

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 291

Session of
2011

INTRODUCED BY M. K. KELLER, AUMENT, BAKER, BEAR, BENNINGHOFF, BLOOM, BOBACK, BOYD, BROOKS, CAUSER, CHRISTIANA, CLYMER, COX, CREIGHTON, CUTLER, DELOZIER, DENLINGER, ELLIS, EVERETT, FARRY, FLECK, GABLER, GEIST, GILLESPIE, GINGRICH, GRELL, GROVE, HALUSKA, HARHART, HARPER, HARRIS, HELM, HENNESSEY, HESS, HICKERNELL, KAUFFMAN, KILLION, KNOWLES, MAJOR, MARSHALL, MARSICO, MASSER, METCALFE, MILLARD, MILLER, MOUL, OBERLANDER, O'NEILL, PAYNE, PEIFER, PERRY, PICKETT, PYLE, QUIGLEY, QUINN, RAPP, REED, REICHLEY, ROAE, ROCK, ROSS, SAYLOR, SCAVELLO, CULVER, SCHRODER, SIMMONS, SONNEY, STERN, STEVENSON, SWANGER, TALLMAN, TOBASH, TRUITT, TURZAI, VEREB, VULAKOVICH, WATSON AND F. KELLER, JANUARY 27, 2011

SENATOR EICHELBERGER, LOCAL GOVERNMENT, IN SENATE, AS AMENDED,
SEPTEMBER 27, 2011

AN ACT

- 1 ~~Amending Title 53 (Municipalities Generally) of the Pennsylvania~~ ←
2 ~~Consolidated Statutes, in intergovernmental cooperation,~~
3 ~~further providing for competitive bidding of contracts, for~~
4 ~~written or telephonic price quotations required and for~~
5 ~~division of transactions provided.~~
6 AMENDING TITLES 53 (MUNICIPALITIES GENERALLY) AND 74 ←
7 (TRANSPORTATION) OF THE PENNSYLVANIA CONSOLIDATED STATUTES,
8 FURTHER PROVIDING FOR COMPETITIVE BIDDING OF CONTRACTS BY
9 INTERGOVERNMENTAL UNITS, BY PARKING AUTHORITIES, BY MUNICIPAL
10 AUTHORITIES AND BY METROPOLITAN TRANSPORTATION AUTHORITIES
11 AND FOR DIVISION OF TRANSACTIONS.
- 12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:
- 14 ~~Section 1. Sections 2308, 2311 and 2312 of Title 53 of the~~ ←
15 ~~Pennsylvania Consolidated Statutes are amended to read:~~
16 ~~§ 2308. Bids for certain joint purchases.~~

~~(a) Notice. All joint purchases involving an expenditure of more than [\$10,000] the base amount of \$25,000 subject to annual adjustment under subsection (b) shall be made by contract, in writing, only after notice for bids once a week for two weeks in at least one and not more than two newspapers of general circulation in the joining local governments. All contracts shall be let to the lowest responsible bidder. Every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works shall comply with the provisions of the act of March 3, 1978 (P.L.6, No.3), known as the Steel Products Procurement Act.~~

~~(b) Annual adjustment. Adjustments to the base amount specified under subsection (a) and sections 2311 (relating to written or telephonic price quotations required) and 2312 (relating to division of transactions provided) shall be made as follows:~~

~~(1) The Department of Labor and Industry shall determine the percentage change in the All Items Consumer Price Index for All Urban Consumers (CPI-U) for the United States City Average as published by the United States Department of Labor, Bureau of Labor Statistics for the 12 month period ending September 30 of the calendar year in which this subsection becomes effective, and for each successive 12 month period thereafter.~~

~~(2) If the department determines that there is no positive percentage change, then no adjustment to the base amount shall occur for the relevant time period provided for in this subsection.~~

~~(3) (i) If the department determines that there is a positive percentage change in the first year that the~~

~~determination is made under paragraph (1), the positive percentage change shall be multiplied by the base amount and the product shall be added to the base amount and the sums shall be a preliminary adjusted amount.~~

~~(ii) The preliminary adjusted amount shall be rounded to the nearest \$1,000, to determine the final adjusted base amount for purposes of subsection (a) and sections 2311 and 2312.~~

~~(4) In each successive year in which there is a positive percentage change in the CPI-U for the United States City Average, the positive percentage change shall be multiplied by the most recent preliminary adjusted amount and the product shall be added to the most recent preliminary adjusted amount. The sum thereof shall be rounded to the nearest \$1,000 to determine the new final adjusted base amount for purposes of subsection (a) and sections 2311 and 2312.~~

~~(5) The determinations and adjustments required under this subsection shall be made in the period between October 1 and November 15 of the year following the effective date of this subsection, and annually between October 1 and November 15 of each year thereafter.~~

~~(6) The final adjusted base amount and new final adjusted base amount obtained under paragraphs (3) and (4) shall become effective January 1 for the calendar year following the year in which the determination required under paragraph (1) is made.~~

~~(7) The department shall publish notice in the Pennsylvania Bulletin prior to January 1 of each calendar year of the annual percentage change determined under~~

~~paragraph (1) and the unadjusted or final adjusted base amount determined under paragraphs (3) and (4) for purposes of subsection (a) and sections 2311 and 2312 for the calendar year beginning the first day of January after publication of the notice. The notice shall include a written and illustrative explanation of the calculations performed by the department in establishing the unadjusted or final adjusted base amount under this subsection for the ensuing calendar year.~~

~~§ 2311. Written or telephonic price quotations required.~~

~~Written or telephonic price quotations from at least three qualified and responsible contractors shall be requested for all contracts that exceed [\$4,000] the base amount of \$10,000 subject to annual adjustment under section 2308(b) (relating to bids for certain joint purchases) but are less than the amount requiring advertisement and competitive bidding, or, in lieu of price quotations, a memorandum shall be kept on file showing that fewer than three qualified contractors exist in the market area within which it is practicable to obtain quotations. A written record of telephonic price quotations shall be made and shall contain at least the date of the quotation, the name of the contractor and the contractor's representative, the construction, reconstruction, repair, maintenance or work which was the subject of the quotation and the price, written price quotations, written records of telephonic price quotations, and memoranda shall be retained for a period of three years.~~

SECTION 1. SECTIONS 2308, 2311 AND 2312 OF TITLE 53 OF THE PENNSYLVANIA CONSOLIDATED STATUTES ARE AMENDED TO READ:

§ 2308. BIDS FOR CERTAIN JOINT PURCHASES.

