THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL No. 1805 Session of 2013

INTRODUCED BY DAVIDSON, MULLERY, DAVIS, COHEN, TRUITT, KIRKLAND, THOMAS AND MURT, OCTOBER 23, 2013

REFERRED TO COMMITTEE ON STATE GOVERNMENT, OCTOBER 23, 2013

AN ACT

| 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 | Amending Title 62 (Procurement) of the Pennsylvania Consolidated Statutes, further providing for application of part and for definitions; providing for public access to procurement information and for prohibited contracts; further providing for procurement responsibility, for powers and duties, for Board of Commissioners of Public Grounds and Buildings, for methods of source selection, for competitive sealed bidding, for competitive electronic auction bidding, for sole source procurement, for small procurements, for sole source procurement, for emergency procurement, for multiple awards, for selection procedure for insurance and notary bonds, for cost or pricing data, for record of certain actions, for procurement of design professional services and for cooperative purchasing authorized; and making editorial changes. |
|---|--|
| 17 | The General Assembly of the Commonwealth of Pennsylvania |
| 18 | hereby enacts as follows: |
| 19 | Section 1. Section 102(a) and (c) of Title 62 of the |
| 20 | Pennsylvania Consolidated Statutes are amended to read: |
| 21 | § 102. Application of part. |
| 22 | (a) Application to Commonwealth [procurement] agencies |
| 23 | This part applies to every expenditure of funds, other than the |
| 24 | investment of funds, by Commonwealth agencies under any |
| 25 | contract, irrespective of their source, including Federal |

assistance moneys except as specified in section 2108 (relating 1 2 to compliance with Federal requirements). This part does not 3 apply to contracts between Commonwealth agencies or between the Commonwealth and its political subdivisions or other governments 4 except as provided in Chapter 19 (relating to intergovernmental 5 relations). Nothing in this part or in accompanying regulations 6 7 shall prevent any Commonwealth agency or political subdivision 8 from complying with the terms and conditions of any grant, gift, 9 bequest or cooperative agreement.

10 * * *

11 [(c) Application to General Assembly and unified judicial 12 system.--The General Assembly and its agencies and the unified 13 judicial system and its agencies may use the department as its 14 purchasing agency for the purchase of supplies under this part 15 and may use the department to dispose of surplus supplies under 16 Chapter 15 (relating to supply management).]

17 * * *

Section 2. The definitions of "Commonwealth agency," "contracting officer," "executive agency," "independent agency," "purchasing agency," "State-affiliated entity" and "supplies" in section 103 of Title 62 are amended and the section is amended by adding definitions to read:

23 § 103. Definitions.

Subject to additional definitions contained in subsequent provisions of this part which are applicable to specific provisions of this part, the following words and phrases when used in this part shall have the meanings given to them in this section unless the context clearly indicates otherwise:

29 * * *

30 "Commonwealth agency." An executive agency, <u>a legislative</u> 20130HB1805PN2592 - 2 -

| 1 | agency, a judicial agency, an independent agency or a State- |
|----|--|
| 2 | affiliated entity. |
| 3 | "Competitive procurement." Procurement under sections 512 |
| 4 | (relating to competitive sealed bidding), 512.1 (relating to |
| 5 | competitive electronic auction bidding), 513 (relating to |
| 6 | competitive sealed proposals), 517 (relating to competitive |
| 7 | procurement on a multiple award basis), 518 (relating to |
| 8 | competitive selection procedures for certain services), 519 |
| 9 | (relating to selection procedure for insurance and notary bonds) |
| 10 | and 905 (relating to procurement of design professional |
| 11 | services). |
| 12 | * * * |
| 13 | "Contracting agency." A Commonwealth agency which seeks |
| 14 | procurement of a supply, service or construction. |
| 15 | "Contracting officer." A person authorized to enter into and |
| 16 | administer contracts and make written determinations with |
| 17 | respect to contracts for a contracting agency. |
| 18 | * * * |
| 19 | "Executive agency." |
| 20 | (1) Any one of the following: |
| 21 | (i) The Governor and the departments, boards, |
| 22 | commissions, authorities and other officers and agencies |
| 23 | of the [Commonwealth] <u>executive branch</u> . |
| 24 | (ii) The State Treasurer and the Office of the State |
| 25 | Treasurer. |
| 26 | (iii) The Auditor General and the Office of the |
| 27 | Auditor General. |
| 28 | (iv) The Attorney General and the Office of Attorney |
| 29 | <u>General.</u> |
| 30 | (2) The term does not include [any court or other |

