

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 288**      Session of  
2011

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INTRODUCED BY M. K. KELLER, AUMENT, BAKER, BEAR, BENNINGHOFF, BLOOM, BOBACK, BOYD, BROOKS, CAUSER, CHRISTIANA, CLYMER, COX, CREIGHTON, CUTLER, DELOZIER, DENLINGER, ELLIS, EVERETT, FARRY, FLECK, GABLER, GEIST, GILLESPIE, GINGRICH, GRELL, GROVE, HALUSKA, HARHART, HARPER, HARRIS, HELM, HENNESSEY, HESS, HICKERNELL, KAUFFMAN, KILLION, KNOWLES, MAJOR, MARSHALL, MARSICO, MASSER, METCALFE, MILLARD, MILLER, MOUL, OBERLANDER, O'NEILL, PAYNE, PEIFER, PERRY, PICKETT, PYLE, QUIGLEY, QUINN, RAPP, REED, REICHLEY, ROAE, ROCK, ROSS, SAYLOR, SCAVELLO, CULVER, SCHRODER, SIMMONS, SONNEY, STERN, STEVENSON, SWANGER, TALLMAN, TOBASH, TRUITT, TURZAI, VEREB, VULAKOVICH, WATSON AND F. KELLER, JANUARY 27, 2011

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SENATOR EICHELBERGER, LOCAL GOVERNMENT, IN SENATE, AS AMENDED, SEPTEMBER 27, 2011

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## AN ACT

1 Amending the act of July 29, 1953 (P.L.1034, No.270), entitled,  
2 as amended, "An act creating as bodies corporate and politic  
3 "Public Auditorium Authorities" in counties of the second  
4 class and in cities of the second class and in cities of the  
5 second class A and counties in which a city of the second  
6 class A is located, singly or jointly; prescribing the  
7 rights, powers and duties of such Authorities; authorizing  
8 such Authorities to acquire, construct, improve, maintain and  
9 operate public auditoriums; to borrow money and issue bonds  
10 therefor; providing for the payment of such bonds and  
11 prescribing the rights of the holders thereof; conferring the  
12 right of eminent domain on such Authorities; empowering such  
13 Authorities to enter into contracts, leases and licenses with  
14 and to accept grants from private sources, the Federal  
15 Government, State, political subdivisions of the State or any  
16 agency thereof; authorizing the making of said grants from  
17 bond funds or current revenues; authorizing Authorities to  
18 collect rentals, admissions, license fees for the use of the  
19 project; exempting the property and securities of such Public  
20 Auditorium Authorities from taxation," increasing the dollar  
21 amount of supplies and materials which may be purchased  
22 without advertising.

1 The General Assembly of the Commonwealth of Pennsylvania  
2 hereby enacts as follows:

3 ~~Section 1. Section 11 of the act of July 29, 1953 (P.L.1034,~~ ←  
4 ~~No.270), known as the Public Auditorium Authorities Law, amended~~  
5 ~~July 10, 1990 (P.L.376, No.88), is amended to read:~~

6 ~~Section 11. Competition in Award of Contracts.~~

7 ~~A. All construction, reconstruction, repairs or work of any~~  
8 ~~nature made by any Authority, where the entire cost, value or~~  
9 ~~amount of such construction, reconstruction, repairs or work,~~  
10 ~~including labor and materials, shall exceed [ten thousand~~  
11 ~~dollars (\$10,000)] the base amount of twenty five thousand~~  
12 ~~dollars (\$25,000), subject to annual adjustment under subsection~~  
13 ~~1, except construction, reconstruction, repairs or work done by~~  
14 ~~employees of said Authority or by labor supplied under agreement~~  
15 ~~with any Federal or State agency with supplies and materials~~  
16 ~~purchased, as hereinafter provided, shall be done only under~~  
17 ~~contract or contracts to be entered into by the Authority with~~  
18 ~~the lowest responsible bidder upon proper terms, after due~~  
19 ~~public notice has been given asking for competitive bids~~  
20 ~~hereinafter provided. No contract shall be entered into for~~  
21 ~~construction or improvement or repair of any project or portion~~  
22 ~~thereof unless the contractor shall give an undertaking, with a~~  
23 ~~sufficient surety or sureties approved by the Authority and in~~  
24 ~~an amount fixed by the Authority, for the faithful performance~~  
25 ~~of the contract. All such contracts shall provide, among other~~  
26 ~~things, that the person or corporation entering into such~~  
27 ~~contract with the Authority will pay for all materials furnished~~  
28 ~~and services rendered for the performance of the contract and~~  
29 ~~that any person or corporation furnishing such materials or~~  
30 ~~rendering such services may maintain an action to recover for~~

