

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 2325 Session of 2012

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INTRODUCED BY M. K. KELLER, APRIL 25, 2012

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REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 25, 2012

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## AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," in preliminary provisions, further  
6 providing for adjustments based on Consumer Price Index; in  
7 grounds and buildings, further providing for work to be done  
8 under contract let on bids and exception; in books, furniture  
9 and supplies, further providing for purchase of supplies; in  
10 Thaddeus Stevens College of Technology, further providing for  
11 contracts for construction, repair, renovation or  
12 maintenance; and, in State System of Higher Education,  
13 further providing for project contracts and for powers and  
14 duties of institution presidents.

15 The General Assembly of the Commonwealth of Pennsylvania  
16 hereby enacts as follows:

17 Section 1. Section 119 of the act of March 10, 1949 (P.L.30,  
18 No.14), known as the Public School Code of 1949, added November  
19 3, 2011 (P.L.400, No.97), is repealed:

20 [Section 119. Adjustments Based on Consumer Price Index.--

21 Adjustments to the base amounts shall be made as follows:

22 (1) The Department of Labor and Industry shall determine the  
23 percentage change in the Consumer Price Index for All Urban  
24 Consumers: All Items (CPI-U) for the United States City Average

1 as published by the United States Department of Labor, Bureau of  
2 Labor Statistics, for the twelve-month period ending September  
3 30, 2012, and for each successive twelve-month period  
4 thereafter.

5 (2) If the department determines that there is no positive  
6 percentage change, then no adjustment to the base amounts shall  
7 occur for the relevant time period.

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, and  
12 the products shall be added to the base amounts, respectively,  
13 and the sums shall be preliminary adjusted amounts.

14 (ii) The preliminary adjusted amounts shall be rounded to  
15 the nearest one hundred dollars (\$100) to determine the final  
16 adjusted base amounts.

17 (4) In each successive year in which there is a positive  
18 percentage change in the CPI-U for the United States City  
19 Average, the positive percentage change shall be multiplied by  
20 the most recent preliminary adjusted amounts, and the products  
21 shall be added to the preliminary adjusted amount of the prior  
22 year to calculate the preliminary adjusted amounts for the  
23 current year. The sums thereof shall be rounded to the nearest  
24 one hundred dollars (\$100) to determine the new final adjusted  
25 base amounts.

26 (5) The determinations and adjustments required under this  
27 section shall be made in the period between October 1 and  
28 November 15 of the year following the effective date of this  
29 section and annually between October 1 and November 15 of each  
30 year thereafter.

(6) The final adjusted base amounts and new final adjusted base amounts 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 amounts determined under paragraphs (3) and (4) at which competitive bidding is required and written or telephonic price quotations are required, respectively, 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 amounts under this section for the ensuing calendar year.

(8) The annual increase in the preliminary adjusted base amounts obtained under paragraphs (3) and (4) shall not exceed three percent (3%).]

Section 2. The act is amended by adding a section to read:

Section 120. Adjustments Based on Consumer Price Index.--  
Adjustments to the base amounts shall be made as follows:

(1) The Department of Labor and Industry shall determine the percentage change in the Consumer Price Index for All Urban Consumers: All Items (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, 2012, 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 amounts shall occur for the relevant time period.

(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 one hundred dollars (\$100) to determine the final adjusted base amounts.

(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 amounts, and the products shall be added to the preliminary adjusted amount of the prior year to calculate the preliminary adjusted amounts for the current year. The sums thereof shall be rounded to the nearest one hundred dollars (\$100) to determine the new final adjusted base amounts.

(5) The determinations and adjustments required under this section shall be made in the period between October 1 and November 15, 2012, and annually between October 1 and November 15 of each year thereafter.

(6) The final adjusted base amounts and new final adjusted base amounts 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 amounts determined under  
paragraphs (3) and (4) at which competitive bidding is required  
and written or telephonic price quotations are required,  
respectively, 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 amounts under this section for  
the ensuing calendar year.

