



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 902

PRINTERS NO. 1101

PRIME SPONSOR: Ross

COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
Local Funds	\$0	\$0

SUMMARY: Amends Act 78 of 1979 to authorize political subdivisions and municipal and transportation authorities to enter into contracts for services when two consecutive advertisements fail to induce bids. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends Act 78 of 1979 to provide a procedure for political subdivisions and municipal and transportation authorities to follow when services are mandated to be bid and two consecutive advertisements fail to induce bids. For purposes of this legislation, "services" include the furnishing of labor, time or effort by a contractor not involving the delivery of a specific end product other than drawings, specifications or reports which are merely incidental to the required performance. The term includes the routine operation or maintenance of existing structures, buildings or real property, the repair or rehabilitation of existing infrastructure, and utility services or those services formerly provided by public utilities such as electrical, telephone, water and sewage service. The term does not include employment agreements or collective bargaining agreements.

Under the legislation, when a political subdivision, municipality authority or transportation authority is required to advertise for bids in order to enter into a contract for services and no bids are received, the political subdivision or authority may advertise for bids a second time. In the event that no bids are received within 15 days of the second advertisement, the political subdivision or authority may initiate negotiations for a contract for services with any provider not otherwise disqualified by law or an enactment or policy of the governing body.

Prior to the execution of the contract, the political subdivision or authority will be required to disclose at a regular or special public meeting the identity of the parties, the proposed contract price and a summary of the other terms and conditions relating to proposed contract, in order to demonstrate that the services sought are consistent with those previously advertised.

The legislation also specifies that misuse of its provisions to evade advertising requirements will subject a member of the governing body to the same penalties that exist in the applicable competitive bidding law.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth, political subdivision, municipal authority, or transportation authority funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: November 9, 2015

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.