

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1074 Session of
2007

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

REFERRED TO LOCAL GOVERNMENT, SEPTEMBER 21, 2007

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled, as
2 reenacted and amended, "An act concerning townships of the
3 second class; and amending, revising, consolidating and
4 changing the law relating thereto," further providing for
5 competitive bidding of contracts.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 3102(a), (b) and (h) of the act of May 1,
9 1933 (P.L.103, No.69), known as The Second Class Township Code,
10 reenacted and amended November 9, 1995 (P.L.350, No.60), and
11 amended December 18, 1996 (P.L.1142, No.172), December 19, 1996
12 (P.L.1412, No.181) and October 11, 2000 (P.L.535, No.70), are
13 amended and the section is amended by adding a subsection to
14 read:

15 Section 3102. Letting Contracts.--(a) All contracts or
16 purchases in excess of the required advertising amount of [ten
17 thousand dollars (\$10,000)] twenty-five thousand dollars
18 (\$25,000), subject to adjustment under subsection (b.1), except

1 those specifically excluded, shall not be made except with and
2 from the lowest responsible bidder after due notice in one
3 newspaper of general circulation in the township. The notice for
4 bids shall be published at least two times at intervals of not
5 less than three days in daily newspapers or once a week for two
6 successive weeks in weekly newspapers. The first advertisement
7 shall be published not more than forty-five days, and the second
8 advertisement not less than ten days, before the date set for
9 the opening of bids. Notice of proposed contracts or purchases
10 shall also be posted where the board of supervisors normally
11 meets or in a conspicuous place within the township. Any
12 published notice for bids shall contain full plans and
13 specifications, or refer to the places where copies thereof can
14 be obtained, state the amount of the performance bond determined
15 under subsection (g) and give the date, time and place of a
16 meeting at which an individual or committee appointed by the
17 board of supervisors or the board of supervisors will open and
18 read the bids.

19 (b) Written or telephonic price quotations from at least
20 three qualified and responsible contractors shall be requested
21 for all contracts that exceed [four thousand dollars (\$4,000)]
22 seven thousand dollars (\$7,000), subject to adjustment under
23 subsection (b.1), but are less than the amount requiring
24 advertisement and competitive bidding, or, in lieu of price
25 quotations, a memorandum shall be kept on file showing that
26 fewer than three qualified contractors exist in the market area
27 within which it is practicable to obtain quotations. A written
28 record of telephonic price quotations shall be made and shall
29 contain at least the date of the quotation, the name of the
30 contractor and the contractor's representative, the

1 construction, reconstruction, repair, maintenance or work which
2 was the subject of the quotation and the price. Written price
3 quotations, written records of telephonic price quotations and
4 memoranda shall be retained for a period of three years.

5 (b.1) Adjustments shall be made as follows:

6 (1) Annually, beginning with the year in which this
7 subsection becomes applicable to contracts and purchases, the
8 Department of Labor and Industry shall calculate the percentage
9 change in the Consumer Price Index for All Urban Consumers (CPI-
10 U) for the United States city average for all items as published
11 by the United States Department of Labor, Bureau of Labor
12 Statistics, for the twelve-month average ending in September of
13 the prior year.

14 (2) The amount at which competitive bidding is required
15 under subsection (a) and the amount at which written or
16 telephonic price quotations are required under subsection (b)
17 shall be adjusted annually as follows:

18 (i) In the case of competitive bidding, the positive
19 percentage change, as determined in accordance with paragraph
20 (1), shall be multiplied by the amount applicable under
21 subsection (a) for the current year and the product thereof
22 shall be added to the amount applicable under subsection (a) for
23 the current year, with the result rounded to the nearest
24 multiple of ten dollars (\$10).

25 (ii) In the case of written or telephonic price quotations,
26 the positive percentage change, as determined in accordance with
27 paragraph (1), shall be multiplied by the amount applicable
28 under subsection (b) for the current year and the product
29 thereof shall be added to the amount applicable under subsection
30 (b) for the current year, with the result rounded to the nearest

1 multiple of ten dollars (\$10).

2 (3) The annual determination required under paragraph (1)
3 and the calculation of the adjustments required under paragraph
4 (2) shall be made in the period between October 1 and November
5 15 of the year following the effective date of this subsection,
6 and annually between October 1 and November 15 of each
7 successive year.

8 (4) The adjusted amounts obtained in accordance with
9 paragraph (2) shall become effective January 1 for the calendar
10 year following the year in which the determination required
11 under paragraph (1) is made.

12 (5) The department shall give notice in the Pennsylvania
13 Bulletin prior to January 1 of each calendar year of the annual
14 percentage change determined in accordance with paragraph (1)
15 and the amounts, whether adjusted or unadjusted in accordance
16 with paragraph (2), at which competitive bidding is required
17 under subsection (a) and written or telephonic price quotations
18 are required under subsection (b) for the calendar year
19 beginning the first day of January after publication of the
20 notice.

21 * * *

22 (h) The contracts or purchases made by the board of
23 supervisors involving payments in excess of the required
24 advertising amount, which do not require advertising, bidding or
25 price quotations are as follows:

26 (1) Those made for emergency, or routine maintenance,
27 repairs or replacements for water, electric light and other
28 public works of the township if they do not constitute new
29 additions, extensions or enlargements of existing facilities and
30 equipment.

1 (2) Those made for improvements, repairs or maintenance of
2 any kind made or provided by any township through its own
3 employees. All contracts or purchases of materials used for
4 improvement, maintenance or construction [in excess of four
5 thousand dollars (\$4,000) but less than the required advertising
6 amount] are subject to the provisions contained in subsection
7 (a) and (b)[, and those contracts or purchases in excess of the
8 required advertising amount are subject to the advertising
9 requirements contained in subsection (a)].

10 (3) Those involving any policies of insurance or surety
11 company bonds, those made for public utility service, those made
12 for electricity, natural gas or telecommunications service
13 either directly or with an association authorized under Article
14 XIV in which the township is a member and those made with
15 another municipal corporation, county, school district or
16 municipality authority or Federal or State Government, including
17 the sale, leasing or loan of any supplies or materials by the
18 Federal or State Government or their agencies.

19 (4) Those involving personal or professional services.

20 (5) Those made for materials and supplies or equipment
21 rental under emergency conditions under 35 Pa.C.S. Pt. V
22 (relating to emergency management services).

23 (6) Those contracts involving equipment rental with
24 operators if more than fifty percent of the total labor
25 personnel hours required for the completion of the contract is
26 supplied by the township through its own employees.

27 (7) Those contracts for the purchase of repair parts or
28 materials for use in existing township equipment or facilities
29 if the item or material to be purchased is the sole item of its
30 kind on the market or is manufactured as a replacement for the

1 original item or equipment being repaired.

2 (8) Those for used equipment, articles, apparatus,
3 appliances, vehicles or parts thereof being purchased from a
4 public utility.

5 (9) Those where particular types, models or pieces of
6 equipment, articles, apparatus, appliances, vehicles or parts
7 thereof which are patented and manufactured products.

8 * * *

9 Section 2. The amendment or addition of section 3102(a),
10 (b), (b.1) and (h) of the act shall apply to contracts and
11 purchases advertised after December 31 of the year in which this
12 section takes effect.

13 Section 3. This act shall take effect immediately.