

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 287 Session of 2011

INTRODUCED BY FERLO, EICHELBERGER, KASUNIC, FOLMER, GORDNER, BOSCOLA, ORIE, RAFFERTY, YAW, M. WHITE, D. WHITE, ERICKSON, BAKER, ALLOWAY, BRUBAKER, GREENLEAF, SMUCKER, WAUGH, ROBBINS, VANCE, EARLL, SCARNATI, McILHINNEY, PICCOLA, WARD AND BROWNE, JANUARY 26, 2011

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, SEPTEMBER 20, 2011

AN ACT

1 Amending Titles 53 (Municipalities Generally) and 74
2 (Transportation) of the Pennsylvania Consolidated Statutes,
3 further providing for competitive bidding of contracts by
4 intergovernmental units, by parking authorities, by municipal
5 authorities and by metropolitan transportation authorities.

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

8 Section 1. Section 2308 of Title 53 of the Pennsylvania
9 Consolidated Statutes is amended to read:



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



12 § 2308. Bids for certain joint purchases.

13 (a) Notice.--All joint purchases involving an expenditure of
14 more than [\$10,000] \$25,000 A BASE AMOUNT OF \$18,500, subject to
15 adjustment under subsection (b), shall be made by contract, in
16 writing, only after notice for bids once a week for two weeks in
17 at least one and not more than two newspapers of general



1 circulation in the joining local governments. All contracts  
2 shall be let to the lowest responsible bidder. Every contract  
3 for the construction, reconstruction, alteration, repair,  
4 improvement or maintenance of public works shall comply with the  
5 provisions of the act of March 3, 1978 (P.L.6, No.3), known as  
6 the Steel Products Procurement Act.

7 ~~(b) Adjustment.~~ ←

8 ~~(1) Every five years, beginning with the year in which~~  
9 ~~this subsection becomes applicable to contracts and~~  
10 ~~purchases, the Department of Labor and Industry shall~~  
11 ~~calculate the average percentage change in the Consumer Price~~  
12 ~~Index for All Urban Consumers (CPI-U) for the United States~~  
13 ~~city average for all items as published by the United States~~  
14 ~~Department of Labor, Bureau of Labor Statistics, for the~~  
15 ~~preceding five year period.~~

16 ~~(2) The amount at which competitive bidding is required~~  
17 ~~under subsection (a) shall be adjusted every five years. The~~  
18 ~~positive percentage change, as determined in accordance with~~  
19 ~~paragraph (1), shall be multiplied by the amount applicable~~  
20 ~~under subsection (a) for the current five year period, and~~  
21 ~~the product thereof shall be added to the amount applicable~~  
22 ~~under subsection (a) for the current five year period with~~  
23 ~~the result rounded to the nearest multiple of \$100.~~

24 ~~(3) The determination required under paragraph (1) and~~  
25 ~~the calculation of the adjustments required under paragraph~~  
26 ~~(2) shall be made in the period between October 1 and~~  
27 ~~November 15 of the year following the effective date of this~~  
28 ~~subsection and between October 1 and November 15 of each~~  
29 ~~successive year.~~

30 ~~(4) The adjusted amounts obtained in accordance with~~

~~paragraph (2) shall become effective January 1 for the five-year period following the year in which the determination required under paragraph (1) is made.~~

~~(5) The Department of Labor and Industry shall give notice in the Pennsylvania Bulletin prior to January 1 of each calendar year in which the 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) for the five-year period beginning the first day of January after publication of the notice.~~

(B) ADJUSTMENTS.--ADJUSTMENTS TO THE BASE AMOUNTS SPECIFIED UNDER SUBSECTION (A) 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

1           AMOUNTS.

2           (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE  
3           ROUNDED TO THE NEAREST \$1,000 TO DETERMINE THE FINAL  
4           ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTION (A).

5           (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE  
6           PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY  
7           AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED  
8           BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE  
9           PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF  
10           THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS  
11           FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO  
12           THE NEAREST \$1,000 TO DETERMINE THE NEW FINAL ADJUSTED BASE  
13           AMOUNTS FOR PURPOSES OF SUBSECTION (A).

14           (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER  
15           THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1  
16           AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF  
17           THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER  
18           15 OF EACH YEAR THEREAFTER.