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1 officer or agency of the unified judicial system, the General 2 Assembly and its officers and agencies or any] a judicial agency, legislative agency, independent agency [or], State-3 affiliated entity, State-related institution, political 4 subdivision or local, regional or metropolitan transportation 5 6 authority. * * * 7 8 "Independent agency." Boards, commissions and other agencies 9 and officers of the Commonwealth which are not subject to the 10 policy supervision and control of the Governor. The term does not include [any] an executive agency, a judicial agency, 11 12 legislative agency, State-affiliated entity, [any court or other 13 officer or agency of the unified judicial system, the General 14 Assembly and its officers and agencies, any] State-related 15 institution, political subdivision or [any] local, regional or 16 metropolitan transportation authority. * * * 17 18 "Judicial agency." The Supreme Court, Superior Court, 19 Commonwealth Court or any other court or other officer or agency of the unified judicial system. The term does not include an 20 21 executive agency, a legislative agency, independent agency, State-affiliated entity, State-related institution, political 22 subdivision or local, regional or metropolitan transportation 23 24 authority. 25 "Legislative agency." 26 (1) Any one of the following: (i) The Senate of Pennsylvania and a member thereof. 27 28 (ii) The Pennsylvania House of Representatives and a 29 member thereof. (iii) Another officer or agency of the General 30

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| 1 | Assembly. |
|----|--|
| 2 | (2) The term does not include an executive agency, |
| 3 | judicial agency, independent agency, State-affiliated entity, |
| 4 | State-related institution, political subdivision or any |
| 5 | local, regional or metropolitan transportation authority. |
| 6 | "Lobbying." As defined in 65 Pa.C.S. § 13A03 (relating to |
| 7 | <u>definitions).</u> |
| 8 | "Lobbying firm." As defined in 65 Pa.C.S. § 13A03 (relating |
| 9 | to definitions). |
| 10 | "Lobbyist." As defined in 65 Pa.C.S. § 13A03 (relating to |
| 11 | <u>definitions).</u> |
| 12 | * * * |
| 13 | "Purchasing agency." A Commonwealth agency authorized by |
| 14 | this part or by other law to enter into contracts for itself or |
| 15 | as the agent [of another Commonwealth] for a contracting agency. |
| 16 | When purchasing for itself, the agency is both the contracting |
| 17 | agency and the purchasing agency. When purchasing for another |
| 18 | [Commonwealth] contracting agency, the purchasing agency acts on |
| 19 | behalf of the [principal which needs the supplies, services and |
| 20 | construction] contracting agency and shall coordinate and |
| 21 | cooperate with [that] the contracting agency. |
| 22 | * * * |
| 23 | "State-affiliated entity." A Commonwealth authority or a |
| 24 | Commonwealth entity. The term includes the Pennsylvania Turnpike |
| 25 | Commission, the Pennsylvania Housing Finance Agency, the |
| 26 | Pennsylvania Municipal Retirement System, the Pennsylvania |
| 27 | Infrastructure Investment Authority, the State Public School |
| 28 | Building Authority, the Pennsylvania Higher Educational |
| 29 | Facilities Authority and the State System of Higher Education. |

30 The term does not include [any court or other officer or agency

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of the unified judicial system, the General Assembly and its officers and agencies, any] <u>a judicial agency, legislative</u> <u>agency, State-related institution, political subdivision or any</u> local, regional or metropolitan transportation authority. * * *

"Supplies." Any property[, including, but not limited to,].
<u>The term includes</u> equipment, materials, printing, insurance and
leases of and installment purchases of tangible or intangible
personal property. The term does not include real property,
leases of real property or alcoholic beverages or liquor
purchased for resale by the Pennsylvania Liquor Control Board.
* * *

Section 3. Title 62 is amended by adding a section to read: 14 § 106.1. Public access to procurement information.

