
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2785 Session of
1986

INTRODUCED BY DORR, SERAFINI, CAPPABIANCA AND VAN HORNE,
SEPTEMBER 29, 1986

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
SEPTEMBER 29, 1986

AN ACT

1 Amending the act of December 20, 1967 (P.L.869, No.385),
2 entitled "An act establishing a uniform and mandatory system
3 governing the requirement of bonds to be furnished by
4 contractors in the prosecution of any public building, or
5 other public work or public improvement, including road work;
6 the rights and remedies of persons furnishing labor or
7 material in the prosecution of such public building, public
8 work or public improvement, including road work; procedure in
9 connection with suits on payment bonds; rights of persons
10 furnishing labor or materials to a copy of bond; prescribing
11 penalties; and repealing other prior acts or provisions
12 thereof inconsistent herewith," further providing for the
13 amount of contracts for which security is required; and
14 providing for alternate security.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Section 3 of the act of December 20, 1967
18 (P.L.869, No.385), known as the Public Works Contractors' Bond
19 Law of 1967, is amended to read:

20 Section 3. (a)--Before any contract exceeding [five thousand
21 dollars (\$5,000)] fifty thousand dollars (\$50,000) for the
22 construction, reconstruction, alteration or repair of any public
23 building or other public work or public improvement, including

1 highway work, of any contracting body is awarded to any prime
2 contractor, such contractor shall furnish to the contracting
3 body the following bonds, or alternate security approved by the
4 contracting body which shall become binding upon the awarding of
5 said contract to such contractor:

6 (1) A performance bond at one hundred percent of the
7 contract amount, or alternate security approved by the
8 contracting body conditioned upon the faithful performance of
9 the contract in accordance with the plans, specifications and
10 conditions of the contract. Such bond shall be solely for the
11 protection of the contracting body which awarded the contract.

12 (2) A payment bond at one hundred percent of the contract
13 amount or alternate security approved by the contracting body.
14 Such bond shall be solely for the protection of claimants
15 supplying labor or materials to the prime contractor to whom the
16 contract was awarded, or to any of his subcontractors, in the
17 prosecution of the work provided for in such contract, and shall
18 be conditioned for the prompt payment of all such material
19 furnished or labor supplied or performed in the prosecution of
20 the work. "Labor or materials" shall include public utility
21 services and reasonable rentals of equipment, but only for
22 periods when the equipment rented is actually used at the site.

23 (b) Each of such bonds shall be executed by one or more
24 surety companies legally authorized to do business in the
25 Commonwealth of Pennsylvania. If the contracting body is the
26 Commonwealth of Pennsylvania or any officer, employe, board,
27 bureau, commission, department, agency or institution thereof,
28 such bond shall be payable to the Commonwealth of Pennsylvania.
29 If the contracting body is other than one of those enumerated in
30 this subsection, such bond shall be payable to such other

1 contracting body.

2 (c) Each of such bonds or alternate security shall be filed
3 in the office of the contracting body which awarded the contract
4 for which such bonds or alternate security were given.

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