

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 292 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

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 6, 2011

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, IN PARKING AUTHORITIES, further
3 providing for competitive bidding of contracts ~~relating to~~
4 ~~parking authorities.~~



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

7 Section 1. Section 5511(c) and (h)(1) of Title 53 of the
8 Pennsylvania Consolidated Statutes are amended and the section
9 is amended by adding a subsection to read:

10 § 5511. Competition in award of contracts.

11 * * *

12 (c) Quotations.--Written or telephonic price quotations from
13 at least three qualified and responsible contractors shall be

1 requested for a contract which exceeds [\$4,000] THE BASE AMOUNT ←
2 OF \$10,000, subject to adjustment under subsection (c.1), but is
3 less than the amount requiring advertisement and competitive
4 bidding. In lieu of price quotations, a memorandum shall be kept
5 on file showing that fewer than three qualified contractors
6 exist in the market area within which it is practicable to
7 obtain quotations. A written record of telephonic price
8 quotations shall be made and shall contain at least the date of
9 the quotation; the name of the contractor and the contractor's
10 representative; the construction, reconstruction, repair,
11 maintenance or work which was the subject of the quotation; and
12 the price. Written price quotations, written records of
13 telephonic price quotations and memoranda shall be retained for
14 a period of three years.

15 (c.1) Adjustments.--

16 ~~(1) The Department of Labor and Industry shall determine~~ ←
17 ~~the percentage change in the Consumer Price Index for All~~
18 ~~Urban Consumers for the 12 month period ending September 30~~
19 ~~of the calendar year in which this subsection becomes~~
20 ~~effective and for each successive 12 month period thereafter.~~

21 ~~(2) The amount at which competitive bidding is required~~
22 ~~under subsection (a) or (b) and the amount at which written~~
23 ~~or telephonic price quotations are required under subsection~~
24 ~~(c) shall be adjusted annually as follows:~~

25 ~~(i) For subsections (a) and (b):~~

26 ~~(A) Multiply the positive percentage change~~
27 ~~under paragraph (1) by the amount applicable under~~
28 ~~subsection (a) or (b) for the current year.~~

29 ~~(B) Add the product under clause (A) to the~~
30 ~~amount applicable under subsection (a) or (b) for the~~

~~current year.~~

~~(C) Round the sum under clause (B) to the nearest multiple of \$10.~~

~~(ii) For subsection (c):~~

~~(A) Multiply the positive percentage change, as determined under paragraph (1) by the amount applicable under subsection (c) for the current year.~~

~~(B) Add the product under clause (A) to the amount applicable under subsection (c) for the current year.~~

~~(C) Round the sum under clause (B) to the nearest multiple of \$10.~~

~~(3) The annual determination required under paragraph (1) and the calculation of the adjustments required under paragraph (2) 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 successive year.~~

~~(4) The adjusted amounts obtained under paragraph (2) shall become effective January 1 for the calendar year following the year in which the determination required under paragraph (1) is made.~~

~~(5) The department shall give notice in the Pennsylvania Bulletin prior to January 1 of each calendar year of the annual percentage change determined in accordance with paragraph (1) and the amounts, whether adjusted or unadjusted in accordance with paragraph (2), at which competitive bidding is required under subsection (a) or (b) and written or telephonic price quotations are required under subsection (c) for the calendar year beginning the first day of January~~

~~after publication of the notice.~~

ADJUSTMENTS TO THE BASE AMOUNTS SPECIFIED UNDER SUBSECTION

(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 TWELVE-MONTH PERIOD
ENDING SEPTEMBER 30 OF THE CALENDAR YEAR IN WHICH THIS
SUBSECTION BECOMES EFFECTIVE, AND FOR EACH SUCCESSIVE TWELVE-
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
SUM 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 (C).

(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

1 NEAREST \$1,000 TO DETERMINE THE NEW FINAL ADJUSTED BASE
2 AMOUNT FOR PURPOSES OF SUBSECTION (C).

3 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER
4 THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1
5 AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF
6 THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER
7 15 OF EACH YEAR THEREAFTER.

8 (6) THE FINAL ADJUSTED BASE AMOUNT AND NEW FINAL
9 ADJUSTED BASE AMOUNT OBTAINED UNDER PARAGRAPHS (3) AND (4)
10 SHALL BECOME EFFECTIVE JANUARY 1 FOR THE CALENDAR YEAR
11 FOLLOWING THE YEAR IN WHICH THE DETERMINATION REQUIRED UNDER
12 PARAGRAPH (1) IS MADE.

13 (7) THE DEPARTMENT SHALL PUBLISH NOTICE IN THE
14 PENNSYLVANIA BULLETIN PRIOR TO JANUARY 1 OF EACH CALENDAR
15 YEAR OF THE ANNUAL PERCENTAGE CHANGE DETERMINED UNDER
16 PARAGRAPH (1) AND THE UNADJUSTED OR FINAL ADJUSTED BASE
17 AMOUNT DETERMINED UNDER PARAGRAPHS (3) AND (4) FOR PURPOSES
18 OF SUBSECTION (C) FOR THE CALENDAR YEAR BEGINNING THE FIRST
19 DAY OF JANUARY AFTER PUBLICATION OF THE NOTICE. THE NOTICE
20 SHALL INCLUDE A WRITTEN AND ILLUSTRATIVE EXPLANATION OF THE
21 CALCULATIONS PERFORMED BY THE DEPARTMENT IN ESTABLISHING THE
22 UNADJUSTED OR FINAL ADJUSTED BASE AMOUNT UNDER THIS
23 SUBSECTION FOR THE ENSUING CALENDAR YEAR.

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 [\$25,000] 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 [\$25,000] the amount required by this
section.

* * *

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

Section 3. This act shall take effect immediately.