

January 6, 2011

TO: All Senators

FROM: Senator John H. Eichelberger, Jr.
Senator Jim Ferlo

SUBJECT: Invitation for Co-Sponsorship
Bid Limit Increases for Local Governments

In the near future, we -- along with several Senate colleagues -- will be re-introducing a 16-bill package that would increase the bid limit thresholds under the various local government codes. Currently, when municipalities are planning to purchase items or enter into contracts, even as small as \$10,001, they must go through the entire, expensive competitive bidding process, including twice purchasing an advertisement in a newspaper of general circulation.

This \$10,000 bid limit threshold has not been changed since 1990. This package of bills would increase the threshold to a more reasonable \$25,000. In addition, the threshold for telephonic quotes would be changed to \$10,000 - \$25,000 (currently \$4,000 - \$10,000). Finally, in a change adopted last session, the bid limit thresholds would be adjusted every five years based upon the Consumer Price Index for all Urban Consumers (CPI-U) -- thus negating the need to regularly address this issue.

This package of bills was introduced last session as Senate Bills 317-332. Please note that legislation is not being introduced for Allegheny County and the City of Pittsburgh since they are home rule and their bid limits are set by their charters. We have attached a chart for your reference.

This package has the support of the County Commissioners Association of PA, the PA League of Cities and Municipalities, the PA State Association of Township Commissioners, the PA State Association of Township Supervisors, the PA State Association of Boroughs, and the PA Municipal Authorities Association.

If you would like to co-sponsor any or all of the 16 bills, please call Senator Eichelberger's office at 7-5490 or email Lee Derr at lderr@pasen.gov.

Local Government Bid Limits Legislation

09-10 Bill#	Local Government Code	Prime Sponsor	Last session's Committee Referral
317	County Code	Eichelberger	Local Government
318	Third Class Cities	Robbins	Local Government
319	Second Class Townships	Baker	Local Government
320	First Class Townships	Eichelberger	Local Government
321	Boroughs	Corman	Local Government
322	Towns	Gordner	Local Government
323	Title 53 (Municipalities Generally)	Ferlo	Local Government
324	2 nd Class County Code	Rafferty	Local Government
325	Municipal Flood Improvement Law	Ferlo	Local Government
326	Political Subdivision Joint Purchases Law	Brubaker	Local Government
327	Public Auditorium Authorities Law	Ferlo	Local Government
328	Flood Control Law	Eichelberger	Environmental Resources and Energy
329	State Public School Building Authority Act	Brubaker	Education
330	Public Building Construction Act	Folmer	Labor & Industry
331	Housing Authorities Law	Waugh	Urban Affairs
332	School Code: School Boards	Eichelberger	Education