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

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

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

6 (8) NO ADJUSTMENT TO THE BASE AMOUNTS SPECIFIED UNDER  
7 SUBSECTION (A) SHALL EXCEED 3% OF THE MOST RECENTLY ADJUSTED  
8 BASE AMOUNT.

9 § 2311. WRITTEN OR TELEPHONIC PRICE QUOTATIONS REQUIRED.

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

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

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

1 AVERAGE AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF  
2 LABOR, BUREAU OF LABOR STATISTICS FOR THE 12-MONTH PERIOD  
3 ENDING SEPTEMBER 30, 2012, AND FOR EACH SUCCESSIVE 12-MONTH  
4 PERIOD THEREAFTER.

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

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

16 (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE  
17 ROUNDED TO THE NEAREST \$1,000 TO DETERMINE THE FINAL  
18 ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTION (A).

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 \$1,000 TO DETERMINE THE NEW FINAL ADJUSTED BASE  
27 AMOUNTS FOR PURPOSES OF SUBSECTION (A).

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 WRITTEN OR TELEPHONIC PRICE QUOTATIONS ARE REQUIRED UNDER  
14 SUBSECTION (A), FOR THE CALENDAR YEAR BEGINNING THE FIRST DAY  
15 OF JANUARY AFTER PUBLICATION OF THE NOTICE. THE NOTICE SHALL  
16 INCLUDE A WRITTEN AND ILLUSTRATIVE EXPLANATION OF THE  
17 CALCULATIONS PERFORMED BY THE DEPARTMENT IN ESTABLISHING THE  
18 UNADJUSTED OR FINAL ADJUSTED BASE AMOUNTS UNDER THIS  
19 SUBSECTION FOR THE ENSUING CALENDAR YEAR.

20 (8) NO ADJUSTMENT TO THE BASE AMOUNTS SPECIFIED UNDER  
21 SUBSECTION (A) SHALL EXCEED 3% OF THE MOST RECENTLY ADJUSTED  
22 BASE AMOUNT.

23 Section 2. Sections 5511(c) and (h) (1) and 5614(a) (1), (b),  
24 (c) and (h) (1) of Title 53 are amended and the sections are  
25 amended by adding subsections to read:

26 § 5511. Competition in award of contracts.

27 \* \* \*

28 (c) Quotations.--Written or telephonic price quotations from  
29 at least three qualified and responsible contractors shall be  
30 requested for a contract [which exceeds †\$4,000] ~~\$7,000~~ IN



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

14 ~~(c.1) Adjustments.~~ ←

15 ~~(1) Every five years, beginning with the year in which~~  
16 ~~this subsection becomes applicable to contracts and~~  
17 ~~purchases, the Department of Labor and Industry shall~~  
18 ~~calculate the average percentage change in the Consumer Price~~  
19 ~~Index for All Urban Consumers (CPI-U) for the United States~~  
20 ~~city average for all items as published by the United States~~  
21 ~~Department of Labor, Bureau of Labor Statistics, for the~~  
22 ~~preceding five year period.~~

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

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

28 ~~(A) Multiply the positive percentage change~~  
29 ~~under paragraph (1) by the amount applicable under~~  
30 ~~subsection (a) or (b) for the current five year~~

1 ~~period.~~

2 ~~(B) Add the product under clause (A) to the~~  
3 ~~amount applicable under subsection (a) or (b) for the~~  
4 ~~current five year period.~~

5 ~~(C) Round the sum under clause (B) to the~~  
6 ~~nearest multiple of \$100.~~

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

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

12 ~~(B) Add the product under clause (A) to the~~  
13 ~~amount applicable under subsection (c) for the~~  
14 ~~current five year period.~~

15 ~~(C) Round the sum under clause (B) to the~~  
16 ~~nearest multiple of \$100.~~

17 ~~(3) The determination required under paragraph (1) and~~  
18 ~~the calculation of the adjustments required under paragraph~~  
19 ~~(2) shall be made in the period between October 1 and~~  
20 ~~November 15 of the year following the effective date of this~~  
21 ~~subsection and between October 1 and November 15 of each~~  
22 ~~successive year.~~

23 ~~(4) The adjusted amounts obtained under paragraph (2)~~  
24 ~~shall become effective January 1 for the five year period~~  
25 ~~following the year in which the determination required under~~  
26 ~~paragraph (1) is made.~~

27 ~~(5) The department shall give notice in the Pennsylvania~~  
28 ~~Bulletin prior to January 1 of each calendar year in which~~  
29 ~~the percentage change determined in accordance with paragraph~~  
30 ~~(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 five year period beginning the first day of January  
after publication of the notice.~~

(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 \$1,000 TO DETERMINE THE FINAL  
ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS (A),  
(B) AND (C).

