

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 448 Session of
1989

INTRODUCED BY GODSHALL, S. H. SMITH, COY, MRKONIC, TIGUE,
DISTLER, ROBBINS, GLADECK, MERRY, CIVERA, DEMPSEY, PHILLIPS,
NOYE, CARLSON, HERMAN, STABACK, ALLEN, McVERRY, HESS, FARGO,
GEIST, DeLUCA, NAHILL, JOHNSON, GIGLIOTTI, HALUSKA, REBER,
YANDRISEVITS, TRELLO, VROON, BUNT, McHALE, OLASZ, TRICH,
RAYMOND, CORNELL, WAMBACH, FLICK, VEON, G. SNYDER, HECKLER
AND MARSICO, FEBRUARY 14, 1989

REFERRED TO COMMITTEE ON URBAN AFFAIRS, FEBRUARY 14, 1989

AN ACT

1 Amending the act of June 25, 1919 (P.L.581, No.274), entitled
2 "An act for the better government of cities of the first
3 class of this Commonwealth," restricting certain persons from
4 bidding on contracts.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Article XX of the act of June 25, 1919 (P.L.581,
8 No.274), referred to as the First Class City Government Law, is
9 amended by adding a section to read:

10 ARTICLE XX.

11 City Contracts.

12 * * *

13 Section 7. (a) No person who or entity which, as a
14 contractor or subcontractor, supplied goods or services to a
15 government or government instrumentality and has been convicted
16 of, or has pleaded guilty or nolo contendere to, a Federal or

1 State crime involving fraud upon a government or a government
2 instrumentality for acts or omissions arising out of the
3 supplying of goods or services, or who has been found by an
4 appropriate administrative agency to have committed fraud in the
5 performance of a contract with a government or a government
6 instrumentality and that finding has not been reversed on
7 appeal, and no entity in which that person or entity has a
8 substantial interest, may bid on a contract for a period of
9 three years after such conviction or plea. For purposes of this
10 subsection, the following words and phrases shall have the
11 following meanings:

12 (1) "Crime" means any criminal act committed after the
13 effective date of this amendatory act for which the maximum
14 possible penalty exceeds a fine of three hundred dollars (\$300)
15 or exceeds imprisonment for ninety days.

16 (2) "Entity" means any association, corporation, limited
17 partnership, partnership, or other business or nonprofit
18 organization.

19 (3) "Fraud" includes, but is not limited to:

20 I. A misrepresentation of a material fact that is not made
21 honestly and in good faith.

22 II. A promise, representation or prediction as to the future
23 that is not made honestly and in good faith.

24 III. An intentional failure to disclose a material fact.

25 IV. A fictitious or pretended purchase or sale of a
26 security.

27 V. The gaining, through the sale of a security, of an
28 underwriting or promotion fee or profit or a selling or managing
29 fee or profit that is so gross or exorbitant as to be
30 unconscionable, including a scheme, device or artifice to obtain

1 such a profit, fee or commission.

2 VI. A scheme, device or artifice to defraud a prospective or
3 actual customer, client or subscriber of securities, money or
4 property.

5 (4) "State" means the District of Columbia or any
6 possession, state, territory or trusteeship of the United
7 States.

8 (5) "Substantial interest" means serving as a director of a
9 for-profit organization, limited partner, officer, partner, or
10 proprietor, or owning more than ten per centum of the number of
11 shares of voting stock or more than twenty per centum of the
12 total number of shares of stock.

13 (b) The city may require the following information to be
14 submitted with the bid: a sworn statement by the bidder and, if
15 the affiant is an entity, by every person or entity having a
16 substantial interest therein, listing all Federal and state
17 convictions of, and pleas of guilty or nolo contendere to, any
18 crime within three years prior to the date of the statement,
19 said statement to be dated no more than one week prior to the
20 date set for the opening of bids.

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