

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 744 Session of
1989

INTRODUCED BY STOUT, CORMAN, STEWART, BRIGHTBILL, PUNT, LEMMOND,
PORTERFIELD, WENGER, MADIGAN, AFFLERBACH, REIBMAN AND
PETERSON, MARCH 23, 1989

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 30, 1990

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled "An
2 act concerning townships of the second class; and amending,
3 revising, consolidating, and changing the law relating
4 thereto," further regulating contracts, advertisements,
5 specifications and bids for certain contracts.

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

8 Section 1. Section 802(a) and (e) of the act of May 1, 1933
9 (P.L.103, No.69), known as The Second Class Township Code,
10 reenacted and amended July 10, 1947 (P.L.1481, No.567) and
11 amended December 22, 1981 (P.L.539, No.156) and December 17,
12 1986 (P.L.1686, No.198), are amended AND THE SECTION IS AMENDED <—
13 BY ADDING SUBSECTIONS to read:

14 Section 802. Letting Contracts.--(a) Each township shall
15 have the power to make, to authorize, and to ratify,
16 expenditures for lawful purposes from funds available therefor,
17 by borrowing within legal limitations: Provided, That all
18 contracts or purchases in excess of [four thousand dollars] ~~ten~~ <—

1 ~~thousand dollars~~ THE MONETARY THRESHOLD LEVEL FOR THE TOWNSHIP, <—
2 except those hereinafter mentioned, shall not be made except
3 with and from the lowest responsible bidder, after due notice in
4 one newspaper of general circulation, published or circulating
5 in the county in which the township is situated, at least two
6 times, at intervals of not less than three days where daily
7 newspapers of general circulation are employed for such
8 publication, or in case weekly newspapers are employed, then the
9 notice shall be published once a week for two successive weeks.
10 The first advertisement shall be published not more than forty-
11 five days and the second advertisement not less than ten days
12 prior to the date fixed for the opening of bids. Notice of
13 proposed contracts or purchases shall also be posted where the
14 board of supervisors normally meets or in a conspicuous place
15 within the township.

16 (A.1) THE MONETARY THRESHOLD LEVEL ABOVE WHICH COMPETITIVE <—
17 BIDDING SHALL BE REQUIRED SHALL BE ONE PER CENTUM (1%) OF THE
18 TOTAL OF ALL BUDGETS ADMINISTERED BY THE TOWNSHIP, BUT IN NO
19 CASE SHALL THE MONETARY THRESHOLD BE LESS THAN FOUR THOUSAND
20 DOLLARS, NOR MORE THAN TEN THOUSAND DOLLARS.

21 (A.2) WRITTEN OR TELEPHONIC PRICE QUOTATIONS FROM AT LEAST
22 THREE QUALIFIED AND RESPONSIBLE CONTRACTORS SHALL BE REQUESTED
23 FOR ALL CONTRACTS THAT EXCEED FOUR THOUSAND DOLLARS BUT ARE LESS
24 THAN THE AMOUNT REQUIRING ADVERTISEMENT AND COMPETITIVE BIDDING
25 OR, IN LIEU OF PRICE QUOTATIONS, A MEMORANDUM SHALL BE KEPT ON
26 FILE SHOWING THAT FEWER THAN THREE QUALIFIED CONTRACTORS EXIST
27 IN THE MARKET AREA WITHIN WHICH IT IS PRACTICABLE TO OBTAIN
28 QUOTATIONS. A WRITTEN RECORD OF TELEPHONIC PRICE QUOTATIONS
29 SHALL BE MADE AND SHALL CONTAIN AT LEAST THE DATE OF THE
30 QUOTATION, THE NAME OF THE CONTRACTOR AND THE CONTRACTOR'S

1 REPRESENTATIVE, THE CONSTRUCTION, RECONSTRUCTION, REPAIR,
2 MAINTENANCE OR WORK WHICH WAS THE SUBJECT OF THE QUOTATION AND
3 THE PRICE. WRITTEN PRICE QUOTATIONS, WRITTEN RECORDS OF
4 TELEPHONIC PRICE QUOTATIONS AND MEMORANDA SHALL BE RETAINED FOR
5 A PERIOD OF THREE YEARS.