(8) The annual increase in the preliminary adjusted base  
amounts obtained under paragraphs (3) and (4) shall not exceed  
three percent (3%).

Section 3. Section 751(a), (a.1), (b) and (f) of the act,  
amended November 3, 2011 (P.L.400, No.97), are amended and the  
section is amended by adding subsections to read:

Section 751. Work to be Done Under Contract Let on Bids;  
Exception.--[(a) All construction, reconstruction, repairs,  
maintenance or work of any nature, including the introduction of  
plumbing, heating and ventilating, or lighting systems, upon any  
school building or upon any school property, or upon any  
building or portion of a building leased under the provisions of  
section 703.1, made by any school district, where the entire  
cost, value, or amount of such construction, reconstruction,  
repairs, maintenance or work, including labor and material,  
shall exceed a base amount of eighteen thousand five hundred  
dollars (\$18,500), subject to adjustment under section 119,  
shall be done under separate contracts to be entered into by  
such school district with the lowest responsible bidder, upon  
proper terms, after due public notice has been given asking for

1 competitive bids. Whenever a board of school directors shall  
2 approve the use of a prefabricated unit, complete in itself, for  
3 a school building or other proper structure to be erected upon  
4 school property, the board of school directors may have prepared  
5 appropriate specifications detailing the size and material  
6 desired in a particular prefabricated unit, including all  
7 utilities such as plumbing, heating and ventilating, and  
8 electrical work, and may advertise for a single bid on all the  
9 work and award the contract therefor to the lowest responsible  
10 bidder: Provided, That if due to an emergency a school plant or  
11 any part thereof becomes unusable competitive bids for repairs  
12 or replacement may be solicited from at least three responsible  
13 bidders, and upon the approval of any of these bids by the  
14 Secretary of Education, the board of school directors may  
15 proceed at once to make the necessary repairs or replacements in  
16 accordance with the terms of said approved bid or bids.

17 (a.1) Written or telephonic price quotations from at least  
18 three qualified and responsible contractors shall be requested  
19 by the board of school directors for all contracts that exceed a  
20 base amount of ten thousand dollars (\$10,000), subject to  
21 adjustment under section 119, but are less than the amount  
22 requiring advertisement and competitive bidding, or, in lieu of  
23 price quotations, a memorandum shall be kept on file showing  
24 that fewer than three qualified contractors exist in the market  
25 area within which it is practicable to obtain quotations. A  
26 written record of telephonic price quotations shall be made and  
27 shall contain at least the date of the quotation, the name of  
28 the contractor and the contractor's representative, the  
29 construction, reconstruction, repair, maintenance or work which  
30 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.]

(a.2) All construction, reconstruction, repairs, maintenance or work of any nature, including the introduction of plumbing, heating and ventilating, or lighting systems, upon any school building or upon any school property, or upon any building or portion of a building leased under the provisions of section 703.1, made by any school district, where the entire cost, value, or amount of such construction, reconstruction, repairs, maintenance or work, including labor and material, shall exceed a base amount of eighteen thousand five hundred dollars (\$18,500), subject to adjustment under section 120, shall be done under separate contracts to be entered into by such school district with the lowest responsible bidder, upon proper terms, after due public notice has been given asking for competitive bids. Whenever a board of school directors shall approve the use of a prefabricated unit, complete in itself, for a school building or other proper structure to be erected upon school property, the board of school directors may have prepared appropriate specifications detailing the size and material desired in a particular prefabricated unit, including all utilities such as plumbing, heating and ventilating, and electrical work, and may advertise for a single bid on all the work and award the contract therefor to the lowest responsible bidder: Provided, That if due to an emergency a school plant or any part thereof becomes unusable competitive bids for repairs or replacement may be solicited from at least three responsible bidders, and upon the approval of any of these bids by the Secretary of Education, the board of school directors may proceed at once to make the necessary repairs or replacements in

1 accordance with the terms of said approved bid or bids.