1           (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE  
2 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY  
3 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED  
4 BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE  
5 PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF  
6 THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS  
7 FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO  
8 THE NEAREST \$1,000 TO DETERMINE THE NEW FINAL ADJUSTED BASE  
9 AMOUNTS FOR PURPOSES OF SUBSECTIONS (A), (B) AND (C).

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

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

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

1 UNADJUSTED OR FINAL ADJUSTED BASE AMOUNTS UNDER THIS  
2 SUBSECTION FOR THE ENSUING CALENDAR YEAR.

3 (8) NO ADJUSTMENT TO THE BASE AMOUNTS SPECIFIED UNDER  
4 SUBSECTIONS (A), (B) AND (C) SHALL EXCEED 3% OF THE MOST  
5 RECENTLY ADJUSTED BASE AMOUNT.

6 \* \* \*

7 (h) Evasion.--

8 (1) An authority may not evade the provisions of this  
9 section as to bids or purchasing materials or contracting for  
10 services piecemeal for the purpose of obtaining prices under  
11 [\$25,000] the amount required by this section upon  
12 transactions which should, in the exercise of reasonable  
13 discretion and prudence, be conducted as one transaction  
14 amounting to more than [\$25,000] the amount required by this  
15 section.

16 \* \* \*

17 § 5614. Competition in award of contracts.

18 (a) Services.--

19 (1) Except as set forth in paragraph (2), all  
20 construction, reconstruction, repair or work of any nature  
21 made by an authority if the entire cost, value or amount,  
22 including labor and materials, exceeds [\$10,000] ~~\$25,000~~ A ←  
23 BASE AMOUNT OF \$18,500, subject to adjustment under  
24 subsection (c.1), shall be done only under contract to be  
25 entered into by the authority with the lowest responsible  
26 bidder upon proper terms after public notice asking for  
27 competitive bids as provided in this section.

28 \* \* \*

29 (b) Supplies and materials.--All supplies and materials WITH ←  
30 A BASE PRICE costing at least [\$10,000] ~~\$25,000~~ \$18,500, subject ←

1 to adjustment under subsection (c.1), shall be purchased only  
2 after advertisement as provided in this section. The authority  
3 shall accept the lowest bid, kind, quality and material being  
4 equal, but the authority shall have the right to reject any or  
5 all bids or select a single item from any bid. The provisions as  
6 to bidding shall not apply to the purchase of patented and  
7 manufactured products offered for sale in a noncompetitive  
8 market or solely by a manufacturer's authorized dealer.

9 (c) Quotations.--Written or telephonic price quotations from  
10 at least three qualified and responsible contractors shall be  
11 requested for a contract [which exceeds †\$4,000] \$7,000 IN ←  
12 EXCESS OF THE BASE AMOUNT OF \$10,000, subject to adjustment  
13 under subsection (c.1), but is less than the amount requiring  
14 advertisement and competitive bidding. 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 ~~(c.1) Adjustments.~~ ←

26 ~~(1) Every five years, beginning with the year in which~~  
27 ~~this subsection becomes applicable to contracts and~~  
28 ~~purchases, the Department of Labor and Industry shall~~  
29 ~~calculate the average percentage change in the Consumer Price~~  
30 ~~Index for All Urban Consumers (CPI U) for the United States~~

1 ~~city average for all items as published by the United States~~  
2 ~~Department of Labor, Bureau of Labor Statistics, for the~~  
3 ~~preceding five year period.~~

4 ~~(2) The amount at which competitive bidding is required~~  
5 ~~under subsection (a) (1) or (b) and the amount at which~~  
6 ~~written or telephonic price quotations are required under~~  
7 ~~subsection (c) shall be adjusted every five years as follows:~~

