

# ***PAPPA LEGISLATIVE REPORT – Updated July 27, 2006***

## **STATUS OF COMPETITIVE BIDDING LIMITS OF CONTRACTS:**

All of the House Bills listed below raise the current contract/advertising bidding level from \$10,000 to \$18,000 and from \$4,000 to \$7,000 unless noted by the description. ***All have passed the House of Representative the end of January and remain in the Senate Local Government, Urban Affairs, Labor and Industry/ or Education Committees.*** In all cases there was only “1” negative vote against approval of the measure.

House Bill 1854 PN 3241 – Amends the Second Class Township Code

House Bill 1855 PN 3242 – Amends the First Class Township Code

House Bill 1856 PN 3243 – Amends the Third Class City Code

House Bill 1857 PN 3244 – Amends the Borough Code

House Bill 1861 PN 3247 – Amends Titles 53 (Municipalities Generally) and 74 (Transportation)

House Bill 1862 PN 3248 – Amends an Act of 1936 entitled...An act to authorize and empower cities, boroughs, towns, and townships, separately or jointly to provide various services.

House Bill 1863 PN 3249 – Amends the County Code

House Bill 1864 PN 3250 – Amends the Flood Control Law (\$4,000 to \$18,000)

House Bill 1866 PN 3252 – Amends the Public School Code of 1949

House Bill 1867 PN 3253 – Amends the Act of 1937 entitled...An act providing for and regulating joint purchases by counties (other than counties of the first class), cities of the second and third class, boroughs, towns, townships, school districts, institution districts and poor districts.

House Bill 1868 PN 3254 – Amends the Second Class City Law

House Bill 1869 PN 3255 – Amends the Housing Authorities Law

House Bill 1870 PN 3256 – Amends the Act of 1913 regulating the letting of certain contracts for the erection, construction, and alteration of public buildings. (\$4,000 to \$18,000)

House Bill 1871 PN 3257 – Amends the Public Auditorium Authorities Law

House Bill 1872 PN 3258 – Amends the Second Class County Code

In addition, House Bill’s 1860 and 1865 amend the State Public School Building Authority Act and Public Television Network System Law respectfully raising the bidding guidelines but both were re-committed to the House Local Committee on February 1, 2006.

House Bill 1859, PN 2501 amended the Second Class County Port Authority Act raising the bid limit from \$10,000 to \$25,000 but was never released from the Local Government Committee.

## **ACTION ON PREVIOUSLY REPORTED LEGISLATION**

House Bill 2441 PN 3510 – Amends Title 62 (Procurement) under Section 3101 by adding Chapter 46, outlining electronic bidding by local government units. Measure approved by the House 183-0 on May 1<sup>st</sup> and by the Senate 49-0 on June 30<sup>th</sup> and is now **ACT 88 of 2006**

## **PREVIOUSLY REPORTED LEGISLATION:**

Senate Bill 62, PN 1050 – Amends Title 62 (Procurement) by adding Chapter 46, entitled the Local Government Unit Electronic Bidding Act, under the General Procurement provisions. The legislation states that a local government unit may permit the electronic submission of bids and may receive bids

electronically if the local government unit has the electronic capability to maintain the confidentiality of the bid until the bid opening time. Also outlines the procedure for competitive electronic auction bidding. Approved by the Senate 47-0 on May 9, 2005 after being amended 2 times. Approved by the House of Representatives 198-0 on July 1, 2005 with additional amendments. Now in the Senate Rules and Executive Nominations for review of House amendments.

Senate Bill 257 PN 261 – Requests the Department of Community and Economic Development to facilitate the implementation of Internet advertisement. The legislation states that in lieu of placing the advertisement in a newspaper, any legal requirement that the Commonwealth or political subdivision, authority or other public entity advertises for bids on a contract of any kind may be satisfied by placement of the advertisement on the Internet. In the Senate Committee on Communications and Technology.

Senate Bill 259 PN 263 – Amends the Pennsylvania Prevailing Wage Act raising the total project cost from \$25,000 to \$500,000 to be included under these guidelines and adds an annual escalation clause. In the Senate Labor and Industry Committee.

Senate Bill 306 PN 318 – Amends the Right-to-Know Law that requires the Commonwealth and its political subdivisions, certain authorities and other agencies to open certain records to examination and inspection by citizens of the Commonwealth of Pennsylvania. The new definition of a “requester” includes a Commonwealth agency, non-Commonwealth agency, corporation, unincorporated association, partnership, limited liability company, business trust, and any other enterprise that is registered, domiciled or has a place of business within the Commonwealth. In the Senate State Government Committee.