2 (a.3) Written or telephonic price quotations from at least  
3 three qualified and responsible contractors shall be requested  
4 by the board of school directors for all contracts that exceed a  
5 base amount of ten thousand dollars (\$10,000), subject to  
6 adjustment under section 120, but are less than the amount  
7 requiring advertisement and competitive bidding, or, in lieu of  
8 price quotations, a memorandum shall be kept on file showing  
9 that fewer than three qualified contractors exist in the market  
10 area within which it is practicable to obtain quotations. A  
11 written record of telephonic price quotations shall be made and  
12 shall contain at least the date of the quotation, the name of  
13 the contractor and the contractor's representative, the  
14 construction, reconstruction, repair, maintenance or work which  
15 was the subject of the quotation and the price. Written price  
16 quotations, written records of telephonic price quotations and  
17 memoranda shall be retained for a period of three years.

18 [(b) The board of school directors in any school district  
19 may perform any construction, reconstruction, repairs, or work  
20 of any nature, where the entire cost or value, including labor  
21 and material, is less than a base amount of ten thousand dollars  
22 (\$10,000), subject to adjustment under section 119, by its own  
23 maintenance personnel. The board of school directors in any  
24 school district may authorize the secretary of the board or  
25 other executive to award contracts for construction,  
26 reconstruction, repairs, or work of any nature, where the entire  
27 cost or value, including labor and material, subject to  
28 adjustment under section 119, is a base amount of eighteen  
29 thousand five hundred dollars (\$18,500) or less, without  
30 soliciting competitive bids, subject, however, to the provisions



1 of subsection (a.1).]

2 (b.1) The board of school directors in any school district  
3 may perform any construction, reconstruction, repairs, or work  
4 of any nature, where the entire cost or value, including labor  
5 and material, is less than a base amount of ten thousand dollars  
6 (\$10,000), subject to adjustment under section 120, by its own  
7 maintenance personnel. The board of school directors in any  
8 school district may authorize the secretary of the board or  
9 other executive to award contracts for construction,  
10 reconstruction, repairs, or work of any nature, where the entire  
11 cost or value, including labor and material, subject to  
12 adjustment under section 120, is a base amount of eighteen  
13 thousand five hundred dollars (\$18,500) or less, without  
14 soliciting competitive bids, subject, however, to the provisions  
15 of subsection (a.3).

16 \* \* \*

17 [(f) No board of school directors shall evade the provisions  
18 of this section as to advertising for bids or purchasing  
19 materials or contracting for services piecemeal for the purpose  
20 of obtaining prices under a base amount of eighteen thousand  
21 five hundred dollars (\$18,500), subject to adjustment under  
22 section 119, upon transactions which should, in the exercise of  
23 reasonable discretion and prudence, be conducted as one  
24 transaction amounting to more than a base amount of eighteen  
25 thousand five hundred dollars (\$18,500), subject to adjustment  
26 under section 119. This provision is intended to make unlawful  
27 the practice of evading advertising requirements by making a  
28 series of purchases or contracts each for less than the  
29 advertising requirement price, or by making several simultaneous  
30 purchases or contracts each below said price, when in either

1 case the transaction involved should have been made as one  
2 transaction for one price.]

3 (g) No board of school directors shall evade the provisions  
4 of this section as to advertising for bids or purchasing  
5 materials or contracting for services piecemeal for the purpose  
6 of obtaining prices under a base amount of eighteen thousand  
7 five hundred dollars (\$18,500), subject to adjustment under  
8 section 120, upon transactions which should, in the exercise of  
9 reasonable discretion and prudence, be conducted as one  
10 transaction amounting to more than a base amount of eighteen  
11 thousand five hundred dollars (\$18,500), subject to adjustment  
12 under section 120. This provision is intended to make unlawful  
13 the practice of evading advertising requirements by making a  
14 series of purchases or contracts each for less than the  
15 advertising requirement price, or by making several simultaneous  
16 purchases or contracts each below said price, when in either  
17 case the transaction involved should have been made as one  
18 transaction for one price.

