

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 1335 Session of  
1989INTRODUCED BY PRESTON, WAMBACH, HARPER, ANGSTADT, R. C. WRIGHT,  
TRELLO, VAN HORNE AND LASHINGER, APRIL 26, 1989AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, MAY 31, 1989

## AN ACT

1 Amending the act of May 28, 1937 (P.L.955, No.265), entitled, as  
2 amended, "An act to promote public health, safety, morals,  
3 and welfare by declaring the necessity of creating public  
4 bodies, corporate and politic, to be known as housing  
5 authorities to engage in slum clearance, and to undertake  
6 projects, to provide dwelling accommodations for persons of  
7 low income; providing for the organization of such housing  
8 authorities; defining their powers and duties; providing for  
9 the exercise of such powers, including the acquisition of  
10 property by purchase, gift or eminent domain, the renting and  
11 selling of property, and including borrowing money, issuing  
12 bonds, and other obligations, and giving security therefor;  
13 prescribing the remedies of obligees of housing authorities;  
14 authorizing housing authorities to enter into agreements,  
15 including agreements with the United States, the  
16 Commonwealth, and political subdivisions and municipalities  
17 thereof; defining the application of zoning, sanitary, and  
18 building laws and regulations to projects built or maintained  
19 by such housing authorities; exempting the property and  
20 securities of such housing authorities from taxation; and  
21 imposing duties and conferring powers upon the State Planning  
22 Board, and certain other State officers and departments,"  
23 increasing the maximum amount for which authorities may  
24 contract or purchase without bids; AND PROHIBITING EVASION OF <—  
25 REQUIREMENT TO ADVERTISE FOR BIDS.

26 The General Assembly of the Commonwealth of Pennsylvania  
27 hereby enacts as follows:

28 Section 1. Section 11(a) and (b) of the act of May 28, 1937  
29 (P.L.955, No.265), known as the Housing Authorities Law, amended

1 February 5, 1982 (P.L.17, No.8), are amended AND THE SECTION IS <—  
2 AMENDED BY ADDING A SUBSECTION to read:

3 Section 11. Awards of Contracts; Completion Bond; Additional  
4 Bond for Protection of Materialmen and Others.--

5 (a) Whenever the estimated cost of any construction,  
6 erection, installation, completion, alteration, repair of, or  
7 addition to, any project subject to the control of any Authority  
8 shall exceed [four thousand (\$4,000) dollars] ten thousand  
9 (\$10,000) dollars, it shall be the duty of said Authority to  
10 have such work performed pursuant to a contract awarded to the  
11 lowest responsible bidder, after advertisement for bids. Every  
12 such contract shall contain a provision obligating the  
13 contractor to the prompt payment of all material furnished,  
14 labor supplied or performed, rental for equipment employed, and  
15 services rendered by public utilities in or in connection with  
16 the prosecution of the work, whether or not the said material,  
17 labor, equipment or service enter into and become component  
18 parts of the work or improvement contemplated. Such provision  
19 shall be deemed to be included for the benefit of every person,  
20 copartnership, association or corporation who, as subcontractor  
21 or otherwise, has furnished material, supplied or performed  
22 labor, rented equipment or services in or in connection with the  
23 prosecution of the work as aforesaid, and the inclusion thereof  
24 in any contract shall preclude the filing by any such person,  
25 copartnership, association or corporation of any mechanics' lien  
26 claim for such material, labor or rental of equipment.

27 (b) Whenever the estimated cost of any purchase of supplies,  
28 materials or equipment or the rental of any equipment, whether  
29 or not the same is to be used in connection with the  
30 construction, erection, installation, completion, alteration,

1 repair of, or addition to, any project subject to the control of  
2 any Authority, shall exceed [four thousand (\$4,000) dollars] ten  
3 thousand (\$10,000) dollars, it shall be the duty of such  
4 Authority to have such purchase or rental made pursuant to a  
5 contract awarded to the lowest responsible bidder, after  
6 advertisement for bids, such advertisement to be inserted in a  
7 newspaper of general circulation within the county in which the  
8 Authority operates.

9 (B.1) AN AUTHORITY SHALL NOT EVADE THE PROVISIONS OF <—  
10 SUBSECTION (A) OR (B) AS TO ADVERTISING FOR BIDS BY PURCHASING  
11 MATERIALS OR CONTRACTING FOR SERVICES PIECEMEAL, FOR THE PURPOSE  
12 OF OBTAINING PRICES UNDER TEN THOUSAND (\$10,000) DOLLARS UPON  
13 TRANSACTIONS WHICH SHOULD IN THE EXERCISE OF REASONABLE  
14 DISCRETION AND PRUDENCE BE CONDUCTED AS ONE TRANSACTION  
15 AMOUNTING TO MORE THAN TEN THOUSAND (\$10,000) DOLLARS. THIS  
16 PROVISION IS INTENDED TO MAKE UNLAWFUL THE PRACTICE OF EVADING  
17 ADVERTISING REQUIREMENTS BY MAKING A SERIES OF PURCHASES OR  
18 CONTRACTS, EACH FOR LESS THAN THE ADVERTISING REQUIREMENT PRICE,  
19 OR BY MAKING SEVERAL SIMULTANEOUS PURCHASES OR CONTRACTS, EACH  
20 BELOW SAID PRICE, WHEN, IN EITHER CASE, THE TRANSACTIONS  
21 INVOLVED SHOULD HAVE BEEN MADE AS ONE TRANSACTION FOR ONE PRICE.

22 \* \* \*

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