Senate Bill 382 PN 384 – Amends the Public School Code of 1949 to among other items to:

- Raise the bid thresholds on contracts for erection, construction and alteration of public buildings from \$10,000 to \$75,000 for work projects competitively bid under separate contracts
- Raise the bid thresholds for construction projects from \$4,000 to \$25,000 requiring price quotations from 3 contractors
- Raise the monetary limit of construction and repair projects by their own maintenance staff from \$5,000 to \$25,000
- Raise the bid threshold for the purchase of supplies including furniture, equipment, textbooks, school supplies, etc, from \$10,000 to \$50,000 after due advertisement
- Raise the bid threshold for purchase of supplies based on 3 written or telephonic price quotations from \$4,000 to \$25,000

In the Senate Education Committee.

Senate Bill 877 PN 1134 – Establishes the Open Contracting Act which prohibits discrimination by a public body in their selection process based on union or nonunion work force status. In the Senate Labor and Industry Committee.

Senate Bill 878 PN 1138 – Excludes political subdivisions or any authority, agency or instrumentality created by one or more political subdivisions from the Pennsylvania Prevailing Wage Act. In the Senate Labor and Industry Committee.

Senate Bill 1208 PN 1768 – Amends Title 62 (Procurement) under Section 1502 under the Commonwealth guidelines for Supply Management Regulations to add “the sale of State-issued service weapons to retired members of the Pennsylvania State Police pursuant to guidelines established by the Pennsylvania State Police.” In the Senate State Government Committee.

House Bill 105, PN 3028 – Amends Title 62, Procurement, under Section 1913, requiring the Department of General Services to enter into a contract for items used by local public emergency procurement units in the performance of their duties. Passed by the House on November 1, 2005 with an amendment removing the limitation of 25 items as well as clarifying definitions of “school district” and “State-Affiliated Entity.” Reported to the Senate Floor in late March and is now in the Senate Appropriations Committee for additional study.

House Bill 173 PN 179 – Amends the Right-to-Know Law to state that municipalities may charge a reasonable fee for the cost of the labor required to search for, gather, compile, prepare and duplicate public records. In the House State Government Committee.

House Bill 219 PN 245 – Amends Title 62 by adding the definition of “Consolidated Contract” and adds sections to Chapter 7 outlining acceptance of bids or proposals, certification and audit of savings as well as an annual audit by the Auditor General. In the House Committee on Insurance.

House Bill 272 PN 295 – Amends the Pennsylvania Prevailing Wage Act to exclude from the act any political subdivisions or any authority, agency or instrumentality created by one or more political subdivisions. In the House Committee on Labor Relations.

House Bill 356 PN 377 – Establishes a procurement procedure for certain contracts for legal services entered into between Commonwealth agencies and private attorneys. In the House Judiciary Committee.

House Bill 452 PN 491 – Amends Title 62, under Section 109 prohibiting Commonwealth agencies from awarding contracts to bidders engaged in outsourcing of jobs or functions. In the House State Government Committee.

House Bill 453 PN 492 – Amends Title 62, under Section 109 also prohibiting Commonwealth agencies from awarding contracts to bidders who have had a net loss of one or more employees in the United States within the last three years to relocation of jobs outside the boundaries of the United States. In the House State Government Committee.

House Bill 454 PN 493 – Amends Title 62, under Section 109 requiring bidders to certify that all services performed under their contract shall be performed at a physical location within the boundaries of the United States and includes damages for not doing so. In the House State Government Committee.

House Bill 652 PN 745 – Amends Title 62 under Section 3911, General Procurement Provisions, adding a subsection dealing with delays beyond the contractor’s control, retainage and payment, mediation and the role of the architect. In the House State Government Committee.

House Bill 923 PN 1044 – Amends Title 62, Section 1901, further defining local public procurement unit by adding “including, but not limited to, a municipal authority or any other body corporate and politic created by one or more political subdivisions pursuant to statute.” In the House State Government Committee.

House Bill 947 PN 1068 – Amends the Pennsylvania Prevailing Wage Act for *optional* participation by school districts or an authority, agency or instrumentality established by one or more school districts. In the House Committee on Labor Relations.

House Bill 1011 PN 1157 – Amends the Public School Code of 1949 to allow the purchase of supplies at a lower price than received in required solicitations when advertised in publications of unrestricted

circulation as long as they address delivery, set-up, training and warranty costs in an equal and comparable manner. In the House Committee on Education.

House Bill 1042 PN 1198 – Amends the Unfair Trade Practices and Consumer Protection Law to require renewals of maintenance service contracts to be by affirmative request on the part of the consumer. Failure to reject an offered renewal is not an affirmative order. In the House Committee on Consumer Affairs.

House Bill 1481 PN 1799 – Enacts the Open Contracting Act prohibiting any bid requirements by the Commonwealth and its political subdivisions to include union or non-union requirements in the bidder or subcontractors' work force. In the House State Government Committee.