19 Section 4. Section 807.1 of the act, amended November 3,  
20 2011 (P.L.400, No.97), is amended to read:

21 Section 807.1. Purchase of Supplies.--[(a) All furniture,  
22 equipment, textbooks, school supplies and other appliances for  
23 the use of the public schools, costing, subject to adjustment  
24 under section 119, a base amount of eighteen thousand five  
25 hundred dollars (\$18,500) or more shall be purchased by the  
26 board of school directors only after due advertisement as  
27 hereinafter provided. Supplies costing, subject to adjustment  
28 under section 119, a base amount of eighteen thousand five  
29 hundred dollars (\$18,500) or more shall be purchased by the  
30 board of school directors only after public notice has been

1 given by advertisement once a week for three (3) weeks in not  
2 less than two (2) newspapers of general circulation. In any  
3 district where no newspaper is published, said notice may, in  
4 lieu of such publication, be posted in at least five (5) public  
5 places.

6 (a.1) Written or telephonic price quotations from at least  
7 three qualified and responsible vendors shall be requested by  
8 the board of school directors for all purchases of supplies that  
9 exceed a base amount of ten thousand dollars (\$10,000), subject  
10 to adjustment under section 119, but are less than the amount  
11 requiring advertisement and competitive bidding, or, in lieu of  
12 price quotations, a memorandum shall be kept on file showing  
13 that fewer than three qualified vendors exist in the market area  
14 within which it is practicable to obtain quotations. A written  
15 record of telephonic price quotations shall be made and shall  
16 contain at least the date of the quotation, the name of the  
17 vendor and the vendor's representative, the supplies which were  
18 the subject of the quotation and the price of the supplies.  
19 Written price quotations, written records of telephonic price  
20 quotations and memoranda shall be retained for a period of three  
21 years.]

22 (a.2) All furniture, equipment, textbooks, school supplies  
23 and other appliances for the use of the public schools costing,  
24 subject to adjustment under section 120, a base amount of  
25 eighteen thousand five hundred dollars (\$18,500) or more shall  
26 be purchased by the board of school directors only after due  
27 advertisement as hereinafter provided. Supplies costing, subject  
28 to adjustment under section 120, a base amount of eighteen  
29 thousand five hundred dollars (\$18,500) or more shall be  
30 purchased by the board of school directors only after public

1 notice has been given by advertisement once a week for three (3)  
2 weeks in not less than two (2) newspapers of general  
3 circulation. In any district where no newspaper is published,  
4 said notice may, in lieu of such publication, be posted in at  
5 least five (5) public places.

6 (a.3) Written or telephonic price quotations from at least  
7 three qualified and responsible vendors shall be requested by  
8 the board of school directors for all purchases of supplies that  
9 exceed a base amount of ten thousand dollars (\$10,000), subject  
10 to adjustment under section 120, but are less than the amount  
11 requiring advertisement and competitive bidding, or, in lieu of  
12 price quotations, a memorandum shall be kept on file showing  
13 that fewer than three (3) qualified vendors exist in the market  
14 area within which it is practicable to obtain quotations. A  
15 written record of telephonic price quotations shall be made and  
16 shall contain at least the date of the quotation, the name of  
17 the vendor and the vendor's representative, the supplies which  
18 were the subject of the quotation and the price of the supplies.  
19 Written price quotations, written records of telephonic price  
20 quotations and memoranda shall be retained for a period of three  
21 (3) years.

22 [(b) The board of school directors shall accept the bid of  
23 the lowest responsible bidder, kind, quality, and material being  
24 equal, but shall have the right to reject any and all bids, or  
25 select a single item from any bid. The board of school directors  
26 in any district may authorize or appoint the secretary of the  
27 board or other executive as purchasing agent for the district,  
28 with authority to purchase supplies that cost a base amount of  
29 less than eighteen thousand five hundred dollars (\$18,500),  
30 subject to adjustment under section 119.]

