

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1335 Session of
1989INTRODUCED BY PRESTON, WAMBACH, HARPER, ANGSTADT, R. C. WRIGHT,
TRELLO, VAN HORNE AND LASHINGER, APRIL 26, 1989AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 14, 1989

AN ACT

1 Amending the act of May 28, 1937 (P.L.955, No.265), entitled, as
2 amended, "An act to promote public health, safety, morals,
3 and welfare by declaring the necessity of creating public
4 bodies, corporate and politic, to be known as housing
5 authorities to engage in slum clearance, and to undertake
6 projects, to provide dwelling accommodations for persons of
7 low income; providing for the organization of such housing
8 authorities; defining their powers and duties; providing for
9 the exercise of such powers, including the acquisition of
10 property by purchase, gift or eminent domain, the renting and
11 selling of property, and including borrowing money, issuing
12 bonds, and other obligations, and giving security therefor;
13 prescribing the remedies of obligees of housing authorities;
14 authorizing housing authorities to enter into agreements,
15 including agreements with the United States, the
16 Commonwealth, and political subdivisions and municipalities
17 thereof; defining the application of zoning, sanitary, and
18 building laws and regulations to projects built or maintained
19 by such housing authorities; exempting the property and
20 securities of such housing authorities from taxation; and
21 imposing duties and conferring powers upon the State Planning
22 Board, and certain other State officers and departments,"
23 increasing the maximum amount for which authorities may
24 contract or purchase without bids; ~~and~~ prohibiting evasion of <—
25 requirement to advertise for bids; AND PROVIDING FOR <—
26 PURCHASES THAT ARE NOT SUBJECT TO ADVERTISEMENT AND BIDDING.

27 The General Assembly of the Commonwealth of Pennsylvania

28 hereby enacts as follows:

29 Section 1. Section 11(a) and (b) of the act of May 28, 1937

1 (P.L.955, No.265), known as the Housing Authorities Law, amended
2 February 5, 1982 (P.L.17, No.8), are amended and the section is
3 amended by adding ~~a subsection~~ SUBSECTIONS to read: <—

4 Section 11. Awards of Contracts; Completion Bond; Additional
5 Bond for Protection of Materialmen and Others.--

6 (a) Whenever the estimated cost of any construction,
7 erection, installation, completion, alteration, repair of, or
8 addition to, any project subject to the control of any Authority
9 shall exceed [four thousand (\$4,000) dollars] ten thousand
10 (\$10,000) dollars, it shall be the duty of said Authority to
11 have such work performed pursuant to a contract awarded to the
12 lowest responsible bidder, after advertisement for bids. Every
13 such contract shall contain a provision obligating the
14 contractor to the prompt payment of all material furnished,
15 labor supplied or performed, rental for equipment employed, and
16 services rendered by public utilities in or in connection with
17 the prosecution of the work, whether or not the said material,
18 labor, equipment or service enter into and become component
19 parts of the work or improvement contemplated. Such provision
20 shall be deemed to be included for the benefit of every person,
21 copartnership, association or corporation who, as subcontractor
22 or otherwise, has furnished material, supplied or performed
23 labor, rented equipment or services in or in connection with the
24 prosecution of the work as aforesaid, and the inclusion thereof
25 in any contract shall preclude the filing by any such person,
26 copartnership, association or corporation of any mechanics' lien
27 claim for such material, labor or rental of equipment.

28 (b) Whenever the estimated cost of any purchase of supplies,
29 materials or equipment or the rental of any equipment, whether
30 or not the same is to be used in connection with the

1 construction, erection, installation, completion, alteration,
2 repair of, or addition to, any project subject to the control of
3 any Authority, shall exceed [four thousand (\$4,000) dollars] ten
4 thousand (\$10,000) dollars, it shall be the duty of such
5 Authority to have such purchase or rental made pursuant to a
6 contract awarded to the lowest responsible bidder, after
7 advertisement for bids, such advertisement to be inserted in a
8 newspaper of general circulation within the county in which the
9 Authority operates.

10 (b.1) An authority shall not evade the provisions of
11 subsection (a) or (b) as to advertising for bids by purchasing
12 materials or contracting for services piecemeal, for the purpose
13 of obtaining prices under ten thousand (\$10,000) dollars upon
14 transactions which should in the exercise of reasonable
15 discretion and prudence be conducted as one transaction
16 amounting to more than ten thousand (\$10,000) dollars. This
17 provision is intended to make unlawful the practice of evading
18 advertising requirements by making a series of purchases or
19 contracts, each for less than the advertising requirement price,
20 or by making several simultaneous purchases or contracts, each
21 below said price, when, in either case, the transactions
22 involved should have been made as one transaction for one price.

23 (B.2) WRITTEN OR TELEPHONIC PRICE QUOTATIONS FROM AT LEAST <—
24 THREE QUALIFIED AND RESPONSIBLE VENDORS SHALL BE OBTAINED FOR
25 ALL PURCHASES UNDER TEN THOUSAND (\$10,000) DOLLARS, OR IN LIEU
26 OF PRICE QUOTATIONS, A MEMORANDUM SHALL BE KEPT ON FILE SHOWING
27 THAT FEWER THAN THREE QUALIFIED VENDORS SO QUALIFIED EXIST IN
28 THE MARKET AREA WITHIN WHICH IT IS PRACTICABLE TO OBTAIN
29 QUOTATIONS. A WRITTEN RECORD OF TELEPHONIC PRICE QUOTATIONS
30 SHALL BE MADE AND SHALL CONTAIN AT LEAST THE DATE OF THE

1 QUOTATION, THE NAME OF THE VENDOR AND THE VENDOR'S
2 REPRESENTATIVE, THE ITEM WHICH WAS THE SUBJECT OF THE QUOTATION
3 AND THE PRICE OF THE ITEM. WRITTEN PRICE QUOTATIONS, WRITTEN
4 RECORDS OF TELEPHONIC PRICE QUOTATIONS AND MEMORANDA SHALL BE
5 RETAINED FOR A PERIOD OF THREE YEARS.

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