15 (a) Access.--Information concerning a procurement shall be

16 made public consistent with the act of February 14, 2008

17 (P.L.6, No.3), known as the Right-to-Know Law.

18 (b) Access for noncompetitive contracts.--Except as provided

19 <u>under subsection (c), if a procurement is to be made under</u>

20 section 513 (relating to competitive sealed proposals), 517

21 (relating to competitive procurement on a multiple award basis),

22 <u>518 (relating to competitive selection procedures for certain</u>

23 services), 519 (relating to selection procedure for insurance

24 and notary bonds) or 905 (relating to procurement of design

25 professional services), at least five business days prior to

26 execution by the contracting officer the purchasing agency shall

27 post the proposed contract on its Internet website.

28 (c) Exception.--All of the following are applicable to a

29 procurement under section 516 (relating to emergency

30 procurement):

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| 1 | (1) Subsection (b) shall not apply. |
|-----|--|
| 2 | (2) The signed contract shall be posted on the Internet |
| 3 | website of the purchasing agency within ten days after the |
| 4 | execution of the contract by all parties to the contract. |
| 5 | Section 4. Section 301 of Title 62 is amended by adding |
| 6 | subsections to read: |
| 7 | § 301. Procurement responsibility. |
| 8 | * * * |
| 9 | (e) Application to legislative agenciesLegislative |
| 10 | agencies shall formulate their own procurement policy governing |
| 11 | the procurement, management, control and disposal of supplies, |
| 12 | services and construction and may act as their own purchasing |
| 13 | agency for the procurement of supplies, services and |
| 14 | construction, except that they shall use the procedures provided |
| 15 | under this part for the procurement. A legislative agency may |
| 16 | use the department as its purchasing agency for the purchase of |
| 17 | supplies, services and construction under this part and may use |
| 18 | the department to dispose of surplus supplies under Chapter 15 |
| 19 | (relating to supply management). |
| 20 | (f) Application to judicial agenciesJudicial agencies may |
| 21 | formulate their own procurement policy governing the |
| 22 | procurement, management, control and disposal of supplies, |
| 23 | services and construction and may act as their own purchasing |
| 24 | agency for the procurement of supplies, services and |
| 25 | construction, except that they shall use the procedures provided |
| 26 | under this part for the procurement. A judicial agency may use |
| 27 | the department as its purchasing agency for the purchase of |
| 28 | supplies, services and construction under this part and may use |
| 29 | the department to dispose of surplus supplies under Chapter 15. |
| 30 | Section 5. Sections 311, 326, 511, 512(a), 512.1(a), 513(a), |
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1 (b), (e) and (g), 514, 515, 516, 517, 518(a), (c) and (e),
2 519(a) and (c), 534(a)(1), 564 introductory paragraph, 905(a)
3 and 1902 of Title 62 are amended to read:

4 § 311. Powers and duties.

Except as otherwise provided in this part, the department may 5 6 promulgate regulations governing the procurement, management, 7 control and disposal of any and all supplies, services and 8 construction to be procured by [Commonwealth] executive agencies_ 9 and independent agencies. The department shall consider and 10 decide matters of policy within the provisions of this part 11 relating to executive agencies and independent agencies. The department may audit and monitor the implementation of its 12 13 regulations and the requirements of this part.

14 § 326. Board of Commissioners of Public Grounds and Buildings. 15 No lease of real estate for use by an executive agency or 16 independent agency [and no sole source procurement of supplies, 17 except for computer software updates under \$50,000, for an 18 executive or independent agency] for which the department acts 19 as the purchasing agency shall be valid or effective unless, 20 upon review, it is approved by the Board of Commissioners of 21 Public Grounds and Buildings. [Where the board is reviewing a proposed sole source lease or procurement being submitted 22 23 pursuant to section 515 (relating to sole source procurement), 24 approval of the lease or procurement shall require the unanimous 25 vote of the board. Where the board is reviewing a] A proposed 26 [non-sole source lease, the] lease shall be approved when one 27 member of the board votes to approve the lease. All votes shall 28 take place at a public meeting.

29 § 511. Methods of source selection.