(A) NOTICE.--ALL JOINT PURCHASES INVOLVING AN EXPENDITURE OF



1 MORE THAN [\$10,000] A BASE AMOUNT OF \$18,500, SUBJECT TO
2 ADJUSTMENT UNDER SUBSECTION (B), SHALL BE MADE BY CONTRACT, IN
3 WRITING, ONLY AFTER NOTICE FOR BIDS ONCE A WEEK FOR TWO WEEKS IN
4 AT LEAST ONE AND NOT MORE THAN TWO NEWSPAPERS OF GENERAL
5 CIRCULATION IN THE JOINING LOCAL GOVERNMENTS. ALL CONTRACTS
6 SHALL BE LET TO THE LOWEST RESPONSIBLE BIDDER. EVERY CONTRACT
7 FOR THE CONSTRUCTION, RECONSTRUCTION, ALTERATION, REPAIR,
8 IMPROVEMENT OR MAINTENANCE OF PUBLIC WORKS SHALL COMPLY WITH THE
9 PROVISIONS OF THE ACT OF MARCH 3, 1978 (P.L.6, NO.3), KNOWN AS
10 THE STEEL PRODUCTS PROCUREMENT ACT.

11 (B) ADJUSTMENTS.--ADJUSTMENTS TO THE BASE AMOUNTS SPECIFIED
12 UNDER SUBSECTION (A) SHALL BE MADE AS FOLLOWS:

13 (1) THE DEPARTMENT OF LABOR AND INDUSTRY SHALL DETERMINE
14 THE PERCENTAGE CHANGE IN THE ALL ITEMS CONSUMER PRICE INDEX
15 FOR ALL URBAN CONSUMERS (CPI-U) FOR THE UNITED STATES CITY
16 AVERAGE AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF
17 LABOR, BUREAU OF LABOR STATISTICS FOR THE 12-MONTH PERIOD
18 ENDING SEPTEMBER 30, 2012, AND FOR EACH SUCCESSIVE 12-MONTH
19 PERIOD THEREAFTER.

20 (2) IF THE DEPARTMENT DETERMINES THAT THERE IS NO
21 POSITIVE PERCENTAGE CHANGE, THEN NO ADJUSTMENT TO THE BASE
22 AMOUNTS SHALL OCCUR FOR THE RELEVANT TIME PERIOD PROVIDED FOR
23 IN THIS SUBSECTION.

24 (3) (I) IF THE DEPARTMENT DETERMINES THAT THERE IS A
25 POSITIVE PERCENTAGE CHANGE IN THE FIRST YEAR THAT THE
26 DETERMINATION IS MADE UNDER PARAGRAPH (1), THE POSITIVE
27 PERCENTAGE CHANGE SHALL BE MULTIPLIED BY EACH BASE AMOUNT
28 AND THE PRODUCTS SHALL BE ADDED TO THE BASE AMOUNTS,
29 RESPECTIVELY, AND THE SUMS SHALL BE PRELIMINARY ADJUSTED
30 AMOUNTS.

1 (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE
2 ROUNDED TO THE NEAREST \$100 TO DETERMINE THE FINAL
3 ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTION (A).

4 (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE
5 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY
6 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED
7 BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE
8 PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF
9 THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS
10 FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO
11 THE NEAREST \$100 TO DETERMINE THE NEW FINAL ADJUSTED BASE
12 AMOUNTS FOR PURPOSES OF SUBSECTION (A).

13 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER
14 THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1
15 AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF
16 THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER
17 15 OF EACH YEAR THEREAFTER.

18 (6) THE FINAL ADJUSTED BASE AMOUNTS AND NEW FINAL
19 ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4)
20 SHALL BECOME EFFECTIVE JANUARY 1 FOR THE CALENDAR YEAR
21 FOLLOWING THE YEAR IN WHICH THE DETERMINATION REQUIRED UNDER
22 PARAGRAPH (1) IS MADE.

23 (7) THE DEPARTMENT SHALL PUBLISH NOTICE IN THE
24 PENNSYLVANIA BULLETIN PRIOR TO JANUARY 1 OF EACH CALENDAR
25 YEAR OF THE ANNUAL PERCENTAGE CHANGE DETERMINED UNDER
26 PARAGRAPH (1) AND THE UNADJUSTED OR FINAL ADJUSTED BASE
27 AMOUNTS DETERMINED UNDER PARAGRAPHS (3) AND (4) AT WHICH
28 COMPETITIVE BIDDING IS REQUIRED UNDER SUBSECTION (A), FOR THE
29 CALENDAR YEAR BEGINNING THE FIRST DAY OF JANUARY AFTER
30 PUBLICATION OF THE NOTICE. THE NOTICE SHALL INCLUDE A WRITTEN

1 AND ILLUSTRATIVE EXPLANATION OF THE CALCULATIONS PERFORMED BY
2 THE DEPARTMENT IN ESTABLISHING THE UNADJUSTED OR FINAL
3 ADJUSTED BASE AMOUNTS UNDER THIS SUBSECTION FOR THE ENSUING
4 CALENDAR YEAR.

5 (8) THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED BASE
6 AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4) SHALL NOT
7 EXCEED 3%.

8 § 2311. WRITTEN OR TELEPHONIC PRICE QUOTATIONS REQUIRED.