1 ~~the same against the obligor in the undertaking as though such~~  
2 ~~person or corporation was named therein, provided the action is~~  
3 ~~brought within one year after the time the cause of action~~  
4 ~~accrued. Nothing in this section shall be construed to limit the~~  
5 ~~power of the Authority to construct, repair or improve any~~  
6 ~~project or portion thereof or any addition, betterment or~~  
7 ~~extension thereto directly by the officers, agents and employes~~  
8 ~~of the Authority or otherwise than by contract.~~

9 ~~B. All supplies and materials costing [ten thousand dollars~~  
10 ~~(\$10,000)], subject to annual adjustment under subsection I, the~~  
11 ~~base amount of twenty five thousand dollars (\$25,000) or more~~  
12 ~~shall be purchased only after due advertisement as hereinafter~~  
13 ~~provided. The Authority shall accept the lowest bid or bids,~~  
14 ~~kinds, quality and material being equal, but the Authority shall~~  
15 ~~have the right to reject any or all bids or select a single item~~  
16 ~~from any bid. The provisions as to bidding shall not apply to~~  
17 ~~the purchase of patented and manufactured products offered for~~  
18 ~~sale in a non competitive market or solely by a manufacturer's~~  
19 ~~authorized dealer.~~

20 ~~B.1. Written or telephonic price quotations from at least~~  
21 ~~three (3) qualified and responsible contractors shall be~~  
22 ~~requested for all contracts that exceed [four thousand dollars~~  
23 ~~(\$4,000)] the base amount of ten thousand dollars (\$10,000),~~  
24 ~~subject to annual adjustment under subsection I, but are less~~  
25 ~~than the amount requiring advertisement and competitive bidding~~  
26 ~~or, in lieu of price quotations, a memorandum shall be kept on~~  
27 ~~file showing that fewer than three (3) qualified contractors~~  
28 ~~exist in the market area within which it is practicable to~~  
29 ~~obtain quotations. A written record of telephonic price~~  
30 ~~quotations shall be made and shall contain at least the date of~~

1 ~~the quotation, the name of the contractor and the contractor's~~  
2 ~~representative, the construction, reconstruction, repair,~~  
3 ~~maintenance or work which was the subject of the quotation and~~  
4 ~~the price. Written price quotations, written records of~~  
5 ~~telephonic price quotations and memoranda shall be retained for~~  
6 ~~a period of three (3) years.~~

7 ~~C. The terms, advertisement or due public notice, wherever~~  
8 ~~used in this section, shall mean a notice published at least ten~~  
9 ~~(10) days before the award on any contract in a newspaper of~~  
10 ~~general circulation published in the municipality where the~~  
11 ~~Authority has its principal office, and if no newspaper is~~  
12 ~~published therein then by publication in a newspaper in the~~  
13 ~~county where the Authority has its principal office: Provided,~~  
14 ~~That such notice may be waived where the Authority determines an~~  
15 ~~emergency exists and such supplies and materials must be~~  
16 ~~immediately purchased by the said Authority.~~

17 ~~D. No member of the Authority or officer or employe thereof~~  
18 ~~shall, either directly or indirectly, be a party to or be in any~~  
19 ~~manner interested in any contract or agreement with the~~  
20 ~~Authority for any matter, cause or thing whatsoever, by reason~~  
21 ~~whereof any liability or indebtedness shall in any way be~~  
22 ~~created against such Authority. If any contract or agreement~~  
23 ~~shall be made in violation of the provision of this section, the~~  
24 ~~same shall be null and void and no action shall be maintained~~  
25 ~~thereon against such Authority.~~

26 ~~E. Subject to the aforesaid, any Authority may (but without~~  
27 ~~intending by this provision to limit any powers of such~~  
28 ~~Authority) enter into and carry out such contracts or establish~~  
29 ~~or comply with such rules and regulations concerning labor and~~  
30 ~~materials and other related matters, in connection with any~~

