

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 287** Session of
2011

INTRODUCED BY FERLO, EICHELBERGER, KASUNIC, FOLMER, GORDNER,
BOSCOLA, ORIE, RAFFERTY, YAW, M. WHITE, D. WHITE, ERICKSON,
BAKER, ALLOWAY, BRUBAKER, GREENLEAF, SMUCKER, WAUGH, ROBBINS,
VANCE, EARLL, SCARNATI, McILHINNEY, PICCOLA, WARD AND BROWNE,
JANUARY 26, 2011

AS AMENDED ON THIRD CONSIDERATION, SEPTEMBER 26, 2011

AN ACT

1 Amending Titles 53 (Municipalities Generally) and 74
2 (Transportation) of the Pennsylvania Consolidated Statutes,
3 further providing for competitive bidding of contracts by
4 intergovernmental units, by parking authorities, by municipal
5 authorities and by metropolitan transportation authorities.

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

8 Section 1. Sections 2308 and 2311 of Title 53 of the
9 Pennsylvania Consolidated Statutes are amended to read:

10 § 2308. Bids for certain joint purchases.

11 (a) Notice.--All joint purchases involving an expenditure of
12 more than [\$10,000] a base amount of \$18,500, subject to
13 adjustment under subsection (b), shall be made by contract, in
14 writing, only after notice for bids once a week for two weeks in
15 at least one and not more than two newspapers of general
16 circulation in the joining local governments. All contracts
17 shall be let to the lowest responsible bidder. Every contract
18 for the construction, reconstruction, alteration, repair,

1 improvement or maintenance of public works shall comply with the
2 provisions of the act of March 3, 1978 (P.L.6, No.3), known as
3 the Steel Products Procurement Act.

4 (b) Adjustments.--Adjustments to the base amounts specified
5 under subsection (a) shall be made as follows:

6 (1) The Department of Labor and Industry shall determine
7 the percentage change in the All Items Consumer Price Index
8 for All Urban Consumers (CPI-U) for the United States City
9 Average as published by the United States Department of
10 Labor, Bureau of Labor Statistics for the 12-month period
11 ending September 30, 2012, and for each successive 12-month
12 period thereafter.

13 (2) If the department determines that there is no
14 positive percentage change, then no adjustment to the base
15 amounts shall occur for the relevant time period provided for
16 in this subsection.

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

24 (ii) The preliminary adjusted amounts shall be
25 rounded to the nearest ~~\$1,000~~ \$100 to determine the final ←
26 adjusted base amounts for purposes of subsection (a).

27 (4) In each successive year in which there is a positive
28 percentage change in the CPI-U for the United States City
29 Average, the positive percentage change shall be multiplied
30 by the most recent preliminary adjusted amounts and the

1 products shall be added to the preliminary adjusted amount of
2 the prior year to calculate the preliminary adjusted amounts
3 for the current year. The sums thereof shall be rounded to
4 the nearest ~~\$1,000~~ \$100 to determine the new final adjusted ←
5 base amounts for purposes of subsection (a).

6 (5) The determinations and adjustments required under
7 this subsection shall be made in the period between October 1
8 and November 15 of the year following the effective date of
9 this subsection, and annually between October 1 and November
10 15 of each year thereafter.

11 (6) The final adjusted base amounts and new final
12 adjusted base amounts obtained under paragraphs (3) and (4)
13 shall become effective January 1 for the calendar year
14 following the year in which the determination required under
15 paragraph (1) is made.

16 (7) The department shall publish notice in the
17 Pennsylvania Bulletin prior to January 1 of each calendar
18 year of the annual percentage change determined under
19 paragraph (1) and the unadjusted or final adjusted base
20 amounts determined under paragraphs (3) and (4) at which
21 competitive bidding is required under subsection (a), for the
22 calendar year beginning the first day of January after
23 publication of the notice. The notice shall include a written
24 and illustrative explanation of the calculations performed by
25 the department in establishing the unadjusted or final
26 adjusted base amounts under this subsection for the ensuing
27 calendar year.

28 ~~(8) No adjustment to the base amounts specified under~~ ←
29 ~~subsection (a) shall exceed 3% of the most recently adjusted~~
30 ~~base amount~~ THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED ←

1 BASE AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4) SHALL NOT
2 EXCEED 3%.

3 § 2311. Written or telephonic price quotations required.