8 ~~(i) For subsections (a) (1) and (b):~~

9 ~~(A) Multiply the positive percentage change~~  
10 ~~under paragraph (1) by the amount applicable under~~  
11 ~~subsection (a) or (b) for the current five year~~  
12 ~~period.~~

13 ~~(B) Add the product under clause (A) to the~~  
14 ~~amount applicable under subsection (a) (1) or (b) for~~  
15 ~~the current five year period.~~

16 ~~(C) Round the sum under clause (B) to the~~  
17 ~~nearest multiple of \$100.~~

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

19 ~~(A) Multiply the positive percentage change, as~~  
20 ~~determined under paragraph (1) by the amount~~  
21 ~~applicable under subsection (c) for the five year~~  
22 ~~period.~~

23 ~~(B) Add the product under clause (A) to the~~  
24 ~~amount applicable under subsection (c) for the~~  
25 ~~current five year period.~~

26 ~~(C) Round the sum under clause (B) to the~~  
27 ~~nearest multiple of \$100.~~

28 ~~(3) The determination required under paragraph (1) and~~  
29 ~~the calculation of the adjustments required under paragraph~~  
30 ~~(2) shall be made in the period between October 1 and~~

~~November 15 of the year following the effective date of this subsection and 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 five year period 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 in which the 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) (1) or (b) and written or telephonic price quotations are required under subsection (c) for the five year period beginning the first day of January after publication of the notice.~~

(C.1) ADJUSTMENTS.--ADJUSTMENTS TO THE BASE AMOUNTS

SPECIFIED UNDER SUBSECTIONS (A) (1), (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.

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

8           (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE  
9           ROUNDED TO THE NEAREST \$1,000 TO DETERMINE THE FINAL  
10           ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS (A) (1),  
11           (B) AND (C).

12           (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE  
13           PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY  
14           AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED  
15           BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE  
16           PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF  
17           THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS  
18           FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO  
19           THE NEAREST \$1,000 TO DETERMINE THE NEW FINAL ADJUSTED BASE  
20           AMOUNTS FOR PURPOSES OF SUBSECTIONS (A) (1), (B) AND (C).

21           (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER  
22           THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1  
23           AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF  
24           THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER  
25           15 OF EACH YEAR THEREAFTER.

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

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

14           (8) NO ADJUSTMENT TO THE BASE AMOUNTS SPECIFIED UNDER  
15 SUBSECTIONS (A)(1), (B) AND (C) SHALL EXCEED 3% OF THE MOST  
16 RECENTLY ADJUSTED BASE AMOUNT.

17           \* \* \*

18           (h) Evasion.--

19           (1) An authority may not evade the provisions of this  
20 section as to bids or purchasing materials or contracting for  
21 services piecemeal for the purpose of obtaining prices under  
22 [\$10,000] the amount required by this section upon  
23 transactions which should, in the exercise of reasonable  
24 discretion and prudence, be conducted as one transaction  
25 amounting to more than [\$10,000] the amount required by this  
26 section.

27           \* \* \*

28           Section 3. Section 1750 of Title 74 is amended to read:

29 § 1750. Contracts, procurement and sale of property.

30           (a) Competitive bids.--Except in the purchase of unique

1 articles or articles which, for any other reason, cannot be  
2 obtained in the open market and except as provided in section  
3 1741 (relating to general powers) and as provided in this  
4 chapter, competitive bids shall be secured before any purchase  
5 or sale, by contract or otherwise, is made or before any  
6 contract is awarded for construction, alterations, supplies,  
7 equipment, repairs or maintenance or for rendering any services  
8 to the authority other than professional services. Purchases  
9 shall be made from or the contract shall be awarded to the  
10 lowest responsive, responsible bidder. Sales shall be made to  
11 the highest responsive, responsible bidder. No purchase of any  
12 unique article or other articles which cannot be obtained in the  
13 open market shall be made without express approval of the board  
14 where the amount involved is in excess of \$25,000. The authority  
15 shall not be subject to [the act of November 26, 1978 (P.L.1309,  
16 No.317), referred to as the Public Works Contract Regulation  
17 Law.] 62 Pa.C.S. Ch. 39 (relating to contracts for public  
18 works). Nothing in this section or any other law of this  
19 Commonwealth shall require the authority to competitively bid  
20 architectural design, engineering, construction management or  
21 other professional services required by the authority.

