

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1646 Session of  
2019

INTRODUCED BY M. K. KELLER, EVERETT, BERNSTINE, BROWN, DOWLING,  
GLEIM, JONES, KAUFFMAN, KEEFER, MACKENZIE, MILLARD,  
B. MILLER, MOUL, PYLE, RADER, SAYLOR AND ZIMMERMAN,  
JUNE 18, 2019

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, JUNE 18, 2019

AN ACT

1 Amending the act of May 1, 1913 (P.L.155, No.104), entitled "An  
2 act regulating the letting of certain contracts for the  
3 erection, construction, and alteration of public buildings,"  
4 increasing the minimum bid requirement; and providing for  
5 evasion of requirements.

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

8 Section 1. Section 1 of the act of May 1, 1913 (P.L.155,  
9 No.104), referred to as the Separations Act, is amended to read:

10 Section 1. (a) Be it enacted, &c., That hereafter in the  
11 preparation of specifications for the erection, construction,  
12 and alteration of any public building, when the entire cost of  
13 such work shall exceed [four thousand dollars] two hundred fifty  
14 thousand dollars, subject to annual adjustment under subsection  
15 (b), it shall be the duty of the architect, engineer, or other  
16 person preparing such specifications, to prepare separate  
17 specifications for the plumbing, heating, ventilating, and  
18 electrical work; and it shall be the duty of the person or

1 persons authorized to enter into contracts for the erection,  
2 construction, or alteration of such public buildings to receive  
3 separate bids upon each of the said branches of work, and to  
4 award the contract for the same to the lowest responsible bidder  
5 for each of said branches.

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

10 (b) Adjustments to the threshold specified under subsection  
11 (a) shall be made as follows:

12 (1) The Department of Labor and Industry shall determine the  
13 percentage change in the Consumer Price Index for All Urban  
14 Consumers: All Items (CPI-U) for the United States City Average  
15 as published by the United States Department of Labor, Bureau of  
16 Labor Statistics, for the twelve-month period ending September  
17 30, 2020, and for each successive twelve-month period  
18 thereafter.

19 (2) If the Department of Labor and Industry determines that  
20 there is no positive percentage change, no adjustment to the  
21 threshold amount shall occur for the relevant time period.

22 (3) (i) If the Department of Labor and Industry determines  
23 that there is a positive percentage change in the first year the  
24 determination is made under paragraph (1), the positive  
25 percentage change shall be multiplied by the threshold amount,  
26 and the product shall be added to the base threshold amount,  
27 and the sum shall be the preliminary adjusted amount.

28 (ii) The preliminary adjusted amount shall be rounded to the  
29 nearest one hundred dollars to determine the final adjusted  
30 threshold amount for purposes of subsection (a).

1 (4) In each successive year in which there is a positive  
2 percentage change in the CPI-U for the United States City  
3 Average, the positive percentage change shall be multiplied by  
4 the most recent threshold amount, and the product shall be added  
5 to the threshold amount of the prior year to calculate the  
6 preliminary adjusted amount for the current year. The sum shall  
7 be rounded to the nearest one hundred dollars to determine the  
8 new final adjusted threshold amount for purposes of subsection  
9 (a).

10 (5) The determinations and adjustments required under this  
11 subsection shall be made in the period between October 1 and  
12 November 15, 2020, and annually between October 1 and November  
13 15 of each year thereafter.

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

19 (7) The Department of Labor and Industry shall transmit  
20 notice to the Legislative Reference Bureau for publication in  
21 the Pennsylvania Bulletin prior to January 1 of each calendar  
22 year of the annual percentage change determined under paragraph  
23 (1) and the final adjusted threshold amount for the calendar  
24 year beginning the first day of January after publication of the  
25 notice. The notice shall include a written and illustrative  
26 explanation of the calculations performed by the Department of  
27 Labor and Industry in establishing the unadjusted or final  
28 adjusted threshold amount.

29 Section 2. The act is amended by adding a section to read:

30 Section 1.1. No person shall evade the provisions of section

1 1 by purchasing or contracting for services and personal  
2 properties piecemeal to obtain prices under the required  
3 advertising price, subject to annual adjustment under section  
4 1(b). This section is intended to make unlawful the making of a  
5 series of purchases or contracts each for less than the price to  
6 which section 1 applies, or by making several simultaneous  
7 purchases or contracts, each for less than the advertising  
8 requirement price, when in either case, the transactions  
9 involved should have been made as one transaction for one price.  
10 A person who violates this provision, and who knows that the  
11 transaction in question is or ought to be a part of a larger  
12 transaction and that it is being divided in order to evade the  
13 requirements of section 1, shall be, jointly and severally,  
14 subject to surcharge for ten per centum of the full amount of  
15 the contract or purchase.

16 Section 3. This act shall apply to contracts and purchases  
17 advertised on or after the effective date of this act.

18 Section 4. This act shall take effect in 60 days.