30 Unless otherwise authorized by law, all Commonwealth agency

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contracts shall be awarded by competitive sealed bidding under 1 2 section 512 (relating to competitive sealed bidding) except as 3 provided in: Section 512.1 (relating to competitive electronic auction 4 5 bidding). Section 513 (relating to competitive sealed proposals). 6 7 Section 514 (relating to small procurements). 8 [Section 515 (relating to sole source procurement).] 9 Section 516 (relating to emergency procurement). 10 Section 517 (relating to [multiple awards] competitive 11 procurement on a multiple award basis). 12 Section 518 (relating to competitive selection procedures 13 for certain services). 14 Section 519 (relating to selection procedure for 15 insurance and notary bonds). 16 Section 520 (relating to supplies manufactured and 17 services performed by persons with disabilities). 18 Section 905 (relating to procurement of design 19 professional services). 20 § 512. Competitive sealed bidding. 21 Conditions for use.--Contracts for supplies, services (a) and construction shall be awarded by competitive sealed bidding 22 23 except as otherwise provided [in section 511 (relating to 24 methods of source selection)] under this chapter. 25 * * * 26 § 512.1. Competitive electronic auction bidding. 27 (a) Conditions for use.--If the contracting officer of the 28 purchasing agency determines in writing that use of competitive 29 [electronic auction] sealed bidding is not in the best interests of the Commonwealth[,] and that the use of competitive 30 20130HB1805PN2592 - 9 -

| 1 | electronic auction bidding is more advantageous to the |
|----|--|
| 2 | Commonwealth, the purchasing agency may enter into a contract |
| 3 | for supplies or services, but not construction, [may be entered |
| 4 | into] by competitive electronic auction bidding. |
| 5 | * * * |
| 6 | § 513. Competitive sealed proposals. |
| 7 | [(a) Conditions for useWhen the contracting officer |
| 8 | determines in writing that the use of competitive sealed bidding |
| 9 | is either not practicable or advantageous to the Commonwealth, a |
| 10 | contract may be entered into by competitive sealed proposals. |
| 11 | (b) Request for proposalsProposals shall be solicited |
| 12 | through a request for proposals.] |
| 13 | (a) Conditions for useIf the head of a contracting agency |
| 14 | determines in writing that the use of competitive sealed bidding |
| 15 | is not in the best interests of the Commonwealth and that the |
| 16 | use of competitive sealed proposals is more advantageous to the |
| 17 | Commonwealth, the purchasing agency may enter into a contract |
| 18 | for supplies, services and construction by competitive sealed |
| 19 | proposals. |
| 20 | (b) Request for proposals |
| 21 | (1) After making the determination required under |
| 22 | subsection (a), proposals shall be solicited through a |
| 23 | request for proposals. |
| 24 | (2) A request for proposals shall require each offeror |
| 25 | to include a statement which contains the following |
| 26 | information: |
| 27 | (i) Whether the offeror or any of the offeror's |
| 28 | directors, officers or owners has made a campaign |
| 29 | contribution to a State or local official within the one |
| 30 | year immediately preceding the date of the offeror's |
| | |

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| 1 | proposal. |
|----|---|
| 2 | (ii) The name of each State or local official named |
| 3 | under subparagraph (i) and the official's position. |
| 4 | (iii) The aggregate amount of campaign contributions |
| 5 | <u>made under subparagraph (i).</u> |
| 6 | (3) The statement required under paragraph (2) shall be |
| 7 | posted on the purchasing agency's Internet website |
| 8 | simultaneously with the posting of a proposed contract under |
| 9 | section 106.1(b) (relating to public access to procurement |
| 10 | information) or a signed contract under section 106.1(c)(2). |
| 11 | * * * |
| 12 | (e) EvaluationThe relative importance of the evaluation |
| 13 | factors shall be fixed prior to opening the proposals. A |
| 14 | Commonwealth agency is required to invite its comptroller to |
| 15 | participate in the evaluation as a nonvoting member of any |
| 16 | evaluation committee. <u>No individual who has been employed by an</u> |
| 17 | offeror within the two years immediately preceding the date of |
| 18 | the offeror's proposal may participate in the evaluation of |
| 19 | proposals. |
| 20 | * * * |
| 21 | (g) Selection for negotiationThe responsible offeror |
| 22 | whose proposal is determined in writing to be the most |
| 23 | advantageous to the [purchasing] <u>contracting</u> agency, taking into |
| 24 | consideration price and all evaluation factors, shall be |
| 25 | selected for contract negotiation. |
| 26 | § 514. Small procurements. |
| 27 | If the procurement is not the subject of a Statewide |
| 28 | requirements contract between the purchasing agency and a |
| 29 | contractor, the head of the purchasing agency may authorize in |
| 30 | writing procurements without [formal bid procedures, not |
| | |