9 (A) AMOUNT.--WRITTEN OR TELEPHONIC PRICE QUOTATIONS FROM AT
10 LEAST THREE QUALIFIED AND RESPONSIBLE CONTRACTORS SHALL BE
11 REQUESTED FOR ALL CONTRACTS [THAT EXCEED \$4,000] IN EXCESS OF
12 THE BASE AMOUNT OF \$10,000, SUBJECT TO ADJUSTMENT UNDER
13 SUBSECTION (B), BUT ARE LESS THAN THE AMOUNT REQUIRING
14 ADVERTISEMENT AND COMPETITIVE BIDDING, OR, IN LIEU OF PRICE
15 QUOTATIONS, A MEMORANDUM SHALL BE KEPT ON FILE SHOWING THAT
16 FEWER THAN THREE QUALIFIED CONTRACTORS EXIST IN THE MARKET AREA
17 WITHIN WHICH IT IS PRACTICABLE TO OBTAIN QUOTATIONS. A WRITTEN
18 RECORD OF TELEPHONIC PRICE QUOTATIONS SHALL BE MADE AND SHALL
19 CONTAIN AT LEAST THE DATE OF THE QUOTATION, THE NAME OF THE
20 CONTRACTOR AND THE CONTRACTOR'S REPRESENTATIVE, THE
21 CONSTRUCTION, RECONSTRUCTION, REPAIR, MAINTENANCE OR WORK WHICH
22 WAS THE SUBJECT OF THE QUOTATION AND THE PRICE, WRITTEN PRICE
23 QUOTATIONS, WRITTEN RECORDS OF TELEPHONIC PRICE QUOTATIONS, AND
24 MEMORANDA SHALL BE RETAINED FOR A PERIOD OF THREE YEARS.

25 (B) ADJUSTMENTS.--ADJUSTMENTS TO THE BASE AMOUNTS SPECIFIED
26 UNDER SUBSECTION (A) SHALL BE MADE AS FOLLOWS:

27 (1) THE DEPARTMENT OF LABOR AND INDUSTRY SHALL DETERMINE
28 THE PERCENTAGE CHANGE IN THE ALL ITEMS CONSUMER PRICE INDEX
29 FOR ALL URBAN CONSUMERS (CPI-U) FOR THE UNITED STATES CITY
30 AVERAGE AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF

1 LABOR, BUREAU OF LABOR STATISTICS FOR THE 12-MONTH PERIOD
2 ENDING SEPTEMBER 30, 2012, AND FOR EACH SUCCESSIVE 12-MONTH
3 PERIOD THEREAFTER.

4 (2) IF THE DEPARTMENT DETERMINES THAT THERE IS NO
5 POSITIVE PERCENTAGE CHANGE, THEN NO ADJUSTMENT TO THE BASE
6 AMOUNTS SHALL OCCUR FOR THE RELEVANT TIME PERIOD PROVIDED FOR
7 IN THIS SUBSECTION.

8 (3) (I) IF THE DEPARTMENT DETERMINES THAT THERE IS A
9 POSITIVE PERCENTAGE CHANGE IN THE FIRST YEAR THAT THE
10 DETERMINATION IS MADE UNDER PARAGRAPH (1), THE POSITIVE
11 PERCENTAGE CHANGE SHALL BE MULTIPLIED BY EACH BASE AMOUNT
12 AND THE PRODUCTS SHALL BE ADDED TO THE BASE AMOUNTS,
13 RESPECTIVELY, AND THE SUMS SHALL BE PRELIMINARY ADJUSTED
14 AMOUNTS.

15 (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE
16 ROUNDED TO THE NEAREST \$100 TO DETERMINE THE FINAL
17 ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTION (A).

18 (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE
19 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY
20 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED
21 BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE
22 PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF
23 THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS
24 FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO
25 THE NEAREST \$100 TO DETERMINE THE NEW FINAL ADJUSTED BASE
26 AMOUNTS FOR PURPOSES OF SUBSECTION (A).

27 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER
28 THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1
29 AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF
30 THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER

1 15 OF EACH YEAR THEREAFTER.

2 (6) THE FINAL ADJUSTED BASE AMOUNTS AND NEW FINAL
3 ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4)
4 SHALL BECOME EFFECTIVE JANUARY 1 FOR THE CALENDAR YEAR
5 FOLLOWING THE YEAR IN WHICH THE DETERMINATION REQUIRED UNDER
6 PARAGRAPH (1) IS MADE.

7 (7) THE DEPARTMENT SHALL PUBLISH NOTICE IN THE
8 PENNSYLVANIA BULLETIN PRIOR TO JANUARY 1 OF EACH CALENDAR
9 YEAR OF THE ANNUAL PERCENTAGE CHANGE DETERMINED UNDER
10 PARAGRAPH (1) AND THE UNADJUSTED OR FINAL ADJUSTED BASE
11 AMOUNTS DETERMINED UNDER PARAGRAPHS (3) AND (4) AT WHICH
12 WRITTEN OR TELEPHONIC PRICE QUOTATIONS ARE REQUIRED UNDER
13 SUBSECTION (A), FOR THE CALENDAR YEAR BEGINNING THE FIRST DAY
14 OF JANUARY AFTER PUBLICATION OF THE NOTICE. THE NOTICE SHALL
15 INCLUDE A WRITTEN AND ILLUSTRATIVE EXPLANATION OF THE
16 CALCULATIONS PERFORMED BY THE DEPARTMENT IN ESTABLISHING THE
17 UNADJUSTED OR FINAL ADJUSTED BASE AMOUNTS UNDER THIS
18 SUBSECTION FOR THE ENSUING CALENDAR YEAR.

19 (8) THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED BASE
20 AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4) SHALL NOT
21 EXCEED 3%.

22 § 2312. Division of transactions provided.

23 No local government shall evade the provisions of section
24 2308 (relating to bids for certain joint purchases) as to
25 advertising for bids or purchasing materials or contracting for
26 services piecemeal for the purpose of obtaining prices under
27 ~~[\$10,000] \$25,000 subject to annual~~ A BASE AMOUNT OF \$18,500
28 SUBJECT TO adjustment under section 2308(b) (relating to bids
29 for certain joint purchases) upon transactions which should in
30 the exercise of reasonable discretion and prudence be conducted



1 as one transaction amounting to more than [\$10,000] ~~\$25,000~~ ←
2 ~~subject to annual~~ A BASE AMOUNT OF \$18,500 SUBJECT TO adjustment ←
3 ~~under section 2308(b)~~. This provision is intended to make
4 unlawful the practice of evading advertising requirements by
5 making a series of purchases or contracts each for less than the
6 advertising requirement price or by making several simultaneous
7 purchases or contracts each below such price when in either case
8 the transaction involved should have been made as one
9 transaction for one price.