4 (a) Amount.--Written or telephonic price quotations from at
5 least three qualified and responsible contractors shall be
6 requested for all contracts [that exceed \$4,000] in excess of
7 the base amount of \$10,000, subject to adjustment under
8 subsection (b), but are less than the amount requiring
9 advertisement and competitive bidding, or, in lieu of price
10 quotations, a memorandum shall be kept on file showing that
11 fewer than three qualified contractors exist in the market area
12 within which it is practicable to obtain quotations. A written
13 record of telephonic price quotations shall be made and shall
14 contain at least the date of the quotation, the name of the
15 contractor and the contractor's representative, the
16 construction, reconstruction, repair, maintenance or work which
17 was the subject of the quotation and the price, written price
18 quotations, written records of telephonic price quotations, and
19 memoranda shall be retained for a period of three years.

20 (b) Adjustments.--Adjustments to the base amounts specified
21 under subsection (a) shall be made as follows:

22 (1) The Department of Labor and Industry shall determine
23 the percentage change in the All Items Consumer Price Index
24 for All Urban Consumers (CPI-U) for the United States City
25 Average as published by the United States Department of
26 Labor, Bureau of Labor Statistics for the 12-month period
27 ending September 30, 2012, and for each successive 12-month
28 period thereafter.

29 (2) If the department determines that there is no
30 positive percentage change, then no adjustment to the base

1 amounts shall occur for the relevant time period provided for
2 in this subsection.

3 (3) (i) If the department determines that there is a
4 positive percentage change in the first year that the
5 determination is made under paragraph (1), the positive
6 percentage change shall be multiplied by each base amount
7 and the products shall be added to the base amounts,
8 respectively, and the sums shall be preliminary adjusted
9 amounts.

10 (ii) The preliminary adjusted amounts shall be
11 rounded to the nearest ~~\$1,000~~ \$100 to determine the final ←
12 adjusted base amounts for purposes of subsection (a).

13 (4) In each successive year in which there is a positive
14 percentage change in the CPI-U for the United States City
15 Average, the positive percentage change shall be multiplied
16 by the most recent preliminary adjusted amounts and the
17 products shall be added to the preliminary adjusted amount of
18 the prior year to calculate the preliminary adjusted amounts
19 for the current year. The sums thereof shall be rounded to
20 the nearest ~~\$1,000~~ \$100 to determine the new final adjusted ←
21 base amounts for purposes of subsection (a).

22 (5) The determinations and adjustments required under
23 this subsection shall be made in the period between October 1
24 and November 15 of the year following the effective date of
25 this subsection, and annually between October 1 and November
26 15 of each year thereafter.

27 (6) The final adjusted base amounts and new final
28 adjusted base amounts obtained under paragraphs (3) and (4)
29 shall become effective January 1 for the calendar year
30 following the year in which the determination required under

1 paragraph (1) is made.

2 (7) The department shall publish notice in the
3 Pennsylvania Bulletin prior to January 1 of each calendar
4 year of the annual percentage change determined under
5 paragraph (1) and the unadjusted or final adjusted base
6 amounts determined under paragraphs (3) and (4) at which
7 written or telephonic price quotations are required under
8 subsection (a), for the calendar year beginning the first day
9 of January after publication of the notice. The notice shall
10 include a written and illustrative explanation of the
11 calculations performed by the department in establishing the
12 unadjusted or final adjusted base amounts under this
13 subsection for the ensuing calendar year.

14 ~~(8) No adjustment to the base amounts specified under~~ ←
15 ~~subsection (a) shall exceed 3% of the most recently adjusted~~
16 ~~base amount~~ THE ANNUAL INCREASE IN THE PRELIMINARY ADJUSTED ←
17 ~~BASE AMOUNTS OBTAINED UNDER PARAGRAPHS (3) AND (4) SHALL NOT~~
18 ~~EXCEED 3%.~~

19 Section 2. Sections 5511(c) and (h)(1) and 5614(a)(1), (b),
20 (c) and (h)(1) of Title 53 are amended and the sections are
21 amended by adding subsections to read:

22 § 5511. Competition in award of contracts.

