

No. 1996-193

AN ACT

HB 2313

Amending the act of February 1, 1966 (1965 P.L.1656, No.581), entitled "An act concerning boroughs, and revising, amending and consolidating the law relating to boroughs," further providing for contracts.

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

Section 1. Section 1402(a) and (c) of the act of February 1, 1966 (1965 P.L.1656, No.581), known as The Borough Code, amended June 26, 1995 (P.L.63, No.12), are amended to read:

Section 1402. Regulation of Contracts.—(a) All contracts or purchases in excess of ten thousand dollars (\$10,000), except those hereinafter mentioned, shall not be made except with and from the lowest responsible bidder after due notice in one newspaper of general circulation in the borough, at least two times at intervals of not less than three days where daily newspapers of general circulation are available for such publication, in case of weekly newspapers, such notice once a week for two successive weeks. The first advertisement shall be published not more than forty-five days and the second advertisement not less than ten days prior to the date fixed for the opening of bids. Advertisements for contracts or purchases shall also be posted in a conspicuous place within the borough. Advertisements for contracts and purchases shall contain the date, time and location for opening of bids *and shall state the amount of the performance bond determined under subsection (c)*. The amount of the contract shall in all cases, whether of straight sale price, conditional sale, bailment lease, or otherwise, be the entire amount which the borough pays to the successful bidder or his assigns in order to obtain the services or property, or both, and shall not be construed to mean only the amount which is paid to acquire title or to receive any other particular benefit or benefits of the whole bargain. In awarding contracts, council shall have the right to take into consideration such other factors as the availability, cost and quality of service.

* * *

(c) The successful bidder when advertising as required herein may, at the discretion of council, be required to furnish a bond with suitable reasonable requirements guaranteeing the work to be done with sufficient surety in **[the amount of fifty percent]** *an amount as determined by council which shall be not less than ten percent nor more than one hundred percent* of the amount of the liability under the contract within twenty days after the contract has been awarded, unless council shall prescribe a shorter period of not less than ten days, and upon failure to furnish such bond within such time

the previous award shall be void. Deliveries, accomplishment and guarantees may be required in all cases of expenditures.

* * *

Section 2. This act shall take effect immediately.

APPROVED—The 20th day of December, A.D. 1996.

THOMAS J. RIDGE