1     (b.1) The board of school directors shall accept the bid of  
2 the lowest responsible bidder, kind, quality, and material being  
3 equal, but shall have the right to reject any and all bids, or  
4 select a single item from any bid. The board of school directors  
5 in any district may authorize or appoint the secretary of the  
6 board or other executive as purchasing agent for the district,  
7 with authority to purchase supplies that cost a base amount of  
8 less than eighteen thousand five hundred dollars (\$18,500),  
9 subject to adjustment under section 120.

10     (c) The following shall be exempt from the above provisions:  
11 maps, music, globes, charts, educational films, filmstrips,  
12 prepared transparencies and slides, pre-recorded magnetic tapes  
13 and disc recordings, textbooks, games, toys, prepared kits,  
14 flannel board materials, flash cards, models, projectuals and  
15 teacher demonstration devices necessary for school use.

16     [(d) No board of school directors shall evade the provisions  
17 of this section as to advertising for bids or purchasing  
18 materials piecemeal for the purpose of obtaining prices under  
19 the base amount of eighteen thousand five hundred dollars  
20 (\$18,500), subject to adjustment under section 119, upon  
21 transactions which should, in the exercise of reasonable  
22 discretion and prudence, be conducted as one transaction  
23 amounting to more than a base amount of eighteen thousand five  
24 hundred dollars (\$18,500), subject to adjustment under section  
25 119. This provision is intended to make unlawful the practice of  
26 evading advertising requirements by making a series of purchases  
27 or contracts each for less than the advertising requirement  
28 price, or by making several simultaneous purchases or contracts  
29 each below said price, when in either case the transaction  
30 involved should have been made as one transaction for one

1 price.]

2 (e) No board of school directors shall evade the provisions  
3 of this section as to advertising for bids or purchasing  
4 materials piecemeal for the purpose of obtaining prices under  
5 the base amount of eighteen thousand five hundred dollars  
6 (\$18,500), subject to adjustment under section 120, upon  
7 transactions which should, in the exercise of reasonable  
8 discretion and prudence, be conducted as one transaction  
9 amounting to more than a base amount of eighteen thousand five  
10 hundred dollars (\$18,500), subject to adjustment under section  
11 120. This provision is intended to make unlawful the practice of  
12 evading advertising requirements by making a series of purchases  
13 or contracts each for less than the advertising requirement  
14 price, or by making several simultaneous purchases or contracts  
15 each below said price, when in either case the transaction  
16 involved should have been made as one transaction for one price.

17 Section 5. Section 1913-B.1(c) of the act, amended November  
18 3, 2011 (P.L.400, No.97), is amended and the section is amended  
19 by adding a subsection to read:

20 Section 1913-B.1. Contracts for Construction, Repair,  
21 Renovation or Maintenance.--\* \* \*

22 [(c) All contracts, other than contracts for the retention  
23 of architects and engineers, authorized by this section which  
24 exceed a base amount of eighteen thousand five hundred dollars  
25 (\$18,500), subject to adjustment under section 119, shall be  
26 advertised in the manner provided by law and competitively bid  
27 and awarded to the lowest responsible bidder. In case of  
28 emergencies and notwithstanding any other provision of this  
29 section to the contrary, the board of trustees may make or  
30 authorize others to make an emergency procurement whenever a

1 threat exists to public health, welfare or safety or  
2 circumstances outside the control of the college and creates an  
3 urgency of need which does not permit the delay involved in  
4 using more formal competitive methods. Whenever practical, in  
5 the case of a procurement of a supply, at least two (2) bids  
6 shall be solicited. A written determination of the basis for the  
7 emergency and for the selection of the particular contractor  
8 shall be included in the contract file.]