1 ~~project or portion thereof, as the Authority may deem desirable,~~  
2 ~~or as may be requested by any Federal agency that may assist in~~  
3 ~~the financing of such project or any part thereof: Provided,~~  
4 ~~however, That the provisions of this section shall not apply to~~  
5 ~~any case in which the Authority has taken over by transfer or~~  
6 ~~assignment any contract authorized to be assigned to it under~~  
7 ~~the provisions of section ten of this act, nor to any contract~~  
8 ~~in connection with the construction of any project which the~~  
9 ~~Authority may have had transferred to it by any person or~~  
10 ~~private corporation.~~

11 ~~F. Every contract for the construction, reconstruction,~~  
12 ~~alteration, repair, improvement or maintenance of public works~~  
13 ~~shall comply with the provisions of the act of March 3, 1978~~  
14 ~~(P.L.6, No.3), known as the "Steel Products Procurement Act."~~

15 ~~G. An Authority shall not evade the provisions of this~~  
16 ~~section as to advertising for bids or purchasing materials or~~  
17 ~~contracting for services piecemeal for the purpose of obtaining~~  
18 ~~prices under [ten thousand dollars (\$10,000)] the base amount of~~  
19 ~~twenty five thousand dollars (\$25,000), subject to annual~~  
20 ~~adjustment under subsection I, upon transactions which should,~~  
21 ~~in the exercise of reasonable discretion and prudence, be~~  
22 ~~conducted as one transaction amounting to more than [ten~~  
23 ~~thousand dollars (\$10,000)] the base amount of twenty five~~  
24 ~~thousand dollars (\$25,000), subject to annual adjustment under~~  
25 ~~subsection I. This provision is intended to make unlawful the~~  
26 ~~practice of evading advertising requirements by making a series~~  
27 ~~of purchases or contracts each for less than the advertising~~  
28 ~~requirement price or by making several simultaneous purchases or~~  
29 ~~contracts each below said price, when in either case the~~  
30 ~~transaction involved should have been made as one transaction~~

1 ~~for one price.~~

2 ~~H. Any member of the Authority who votes to unlawfully evade~~  
3 ~~the provisions of this section and who knows that the~~  
4 ~~transaction upon which he so votes is or ought to be a part of a~~  
5 ~~larger transaction and that it is being divided in order to~~  
6 ~~evade the requirements as to advertising for bids commits a~~  
7 ~~misdemeanor of the third degree for each contract entered into~~  
8 ~~as a direct result of that vote.~~

9 ~~I. Adjustments to the base amounts specified under~~  
10 ~~subsections A, B, B.1 and G shall be made as follows:~~

11 ~~(1) The Department of Labor and Industry shall determine the~~  
12 ~~percentage change in the All Items Consumer Price Index for All~~  
13 ~~Urban Consumers (CPI-U) for the United States City Average as~~  
14 ~~published by the United States Department of Labor, Bureau of~~  
15 ~~Labor Statistics for the twelve month period ending September 30~~  
16 ~~of the calendar year in which this subsection becomes effective,~~  
17 ~~and for each successive twelve month period thereafter.~~

18 ~~(2) If the department determines that there is no positive~~  
19 ~~percentage change, then no adjustment to the base amounts shall~~  
20 ~~occur for the relevant time period provided for in this~~  
21 ~~subsection.~~

22 ~~(3) (i) If the department determines that there is a~~  
23 ~~positive percentage change in the first year that the~~  
24 ~~determination is made under paragraph (1), the positive~~  
25 ~~percentage change shall be multiplied by each base amount and~~  
26 ~~the products shall be added to the base amounts, respectively,~~  
27 ~~and the sums shall be preliminary adjusted amounts.~~

28 ~~(ii) The preliminary adjusted amounts shall be rounded to~~  
29 ~~the nearest one thousand dollars (\$1,000), to determine the~~  
30 ~~final adjusted base amounts for purposes of subsections A, B,~~