10 ~~Section 2. This act shall apply to contracts and purchases~~ ←
11 ~~advertised after December 31 of the year in which this section~~
12 ~~takes effect.~~

13 ~~Section 3. This act shall take effect immediately.~~

14 SECTION 2. SECTIONS 5511(C) AND (H) (1) AND 5614(A) (1), (B), ←
15 (C) AND (H) (1) OF TITLE 53 ARE AMENDED AND THE SECTIONS ARE
16 AMENDED BY ADDING SUBSECTIONS TO READ:
17 § 5511. COMPETITION IN AWARD OF CONTRACTS.

18 * * *

19 (C) QUOTATIONS.--WRITTEN OR TELEPHONIC PRICE QUOTATIONS FROM
20 AT LEAST THREE QUALIFIED AND RESPONSIBLE CONTRACTORS SHALL BE
21 REQUESTED FOR A CONTRACT [WHICH EXCEEDS \$4,000] IN EXCESS OF THE
22 BASE AMOUNT OF \$10,000, SUBJECT TO ADJUSTMENT UNDER SUBSECTION
23 (C.1), BUT IS LESS THAN THE AMOUNT REQUIRING ADVERTISEMENT AND
24 COMPETITIVE BIDDING. IN LIEU OF PRICE QUOTATIONS, A MEMORANDUM
25 SHALL BE KEPT ON FILE SHOWING THAT FEWER THAN THREE QUALIFIED
26 CONTRACTORS EXIST IN THE MARKET AREA WITHIN WHICH IT IS
27 PRACTICABLE TO OBTAIN QUOTATIONS. A WRITTEN RECORD OF TELEPHONIC
28 PRICE QUOTATIONS SHALL BE MADE AND SHALL CONTAIN AT LEAST THE
29 DATE OF THE QUOTATION; THE NAME OF THE CONTRACTOR AND THE
30 CONTRACTOR'S REPRESENTATIVE; THE CONSTRUCTION, RECONSTRUCTION,

REPAIR, MAINTENANCE OR WORK WHICH WAS THE SUBJECT OF THE
QUOTATION; AND THE PRICE. WRITTEN PRICE QUOTATIONS, WRITTEN
RECORDS OF TELEPHONIC PRICE QUOTATIONS AND MEMORANDA SHALL BE
RETAINED FOR A PERIOD OF THREE YEARS.

(C.1) ADJUSTMENTS.--ADJUSTMENTS TO THE BASE AMOUNTS
SPECIFIED UNDER SUBSECTIONS (A), (B) AND (C) SHALL BE MADE AS
FOLLOWS:

(1) THE DEPARTMENT OF LABOR AND INDUSTRY SHALL DETERMINE
THE PERCENTAGE CHANGE IN THE ALL ITEMS CONSUMER PRICE INDEX
FOR ALL URBAN CONSUMERS (CPI-U) FOR THE UNITED STATES CITY
AVERAGE AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF
LABOR, BUREAU OF LABOR STATISTICS FOR THE 12-MONTH PERIOD
ENDING SEPTEMBER 30, 2012, AND FOR EACH SUCCESSIVE 12-MONTH
PERIOD THEREAFTER.

(2) IF THE DEPARTMENT DETERMINES THAT THERE IS NO
POSITIVE PERCENTAGE CHANGE, THEN NO ADJUSTMENT TO THE BASE
AMOUNTS SHALL OCCUR FOR THE RELEVANT TIME PERIOD PROVIDED FOR
IN THIS SUBSECTION.

(3) (I) IF THE DEPARTMENT DETERMINES THAT THERE IS A
POSITIVE PERCENTAGE CHANGE IN THE FIRST YEAR THAT THE
DETERMINATION IS MADE UNDER PARAGRAPH (1), THE POSITIVE
PERCENTAGE CHANGE SHALL BE MULTIPLIED BY EACH BASE AMOUNT
AND THE PRODUCTS SHALL BE ADDED TO THE BASE AMOUNTS,
RESPECTIVELY, AND THE SUMS SHALL BE PRELIMINARY ADJUSTED
AMOUNTS.

(II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE
ROUNDED TO THE NEAREST \$100 TO DETERMINE THE FINAL
ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS (A),
(B) AND (C).

(4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE

1 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY
2 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED
3 BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE
4 PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF
5 THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS
6 FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO
7 THE NEAREST \$100 TO DETERMINE THE NEW FINAL ADJUSTED BASE
8 AMOUNTS FOR PURPOSES OF SUBSECTIONS (A), (B) AND (C).

9 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER
10 THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1
11 AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF
12 THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER
13 15 OF EACH YEAR THEREAFTER.

14 (6) THE FINAL ADJUSTED BASE AMOUNTS AND NEW FINAL
15 ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4)
16 SHALL BECOME EFFECTIVE JANUARY 1 FOR THE CALENDAR YEAR
17 FOLLOWING THE YEAR IN WHICH THE DETERMINATION REQUIRED UNDER
18 PARAGRAPH (1) IS MADE.