23 * * *

24 (c) Quotations.--Written or telephonic price quotations from
25 at least three qualified and responsible contractors shall be
26 requested for a contract [which exceeds \$4,000] in excess of the
27 base amount of \$10,000, subject to adjustment under subsection
28 (c.1), but is less than the amount requiring advertisement and
29 competitive bidding. In lieu of price quotations, a memorandum
30 shall be kept on file showing that fewer than three qualified

1 contractors exist in the market area within which it is
2 practicable to obtain quotations. A written record of telephonic
3 price quotations shall be made and shall contain at least the
4 date of the quotation; the name of the contractor and the
5 contractor's representative; the construction, reconstruction,
6 repair, maintenance or work which was the subject of the
7 quotation; and the price. Written price quotations, written
8 records of telephonic price quotations and memoranda shall be
9 retained for a period of three years.

10 (c.1) Adjustments.--Adjustments to the base amounts
11 specified under subsections (a), (b) and (c) shall be made as
12 follows:

13 (1) The Department of Labor and Industry shall determine
14 the percentage change in the All Items Consumer Price Index
15 for All Urban Consumers (CPI-U) for the United States City
16 Average as published by the United States Department of
17 Labor, Bureau of Labor Statistics for the 12-month period
18 ending September 30, 2012, and for each successive 12-month
19 period thereafter.

20 (2) If the department determines that there is no
21 positive percentage change, then no adjustment to the base
22 amounts shall occur for the relevant time period provided for
23 in this 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 paragraph (1), the positive
27 percentage change shall be multiplied by each base amount
28 and the products shall be added to the base amounts,
29 respectively, and the sums shall be preliminary adjusted
30 amounts.

1 (ii) The preliminary adjusted amounts shall be
2 rounded to the nearest ~~\$1,000~~ \$100 to determine the final ←
3 adjusted base amounts for purposes of subsections (a),
4 (b) and (c).

5 (4) In each successive year in which there is a positive
6 percentage change in the CPI-U for the United States City
7 Average, the positive percentage change shall be multiplied
8 by the most recent preliminary adjusted amounts and the
9 products shall be added to the preliminary adjusted amount of
10 the prior year to calculate the preliminary adjusted amounts
11 for the current year. The sums thereof shall be rounded to
12 the nearest ~~\$1,000~~ \$100 to determine the new final adjusted ←
13 base amounts for purposes of subsections (a), (b) and (c).

14 (5) The determinations and adjustments required under
15 this subsection shall be made in the period between October 1
16 and November 15 of the year following the effective date of
17 this subsection, and annually between October 1 and November
18 15 of each year thereafter.

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

24 (7) The department shall publish notice in the
25 Pennsylvania Bulletin prior to January 1 of each calendar
26 year of the annual percentage change determined under
27 paragraph (1) and the unadjusted or final adjusted base
28 amounts determined under paragraphs (3) and (4) at which
29 competitive bidding is required under subsection (a) or (b)
30 and written or telephonic price quotations are required under

1 subsection (c), for the calendar year beginning the first day
2 of January after publication of the notice. The notice shall
3 include a written and illustrative explanation of the
4 calculations performed by the department in establishing the
5 unadjusted or final adjusted base amounts under this
6 subsection for the ensuing calendar year.

7 ~~(8) No adjustment to the base amounts specified under~~ ←
8 ~~subsections (a), (b) and (c) shall exceed 3% of the most~~
9 ~~recently adjusted base amount~~ THE ANNUAL INCREASE IN THE ←
10 PRELIMINARY ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS
11 (3) AND (4) SHALL NOT EXCEED 3%.

12 * * *

13 (h) Evasion.--

14 (1) An authority may not evade the provisions of this
15 section as to bids or purchasing materials or contracting for
16 services piecemeal for the purpose of obtaining prices under
17 [\$25,000] the amount required by this section upon
18 transactions which should, in the exercise of reasonable
19 discretion and prudence, be conducted as one transaction
20 amounting to more than [\$25,000] the amount required by this
21 section.

22 * * *

23 § 5614. Competition in award of contracts.