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exceeding the amount established by the purchasing agency] the 1 2 use of competitive procurement procedures for small 3 procurements. The head of the purchasing agency may authorize a small procurement [of the supply or service] on a no-bid basis 4 for [procurements which do] a supply or service which does not 5 exceed [the amount established by the head of the purchasing 6 agency for small, no-bid procurements] a total cost of \$5,000. 7 8 The amount of \$5,000 shall be adjusted annually by the department to reflect the annual percentage change in the 9 10 Consumer Price Index of the United States Department of Commerce occurring in the one-year period ending December 31 of each 11 12 year. The head of the purchasing agency may authorize a small 13 procurement on a no-bid basis for [construction projects that 14 do] a construction project which does not exceed a total construction cost of \$10,000. The amount of \$10,000 shall be 15 16 adjusted annually by the department to reflect the annual percentage change in the Composite Construction Cost Index of 17 18 the United States Department of Commerce occurring in the one-19 year period ending December 31 of each year. Procurement 20 requirements shall not be artificially divided so as to 21 constitute a small procurement under this section. Small 22 procurements shall be made in accordance with the requirements 23 of the written authorization and this section. Records of all 24 small procurements shall be transmitted to the purchasing 25 agency.

26 § 515. [Sole source procurement.

A contract may be awarded for a supply, service or construction item without competition if the contracting officer first determines in writing that one of the following conditions exists:

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(1) Only a single contractor is capable of providing the
 supply, service or construction.

3 (2) A Federal or State statute or Federal regulation
4 exempts the supply, service or construction from the
5 competitive procedure.

6 (3) The total cost of the supply, service or
7 construction is less than the amount established by the
8 department for small, no-bid procurements under section 514
9 (relating to small procurements).

10 (4) It is clearly not feasible to award the contract for11 supplies or services on a competitive basis.

12 (5) The services are to be provided by attorneys or
13 litigation consultants selected by the Office of General
14 Counsel, the Office of Attorney General, the Department of
15 the Auditor General or the Treasury Department.

16

(6) The services are to be provided by expert witnesses.

17 (7) The services involve the repair, modification or 18 calibration of equipment and they are to be performed by the 19 manufacturer of the equipment or by the manufacturer's 20 authorized dealer, provided the contracting officer 21 determines that bidding is not appropriate under the 22 circumstances.

(8) The contract is for investment advisors or managers
selected by the Public School Employees' Retirement System,
the State Employees' Retirement System or a State-affiliated
entity.

(9) The contract is for financial or investment experts
to be used and selected by the Treasury Department or
financial or investment experts selected by the Secretary of
the Budget.

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(10) The contract for supplies or services is in the
 best interest of the Commonwealth.

3 The written determination authorizing sole source procurement shall be included in the contract file. With the exception of 4 small procurements under section 514 and emergency procurements 5 under section 516 (relating to emergency procurement), if the 6 7 sole source procurement is for a supply, except for computer 8 software updates under \$50,000, for which the department acts as 9 purchasing agency, it must be approved by the Board of 10 Commissioners of Public Grounds and Buildings prior to the award of a contract.] (Reserved). 11

12 § 516. Emergency procurement.

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[The head of a purchasing agency may make or authorize others 13 14 to make an emergency procurement when there exists a threat to 15 public health, welfare or safety or circumstances outside the 16 control of the agency create an urgency of need which does not permit the delay involved in using more formal competitive 17 18 methods. Whenever practical, in the case of a procurement of a 19 supply, at least two bids shall be solicited. A written 20 determination of the basis for the emergency and for the selection of the particular contractor shall be included in the 21 22 contract file.]