6 * * *

7 (e) The contracts or purchases made by any supervisors
8 involving an expenditure of over [four thousand dollars] ~~ten~~ <—
9 ~~thousand dollars~~ THE MONETARY THRESHOLD LEVEL FOR THE TOWNSHIP, <—
10 which shall not require advertising or bidding as hereinbefore
11 provided, are as follows:

12 (1) Those made for maintenance, repairs or replacements for
13 water, electric light and other public works of the township,
14 provided they do not constitute new additions, extensions or
15 enlargements of existing facilities and equipment, but a bond
16 may be required by the supervisors as in other cases of work
17 done.

18 (2) Those made for improvements, repairs or maintenance of
19 any kind, made or provided by any township, through its own
20 employees: Provided, however, That all materials used for road
21 improvement, maintenance and/or construction in excess of [four
22 thousand dollars] ~~ten thousand dollars~~ THE MONETARY THRESHOLD <—
23 LEVEL FOR THE TOWNSHIP be subject to the advertising
24 requirements contained herein.

25 (3) Those where particular types, models or pieces of new
26 equipment, articles, apparatus, appliances, vehicles, or parts
27 thereof, are desired by the supervisors, which are patented and
28 manufactured products.

29 (4) Those involving any policies of insurance or surety
30 company bonds, those made for public utility service under

1 tariffs on file with the Pennsylvania Public Utility Commission,
2 those made with another political subdivision, county, the
3 Commonwealth of Pennsylvania or the Federal Government, or any
4 agency of the Commonwealth or Federal Government, or any
5 municipal authority, including the sale, leasing or loan of any
6 supplies or materials by the Commonwealth, or the Federal
7 Government, or their agencies, but the price thereof, or the
8 expenditure therefor, shall not be in excess of those fixed by
9 the Commonwealth, the Federal Government or their agencies.

10 (5) Those involving personal or professional services.

11 * * *

12 Section 2. Sections 802.1 and 804 of the act, amended
13 December 22, 1981 (P.L.539, No.156), are amended to read:

14 Section 802.1. Evasion of Advertising Requirements.--No
15 supervisor or supervisors shall evade the provisions of section
16 eight hundred two as to advertising for bids, by purchasing or
17 contracting for services and personal properties piecemeal for
18 the purpose of obtaining prices under [four thousand dollars] <—
19 ~~upon ten thousand dollars~~ UPON] THE MONETARY THRESHOLD LEVEL FOR <—
20 THE TOWNSHIP transactions which should, in the exercise of
21 reasonable discretion and prudence, be conducted as one
22 transaction amounting to more than [four thousand dollars] ~~ten~~ <—
23 ~~thousand dollars~~ THE MONETARY THRESHOLD LEVEL FOR THE TOWNSHIP. <—
24 This provision is intended to make unlawful the evading of
25 advertising requirements by making a series of purchases or
26 contracts each for less than the advertising requirement price,
27 or by making several simultaneous purchases or contracts, each
28 below said price, when, in either case, the transactions
29 involved should have been made as one transaction for one price.
30 Any supervisors who so vote in violation of this provision, and

1 who know that the transaction upon which they so vote is or
2 ought to be part of a larger transaction and that it is being
3 divided in order to evade the requirements as to advertising for
4 bids, shall be jointly and severally subject to surcharge for
5 ten per centum of the full amount of the contract or purchase.
6 Whenever it shall appear that a supervisor may have voted in
7 violation of this section, but the purchase or contract on which
8 he so voted was not approved by the board of supervisors, this
9 section shall be inapplicable.

10 Section 804. Separate Specifications for Branches of Work.--
11 In the preparation of specifications for the erection or
12 alteration of any public building, when the entire cost of such
13 work exceeds [four thousand dollars] ~~ten thousand dollars~~ THE <—
14 MONETARY THRESHOLD LEVEL FOR THE TOWNSHIP, the architect,
15 engineer, or person preparing such specifications shall prepare
16 separate specifications for the plumbing, heating, ventilating,
17 and electrical work, and the township shall receive separate
18 bids upon each of such branches of work and award the contract
19 for the same to the lowest responsible bidder.

20 Section 3. This act shall take effect in 60 days.