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House of Representatives COMMONWEALTH OF PENNSYLVANIA HARRISBURG

MEMORANDUM

TO:

MEMBERS OF THE HOUSE OF REPRESENTATIVES

FROM:

Rep Jake Wheatley, Jr.

DATE:

December 13, 2011

SUBJECT:

Co-Sponsorship: Contracts to Promote Participation Amending the Political

Subdivision Joint Purchases Law

This memorandum seeks your sponsorship of a legislative proposal, which I will introduce when the House of Representatives returns to Session.

Briefly, my legislation would amend the Political Subdivision Joint Purchases Law by adding a provision that would require each Political Subdivision subject to this act to develop policies or guidelines to ensure that all persons are accorded equal opportunity in contracting, subcontracting, and purchasing of materials, supplies or equipment. The legislation would further require that contracts contain provisions by which contractors agree to promote, increase, and sustain contracting and subcontracting opportunities for disadvantaged businesses.

The term "disadvantaged business" is defined in the legislation to include minority, women, veteran, and service-disabled veteran business enterprises. A Political Subdivision could use the list of minority-owned, women-owned, and veteran-owned business enterprises as certified under the Department of General Services' disadvantaged business program to compete for and participate in the contracting process.

If you wish to join me as a sponsor of this legislation, please contact my Legislative Assistant, April Ashe, at aashe@pahouse.net or 783.3783.

AN ACT

- Amending the act of April 29, 1937 (P.L.526, No.118), entitled, 1
 - as reenacted and amended, "An act providing for and
- regulating joint purchases by counties (other than counties of the first class), cities of the second and third class, 3
- 4
- 5 boroughs, towns, townships, school districts, institution
- districts, and poor districts, " providing for contracts to 6
- promote participation. 7
- 8 The General Assembly of the Commonwealth of Pennsylvania
- 9 hereby enacts as follows:
- 10 Section 1. The act of April 29, 1937 (P.L.526, No.118),
- referred to as the Political Subdivision Joint Purchases Law, 11
- 12 reenacted and amended July 28, 1941 (P.L.544, No.224), is
- amended by adding a section to read: 13
- 14 Section 3.1 (a) Each political subdivision that makes
- purchases of materials, supplies or equipment jointly with 15
- 16 another political subdivision in accordance with the
- requirements of section 2 shall, by ordinance or resolution, 17
- develop and implement binding policies or quidelines to ensure 18
- that all persons are accorded equal opportunity in the 19
- acquisition of such materials, supplies or equipment which the 20

- 1 political subdivision may legally purchase.
- 2 (b) Every contract for or on behalf of a political
- 3 <u>subdivision</u> for the purchase of materials, supplies or equipment
- 4 made in accordance with the provisions of section 2 shall
- 5 contain provisions by which the contractor agrees to promote,
- 6 increase and sustain contracting and subcontracting
- 7 opportunities for disadvantaged businesses.
- 8 (c) Each political subdivision that makes purchases jointly
- 9 with another political subdivision shall ensure that a written
- 10 record is made of each written price quotation or telephonic
- 11 price quotation that requires advertisement and competitive
- 12 bidding. Records of written price quotations, telephonic price
- 13 quotations and memoranda shall be retained for three years. The
- 14 written record shall include, but not be limited to, the
- 15 <u>following:</u>
- 16 (1) The date of the written or telephonic price quotation.
- 17 (2) The name and address of the disadvantaged small
- 18 business, if any, and its representative making a written or
- 19 <u>telephonic price quotation</u>.
- 20 (3) The name and address of any disadvantaged business
- 21 participating in the performance of the contract.
- 22 (4) Information concerning the contract or purchases which
- 23 were the subject of the written or telephonic price quotation.
- 24 (5) The money value of the contract or the materials or
- 25 supplies.
- 26 (d) This section shall apply to:
- 27 (1) Any contract for or on behalf of a political subdivision
- 28 made in accordance with section 2 which is subject to
- 29 <u>competitive bidding</u>.
- 30 (2) Any written or telephonic price quotation which requires

- 1 <u>advertisement and competitive bidding</u>.
- 2 (3) All contractors, subcontractors, assignees, lessees,
- 3 agents, vendors and suppliers who furnish materials, supplies or
- 4 equipment to a political subdivision in accordance with section
- 5 <u>2.</u>
- 6 (4) Disadvantaged businesses.
- 7 (e) The governing body of each political subdivision may use
- 8 the lists of certified minority-owned, women-owned and veteran-
- 9 owned business enterprises which have been certified under the
- 10 Department of General Services' disadvantaged business program
- 11 to compete for and participate in the political subdivision's
- 12 contracting process. The Department of General Services shall
- 13 cooperate with and assist the governing body of the political
- 14 <u>subdivision</u> in carrying out the requirements of this subsection.
- 15 <u>(f) The following words and phrases when used in this</u>
- 16 <u>section shall have the meaning given to them in this subsection</u>
- 17 <u>unless the context clearly indicates otherwise:</u>
- 18 "Disadvantaged business." A small business which is owned or
- 19 controlled by a majority of persons, not limited to members of
- 20 minority groups, who:
- 21 (1) have been deprived of the opportunity to develop and
- 22 maintain a competitive position in the economy because of social
- 23 <u>disadvantages</u>; or
- 24 (2) are veterans, including service-disabled veterans.
- 25 <u>"Service-disabled veteran." A veteran who possesses either</u>
- 26 an adjudication letter from the Department of Veterans Affairs
- 27 <u>establishing a service-connected disability rating or a</u>
- 28 disability determination from the Department of Defense.
- 29 "Small business." The term shall have the meaning given to
- 30 it in 62 Pa.C.S. § 2102 (relating to definitions).

- 1 <u>"Veteran." An individual who:</u>
- 2 (1) served in the active United States military in any of
- 3 the four current branches and all previous branches, including a
- 4 reserve component or the National Guard;
- 5 (2) was released or discharged from active military service
- 6 under conditions other than dishonorable; and
- 7 (3) possesses a certificate of release or discharge from
- 8 <u>active duty.</u>
- 9 Section 2. This act shall take effect in 60 days.