(a) Condition of use. -- If the head of a contracting agency 23 24 determines in writing that the use of competitive sealed bidding 25 is not in the best interests of the Commonwealth and that the 26 supply, service or construction is necessary to prevent an_ immediate threat of personal injury or physical damage to 27 28 property, the purchasing agency may, after receiving approval by 29 the Board of Commissioners of Public Grounds and Buildings, enter into a contract for the supply, service or construction 30

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1 without the use of competitive procurement. (b) Documentation. -- The determination required under 2 3 subsection (a) shall be placed in the contract file and shall be made available for public inspection in accordance with section 4 106.1 (relating to public access to procurement information). 5 (c) Exception. -- For the purposes of this section, a 6 procurement which is necessary to respond to a disaster 7 8 emergency declared under 35 Pa.C.S. § 7301 (relating to general authority of Governor) shall be deemed to meet the standard set 9 10 forth in subsection (a). (d) Procurement of supplies. -- For procurement of supplies, 11 at least two bids shall be solicited, if practicable. 12 13 § 517. [Multiple awards] Competitive procurement on a multiple_ 14 award basis. 15 Conditions for use.--[Contracts may be entered into on a (a) 16 multiple award basis when the head of the purchasing agency 17 determines that one or more of the following criteria is 18 applicable:] If the head of the contracting agency determines in 19 writing that one or more of the conditions listed under 20 subsection (a.1) exists and that the use of multiple contracts 21 is more advantageous to the Commonwealth, the purchasing agency 22 may enter into a contract on a multiple award basis. 23 (a.1) Conditions.--In order for a procurement to be made 24 under this section, the head of a contracting agency must 25 determine that one of the following conditions exists: 26 It is administratively or economically impractical (1)27 to develop or modify specifications for a myriad of related 28 supplies because of rapid technological changes. 29 The subjective nature in the use of certain supplies (2)30 and the fact that recognizing this need creates a more

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1 efficient use of the item.

2 (3) It is administratively or economically impractical
3 to develop or modify specifications because of the
4 heterogeneous nature of the product lines.

5 (4) There is a need for compatibility with existing6 systems.

7 (5) The agency should select the contractor to furnish
8 the supply, service or construction based upon best value or
9 return on investment.

10 Solicitation process. -- [Invitations to bid or requests (b) for proposals shall be issued for the supplies, services or 11 12 construction to be purchased] Invitations to bid shall be issued 13 as provided under section 512(b) (relating to competitive sealed 14 bidding) for supplies, services or construction to be purchased or requests for proposals shall be issued as provided under 15 16 section 513(b) (relating to competitive sealed proposals) for supplies, services or construction to be purchased. Invitations 17 18 for bids or requests for proposals shall describe the method for 19 selection of the successful bidders or offerors.

(c) Public notice.--Public notice of the invitation for bids or request for proposals shall be given in the same manner as provided in section 512(c) [(relating to competitive sealed bidding)].

(d) Receipt of bids or proposals.--Bids shall be opened in
the same manner as provided in section 512(d). Proposals shall
be received <u>and evaluated</u> in the same manner as provided in
section 513(d) <u>and (e)</u> [(relating to competitive sealed
proposals)].

29 (e) Award.--[The invitation for bids or request for30 proposals shall describe the method for selection of the

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successful bidders or offerors. There are three options:] <u>The</u>
<u>purchasing agency shall make contract awards consistent with the</u>
following:

4 (1) Awards shall be made to the lowest responsible5 bidder or offeror for each designated manufacturer.

6 (2) Awards shall be made to the two or three lowest 7 responsible bidders or offerors for each designated 8 manufacturer.

9 (3) Awards shall be made to all responsible bidders or 10 offerors.

(f) Selection.--A Commonwealth agency may select a contractor from the bidders or offerors awarded contracts under subsection (e) to furnish the supply, service or construction based upon best value or return on investment.

§ 518. Competitive selection procedures for certain services. 15 Conditions for use. -- The services of accountants, 16 (a) clergy, physicians, lawyers, dentists and other professional 17 18 services which are not performed by other Commonwealth employees 19 shall be procured in accordance with this section except as authorized under section 514 (relating to small procurements) [, 20 21 515 (relating to sole source procurement)] or 516 (relating to 22 emergency procurement).