19 (7) THE DEPARTMENT SHALL PUBLISH NOTICE IN THE
20 PENNSYLVANIA BULLETIN PRIOR TO JANUARY 1 OF EACH CALENDAR
21 YEAR OF THE ANNUAL PERCENTAGE CHANGE DETERMINED UNDER
22 PARAGRAPH (1) AND THE UNADJUSTED OR FINAL ADJUSTED BASE
23 AMOUNTS DETERMINED UNDER PARAGRAPHS (3) AND (4) AT WHICH
24 COMPETITIVE BIDDING IS REQUIRED UNDER SUBSECTION (A) OR (B)
25 AND WRITTEN OR TELEPHONIC PRICE QUOTATIONS ARE REQUIRED UNDER
26 SUBSECTION (C), FOR THE CALENDAR YEAR BEGINNING THE FIRST DAY
27 OF JANUARY AFTER PUBLICATION OF THE NOTICE. THE NOTICE SHALL
28 INCLUDE A WRITTEN AND ILLUSTRATIVE EXPLANATION OF THE
29 CALCULATIONS PERFORMED BY THE DEPARTMENT IN ESTABLISHING THE
30 UNADJUSTED OR FINAL ADJUSTED BASE AMOUNTS UNDER THIS

1 SUBSECTION FOR THE ENSUING CALENDAR YEAR.

2 (8) THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED BASE
3 AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4) SHALL NOT
4 EXCEED 3%.

5 * * *

6 (H) EVASION.--

7 (1) AN AUTHORITY MAY NOT EVADE THE PROVISIONS OF THIS
8 SECTION AS TO BIDS OR PURCHASING MATERIALS OR CONTRACTING FOR
9 SERVICES PIECEMEAL FOR THE PURPOSE OF OBTAINING PRICES UNDER
10 [\$25,000] THE AMOUNT REQUIRED BY THIS SECTION UPON
11 TRANSACTIONS WHICH SHOULD, IN THE EXERCISE OF REASONABLE
12 DISCRETION AND PRUDENCE, BE CONDUCTED AS ONE TRANSACTION
13 AMOUNTING TO MORE THAN [\$25,000] THE AMOUNT REQUIRED BY THIS
14 SECTION.

15 * * *

16 § 5614. COMPETITION IN AWARD OF CONTRACTS.

17 (A) SERVICES.--

18 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2), ALL
19 CONSTRUCTION, RECONSTRUCTION, REPAIR OR WORK OF ANY NATURE
20 MADE BY AN AUTHORITY IF THE ENTIRE COST, VALUE OR AMOUNT,
21 INCLUDING LABOR AND MATERIALS, EXCEEDS [\$10,000] A BASE
22 AMOUNT OF \$18,500, SUBJECT TO ADJUSTMENT UNDER SUBSECTION
23 (C.1), SHALL BE DONE ONLY UNDER CONTRACT TO BE ENTERED INTO
24 BY THE AUTHORITY WITH THE LOWEST RESPONSIBLE BIDDER UPON
25 PROPER TERMS AFTER PUBLIC NOTICE ASKING FOR COMPETITIVE BIDS
26 AS PROVIDED IN THIS SECTION.

27 * * *

28 (B) SUPPLIES AND MATERIALS.--ALL SUPPLIES AND MATERIALS WITH
29 A BASE PRICE COSTING AT LEAST [\$10,000] \$18,500, SUBJECT TO
30 ADJUSTMENT UNDER SUBSECTION (C.1), SHALL BE PURCHASED ONLY AFTER

1 ADVERTISEMENT AS PROVIDED IN THIS SECTION. THE AUTHORITY SHALL
2 ACCEPT THE LOWEST BID, KIND, QUALITY AND MATERIAL BEING EQUAL,
3 BUT THE AUTHORITY SHALL HAVE THE RIGHT TO REJECT ANY OR ALL BIDS
4 OR SELECT A SINGLE ITEM FROM ANY BID. THE PROVISIONS AS TO
5 BIDDING SHALL NOT APPLY TO THE PURCHASE OF PATENTED AND
6 MANUFACTURED PRODUCTS OFFERED FOR SALE IN A NONCOMPETITIVE
7 MARKET OR SOLELY BY A MANUFACTURER'S AUTHORIZED DEALER.

8 (C) QUOTATIONS.--WRITTEN OR TELEPHONIC PRICE QUOTATIONS FROM
9 AT LEAST THREE QUALIFIED AND RESPONSIBLE CONTRACTORS SHALL BE
10 REQUESTED FOR A CONTRACT [WHICH EXCEEDS \$4,000] IN EXCESS OF THE
11 BASE AMOUNT OF \$10,000, SUBJECT TO ADJUSTMENT UNDER SUBSECTION
12 (C.1), BUT IS LESS THAN THE AMOUNT REQUIRING ADVERTISEMENT AND
13 COMPETITIVE BIDDING. IN LIEU OF PRICE QUOTATIONS, A MEMORANDUM
14 SHALL BE KEPT ON FILE SHOWING THAT FEWER THAN THREE QUALIFIED
15 CONTRACTORS EXIST IN THE MARKET AREA WITHIN WHICH IT IS
16 PRACTICABLE TO OBTAIN QUOTATIONS. A WRITTEN RECORD OF TELEPHONIC
17 PRICE QUOTATIONS SHALL BE MADE AND SHALL CONTAIN AT LEAST THE
18 DATE OF THE QUOTATION; THE NAME OF THE CONTRACTOR AND THE
19 CONTRACTOR'S REPRESENTATIVE; THE CONSTRUCTION, RECONSTRUCTION,
20 REPAIR, MAINTENANCE OR WORK WHICH WAS THE SUBJECT OF THE
21 QUOTATION; AND THE PRICE. WRITTEN PRICE QUOTATIONS, WRITTEN
22 RECORDS OF TELEPHONIC PRICE QUOTATIONS AND MEMORANDA SHALL BE
23 RETAINED FOR A PERIOD OF THREE YEARS.

24 (C.1) ADJUSTMENTS.--ADJUSTMENTS TO THE BASE AMOUNTS
25 SPECIFIED UNDER SUBSECTIONS (A) (1), (B) AND (C) SHALL BE MADE AS
26 FOLLOWS:

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5 POSITIVE PERCENTAGE CHANGE, THEN NO ADJUSTMENT TO THE BASE
6 AMOUNTS SHALL OCCUR FOR THE RELEVANT TIME PERIOD PROVIDED FOR
7 IN THIS SUBSECTION.

