4,000)] twenty-
7 five thousand dollars (\$25,000), subject to adjustment under
8 subsection (b), such contract shall be awarded to the lowest
9 responsible bidder after advertisement for bids once a week for
10 three weeks in at least one newspaper of general circulation in
11 the county where the project or improvement is located. The
12 authority may make rules and regulations for the submission of
13 bids and the construction or improvement of any project or
14 portion thereof. No contract shall be entered into for
15 construction or improvement of any project or portion thereof,
16 or for the purchase of materials, unless the contractor shall
17 give an undertaking with a sufficient surety or sureties
18 approved by the Authority, and in an amount fixed by the
19 Authority, for the faithful performance of the contract, and
20 such contract shall be accompanied by an additional bond for the
21 protection of those who furnish labor and material, for such
22 amount and subject to the same terms and conditions as
23 recommended by The Administrative Code of one thousand nine
24 hundred twenty-nine, as amended, on contracts entered into by
25 the Department of General Services for the erection of
26 buildings. All construction contracts shall provide, among other
27 things, that the person or corporation entering into such
28 contract with the Authority will pay for all materials furnished
29 and services rendered, for the performance of the contract, and
30 that any person or corporation furnishing such materials or

1 rendering such services may maintain an action to recover for
2 the same against the obligor in the undertaking as though such
3 person or corporation was named therein, provided the action is
4 brought within one year after the time the cause of action
5 accrued. Nothing in this section shall be construed to limit the
6 power of the Authority to construct any project or portion
7 thereof or any addition, betterment or extension thereto,
8 directly by the officers, agents and employes of the Authority,
9 or otherwise than by contract.

10 Subject to the aforesaid, the Authority may (but without
11 intending by this provision to limit any powers of such
12 Authority), enter into and carry out such contracts, or
13 establish or comply with such rules and regulations concerning
14 labor and materials and other related matters in connection with
15 any project or portion thereof as the Authority may deem
16 desirable, or as may be requested by any Federal agency that may
17 assist in the financing of such project or any part thereof.

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

22 (b) Adjustments shall be made as follows:

23 (1) Annually, beginning with the year in which this
24 subsection becomes applicable to contracts and purchases, the
25 Department of Labor and Industry shall calculate the percentage
26 change in the Consumer Price Index for All Urban Consumers (CPI-
27 U) for the United States city average for all items as published
28 by the United States Department of Labor, Bureau of Labor
29 Statistics, for the twelve-month average ending in September of
30 the prior year.

1 (2) The positive percentage change, as determined in
2 accordance with paragraph (1), shall be multiplied by the amount
3 applicable under clause (a) for the current year and the product
4 thereof shall be added to the amount applicable under clause (a)
5 for the current year, with the result rounded to the nearest
6 multiple of ten dollars (\$10).

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

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

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

25 Section 2. The act is amended by adding a section to read:

26 Section 10.1. Evasion of Advertising Requirements.--No
27 member of the Authority shall evade the provisions of section 10
28 as to advertising for bids, by purchasing or contracting for
29 services and personal properties piecemeal to obtain prices
30 under the required advertising price, subject to annual

1 adjustment under section 10(b). This provision is intended to
2 make unlawful the evading of advertising requirements by making
3 a series of purchases or contracts each for less than the
4 advertising requirement price, or by making several simultaneous
5 purchases or contracts, each below said price, when in either
6 case, the transactions involved should have been made as one
7 transaction for one price. Any members of the Authority who so
8 vote in violation of this provision, and who know that the
9 transaction upon which they so vote is or ought to be a part of
10 a larger transaction, and that it is being divided in order to
11 evade the requirements as to advertising for bids, shall be
12 jointly and severally subject to surcharge for ten per centum of
13 the full amount of the contract or purchase. Whenever it shall
14 appear that a member of the Authority may have voted in
15 violation of this section, but the purchase or contract on which
16 the member so voted was not approved by the Authority, this
17 section shall be inapplicable.

18 Section 3. The amendment or addition of sections 10 and 10.1
19 of the act shall apply to contracts and purchases advertised
20 after December 31 of the year in which this section takes
21 effect.

22 Section 4. This act shall take effect immediately.