
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 294 Session of
2011

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, GERBER, 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 AND WATSON, JANUARY 27, 2011

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JANUARY 27, 2011

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, further providing for competitive
3 bidding of contracts relating to municipal authorities.

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

6 Section 1. Section 5614(a)(1), (b), (c) and (h)(1) of Title
7 53 of the Pennsylvania Consolidated Statutes are amended and the
8 section is amended by adding a subsection to read:

9 § 5614. Competition in award of contracts.

10 (a) Services.--

11 (1) Except as set forth in paragraph (2), all
12 construction, reconstruction, repair or work of any nature
13 made by an authority if the entire cost, value or amount,

1 including labor and materials, exceeds [\$10,000] \$25,000,
2 subject to adjustment under subsection (c.1), shall be done
3 only under contract to be entered into by the authority with
4 the lowest responsible bidder upon proper terms after public
5 notice asking for competitive bids as provided in this
6 section.

7 * * *

8 (b) Supplies and materials.--All supplies and materials
9 costing at least [\$10,000] \$25,000, subject to adjustment under
10 subsection (c.1), shall be purchased only after advertisement as
11 provided in this section. The authority shall accept the lowest
12 bid, kind, quality and material being equal, but the authority
13 shall have the right to reject any or all bids or select a
14 single item from any bid. The provisions as to bidding shall not
15 apply to the purchase of patented and manufactured products
16 offered for sale in a noncompetitive market or solely by a
17 manufacturer's authorized dealer.

18 (c) Quotations.--Written or telephonic price quotations from
19 at least three qualified and responsible contractors shall be
20 requested for a contract which exceeds [\$4,000] \$10,000, subject
21 to adjustment under subsection (c.1), but is less than the
22 amount requiring advertisement and competitive bidding. In lieu
23 of price quotations, a memorandum shall be kept on file showing
24 that fewer than three qualified contractors exist in the market
25 area within which it is practicable to obtain quotations. A
26 written record of telephonic price quotations shall be made and
27 shall contain at least the date of the quotation; the name of
28 the contractor and the contractor's representative; the
29 construction, reconstruction, repair, maintenance or work which
30 was the subject of the quotation; and the price. Written price

1 quotations, written records of telephonic price quotations and
2 memoranda shall be retained for a period of three years.

3 (c.1) Adjustments.--

4 (1) The Department of Labor and Industry shall determine
5 the percentage change in the Consumer Price Index for All
6 Urban Consumers for the 12-month period ending September 30
7 of the calendar year in which this subsection becomes
8 effective and for each successive 12-month period thereafter.

9 (2) The amount at which competitive bidding is required
10 under subsection (a) (1) and the amount at which written or
11 telephonic price quotations are required under subsection (b)
12 shall be adjusted annually as follows:

13 (i) For subsection (a) (1):

14 (A) Multiply the positive percentage change
15 under paragraph (1) by the amount applicable under
16 subsection (a) for the current year.

17 (B) Add the product under clause (A) to the
18 amount applicable under subsection (a) (1) for the
19 current year.

20 (C) Round the sum under clause (B) to the
21 nearest multiple of \$10.

22 (ii) For subsection (b):

23 (A) Multiply the positive percentage change, as
24 determined under paragraph (1) by the amount
25 applicable under subsection (a) (1) for the current
26 year.

27 (B) Add the product under clause (A) to the
28 amount applicable under subsection (b) for the
29 current year.

30 (C) Round the sum under clause (B) to the

1 nearest multiple of \$10.

2 (3) The annual determination required under paragraph
3 (1) and the calculation of the adjustments required under
4 paragraph (2) shall be made in the period between October 1
5 and November 15 of the year following the effective date of
6 this subsection and annually between October 1 and November
7 15 of each successive year.

8 (4) The adjusted amounts obtained under paragraph (2)
9 shall become effective January 1 for the calendar year
10 following the year in which the determination required under
11 paragraph (1) is made.

12 (5) The department shall give notice in the Pennsylvania
13 Bulletin prior to January 1 of each calendar year of the
14 annual percentage change determined in accordance with
15 paragraph (1) and the amounts, whether adjusted or unadjusted
16 in accordance with paragraph (2), at which competitive
17 bidding is required under subsection (a)(1) and written or
18 telephonic price quotations are required under subsection (b)
19 for the calendar year beginning the first day of January
20 after publication of the notice.

21 * * *

22 (h) Evasion.--

23 (1) An authority may not evade the provisions of this
24 section as to bids or purchasing materials or contracting for
25 services piecemeal for the purpose of obtaining prices under
26 [\$10,000] the amount required by this section upon
27 transactions which should, in the exercise of reasonable
28 discretion and prudence, be conducted as one transaction
29 amounting to more than [\$10,000] the amount required by this
30 section.

1 * * *

2 Section 2. This act shall apply to contracts and purchases
3 advertised after December 31 of the year in which this section
4 takes effect.

5 Section 3. This act shall take effect immediately.