1 ~~B.1 and G.~~

2 ~~(4) In each successive year in which there is a positive~~  
3 ~~percentage change in the CPI-U for the United States City-~~  
4 ~~Average, the positive percentage change shall be multiplied by~~  
5 ~~the most recent preliminary adjusted amounts and the products~~  
6 ~~shall be added to the most recent preliminary adjusted amounts,~~  
7 ~~respectively. The sums thereof shall be rounded to the nearest~~  
8 ~~one thousand dollars (\$1,000) to determine the new final~~  
9 ~~adjusted base amounts for purposes of subsections A, B, B.1 and~~  
10 ~~G.~~

11 ~~(5) The determinations and adjustments required under this~~  
12 ~~subsection shall be made in the period between October 1 and~~  
13 ~~November 15 of the year following the effective date of this~~  
14 ~~subsection, and annually between October 1 and November 15 of~~  
15 ~~each year thereafter.~~

16 ~~(6) The final adjusted base amounts and new final adjusted~~  
17 ~~base amounts obtained under paragraphs (3) and (4) shall become~~  
18 ~~effective January 1 for the calendar year following the year in~~  
19 ~~which the determination required under paragraph (1) is made.~~

20 ~~(7) The department shall publish notice in the Pennsylvania~~  
21 ~~Bulletin prior to January 1 of each calendar year of the annual~~  
22 ~~percentage change determined under paragraph (1) and the~~  
23 ~~unadjusted or final adjusted base amounts determined under~~  
24 ~~paragraphs (3) and (4) for purposes of subsections A, B, B.1 and~~  
25 ~~G, respectively, for the calendar year beginning the first day~~  
26 ~~of January after publication of the notice. The notice shall~~  
27 ~~include a written and illustrative explanation of the~~  
28 ~~calculations performed by the department in establishing the~~  
29 ~~unadjusted or final adjusted base amounts under this subsection~~  
30 ~~for the ensuing calendar year.~~

1 ~~Section 2. This act shall apply to contracts and purchases~~  
2 ~~advertised on or after January 1 of the year following the~~  
3 ~~effective date of this section.~~

4 ~~Section 3. This act shall take effect in 60 days.~~

5 SECTION 1. SECTION 11 OF THE ACT OF JULY 29, 1953 (P.L.1034, ←  
6 NO.270), KNOWN AS THE PUBLIC AUDITORIUM AUTHORITIES LAW, AMENDED  
7 JULY 10, 1990 (P.L.376, NO.88), IS AMENDED TO READ:

8 SECTION 11. COMPETITION IN AWARD OF CONTRACTS.

9 A. ALL CONSTRUCTION, RECONSTRUCTION, REPAIRS OR WORK OF ANY  
10 NATURE MADE BY ANY AUTHORITY, WHERE THE ENTIRE COST, VALUE OR  
11 AMOUNT OF SUCH CONSTRUCTION, RECONSTRUCTION, REPAIRS OR WORK,  
12 INCLUDING LABOR AND MATERIALS, SHALL EXCEED [TEN THOUSAND  
13 DOLLARS (\$10,000)] THE BASE AMOUNT OF EIGHTEEN THOUSAND FIVE  
14 HUNDRED DOLLARS (\$18,500), SUBJECT TO ADJUSTMENT UNDER  
15 SUBSECTION I, EXCEPT CONSTRUCTION, RECONSTRUCTION, REPAIRS OR  
16 WORK DONE BY EMPLOYEES OF SAID AUTHORITY OR BY LABOR SUPPLIED  
17 UNDER AGREEMENT WITH ANY FEDERAL OR STATE AGENCY WITH SUPPLIES  
18 AND MATERIALS PURCHASED, AS HEREINAFTER PROVIDED, SHALL BE DONE  
19 ONLY UNDER CONTRACT OR CONTRACTS TO BE ENTERED INTO BY THE  
20 AUTHORITY WITH THE LOWEST RESPONSIBLE BIDDER UPON PROPER TERMS,  
21 AFTER DUE PUBLIC NOTICE HAS BEEN GIVEN ASKING FOR COMPETITIVE  
22 BIDS HEREINAFTER PROVIDED. NO CONTRACT SHALL BE ENTERED INTO FOR  
23 CONSTRUCTION OR IMPROVEMENT OR REPAIR OF ANY PROJECT OR PORTION  
24 THEREOF UNLESS THE CONTRACTOR SHALL GIVE AN UNDERTAKING, WITH A  
25 SUFFICIENT SURETY OR SURETIES APPROVED BY THE AUTHORITY AND IN  
26 AN AMOUNT FIXED BY THE AUTHORITY, FOR THE FAITHFUL PERFORMANCE  
27 OF THE CONTRACT. ALL SUCH CONTRACTS SHALL PROVIDE, AMONG OTHER  
28 THINGS, THAT THE PERSON OR CORPORATION ENTERING INTO SUCH  
29 CONTRACT WITH THE AUTHORITY WILL PAY FOR ALL MATERIALS FURNISHED  
30 AND SERVICES RENDERED FOR THE PERFORMANCE OF THE CONTRACT AND