9 (c.1) All contracts, other than contracts for the retention  
10 of architects and engineers, authorized by this section which  
11 exceed a base amount of eighteen thousand five hundred dollars  
12 (\$18,500), subject to adjustment under section 120, shall be  
13 advertised in the manner provided by law and competitively bid  
14 and awarded to the lowest responsible bidder. In case of  
15 emergencies and notwithstanding any other provision of this  
16 section to the contrary, the board of trustees may make or  
17 authorize others to make an emergency procurement whenever a  
18 threat exists to public health, welfare or safety or  
19 circumstances outside the control of the college and creates an  
20 urgency of need which does not permit the delay involved in  
21 using more formal competitive methods. Whenever practical, in  
22 the case of a procurement of a supply, at least two (2) bids  
23 shall be solicited. A written determination of the basis for the  
24 emergency and for the selection of the particular contractor  
25 shall be included in the contract file.

26 \* \* \*

27 Section 6. Section 2003-A.1(c) and (c.1) of the act, amended  
28 or added November 3, 2011 (P.L.400, No.97), are amended and the  
29 section is amended by adding subsections to read:

30 Section 2003-A.1. Project Contracts.--\* \* \*

1 [(c) All contracts, other than contracts for the retention  
2 of architects and engineers, authorized by this section which  
3 exceed a base amount of eighteen thousand five hundred dollars  
4 (\$18,500), subject to adjustment under subsection (c.1), shall  
5 be advertised in the manner provided by law and competitively  
6 bid and awarded to the lowest responsible bidder. In case of  
7 emergencies and notwithstanding any other provision of this  
8 section to the contrary, the chancellor may make or authorize  
9 others to make an emergency procurement whenever a threat exists  
10 to public health, welfare or safety or circumstances outside the  
11 control of the State system and creates an urgency of need which  
12 does not permit the delay involved in using more formal  
13 competitive methods. Whenever practical, in the case of a  
14 procurement of a supply, at least two (2) bids shall be  
15 solicited. A written determination of the basis for the  
16 emergency and for the selection of the particular contractor  
17 shall be included in the contract file.

18 (c.1) Adjustments shall be made as follows:

19 (1) The Department of Labor and Industry shall calculate the  
20 average annual percentage change in the Consumer Price Index for  
21 All Urban Consumers: All Items (CPI-U) for the United States  
22 City Average as published by the United States Department of  
23 Labor, Bureau of Labor Statistics, for the twelve-month period  
24 ending September 30, 2012, and for each successive twelve-month  
25 period thereafter.

26 (1.1) If the department determines that there is no positive  
27 percentage change, then no adjustment to the base amounts shall  
28 occur for the relevant time period.

29 (2) The positive percentage change, as determined in  
30 accordance with clause (1), shall be multiplied by the amount



1 applicable under subsection (c) for the current period, and the  
2 product thereof shall be added to the amount applicable under  
3 subsection (c) for the current period, with the result rounded  
4 to the nearest multiple of one hundred dollars (\$100).

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

10 (4) The adjusted amounts obtained in accordance with clause  
11 (2) shall become effective January 1 for the period following  
12 the year in which the determination required under clause (1) is  
13 made.

14 (5) The Department of Labor and Industry shall give notice  
15 in the Pennsylvania Bulletin prior to January 1 of each calendar  
16 year in which the percentage change is determined in accordance  
17 with clause (1) of the amounts, whether adjusted or unadjusted  
18 in accordance with clause (2), at which competitive bidding is  
19 required under subsection (c) for the period beginning the first  
20 day of January after publication of the notice.

21 (6) The annual increase in the preliminary adjusted base  
22 amounts obtained under clauses (3) and (4) shall not exceed  
23 three percent (3%).]

24 (c.2) All contracts, other than contracts for the retention  
25 of architects and engineers, authorized by this section which  
26 exceed a base amount of eighteen thousand five hundred dollars  
27 (\$18,500), subject to adjustment under subsection (c.3), shall  
28 be advertised in the manner provided by law and competitively  
29 bid and awarded to the lowest responsible bidder. In case of  
30 emergencies and notwithstanding any other provision of this

section to the contrary, the chancellor may make or authorize others to make an emergency procurement whenever a threat exists to public health, welfare or safety or circumstances outside the control of the State system and creates an urgency of need which does not permit the delay involved in using more formal competitive methods. Whenever practical, in the case of a procurement of a supply, at least two (2) bids shall be solicited. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

(c.3) Adjustments shall be made as follows:

(1) The Department of Labor and Industry shall calculate the average annual percentage change in the Consumer Price Index for All Urban Consumers: All Items (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, 2012, and for each successive twelve-month period thereafter.