24 (a) Services.--

25 (1) Except as set forth in paragraph (2), all
26 construction, reconstruction, repair or work of any nature
27 made by an authority if the entire cost, value or amount,
28 including labor and materials, exceeds [\$10,000] a base
29 amount of \$18,500, subject to adjustment under subsection
30 (c.1), shall be done only under contract to be entered into

1 by the authority with the lowest responsible bidder upon
2 proper terms after public notice asking for competitive bids
3 as provided in this section.

4 * * *

5 (b) Supplies and materials.--All supplies and materials with
6 a base price costing at least [\$10,000] \$18,500, subject to
7 adjustment under subsection (c.1), shall be purchased only after
8 advertisement as provided in this section. The authority shall
9 accept the lowest bid, kind, quality and material being equal,
10 but the authority shall have the right to reject any or all bids
11 or select a single item from any bid. The provisions as to
12 bidding shall not apply to the purchase of patented and
13 manufactured products offered for sale in a noncompetitive
14 market or solely by a manufacturer's authorized dealer.

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

1 (c.1) Adjustments.--Adjustments to the base amounts
2 specified under subsections (a)(1), (b) and (c) shall be made as
3 follows:

4 (1) The Department of Labor and Industry shall determine
5 the percentage change in the All Items Consumer Price Index
6 for All Urban Consumers (CPI-U) for the United States City
7 Average as published by the United States Department of
8 Labor, Bureau of Labor Statistics for the 12-month period
9 ending September 30, 2012, and for each successive 12-month
10 period thereafter.

11 (2) If the department determines that there is no
12 positive percentage change, then no adjustment to the base
13 amounts shall occur for the relevant time period provided for
14 in this subsection.

15 (3) (i) If the department determines that there is a
16 positive percentage change in the first year that the
17 determination is made under paragraph (1), the positive
18 percentage change shall be multiplied by each base amount
19 and the products shall be added to the base amounts,
20 respectively, and the sums shall be preliminary adjusted
21 amounts.

22 (ii) The preliminary adjusted amounts shall be
23 rounded to the nearest ~~\$1,000~~ \$100 to determine the final ←
24 adjusted base amounts for purposes of subsections (a)(1),
25 (b) and (c).

26 (4) In each successive year in which there is a positive
27 percentage change in the CPI-U for the United States City
28 Average, the positive percentage change shall be multiplied
29 by the most recent preliminary adjusted amounts and the
30 products shall be added to the preliminary adjusted amount of

1 the prior year to calculate the preliminary adjusted amounts
2 for the current year. The sums thereof shall be rounded to
3 the nearest ~~\$1,000~~ \$100 to determine the new final adjusted ←
4 base amounts for purposes of subsections (a) (1), (b) and (c).

5 (5) The determinations and adjustments required under
6 this subsection shall be made in the period between October 1
7 and November 15 of the year following the effective date of
8 this subsection, and annually between October 1 and November
9 15 of each year thereafter.

10 (6) The final adjusted base amounts and new final
11 adjusted base amounts obtained under paragraphs (3) and (4)
12 shall become effective January 1 for the calendar year
13 following the year in which the determination required under
14 paragraph (1) is made.

15 (7) The department shall publish notice in the
16 Pennsylvania Bulletin prior to January 1 of each calendar
17 year of the annual percentage change determined under
18 paragraph (1) and the unadjusted or final adjusted base
19 amounts determined under paragraphs (3) and (4) at which
20 competitive bidding is required under subsection (a) (1) and
21 (b) and written or telephonic price quotations are required
22 under subsection (c), for the calendar year beginning the
23 first day of January after publication of the notice. The
24 notice shall include a written and illustrative explanation
25 of the calculations performed by the department in
26 establishing the unadjusted or final adjusted base amounts
27 under this subsection for the ensuing calendar year.

28 (8) ~~No adjustment to the base amounts specified under~~ ←
29 ~~subsections (a) (1), (b) and (c) shall exceed 3% of the most~~
30 ~~recently adjusted base amount~~ THE ANNUAL INCREASE IN THE ←

1 PRELIMINARY ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS

2 (3) AND (4) SHALL NOT EXCEED 3%.

3 * * *

4 (h) Evasion.--

5 (1) An authority may not evade the provisions of this
6 section as to bids or purchasing materials or contracting for
7 services piecemeal for the purpose of obtaining prices under
8 [\$10,000] the amount required by this section upon
9 transactions which should, in the exercise of reasonable
10 discretion and prudence, be conducted as one transaction
11 amounting to more than [\$10,000] the amount required by this
12 section.

