

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 290 Session of 2011

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

REFERRED TO LOCAL GOVERNMENT, JANUARY 26, 2011

AN ACT

1 Amending the act of April 29, 1937 (P.L.526, No.118), entitled,
2 as reenacted and amended, "An act providing for and
3 regulating joint purchases by counties (other than counties
4 of the first class), cities of the second and third class,
5 boroughs, towns, townships, school districts, institution
6 districts, and poor districts," increasing the amount of
7 purchases that may be made subject to certain conditions.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Section 2 of the act of April 29, 1937 (P.L.526,
11 No.118), referred to as the Political Subdivision Joint
12 Purchases Law, reenacted and amended July 28, 1941 (P.L.544, No.
13 224) and amended July 10, 1990 (P.L.398, No.95), is amended to
14 read:

15 Section 2. (a) All such purchases involving the expenditure
16 of over [ten thousand dollars (\$10,000)] twenty-five thousand
17 dollars (\$25,000) subject to adjustment under subsection (b.1)
18 shall be in writing, and shall be made only after notice, by one
19 of the political subdivisions joining therein, once a week for

1 two weeks in one or more newspapers of general circulation
2 published in the political subdivision advertising the same. All
3 plans and specifications shall be placed on file by each of the
4 political subdivisions joining in such purchase at least fifteen
5 days in advance of opening bids.

6 (b) Written or telephonic price quotations from at least
7 three qualified and responsible contractors shall be requested
8 for all contracts that exceed [four thousand dollars (\$4,000)]
9 seven thousand dollars (\$7,000) subject to adjustment under
10 subsection (b.1) but are less than the amount requiring
11 advertisement and competitive bidding or, in lieu of price
12 quotations, a memorandum shall be kept on file showing that
13 fewer than three qualified contractors 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 contractor and the contractor's representative, the
18 construction, reconstruction, repair, maintenance or work which
19 was the subject of the quotation and the price. Written price
20 quotations, written records of telephonic price quotations and
21 memoranda shall be retained for a period of three years.

22 (b.1) (1) Every five years, beginning with the year in
23 which this subsection becomes applicable to contracts and
24 purchases, the Department of Labor and Industry shall calculate
25 the average percentage change in the Consumer Price Index for
26 All Urban Consumers (CPI-U) for the United States city average
27 for all items as published by the United States Department of
28 Labor, Bureau of Labor Statistics, for the preceding five-year
29 period.

30 (2) The amount at which competitive bidding is required

under subsection (a) and the amount at which written or
telephonic price quotations are required under subsection (b)
shall be adjusted every five years as follows:

(i) In the case of competitive bidding, the positive
percentage change, as determined in accordance with paragraph
(1), shall be multiplied by the amount applicable under
subsection (a) for the current five-year period and the product
thereof shall be added to the amount applicable under subsection
(a) for the current five-year period, with the result rounded to
the nearest multiple of one hundred dollars (\$100).

(ii) In the case of written or telephonic price quotations,
the positive percentage change, as determined in accordance with
paragraph (1), shall be multiplied by the amount applicable
under subsection (b) for the current five-year period and the
product thereof shall be added to the amount applicable under
subsection (b) for the current five-year period, with the result
rounded to the nearest multiple of one hundred dollars (\$100).

(3) The 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
between October 1 and November 15 of each successive year.

(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) and written
or telephonic price quotations are required under subsection (b)
for the five-year period beginning the first day of January
after publication of the notice.

(c) No county or municipal government shall evade the provisions of this section as to advertising for bids or purchasing materials or contracting for services piecemeal for the purpose of obtaining prices under [ten thousand dollars (\$10,000)] twenty-five thousand dollars (\$25,000) subject to adjustment under subsection (b.1) upon transactions which should, in the exercise of reasonable discretion and prudence, be conducted as one transaction amounting to more than [ten thousand dollars (\$10,000)] twenty-five thousand dollars (\$25,000) subject to adjustment under subsection (b.1). This provision is intended to make unlawful the practice of evading advertising requirements by making a series of purchases or contracts each for less than the advertising requirement price or by making several simultaneous purchases or contracts each below said price, when in either case the transaction involved should have been made as one transaction for one price.

(d) Any member of a governing body of a county or municipality who votes to unlawfully evade the provisions of this section and who knows that the transaction upon which he so votes is or ought to be a part of a larger transaction and that it is being divided in order to evade the requirements as to advertising for bids commits a misdemeanor of the third degree for each contract entered into as a direct result of that vote.

(e) Every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works

1 shall comply with the provisions of the act of March 3, 1978
2 (P.L.6, No.3), known as the "Steel Products Procurement Act."
3 Section 2. This act shall apply to contracts and purchases
4 advertised on or after January 1 of the year following the
5 effective date of this section.
6 Section 3. This act shall take effect immediately.