House Bill 1513 PN 1847 – Amends Title 62 (Procurement) in Section 908 to prohibit bid shopping and requires a prohibitive clause in all Commonwealth IFB or RFP and outlines penalties. Bid shopping is defined as the practice of divulging a contractor/subcontractor's bid or proposal to another prospective contractor/subcontractor to secure a lower bid proposal. In the House State Government Committee.

House Bill 1514 PN 1848 – Amends Title 62 (Procurement) in Sections 3921 and 3922 under General Provisions further providing for retainage. Revises current retainage after 50% of contract is completed from the current 5% to 2% of the value of the completed work. There may be no retainage for warranties, including, but not limited to, operating manuals. In the House State Government Committee.

HB1838 PN 2474 - amends Title 62 (Procurement) in section 109 to prohibit all Commonwealth agencies from contracting with corporations incorporated in a tax haven Country and is assigned to the House State Government Committee.

House Bill 1859 PN 2501 – Amends the Second Class County Port Authority Act to raise the bid limits from \$10,000 to \$25,000 and to be annually adjusted by the percentage change in the Consumer Price Index for all urban consumers. In the House Local Government Committee.

House Bill 1915 PN 2620 - Amends the 1913 act regulating the letting of certain contracts for the erection, construction, and alteration of public buildings when the entire cost exceeds \$4000, allowing the public entity to award contracts to erect, construct or alter the public building pursuant to single-prime bidding preparing separate specifications for the various branches of work. In the House State Government Committee.

House Bill 1960 PN 2693 – Creates the Government Confidentiality Act on the Commonwealth level which requires any record or information which is inscribed on a tangible medium or is stored in an electronic or other medium and which is retrievable in perceivable form to include a message about being intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, etc. In the House State Government Committee.

House Bill 1996 PN 2749 – Amends Title 62 (Procurement) in Commonwealth Section 513(a) by stating that contracts for “construction” cannot be included in those conditions when a contracting officer determines in writing that the use of competitive sealed bidding is either not practicable or advantageous to the Commonwealth for services and supplies and may be entered into by competitive sealed proposals. In the House State Government Committee.

House Bill 2100 PN 3154 – Amends the Act of 1913, listed above, regulating the letting of contracts for the erection, construction and alteration of public buildings. It allows the adoption of an ordinance or

resolution to set-aside the preparation of separate specifications when the entire cost of such work shall exceed \$4,000. In the House State Government Committee.

House Bill 2115 PN 2910 – Amends Title 62 (Procurement) under 3702 adding a section to read.... Contractor affidavit on employment eligibility verifications - which requires an affidavit affirming under the penalties for perjury that the contractor has in its files an employment eligibility verification form required by section 274A of the Immigration and Nationality Act for each individual who will be employed in the performance of this contract. In the House State Government Committee.

House Bill 2116 PN 2911 – Amends Title 62 (Procurement) adding Chapter 46 Insourcing of Jobs which states that the Commonwealth, its agencies and political subdivisions shall not award any contract under this title to a contractor or subcontractor who utilizes a labor force comprised of L-1 and H-1B visa holders unless such labor possesses specific knowledge as defined by the United States Immigration law, 8 CFR 214.2. In the House State Government Committee.

House Bill 2128 PN 2932 – Amends Title 62 (Procurement) under Sections 3732 and 3734 to include a definition for hybrid vehicle as a motor vehicle that draws propulsion energy from onboard sources of stored energy that are both an internal combustion engine using combustible fuel and a rechargeable energy storage system. Also adds a schedule for Commonwealth agencies to increase their purchase of these vehicles by a percentage each fiscal year. In the House State Government Committee.

House Bill 2440 PN 3509 – Amends Title 62 (Procurement) under Section 321 pertaining to the powers and duties of the Department of General Services by laying down guidelines for the receipt, assessment and response to all Commonwealth purchase proposals submitted by a person for supplies, services or construction. In the House State Government Committee.

House Bill 2545 PN 4515 – Amends Title 53 (Municipalities Generally) providing that parking authorities in cities of the first class may engage in cooperative purchasing arrangements with any public procurement unit pursuant to Title 62 but is not obligated to follow Title 62 in the competition and award of their contracts. Has passed both the House and Senate and was referred to the House Rules Committee on July 5, 2006.

*To print a copy of any of the above legislation: Go to [www.legis.state.pa.us](http://www.legis.state.pa.us) and click on Session Information tab, scroll down to Numerical Index and select either House or Senate. Select the bill number you are researching. Click on “Bill History” to find the latest Committee or Floor action. Click on the top “As Printed” if there is more than one listed since the others will be earlier versions of the Bill prior to being amended.*