(1.1) 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.

(2) The positive percentage change, as determined in accordance with clause (1), shall be multiplied by the amount applicable under subsection (c.2) for the current period, and the product thereof shall be added to the amount applicable under subsection (c.2) for the current period, with the result rounded to the nearest multiple of one hundred dollars (\$100).

(3) The determination required under clause (1) and the calculation adjustments required under clause (2) shall be made in the period between October 1 and November 15, 2012, and

1 between October 1 and November 15 of each successive year.

2 (4) The adjusted amounts obtained in accordance with clause  
3 (2) shall become effective January 1 for the period following  
4 the year in which the determination required under clause (1) is  
5 made.

6 (5) The Department of Labor and Industry shall give notice  
7 in the Pennsylvania Bulletin prior to January 1 of each calendar  
8 year in which the percentage change is determined in accordance  
9 with clause (1) of the amounts, whether adjusted or unadjusted  
10 in accordance with clause (2), at which competitive bidding is  
11 required under subsection (c.2) for the period beginning the  
12 first day of January after publication of the notice.

13 (6) The annual increase in the preliminary adjusted base  
14 amounts obtained under clauses (3) and (4) shall not exceed  
15 three percent (3%).

16 \* \* \*

17 Section 7. Section 2010-A(10) of the act, amended November  
18 3, 2011 (P.L.400, No.97), is amended and the section is amended  
19 by adding a paragraph to read:

20 Section 2010-A. Power and Duties of Institution  
21 Presidents.--The president of each institution shall be  
22 appointed by the board. The president shall be the chief  
23 executive officer of that institution. He shall have the right  
24 to attend all meetings of the council of that institution and  
25 shall have the right to speak on all matters before the council  
26 but not to vote. Subject to the stated authority of the board  
27 and the council, each president shall have the following powers  
28 and duties:

29 \* \* \*

30 [(10) Within the limitations of the operating budget and

1 other available funds in accordance with the procedures  
2 established by the board and with the approval of the local  
3 council, to negotiate and award all contracts for equipment,  
4 services and supplies in excess of a cost of a base amount of  
5 eighteen thousand five hundred dollars (\$18,500), subject to  
6 adjustment under section 119, on a competitive bid basis and to  
7 purchase instructional, educational, extracurricular, technical,  
8 administrative, custodial and maintenance equipment and supplies  
9 not in excess of a cost of a base amount of eighteen thousand  
10 five hundred dollars (\$18,500), subject to adjustment under  
11 section 119, without competitive bidding, except that such items  
12 shall not be bought in series to avoid the dollar ceiling.]

13 (10.1) Within the limitations of the operating budget and  
14 other available funds in accordance with the procedures  
15 established by the board and with the approval of the local  
16 council, to negotiate and award all contracts for equipment,  
17 services and supplies in excess of a cost of a base amount of  
18 eighteen thousand five hundred dollars (\$18,500), subject to  
19 adjustment under section 120, on a competitive bid basis and to  
20 purchase instructional, educational, extracurricular, technical,  
21 administrative, custodial and maintenance equipment and supplies  
22 not in excess of a cost of a base amount of eighteen thousand  
23 five hundred dollars (\$18,500), subject to adjustment under  
24 section 120, without competitive bidding, except that such items  
25 shall not be bought in series to avoid the dollar ceiling.

26 \* \* \*

27 Section 8. This act shall apply to contracts and purchases  
28 advertised on or after the effective date of this section.

29 Section 9. This act shall take effect immediately.