
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2784 Session of
1986

INTRODUCED BY DORR, SERAFINI, CAPPABIANCA AND VAN HORNE,
SEPTEMBER 29, 1986

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
SEPTEMBER 29, 1986

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; and prescribing the manner in which the
18 number and compensation of the deputies and all other
19 assistants and employes of certain departments, boards and
20 commissions shall be determined," further providing for the
21 method of awarding certain contracts.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 Section 1. Section 2409(j) and (k) of the act of April 9,
25 1929 (P.L.177, No.175), known as The Administrative Code of
26 1929, amended December 19, 1980 (P.L.1333, No.244), are amended

1 and the section is amended by adding a subsection to read:

2 Section 2409. Method of Awarding Contracts for Stationery,
3 Paper, Fuel, Repairs, Furnishings, and Supplies.--* * *

4 (j) Except as hereinafter provided, no proposal for any
5 contract greater than one hundred thousand dollars (\$100,000)
6 shall be considered unless such proposal is accompanied by a
7 certified or bank check, to the order of the State Treasurer, in
8 [one-fourth] ten per centum (10%) of the amount of the estimated
9 contract, or by a bond or alternate security in such form and
10 amount as may be prescribed by the department. Any such bond or
11 alternate security shall be conditioned for the faithful
12 performance of the terms of the contract, if awarded, and, if a
13 bond, shall have as surety one surety company authorized to act
14 as surety in this Commonwealth[, or two individual sureties
15 approved by the Department of Justice].

16 (j.1) In lieu of a bond to secure a bidder's performance,
17 the department in its discretion may accept, as a substitute
18 therefor, alternate security in the form of an assignment of
19 time certificates of deposit of banks licensed by the
20 Commonwealth; securities of, or those guaranteed by, the United
21 States of America or the Commonwealth and its political
22 subdivisions; an irrevocable letter of credit; shares of savings
23 and loan institutions authorized to transact business in this
24 Commonwealth; or any other form of alternate security approved
25 by the department. In the event such alternate security is
26 accepted, the bidder shall be entitled to all interest or income
27 earned on such security, and such security shall be returned to
28 the bidder by the department within sixty days after
29 performance.

30 (k) A bidder, who shall have accompanied his proposal with a

1 certified or bank check as aforesaid, and to whom a contract
2 shall have been awarded, may, within ten days after such award,
3 substitute for said check a bond or alternate security as herein
4 prescribed, otherwise said check shall be retained in lieu of a
5 bond.

6 * * *

7 Section 2. This act shall take effect in 60 days.