1 THAT ANY PERSON OR CORPORATION FURNISHING SUCH MATERIALS OR  
2 RENDERING SUCH SERVICES MAY MAINTAIN AN ACTION TO RECOVER FOR  
3 THE SAME AGAINST THE OBLIGOR IN THE UNDERTAKING AS THOUGH SUCH  
4 PERSON OR CORPORATION WAS NAMED THEREIN, PROVIDED THE ACTION IS  
5 BROUGHT WITHIN ONE YEAR AFTER THE TIME THE CAUSE OF ACTION  
6 ACCRUED. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT THE  
7 POWER OF THE AUTHORITY TO CONSTRUCT, REPAIR OR IMPROVE ANY  
8 PROJECT OR PORTION THEREOF OR ANY ADDITION, BETTERMENT OR  
9 EXTENSION THERETO DIRECTLY BY THE OFFICERS, AGENTS AND EMPLOYES  
10 OF THE AUTHORITY OR OTHERWISE THAN BY CONTRACT.

11 B. ALL SUPPLIES AND MATERIALS COSTING [TEN THOUSAND DOLLARS  
12 (\$10,000)], SUBJECT TO ADJUSTMENT UNDER SUBSECTION I, IN EXCESS  
13 OF THE BASE AMOUNT OF EIGHTEEN THOUSAND FIVE HUNDRED DOLLARS  
14 (\$18,500) OR MORE SHALL BE PURCHASED ONLY AFTER DUE  
15 ADVERTISEMENT AS HEREINAFTER PROVIDED. THE AUTHORITY SHALL  
16 ACCEPT THE LOWEST BID OR BIDS, KINDS, QUALITY AND MATERIAL BEING  
17 EQUAL, BUT THE AUTHORITY SHALL HAVE THE RIGHT TO REJECT ANY OR  
18 ALL BIDS OR SELECT A SINGLE ITEM FROM ANY BID. THE PROVISIONS AS  
19 TO BIDDING SHALL NOT APPLY TO THE PURCHASE OF PATENTED AND  
20 MANUFACTURED PRODUCTS OFFERED FOR SALE IN A NON-COMPETITIVE  
21 MARKET OR SOLELY BY A MANUFACTURER'S AUTHORIZED DEALER.

22 B.1. WRITTEN OR TELEPHONIC PRICE QUOTATIONS FROM AT LEAST  
23 THREE (3) QUALIFIED AND RESPONSIBLE CONTRACTORS SHALL BE  
24 REQUESTED FOR ALL CONTRACTS THAT EXCEED [FOUR THOUSAND DOLLARS  
25 (\$4,000)] THE BASE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000),  
26 SUBJECT TO ADJUSTMENT UNDER SUBSECTION I, BUT ARE LESS THAN THE  
27 AMOUNT REQUIRING ADVERTISEMENT AND COMPETITIVE BIDDING OR, IN  
28 LIEU OF PRICE QUOTATIONS, A MEMORANDUM SHALL BE KEPT ON FILE  
29 SHOWING THAT FEWER THAN THREE (3) QUALIFIED CONTRACTORS EXIST IN  
30 THE MARKET AREA WITHIN WHICH IT IS PRACTICABLE TO OBTAIN

1 QUOTATIONS. A WRITTEN RECORD OF TELEPHONIC PRICE QUOTATIONS  
2 SHALL BE MADE AND SHALL CONTAIN AT LEAST THE DATE OF THE  
3 QUOTATION, THE NAME OF THE CONTRACTOR AND THE CONTRACTOR'S  
4 REPRESENTATIVE, THE CONSTRUCTION, RECONSTRUCTION, REPAIR,  
5 MAINTENANCE OR WORK WHICH WAS THE SUBJECT OF THE QUOTATION AND  
6 THE PRICE. WRITTEN PRICE QUOTATIONS, WRITTEN RECORDS OF  
7 TELEPHONIC PRICE QUOTATIONS AND MEMORANDA SHALL BE RETAINED FOR  
8 A PERIOD OF THREE (3) YEARS.