22 (b) Procedure.--All purchases and sales in excess of \$25,000  
23 shall be awarded after advertising in a local newspaper of  
24 general circulation in the metropolitan area at least two weeks  
25 prior to the bid opening. Bids shall be publicly opened and read  
26 aloud at a date, time and place designated in the invitation to  
27 bid. Invitations to bid shall be sent at least one week prior to  
28 the bid opening to at least three potential bidders who are  
29 qualified technically and financially to submit bids, or, in  
30 lieu thereof, a memorandum shall be kept on file showing that

1 less than three potential bidders so qualified exist in the  
2 market area within which it is practicable to obtain bids.

3 [(c) Qualified vendors.--Written price quotations from at  
4 least three qualified and responsible vendors shall be solicited  
5 for all purchases and sales under \$25,000 and over \$10,000, or,  
6 in lieu thereof, a memorandum approved by the general manager  
7 shall be kept on file showing that less than three vendors so  
8 qualified exist in the market area within which it is  
9 practicable to obtain quotations, except as provided in this  
10 chapter.]

11 (d) Small purchases.--[Purchases] Except as set forth in 62  
12 Pa.C.S. § 3742 (relating to procurement limits for mass  
13 transportation authorities), purchases or sales WITH A BASE ←  
14 PRICE under [\$10,000] ~~\$25,000~~ \$18,500, subject to adjustment ←  
15 under subsection (1), may be negotiated with or without  
16 competitive bidding under sound procurement procedures as  
17 promulgated and established by the general manager.

18 (e) Waiver.--Competitive bidding requirements may be waived  
19 if it is determined by the general manager, or in such other  
20 manner as the board may provide, that an emergency directly and  
21 immediately affecting customer service or public health, safety  
22 or welfare requires immediate delivery of supplies, materials,  
23 equipment or services. A record of circumstances explaining the  
24 emergency shall be submitted to the board at its next regular  
25 meeting and thereafter kept on file.

26 (f) Sale or lease of real property.--Contracts for the sale  
27 or lease of real property owned by the authority shall be  
28 awarded after competitive bidding as shown in subsection (b),  
29 except as provided in section 1741(a)(22) where the contract is  
30 entered into with the Commonwealth or any government agency or

1 with the United States government or any agency or  
2 instrumentality thereof or as provided in section 1741(a)(24).

3 (g) Property management contracts.--Contracts for the  
4 management of authority-owned property, such as bus routes or  
5 subway systems, may be negotiated and awarded by an affirmative  
6 vote of one more than a majority of all members of the board.

7 (h) Avoidance prohibited.--Requirements shall not be split  
8 into parts for the purpose of avoiding the provisions of this  
9 section.

10 (i) Rejection of bids.--The authority shall have the right  
11 to reject any or all bids or parts of any or all bids, whenever,  
12 in the opinion of the board, rejection is necessary for the  
13 protection of the interests of the authority. In every case, a  
14 record shall be made setting forth the reason for the rejection,  
15 which record shall thereafter be kept on file.

16 (j) Rules and regulations.--The board may by resolution  
17 adopt policies to effectuate the provisions of this section.

18 (k) Concessions.--All concessions granted by the authority  
19 for the sale of products or the rendition of services for a  
20 consideration on authority property shall be awarded only under  
21 written specifications after competitive bidding and to the  
22 highest responsive, responsible bidder in a manner similar to  
23 that required by subsection (b) [or (c) as appropriate]. This  
24 requirement for competitive bidding shall not apply to any  
25 concession which has been granted by a transportation system  
26 acquired by the authority and which by the terms of the  
27 agreement granting it will terminate within one year from date  
28 of the acquisition of the transportation system by the authority  
29 nor to any concession involving the estimated receipt by the  
30 authority of less than [\$10,000] ~~\$25,000~~ THE BASE AMOUNT OF



1 \$18,500, subject to adjustment under subsection (l), over the  
2 period for which the concession is granted.