8 (3) (I) IF THE DEPARTMENT DETERMINES THAT THERE IS A
9 POSITIVE PERCENTAGE CHANGE IN THE FIRST YEAR THAT THE
10 DETERMINATION IS MADE UNDER PARAGRAPH (1), THE POSITIVE
11 PERCENTAGE CHANGE SHALL BE MULTIPLIED BY EACH BASE AMOUNT
12 AND THE PRODUCTS SHALL BE ADDED TO THE BASE AMOUNTS,
13 RESPECTIVELY, AND THE SUMS SHALL BE PRELIMINARY ADJUSTED
14 AMOUNTS.

15 (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE
16 ROUNDED TO THE NEAREST \$100 TO DETERMINE THE FINAL
17 ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS (A) (1),
18 (B) AND (C).

19 (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE
20 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY
21 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED
22 BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE
23 PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF
24 THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS
25 FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO
26 THE NEAREST \$100 TO DETERMINE THE NEW FINAL ADJUSTED BASE
27 AMOUNTS FOR PURPOSES OF SUBSECTIONS (A) (1), (B) AND (C).

28 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER
29 THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1
30 AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF

1 THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER
2 15 OF EACH YEAR THEREAFTER.

3 (6) THE FINAL ADJUSTED BASE AMOUNTS AND NEW FINAL
4 ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4)
5 SHALL BECOME EFFECTIVE JANUARY 1 FOR THE CALENDAR YEAR
6 FOLLOWING THE YEAR IN WHICH THE DETERMINATION REQUIRED UNDER
7 PARAGRAPH (1) IS MADE.

8 (7) THE DEPARTMENT SHALL PUBLISH NOTICE IN THE
9 PENNSYLVANIA BULLETIN PRIOR TO JANUARY 1 OF EACH CALENDAR
10 YEAR OF THE ANNUAL PERCENTAGE CHANGE DETERMINED UNDER
11 PARAGRAPH (1) AND THE UNADJUSTED OR FINAL ADJUSTED BASE
12 AMOUNTS DETERMINED UNDER PARAGRAPHS (3) AND (4) AT WHICH
13 COMPETITIVE BIDDING IS REQUIRED UNDER SUBSECTION (A) (1) AND
14 (B) AND WRITTEN OR TELEPHONIC PRICE QUOTATIONS ARE REQUIRED
15 UNDER SUBSECTION (C), FOR THE CALENDAR YEAR BEGINNING THE
16 FIRST DAY OF JANUARY AFTER PUBLICATION OF THE NOTICE. THE
17 NOTICE SHALL INCLUDE A WRITTEN AND ILLUSTRATIVE EXPLANATION
18 OF THE CALCULATIONS PERFORMED BY THE DEPARTMENT IN
19 ESTABLISHING THE UNADJUSTED OR FINAL ADJUSTED BASE AMOUNTS
20 UNDER THIS SUBSECTION FOR THE ENSUING CALENDAR YEAR.

21 (8) THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED BASE
22 AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4) SHALL NOT
23 EXCEED 3%.

24 * * *

25 (H) EVASION.--

26 (1) AN AUTHORITY MAY NOT EVADE THE PROVISIONS OF THIS
27 SECTION AS TO BIDS OR PURCHASING MATERIALS OR CONTRACTING FOR
28 SERVICES PIECEMEAL FOR THE PURPOSE OF OBTAINING PRICES UNDER
29 [\$10,000] THE AMOUNT REQUIRED BY THIS SECTION UPON
30 TRANSACTIONS WHICH SHOULD, IN THE EXERCISE OF REASONABLE

DISCRETION AND PRUDENCE, BE CONDUCTED AS ONE TRANSACTION
AMOUNTING TO MORE THAN [\$10,000] THE AMOUNT REQUIRED BY THIS
SECTION.

* * *

SECTION 3. SECTION 1750 OF TITLE 74 IS AMENDED TO READ:

§ 1750. CONTRACTS, PROCUREMENT AND SALE OF PROPERTY.

(A) COMPETITIVE BIDS.--EXCEPT IN THE PURCHASE OF UNIQUE
ARTICLES OR ARTICLES WHICH, FOR ANY OTHER REASON, CANNOT BE
OBTAINED IN THE OPEN MARKET AND EXCEPT AS PROVIDED IN SECTION
1741 (RELATING TO GENERAL POWERS) AND AS PROVIDED IN THIS
CHAPTER, COMPETITIVE BIDS SHALL BE SECURED BEFORE ANY PURCHASE
OR SALE, BY CONTRACT OR OTHERWISE, IS MADE OR BEFORE ANY
CONTRACT IS AWARDED FOR CONSTRUCTION, ALTERATIONS, SUPPLIES,
EQUIPMENT, REPAIRS OR MAINTENANCE OR FOR RENDERING ANY SERVICES
TO THE AUTHORITY OTHER THAN PROFESSIONAL SERVICES. PURCHASES
SHALL BE MADE FROM OR THE CONTRACT SHALL BE AWARDED TO THE
LOWEST RESPONSIVE, RESPONSIBLE BIDDER. SALES SHALL BE MADE TO
THE HIGHEST RESPONSIVE, RESPONSIBLE BIDDER. NO PURCHASE OF ANY
UNIQUE ARTICLE OR OTHER ARTICLES WHICH CANNOT BE OBTAINED IN THE
OPEN MARKET SHALL BE MADE WITHOUT EXPRESS APPROVAL OF THE BOARD
WHERE THE AMOUNT INVOLVED IS IN EXCESS OF \$25,000. THE AUTHORITY
SHALL NOT BE SUBJECT TO [THE ACT OF NOVEMBER 26, 1978 (P.L.1309,
NO.317), REFERRED TO AS THE PUBLIC WORKS CONTRACT REGULATION
LAW.] 62 PA.C.S. CH. 39 (RELATING TO CONTRACTS FOR PUBLIC
WORKS). NOTHING IN THIS SECTION OR ANY OTHER LAW OF THIS
COMMONWEALTH SHALL REQUIRE THE AUTHORITY TO COMPETITIVELY BID
ARCHITECTURAL DESIGN, ENGINEERING, CONSTRUCTION MANAGEMENT OR
OTHER PROFESSIONAL SERVICES REQUIRED BY THE AUTHORITY.

