
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2694 Session of
2004

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E. Z. TAYLOR, THOMAS, WATSON, WEBER, WILT AND ZUG,
JUNE 14, 2004

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JUNE 14, 2004

AN ACT

1 Amending Title 62 (Procurement) of the Pennsylvania Consolidated
2 Statutes, providing for consolidated contracts and for a
3 transfer of funds to the Commonwealth Financing Authority.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Section 103 of Title 62 of the Pennsylvania
7 Consolidated Statutes is amended by adding a definition to read:

8 § 103. Definitions.

9 Subject to additional definitions contained in subsequent
10 provisions of this part which are applicable to specific
11 provisions of this part, the following words and phrases when
12 used in this part shall have the meanings given to them in this
13 section unless the context clearly indicates otherwise:

14 * * *

15 "Consolidated contract." A contract for supplies or services

1 that does any of the following:

2 (1) Combines discrete procurement requirements from not
3 less than two existing contracts.

4 (2) Adds new discrete procurement requirements to an
5 existing contract.

6 (3) Includes two or more discrete procurement
7 requirements.

8 * * *

9 Section 2. Chapter 7 heading of Title 62 is amended and the
10 chapter is amended by adding sections to read:

11 CHAPTER 7

12 [(Reserved)]

13 CONSOLIDATED CONTRACTS

14 Sec.

15 701. Consolidated contracts authorized.

16 702. Acceptance of bids or proposals.

17 703. Written determinations.

18 704. Small business and disadvantaged business participation.

19 705. Certification and audit of savings.

20 § 701. Consolidated contracts authorized.

21 The department and other Commonwealth agencies are hereby
22 authorized to enter into consolidated contracts for the purpose
23 of procuring supplies and services.

24 § 702. Acceptance of bids or proposals.

25 If the department or any other Commonwealth agency issues an
26 invitation for bids or a request for proposals for the purpose
27 of awarding and entering into a consolidated contract, the
28 department or agency shall establish a time and date for receipt
29 of bids or proposals that is not less than 60 days after the
30 issuance of the invitation for bids or the request for

1 proposals.

2 § 703. Written determinations.

3 (a) Contracts exceeding \$500,000.--No consolidated contract
4 valued at more than \$500,000 but less than \$2,000,000 may be
5 awarded unless the department or the Commonwealth agency has
6 first issued and published in the Pennsylvania Bulletin a
7 written determination that the proposed consolidation is
8 necessary and the anticipated benefits of the consolidation
9 justify its use. The written determination shall identify the
10 specific benefits anticipated from consolidation and any
11 alternative contracting approaches that would involve a lesser
12 degree of contract consolidation.

13 (b) Contracts exceeding \$2,000,000.--No consolidated
14 contract valued at more than \$2,000,000 may be awarded unless
15 the department or the applicable Commonwealth agency has first
16 met the requirements of subsection (a) and issued and published
17 in the Pennsylvania Bulletin an additional written determination
18 that the proposed consolidation is supported by current market
19 research which demonstrates that the consolidated contract will
20 result in cost savings, quality improvements, reduction in
21 acquisition cycle times or better terms and conditions. The
22 written determination required under this subsection shall
23 include an assessment of the specific impediments to
24 participation by small business concerns as prime contractors,
25 which result from the contract consolidation and shall identify
26 specific actions that the department or the Commonwealth agency
27 will take to maximize small business participation as
28 subcontractors, suppliers and contractors participating in
29 cooperative purchasing under Chapter 19 (relating to
30 intergovernmental relations).

1 § 704. Small business and disadvantaged business participation.

2 In accordance with the provisions of Chapter 21 (relating to
3 small and disadvantaged businesses) and regulations promulgated
4 pursuant thereto, the department and Commonwealth agencies shall
5 assist small businesses and disadvantaged businesses in their
6 efforts to participate in consolidated contracts as contractors,
7 subcontractors and suppliers.

8 § 705. Certification and audit of savings.

9 (a) Certification.--No later than September 30 of each year,
10 the Secretary of the Budget shall calculate and certify to the
11 State Treasurer any savings produced by each consolidated
12 contract in effect during the immediately preceding fiscal year
13 and publish the methodology by which the savings are calculated,
14 the individual contract savings and the total amount of the
15 savings in the Pennsylvania Bulletin. The State Treasurer shall
16 transfer an amount equal to the total savings from the General
17 Fund to an account established by the Commonwealth Financing
18 Authority, under 64 Pa.C.S. Ch. 15 (relating to Commonwealth
19 Financing Authority), for the purpose of making payment of
20 principal of and interest on bonds or other debts or obligations
21 of the Commonwealth Financing Authority.

22 (b) Audit.--The Auditor General shall conduct an annual
23 audit of the administration of consolidated contracts under this
24 chapter.

25 Section 3. Section 2107 of Title 62 is amended to read:

26 § 2107. Report to General Assembly.

27 The department shall annually, before October 1, report in
28 writing to the General Assembly concerning the awarding of
29 contracts to small and disadvantaged businesses during the
30 preceding fiscal year. The report shall include a list of all

1 small businesses and disadvantaged businesses that participated
2 in consolidated contracts as contractors, subcontractors or
3 suppliers during the preceding fiscal year. In preparing the
4 report, the department shall verify whether commitments made to
5 small businesses and disadvantaged businesses in the course of
6 awarding consolidated contracts have been maintained.

7 Section 4. This act shall take effect immediately.