23 * * *

(c) Request for proposals.--Adequate notice of the need for
the services specified in subsection (a) shall be given by the
purchasing agency through a request for proposals. The request
for proposals shall describe the services required, list the
type of information required of each offeror and state the
relative importance of the particular information. Additionally,
<u>each request for a proposal shall require the offeror to</u>

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1 <u>include the same statement required under section 513(b)</u>

2 (relating to competitive sealed proposals).

3 * * *

(e) Award.--Award shall be made to the responsible offeror 4 determined in writing by the contracting officer to be best 5 qualified based on the evaluation factors set forth in the 6 7 request for proposals. Fair and reasonable compensation shall be 8 determined through negotiation, except that no contract may_ provide for compensation which exceeds the rate charged other 9 governmental entities for the same or substantially similar 10 11 services. If compensation cannot be agreed upon with the best 12 qualified responsible offeror, then negotiations will be 13 formally terminated with the offeror. If proposals were 14 submitted by one or more other responsible offerors, 15 negotiations may be conducted with the other responsible offeror 16 or responsible offerors in the order of their respective 17 qualification ranking. The contract may be awarded to the 18 responsible offeror then ranked as best qualified if the amount of compensation is determined to be fair and reasonable. 19 20 § 519. Selection procedure for insurance and notary bonds. 21 Conditions for use.--Insurance and notary bonds shall be (a) 22 procured by the department in accordance with this section 23 except as authorized under section [515 (relating to sole source 24 procurement) or] 516 (relating to emergency procurement). 25 * * *

(c) Request for proposals.--Adequate notice of the need for insurance or notary bond coverage shall be given by the purchasing agency through a request for proposals. The request for proposals shall describe the type of insurance or bond coverage required and list the type of information and data

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1 required of each offeror and shall include the same statement
2 required under section 513(b) (relating to competitive sealed
3 proposals).

4 * * *

5 § 534. Cost or pricing data.

6 (a) Submission by contractor.--A contractor shall, except as 7 provided in subsection (c), submit cost or pricing data and 8 shall certify that, to the best of its knowledge and belief, the 9 cost or pricing data submitted was accurate, complete and 10 current as of a mutually determined specified date prior to the 11 date of:

(1) the award of any contract under section 513 (relating to competitive sealed proposals) [or 515 (relating to sole source procurement)] where, under either section, the total contract price is expected to exceed an amount established by the head of the purchasing agency; or

17 * * *

18 § 564. Record of certain actions.

19 The purchasing agency shall maintain a record listing all 20 contracts made under sections 514 (relating to small 21 procurements)[, 515 (relating to sole source procurement)] and 22 516 (relating to emergency procurement) for a minimum of three 23 years from the date of final payment under the contract. The 24 record shall contain:

25

* * *

26 § 905. Procurement of design professional services.

(a) Applicability.--Design professional services shall be
procured as provided in this section except as authorized by
sections 514 (relating to small procurements) [, 515 (relating to
sole source procurement)] and 516 (relating to emergency

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1 procurement).

2 * * *

3 § 1902. Cooperative purchasing authorized.

A public procurement unit may either participate in, sponsor, 4 conduct or administer a cooperative purchasing agreement for the 5 procurement of any supplies, services or construction with one 6 7 or more public procurement units or external procurement 8 activities in accordance with an agreement entered into between the participants. The Department of General Services is 9 10 authorized to enter into cooperative purchasing contracts solely 11 for the use of local public procurement units or State-12 affiliated entities. The department shall enter into cooperative 13 purchasing contracts for the use of local public procurement 14 units or State-affiliated entities if the number of contractors 15 under a previously existing contract for the same supply or 16 service is reduced to a single contractor or reduced by more 17 than 50% of the number existing on September 30, 2003, and shall 18 award such contracts pursuant to section 517 (relating to 19 competitive procurement on a multiple [awards] award basis) using an invitation for bids. Nothing in this section shall 20 prohibit a local public procurement unit or State-affiliated 21 entity from participating in or procuring from other cooperative 22 23 purchasing agreements awarded by the department. Cooperative 24 purchasing may include, but is not limited to, joint or 25 multiparty contracts between public procurement units and open-26 ended purchasing agency contracts which are made available to local public procurement units. 27

28 Section 6. This act shall take effect in 60 days.

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