(B) PROCEDURE.--ALL PURCHASES AND SALES IN EXCESS OF \$25,000
SHALL BE AWARDED AFTER ADVERTISING IN A LOCAL NEWSPAPER OF

1 GENERAL CIRCULATION IN THE METROPOLITAN AREA AT LEAST TWO WEEKS
2 PRIOR TO THE BID OPENING. BIDS SHALL BE PUBLICLY OPENED AND READ
3 ALOUD AT A DATE, TIME AND PLACE DESIGNATED IN THE INVITATION TO
4 BID. INVITATIONS TO BID SHALL BE SENT AT LEAST ONE WEEK PRIOR TO
5 THE BID OPENING TO AT LEAST THREE POTENTIAL BIDDERS WHO ARE
6 QUALIFIED TECHNICALLY AND FINANCIALLY TO SUBMIT BIDS, OR, IN
7 LIEU THEREOF, A MEMORANDUM SHALL BE KEPT ON FILE SHOWING THAT
8 LESS THAN THREE POTENTIAL BIDDERS SO QUALIFIED EXIST IN THE
9 MARKET AREA WITHIN WHICH IT IS PRACTICABLE TO OBTAIN BIDS.

10 [(C) QUALIFIED VENDORS.--WRITTEN PRICE QUOTATIONS FROM AT
11 LEAST THREE QUALIFIED AND RESPONSIBLE VENDORS SHALL BE SOLICITED
12 FOR ALL PURCHASES AND SALES UNDER \$25,000 AND OVER \$10,000, OR,
13 IN LIEU THEREOF, A MEMORANDUM APPROVED BY THE GENERAL MANAGER
14 SHALL BE KEPT ON FILE SHOWING THAT LESS THAN THREE VENDORS SO
15 QUALIFIED EXIST IN THE MARKET AREA WITHIN WHICH IT IS
16 PRACTICABLE TO OBTAIN QUOTATIONS, EXCEPT AS PROVIDED IN THIS
17 CHAPTER.]

18 (D) SMALL PURCHASES.--[PURCHASES] EXCEPT AS SET FORTH IN 62
19 PA.C.S. § 3742 (RELATING TO PROCUREMENT LIMITS FOR MASS
20 TRANSPORTATION AUTHORITIES), PURCHASES OR SALES WITH A BASE
21 PRICE UNDER [\$10,000] \$18,500, SUBJECT TO ADJUSTMENT UNDER
22 SUBSECTION (L), MAY BE NEGOTIATED WITH OR WITHOUT COMPETITIVE
23 BIDDING UNDER SOUND PROCUREMENT PROCEDURES AS PROMULGATED AND
24 ESTABLISHED BY THE GENERAL MANAGER.

25 (E) WAIVER.--COMPETITIVE BIDDING REQUIREMENTS MAY BE WAIVED
26 IF IT IS DETERMINED BY THE GENERAL MANAGER, OR IN SUCH OTHER
27 MANNER AS THE BOARD MAY PROVIDE, THAT AN EMERGENCY DIRECTLY AND
28 IMMEDIATELY AFFECTING CUSTOMER SERVICE OR PUBLIC HEALTH, SAFETY
29 OR WELFARE REQUIRES IMMEDIATE DELIVERY OF SUPPLIES, MATERIALS,
30 EQUIPMENT OR SERVICES. A RECORD OF CIRCUMSTANCES EXPLAINING THE

1 EMERGENCY SHALL BE SUBMITTED TO THE BOARD AT ITS NEXT REGULAR
2 MEETING AND THEREAFTER KEPT ON FILE.

3 (F) SALE OR LEASE OF REAL PROPERTY.--CONTRACTS FOR THE SALE
4 OR LEASE OF REAL PROPERTY OWNED BY THE AUTHORITY SHALL BE
5 AWARDED AFTER COMPETITIVE BIDDING AS SHOWN IN SUBSECTION (B),
6 EXCEPT AS PROVIDED IN SECTION 1741(A)(22) WHERE THE CONTRACT IS
7 ENTERED INTO WITH THE COMMONWEALTH OR ANY GOVERNMENT AGENCY OR
8 WITH THE UNITED STATES GOVERNMENT OR ANY AGENCY OR
9 INSTRUMENTALITY THEREOF OR AS PROVIDED IN SECTION 1741(A)(24).

10 (G) PROPERTY MANAGEMENT CONTRACTS.--CONTRACTS FOR THE
11 MANAGEMENT OF AUTHORITY-OWNED PROPERTY, SUCH AS BUS ROUTES OR
12 SUBWAY SYSTEMS, MAY BE NEGOTIATED AND AWARDED BY AN AFFIRMATIVE
13 VOTE OF ONE MORE THAN A MAJORITY OF ALL MEMBERS OF THE BOARD.

14 (H) AVOIDANCE PROHIBITED.--REQUIREMENTS SHALL NOT BE SPLIT
15 INTO PARTS FOR THE PURPOSE OF AVOIDING THE PROVISIONS OF THIS
16 SECTION.

17 (I) REJECTION OF BIDS.--THE AUTHORITY SHALL HAVE THE RIGHT
18 TO REJECT ANY OR ALL BIDS OR PARTS OF ANY OR ALL BIDS, WHENEVER,
19 IN THE OPINION OF THE BOARD, REJECTION IS NECESSARY FOR THE
20 PROTECTION OF THE INTERESTS OF THE AUTHORITY. IN EVERY CASE, A
21 RECORD SHALL BE MADE SETTING FORTH THE REASON FOR THE REJECTION,
22 WHICH RECORD SHALL THEREAFTER BE KEPT ON FILE.

23 (J) RULES AND REGULATIONS.--THE BOARD MAY BY RESOLUTION
24 ADOPT POLICIES TO EFFECTUATE THE PROVISIONS OF THIS SECTION.