9 C. THE TERMS, ADVERTISEMENT OR DUE PUBLIC NOTICE, WHEREVER  
10 USED IN THIS SECTION, SHALL MEAN A NOTICE PUBLISHED AT LEAST TEN  
11 (10) DAYS BEFORE THE AWARD ON ANY CONTRACT IN A NEWSPAPER OF  
12 GENERAL CIRCULATION PUBLISHED IN THE MUNICIPALITY WHERE THE  
13 AUTHORITY HAS ITS PRINCIPAL OFFICE, AND IF NO NEWSPAPER IS  
14 PUBLISHED THEREIN THEN BY PUBLICATION IN A NEWSPAPER IN THE  
15 COUNTY WHERE THE AUTHORITY HAS ITS PRINCIPAL OFFICE: PROVIDED,  
16 THAT SUCH NOTICE MAY BE WAIVED WHERE THE AUTHORITY DETERMINES AN  
17 EMERGENCY EXISTS AND SUCH SUPPLIES AND MATERIALS MUST BE  
18 IMMEDIATELY PURCHASED BY THE SAID AUTHORITY.

19 D. NO MEMBER OF THE AUTHORITY OR OFFICER OR EMPLOYEE THEREOF  
20 SHALL, EITHER DIRECTLY OR INDIRECTLY, BE A PARTY TO OR BE IN ANY  
21 MANNER INTERESTED IN ANY CONTRACT OR AGREEMENT WITH THE  
22 AUTHORITY FOR ANY MATTER, CAUSE OR THING WHATSOEVER, BY REASON  
23 WHEREOF ANY LIABILITY OR INDEBTEDNESS SHALL IN ANY WAY BE  
24 CREATED AGAINST SUCH AUTHORITY. IF ANY CONTRACT OR AGREEMENT  
25 SHALL BE MADE IN VIOLATION OF THE PROVISION OF THIS SECTION, THE  
26 SAME SHALL BE NULL AND VOID AND NO ACTION SHALL BE MAINTAINED  
27 THEREON AGAINST SUCH AUTHORITY.

28 E. SUBJECT TO THE AFORESAID, ANY AUTHORITY MAY (BUT WITHOUT  
29 INTENDING BY THIS PROVISION TO LIMIT ANY POWERS OF SUCH  
30 AUTHORITY) ENTER INTO AND CARRY OUT SUCH CONTRACTS OR ESTABLISH

1 OR COMPLY WITH SUCH RULES AND REGULATIONS CONCERNING LABOR AND  
2 MATERIALS AND OTHER RELATED MATTERS, IN CONNECTION WITH ANY  
3 PROJECT OR PORTION THEREOF, AS THE AUTHORITY MAY DEEM DESIRABLE,  
4 OR AS MAY BE REQUESTED BY ANY FEDERAL AGENCY THAT MAY ASSIST IN  
5 THE FINANCING OF SUCH PROJECT OR ANY PART THEREOF: PROVIDED,  
6 HOWEVER, THAT THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO  
7 ANY CASE IN WHICH THE AUTHORITY HAS TAKEN OVER BY TRANSFER OR  
8 ASSIGNMENT ANY CONTRACT AUTHORIZED TO BE ASSIGNED TO IT UNDER  
9 THE PROVISIONS OF SECTION TEN OF THIS ACT, NOR TO ANY CONTRACT  
10 IN CONNECTION WITH THE CONSTRUCTION OF ANY PROJECT WHICH THE  
11 AUTHORITY MAY HAVE HAD TRANSFERRED TO IT BY ANY PERSON OR  
12 PRIVATE CORPORATION.

13 F. EVERY CONTRACT FOR THE CONSTRUCTION, RECONSTRUCTION,  
14 ALTERATION, REPAIR, IMPROVEMENT OR MAINTENANCE OF PUBLIC WORKS  
15 SHALL COMPLY WITH THE PROVISIONS OF THE ACT OF MARCH 3, 1978  
16 (P.L.6, NO.3), KNOWN AS THE "STEEL PRODUCTS PROCUREMENT ACT."