13 * * *

14 Section 3. Section 1750 of Title 74 is amended to read:

15 § 1750. Contracts, procurement and sale of property.

16 (a) Competitive bids.--Except in the purchase of unique
17 articles or articles which, for any other reason, cannot be
18 obtained in the open market and except as provided in section
19 1741 (relating to general powers) and as provided in this
20 chapter, competitive bids shall be secured before any purchase
21 or sale, by contract or otherwise, is made or before any
22 contract is awarded for construction, alterations, supplies,
23 equipment, repairs or maintenance or for rendering any services
24 to the authority other than professional services. Purchases
25 shall be made from or the contract shall be awarded to the
26 lowest responsive, responsible bidder. Sales shall be made to
27 the highest responsive, responsible bidder. No purchase of any
28 unique article or other articles which cannot be obtained in the
29 open market shall be made without express approval of the board
30 where the amount involved is in excess of \$25,000. The authority

1 shall not be subject to [the act of November 26, 1978 (P.L.1309,
2 No.317), referred to as the Public Works Contract Regulation
3 Law.] 62 Pa.C.S. Ch. 39 (relating to contracts for public
4 works). Nothing in this section or any other law of this
5 Commonwealth shall require the authority to competitively bid
6 architectural design, engineering, construction management or
7 other professional services required by the authority.

8 (b) Procedure.--All purchases and sales in excess of \$25,000
9 shall be awarded after advertising in a local newspaper of
10 general circulation in the metropolitan area at least two weeks
11 prior to the bid opening. Bids shall be publicly opened and read
12 aloud at a date, time and place designated in the invitation to
13 bid. Invitations to bid shall be sent at least one week prior to
14 the bid opening to at least three potential bidders who are
15 qualified technically and financially to submit bids, or, in
16 lieu thereof, a memorandum shall be kept on file showing that
17 less than three potential bidders so qualified exist in the
18 market area within which it is practicable to obtain bids.

19 [(c) Qualified vendors.--Written price quotations from at
20 least three qualified and responsible vendors shall be solicited
21 for all purchases and sales under \$25,000 and over \$10,000, or,
22 in lieu thereof, a memorandum approved by the general manager
23 shall be kept on file showing that less than three vendors so
24 qualified exist in the market area within which it is
25 practicable to obtain quotations, except as provided in this
26 chapter.]

27 (d) Small purchases.--[Purchases] Except as set forth in 62
28 Pa.C.S. § 3742 (relating to procurement limits for mass
29 transportation authorities), purchases or sales with a base
30 price under [\$10,000] \$18,500, subject to adjustment under

1 subsection (l), may be negotiated with or without competitive
2 bidding under sound procurement procedures as promulgated and
3 established by the general manager.

4 (e) Waiver.--Competitive bidding requirements may be waived
5 if it is determined by the general manager, or in such other
6 manner as the board may provide, that an emergency directly and
7 immediately affecting customer service or public health, safety
8 or welfare requires immediate delivery of supplies, materials,
9 equipment or services. A record of circumstances explaining the
10 emergency shall be submitted to the board at its next regular
11 meeting and thereafter kept on file.

12 (f) Sale or lease of real property.--Contracts for the sale
13 or lease of real property owned by the authority shall be
14 awarded after competitive bidding as shown in subsection (b),
15 except as provided in section 1741(a)(22) where the contract is
16 entered into with the Commonwealth or any government agency or
17 with the United States government or any agency or
18 instrumentality thereof or as provided in section 1741(a)(24).

19 (g) Property management contracts.--Contracts for the
20 management of authority-owned property, such as bus routes or
21 subway systems, may be negotiated and awarded by an affirmative
22 vote of one more than a majority of all members of the board.

23 (h) Avoidance prohibited.--Requirements shall not be split
24 into parts for the purpose of avoiding the provisions of this
25 section.

26 (i) Rejection of bids.--The authority shall have the right
27 to reject any or all bids or parts of any or all bids, whenever,
28 in the opinion of the board, rejection is necessary for the
29 protection of the interests of the authority. In every case, a
30 record shall be made setting forth the reason for the rejection,

1 which record shall thereafter be kept on file.