25 (K) CONCESSIONS.--ALL CONCESSIONS GRANTED BY THE AUTHORITY
26 FOR THE SALE OF PRODUCTS OR THE RENDITION OF SERVICES FOR A
27 CONSIDERATION ON AUTHORITY PROPERTY SHALL BE AWARDED ONLY UNDER
28 WRITTEN SPECIFICATIONS AFTER COMPETITIVE BIDDING AND TO THE
29 HIGHEST RESPONSIVE, RESPONSIBLE BIDDER IN A MANNER SIMILAR TO
30 THAT REQUIRED BY SUBSECTION (B) [OR (C) AS APPROPRIATE]. THIS

1 REQUIREMENT FOR COMPETITIVE BIDDING SHALL NOT APPLY TO ANY
2 CONCESSION WHICH HAS BEEN GRANTED BY A TRANSPORTATION SYSTEM
3 ACQUIRED BY THE AUTHORITY AND WHICH BY THE TERMS OF THE
4 AGREEMENT GRANTING IT WILL TERMINATE WITHIN ONE YEAR FROM DATE
5 OF THE ACQUISITION OF THE TRANSPORTATION SYSTEM BY THE AUTHORITY
6 NOR TO ANY CONCESSION INVOLVING THE ESTIMATED RECEIPT BY THE
7 AUTHORITY OF LESS THAN [\$10,000] THE BASE AMOUNT OF \$18,500,
8 SUBJECT TO ADJUSTMENT UNDER SUBSECTION (L), OVER THE PERIOD FOR
9 WHICH THE CONCESSION IS GRANTED.

10 (L) ADJUSTMENTS.--ADJUSTMENTS TO THE BASE AMOUNTS SPECIFIED
11 UNDER SUBSECTIONS (B), (D) AND (K) SHALL BE MADE AS FOLLOWS:

12 (1) THE DEPARTMENT OF LABOR AND INDUSTRY SHALL DETERMINE
13 THE PERCENTAGE CHANGE IN THE ALL ITEMS CONSUMER PRICE INDEX
14 FOR ALL URBAN CONSUMERS (CPI-U) FOR THE UNITED STATES CITY
15 AVERAGE AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF
16 LABOR, BUREAU OF LABOR STATISTICS FOR THE 12-MONTH PERIOD
17 ENDING SEPTEMBER 30, 2012, AND FOR EACH SUCCESSIVE 12-MONTH
18 PERIOD THEREAFTER.

19 (2) IF THE DEPARTMENT DETERMINES THAT THERE IS NO
20 POSITIVE PERCENTAGE CHANGE, THEN NO ADJUSTMENT TO THE BASE
21 AMOUNTS SHALL OCCUR FOR THE RELEVANT TIME PERIOD PROVIDED FOR
22 IN THIS SUBSECTION.

23 (3) (I) IF THE DEPARTMENT DETERMINES THAT THERE IS A
24 POSITIVE PERCENTAGE CHANGE IN THE FIRST YEAR THAT THE
25 DETERMINATION IS MADE UNDER PARAGRAPH (1), THE POSITIVE
26 PERCENTAGE CHANGE SHALL BE MULTIPLIED BY EACH BASE AMOUNT
27 AND THE PRODUCTS SHALL BE ADDED TO THE BASE AMOUNTS,
28 RESPECTIVELY, AND THE SUMS SHALL BE PRELIMINARY ADJUSTED
29 AMOUNTS.

30 (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE

1 ROUNDED TO THE NEAREST \$100 TO DETERMINE THE FINAL
2 ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS (B),
3 (D) AND (K).

4 (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE
5 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY
6 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED
7 BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE
8 PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF
9 THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS
10 FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO
11 THE NEAREST \$100 TO DETERMINE THE NEW FINAL ADJUSTED BASE
12 AMOUNTS FOR PURPOSES OF SUBSECTIONS (B), (D) AND (K).

13 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER
14 THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1
15 AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF
16 THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER
17 15 OF EACH YEAR THEREAFTER.

18 (6) THE FINAL ADJUSTED BASE AMOUNTS AND NEW FINAL
19 ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4)
20 SHALL BECOME EFFECTIVE JANUARY 1 FOR THE CALENDAR YEAR
21 FOLLOWING THE YEAR IN WHICH THE DETERMINATION REQUIRED UNDER
22 PARAGRAPH (1) IS MADE.

23 (7) THE DEPARTMENT SHALL PUBLISH NOTICE IN THE
24 PENNSYLVANIA BULLETIN PRIOR TO JANUARY 1 OF EACH CALENDAR
25 YEAR OF THE ANNUAL PERCENTAGE CHANGE DETERMINED UNDER
26 PARAGRAPH (1) AND THE UNADJUSTED OR FINAL ADJUSTED BASE
27 AMOUNTS DETERMINED UNDER PARAGRAPHS (3) AND (4) AT WHICH
28 COMPETITIVE BIDDING IS REQUIRED UNDER SUBSECTION (B) OR (K)
29 AND THE AMOUNT AT WHICH COMPETITIVE BIDDING MAY APPLY TO
30 PURCHASE SALES UNDER SUBSECTION (D), FOR THE CALENDAR YEAR

1 BEGINNING THE FIRST DAY OF JANUARY AFTER PUBLICATION OF THE
2 NOTICE. THE NOTICE SHALL INCLUDE A WRITTEN AND ILLUSTRATIVE
3 EXPLANATION OF THE CALCULATIONS PERFORMED BY THE DEPARTMENT
4 IN ESTABLISHING THE UNADJUSTED OR FINAL ADJUSTED BASE AMOUNTS
5 UNDER THIS SUBSECTION FOR THE ENSUING CALENDAR YEAR.

6 (8) THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED BASE
7 AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4) SHALL NOT
8 EXCEED 3%.

9 SECTION 4. THIS ACT SHALL APPLY TO CONTRACTS AND PURCHASES
10 ADVERTISED ON OR AFTER JANUARY 1 OF THE YEAR FOLLOWING THE
11 EFFECTIVE DATE OF THIS SECTION.

12 SECTION 5. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.