3 ~~(l) Consumer Price Index adjustments.~~ ←

4 ~~(1) Every five years, beginning with the year in which~~  
5 ~~this subsection becomes applicable to contracts and~~  
6 ~~purchases, the Department of Labor and Industry shall~~  
7 ~~calculate the average percentage change in the Consumer Price~~  
8 ~~Index for All Urban Consumers (CPI U) for the United States~~  
9 ~~city average for all items as published by the United States~~  
10 ~~Department of Labor, Bureau of Labor Statistics, for the~~  
11 ~~preceding five year period.~~

12 ~~(2) The amount at which competitive bidding is required~~  
13 ~~under subsection (b) or (k) and the amount at which~~  
14 ~~competitive bidding may apply to purchases and sales under~~  
15 ~~subsection (d) shall be adjusted every five years as follows:~~

16 ~~(i) For subsections (b) and (k):~~

17 ~~(A) Multiply the positive percentage change~~  
18 ~~under paragraph (1) by the amount applicable under~~  
19 ~~subsection (b) or (k) for the current five year~~  
20 ~~period.~~

21 ~~(B) Add the product under clause (A) to the~~  
22 ~~amount applicable under subsection (b) or (k) for the~~  
23 ~~current five year period.~~

24 ~~(C) Round the sum under clause (B) to the~~  
25 ~~nearest multiple of \$100.~~

26 ~~(ii) For subsection (d):~~

27 ~~(A) Multiply the positive percentage change, as~~  
28 ~~determined under paragraph (1) by the amount~~  
29 ~~applicable under subsection (d) for the current five~~  
30 ~~year period.~~

1 ~~(B) Add the product under clause (A) to the~~  
2 ~~amount applicable under subsection (d) for the~~  
3 ~~current five year period.~~

4 ~~(C) Round the sum under clause (B) to the~~  
5 ~~nearest multiple of \$100.~~

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

12 ~~(4) The adjusted amounts obtained in accordance with~~  
13 ~~paragraph (2) shall become effective January 1 for the five~~  
14 ~~year period following the year in which the determination~~  
15 ~~required under paragraph (1) is made.~~

16 ~~(5) The Department of Labor and Industry shall give~~  
17 ~~notice in the Pennsylvania Bulletin prior to January 1 of~~  
18 ~~each calendar year in which the percentage change determined~~  
19 ~~in accordance with paragraph (1) and the amounts, whether~~  
20 ~~adjusted or unadjusted in accordance with paragraph (2), at~~  
21 ~~which competitive bidding is required under subsection (b) or~~  
22 ~~(k) and the amount at which competitive bidding may apply to~~  
23 ~~purchases and sales under subsection (d) for the five year~~  
24 ~~period beginning the first day of January after publication~~  
25 ~~of the notice.~~

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

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



1 AVERAGE AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF  
2 LABOR, BUREAU OF LABOR STATISTICS FOR THE 12-MONTH PERIOD  
3 ENDING SEPTEMBER 30, 2012, AND FOR EACH SUCCESSIVE 12-MONTH  
4 PERIOD THEREAFTER.

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

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

16 (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE  
17 ROUNDED TO THE NEAREST \$1,000 TO DETERMINE THE FINAL  
18 ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS (B),  
19 (D) AND (K).

20 (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE  
21 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY  
22 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED  
23 BY THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE  
24 PRODUCTS SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF  
25 THE PRIOR YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS  
26 FOR THE CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO  
27 THE NEAREST \$1,000 TO DETERMINE THE NEW FINAL ADJUSTED BASE  
28 AMOUNTS FOR PURPOSES OF SUBSECTIONS (B), (D) AND (K).

29 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER  
30 THIS SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1

1 AND NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF  
2 THIS SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER  
3 15 OF EACH YEAR THEREAFTER.

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

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

22 (8) NO ADJUSTMENT TO THE BASE AMOUNTS SPECIFIED UNDER  
23 SUBSECTIONS (B), (D) AND (K) SHALL EXCEED 3% OF THE MOST  
24 RECENTLY ADJUSTED BASE AMOUNT.

25 Section 4. This act shall apply to contracts and purchases  
26 ~~advertised after December 31 of the year in which this section~~ ←  
27 ~~takes effect~~ ON OR AFTER JANUARY 1 OF THE YEAR FOLLOWING THE ←  
28 EFFECTIVE DATE OF THIS SECTION.

29 Section 5. This act shall take effect immediately.