2 (j) Rules and regulations.--The board may by resolution
3 adopt policies to effectuate the provisions of this section.

4 (k) Concessions.--All concessions granted by the authority
5 for the sale of products or the rendition of services for a
6 consideration on authority property shall be awarded only under
7 written specifications after competitive bidding and to the
8 highest responsive, responsible bidder in a manner similar to
9 that required by subsection (b) [or (c) as appropriate]. This
10 requirement for competitive bidding shall not apply to any
11 concession which has been granted by a transportation system
12 acquired by the authority and which by the terms of the
13 agreement granting it will terminate within one year from date
14 of the acquisition of the transportation system by the authority
15 nor to any concession involving the estimated receipt by the
16 authority of less than [\$10,000] the base amount of \$18,500,
17 subject to adjustment under subsection (l), over the period for
18 which the concession is granted.

19 (l) Adjustments.--Adjustments to the base amounts specified
20 under subsections (b), (d) and (k) shall be made as follows:

21 (1) The Department of Labor and Industry shall determine
22 the percentage change in the All Items Consumer Price Index
23 for All Urban Consumers (CPI-U) for the United States City
24 Average as published by the United States Department of
25 Labor, Bureau of Labor Statistics for the 12-month period
26 ending September 30, 2012, and for each successive 12-month
27 period thereafter.

28 (2) If the department determines that there is no
29 positive percentage change, then no adjustment to the base
30 amounts shall occur for the relevant time period provided for

1 in this subsection.

2 (3) (i) If the department determines that there is a
3 positive percentage change in the first year that the
4 determination is made under paragraph (1), the positive
5 percentage change shall be multiplied by each base amount
6 and the products shall be added to the base amounts,
7 respectively, and the sums shall be preliminary adjusted
8 amounts.

9 (ii) The preliminary adjusted amounts shall be
10 rounded to the nearest ~~\$1,000~~ \$100 to determine the final ←
11 adjusted base amounts for purposes of subsections (b),
12 (d) and (k).

13 (4) In each successive year in which there is a positive
14 percentage change in the CPI-U for the United States City
15 Average, the positive percentage change shall be multiplied
16 by the most recent preliminary adjusted amounts and the
17 products shall be added to the preliminary adjusted amount of
18 the prior year to calculate the preliminary adjusted amounts
19 for the current year. The sums thereof shall be rounded to
20 the nearest ~~\$1,000~~ \$100 to determine the new final adjusted ←
21 base amounts for purposes of subsections (b), (d) and (k).

22 (5) The determinations and adjustments required under
23 this subsection shall be made in the period between October 1
24 and November 15 of the year following the effective date of
25 this subsection, and annually between October 1 and November
26 15 of each year thereafter.

27 (6) The final adjusted base amounts and new final
28 adjusted base amounts obtained under paragraphs (3) and (4)
29 shall become effective January 1 for the calendar year
30 following the year in which the determination required under

1 paragraph (1) is made.

2 (7) The department shall publish notice in the
3 Pennsylvania Bulletin prior to January 1 of each calendar
4 year of the annual percentage change determined under
5 paragraph (1) and the unadjusted or final adjusted base
6 amounts determined under paragraphs (3) and (4) at which
7 competitive bidding is required under subsection (b) or (k)
8 and the amount at which competitive bidding may apply to
9 purchase sales under subsection (d), for the calendar year
10 beginning the first day of January after publication of the
11 notice. The notice shall include a written and illustrative
12 explanation of the calculations performed by the department
13 in establishing the unadjusted or final adjusted base amounts
14 under this subsection for the ensuing calendar year.

15 (8) ~~No adjustment to the base amounts specified under~~ ←
16 ~~subsections (b), (d) and (k) shall exceed 3% of the most~~
17 ~~recently adjusted base amount~~ THE ANNUAL INCREASE IN THE ←
18 PRELIMINARY ADJUSTED BASE AMOUNTS OBTAINED UNDER PARAGRAPHS
19 (3) AND (4) SHALL NOT EXCEED 3%.

20 Section 4. This act shall apply to contracts and purchases
21 advertised on or after January 1 of the year following the
22 effective date of this section.

23 Section 5. This act shall take effect immediately.