17 G. AN AUTHORITY SHALL NOT EVADE THE PROVISIONS OF THIS  
18 SECTION AS TO ADVERTISING FOR BIDS OR PURCHASING MATERIALS OR  
19 CONTRACTING FOR SERVICES PIECEMEAL FOR THE PURPOSE OF OBTAINING  
20 PRICES UNDER [TEN THOUSAND DOLLARS (\$10,000)] THE BASE AMOUNT OF  
21 EIGHTEEN THOUSAND FIVE HUNDRED DOLLARS (\$18,500), SUBJECT TO  
22 ADJUSTMENT UNDER SUBSECTION I, UPON TRANSACTIONS WHICH SHOULD,  
23 IN THE EXERCISE OF REASONABLE DISCRETION AND PRUDENCE, BE  
24 CONDUCTED AS ONE TRANSACTION AMOUNTING TO MORE THAN [TEN  
25 THOUSAND DOLLARS (\$10,000)] THE BASE AMOUNT OF EIGHTEEN THOUSAND  
26 FIVE HUNDRED DOLLARS (\$18,500), SUBJECT TO ADJUSTMENT UNDER  
27 SUBSECTION I. THIS PROVISION IS INTENDED TO MAKE UNLAWFUL THE  
28 PRACTICE OF EVADING ADVERTISING REQUIREMENTS BY MAKING A SERIES  
29 OF PURCHASES OR CONTRACTS EACH FOR LESS THAN THE ADVERTISING  
30 REQUIREMENT PRICE OR BY MAKING SEVERAL SIMULTANEOUS PURCHASES OR

1 CONTRACTS EACH BELOW SAID PRICE, WHEN IN EITHER CASE THE  
2 TRANSACTION INVOLVED SHOULD HAVE BEEN MADE AS ONE TRANSACTION  
3 FOR ONE PRICE.

4 H. ANY MEMBER OF THE AUTHORITY WHO VOTES TO UNLAWFULLY EVADE  
5 THE PROVISIONS OF THIS SECTION AND WHO KNOWS THAT THE  
6 TRANSACTION UPON WHICH HE SO VOTES IS OR OUGHT TO BE A PART OF A  
7 LARGER TRANSACTION AND THAT IT IS BEING DIVIDED IN ORDER TO  
8 EVADE THE REQUIREMENTS AS TO ADVERTISING FOR BIDS COMMITS A  
9 MISDEMEANOR OF THE THIRD DEGREE FOR EACH CONTRACT ENTERED INTO  
10 AS A DIRECT RESULT OF THAT VOTE.

11 I. ADJUSTMENTS TO THE BASE AMOUNTS SPECIFIED UNDER  
12 SUBSECTIONS A, B, B.1 AND G SHALL BE MADE AS FOLLOWS:

13 (1) THE DEPARTMENT OF LABOR AND INDUSTRY SHALL DETERMINE THE  
14 PERCENTAGE CHANGE IN THE ALL ITEMS CONSUMER PRICE INDEX FOR ALL  
15 URBAN CONSUMERS (CPI-U) FOR THE UNITED STATES CITY AVERAGE AS  
16 PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF  
17 LABOR STATISTICS FOR THE TWELVE-MONTH PERIOD ENDING SEPTEMBER  
18 30, 2012, AND FOR EACH SUCCESSIVE TWELVE-MONTH PERIOD  
19 THEREAFTER.

20 (2) IF THE DEPARTMENT DETERMINES THAT THERE IS NO POSITIVE  
21 PERCENTAGE CHANGE, THEN NO ADJUSTMENT TO THE BASE AMOUNTS SHALL  
22 OCCUR FOR THE RELEVANT TIME PERIOD PROVIDED FOR IN THIS  
23 SUBSECTION.

24 (3) (I) IF THE DEPARTMENT DETERMINES THAT THERE IS A  
25 POSITIVE PERCENTAGE CHANGE IN THE FIRST YEAR THAT THE  
26 DETERMINATION IS MADE UNDER CLAUSE (1), THE POSITIVE PERCENTAGE  
27 CHANGE SHALL BE MULTIPLIED BY EACH BASE AMOUNT AND THE PRODUCTS  
28 SHALL BE ADDED TO THE BASE AMOUNTS, RESPECTIVELY, AND THE SUMS  
29 SHALL BE PRELIMINARY ADJUSTED AMOUNTS.

30 (II) THE PRELIMINARY ADJUSTED AMOUNTS SHALL BE ROUNDED TO

1 THE NEAREST ONE HUNDRED DOLLARS (\$100), TO DETERMINE THE FINAL  
2 ADJUSTED BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS A, B, B.1 AND  
3 G.

4 (4) IN EACH SUCCESSIVE YEAR IN WHICH THERE IS A POSITIVE  
5 PERCENTAGE CHANGE IN THE CPI-U FOR THE UNITED STATES CITY  
6 AVERAGE, THE POSITIVE PERCENTAGE CHANGE SHALL BE MULTIPLIED BY  
7 THE MOST RECENT PRELIMINARY ADJUSTED AMOUNTS AND THE PRODUCTS  
8 SHALL BE ADDED TO THE PRELIMINARY ADJUSTED AMOUNT OF THE PRIOR  
9 YEAR TO CALCULATE THE PRELIMINARY ADJUSTED AMOUNTS FOR THE  
10 CURRENT YEAR. THE SUMS THEREOF SHALL BE ROUNDED TO THE NEAREST  
11 ONE HUNDRED DOLLARS (\$100) TO DETERMINE THE NEW FINAL ADJUSTED  
12 BASE AMOUNTS FOR PURPOSES OF SUBSECTIONS A, B, B.1 AND G.

13 (5) THE DETERMINATIONS AND ADJUSTMENTS REQUIRED UNDER THIS  
14 SUBSECTION SHALL BE MADE IN THE PERIOD BETWEEN OCTOBER 1 AND  
15 NOVEMBER 15 OF THE YEAR FOLLOWING THE EFFECTIVE DATE OF THIS  
16 SUBSECTION, AND ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER 15 OF  
17 EACH YEAR THEREAFTER.

18 (6) THE FINAL ADJUSTED BASE AMOUNTS AND NEW FINAL ADJUSTED  
19 BASE AMOUNTS OBTAINED UNDER CLAUSES (3) AND (4) SHALL BECOME  
20 EFFECTIVE JANUARY 1 FOR THE CALENDAR YEAR FOLLOWING THE YEAR IN  
21 WHICH THE DETERMINATION REQUIRED UNDER CLAUSE (1) IS MADE.

22 (7) THE DEPARTMENT SHALL PUBLISH NOTICE IN THE PENNSYLVANIA  
23 BULLETIN PRIOR TO JANUARY 1 OF EACH CALENDAR YEAR OF THE ANNUAL  
24 PERCENTAGE CHANGE DETERMINED UNDER CLAUSE (1) AND THE UNADJUSTED  
25 OR FINAL ADJUSTED BASE AMOUNTS DETERMINED UNDER CLAUSES (3) AND  
26 (4) AT WHICH COMPETITIVE BIDDING IS REQUIRED UNDER SUBSECTIONS  
27 A, B AND G AND WRITTEN OR TELEPHONIC PRICE QUOTATIONS ARE  
28 REQUIRED UNDER SUBSECTION B.1, RESPECTIVELY, FOR THE CALENDAR  
29 YEAR BEGINNING THE FIRST DAY OF JANUARY AFTER PUBLICATION OF THE  
30 NOTICE. THE NOTICE SHALL INCLUDE A WRITTEN AND ILLUSTRATIVE

1 EXPLANATION OF THE CALCULATIONS PERFORMED BY THE DEPARTMENT IN  
2 ESTABLISHING THE UNADJUSTED OR FINAL ADJUSTED BASE AMOUNTS UNDER  
3 THIS SUBSECTION FOR THE ENSUING CALENDAR YEAR.

4 (8) THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED BASE  
5 AMOUNTS OBTAINED UNDER CLAUSES (3) AND (4) SHALL NOT EXCEED  
6 THREE PERCENT.

7 SECTION 2. THIS ACT SHALL APPLY TO CONTRACTS AND PURCHASES  
8 ADVERTISED ON OR AFTER JANUARY 1 OF THE YEAR FOLLOWING THE  
9 EFFECTIVE DATE OF THIS SECTION.

10 SECTION 3. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.