

ing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income to be derived therefrom as well as the probable safety of their capital.

The authorization to make and retain investments pursuant to this section 2.1 shall be in addition to, and independent of, authorizations to make investments pursuant to other provisions of this act and requirements applicable under other provisions of this act shall not affect investments also authorized by this section 2.1.

Section 2. Section 4 of the act is amended by adding at the end thereof, a new clause to read:

Section <sup>1</sup>4. Obligations of Federal Organizations.—Obligations of the following organizations constituted under the laws of the United States shall be authorized investments:

\* \* \*

(7) Tennessee Valley Authority. Obligations issued, assumed or guaranteed by the Tennessee Valley Authority.

Section <sup>2</sup>3. This act shall take effect immediately.

APPROVED—The 25th day of June, A. D. 1968.

RAYMOND P. SHAFER

\_\_\_\_\_  
No. 120

AN ACT

HB 2250

Amending the act of May 27, 1953 (P. L. 244), entitled "An act relating to and regulating the contracts of incorporated towns and providing penalties," further regulating contracts.

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

Section 1. Subsections (a) and (d) of section 2 and section 3, act of May 27, 1953 (P. L. 244), entitled "An act relating to and regu-

<sup>1</sup> "3" in original.  
<sup>2</sup> "4" in original.

lating the contracts of incorporated towns and providing penalties," are amended to read:

Section 2. Regulation of Contracts.—(a) All contracts or purchases of incorporated towns in excess of [seven hundred and fifty] one thousand five hundred dollars, except those hereinafter men-

tioned, shall not be made except with and from the lowest responsible bidder, after due notice in one newspaper of general circulation published or circulated in the county in which the town is situated at least three times at intervals of not less than three days where daily newspapers of general circulation are available for such publication, and in case of weekly newspapers shall be published once a week for two successive weeks. The first advertisement shall be published not less than ten days prior to the date fixed for the opening of bids. 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 town 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.

\* \* \*

(d) The contracts or purchases made by council involving an expenditure of over [seven hundred and fifty] one thousand five hundred dollars which shall not require advertising or bidding as hereinbefore provided are as follows:

(1) Those for maintenance, repairs or replacements for water, sewer, electric light or other public works of the incorporated town, provided they do not constitute new additions, extensions or enlargements of existing facilities and equipment, but a bond may be required by council as in other cases of work done.

(2) Those made for improvements, repairs and maintenance of any kind other than construction materials used in a street improvement made or provided by any incorporated town through its own employes.

(3) Those where particular types, models or pieces of new equipment, articles, apparatus, appliances, vehicles or parts thereof are desired by council, which are patented and manufactured or copy-righted products.

(4) Those involving any policies of insurance or surety company bonds; those made for public utility service under tariffs on file with the Pennsylvania Public Utility Commission; those made with another political subdivision, or a county, the Commonwealth of Pennsylvania, the Federal Government, any agency of the Commonwealth or the Federal Government, or any municipal authority, including the sale, leasing or loan of any supplies or material by the Commonwealth or the Federal Government or their agencies. But the price thereof shall not be in excess of that fixed by the Commonwealth, the Federal Government, or their agencies.

(5) Those involving personal or professional services.

Section 3. Evasion of Advertising Requirements.—No member or members of council shall evade the provisions of Section two hereof by purchasing or contracting for services and personal properties piecemeal for the purpose of obtaining prices under [seven hundred and fifty] one thousand five hundred dollars upon transactions which

transactions should, in the exercise of reasonable discretion and prudence, be conducted as one transaction amounting to more than [seven hundred and fifty] one thousand five hundred dollars. This

provision is intended to make unlawful the evading of advertising requirements by making a series of purchases or contracts each for less than the advertising requirement of price, or by making several simultaneous purchases or contracts each below said price, when, in either case, the transactions involved should have been made as one transaction for one price. Any members of council who so vote in violation of this provision and who know that the transaction upon which they so vote is or ought to be a part of a larger transaction and that it is being divided in order to evade the requirements as to advertising for bids shall be jointly and severally subject to surcharge for ten per centum of the full amount of the contract or purchase.

Whenever it shall appear that a member of council may have voted in violation of this section but the purchase or contract on which he so voted was not approved by council, this section shall be inapplicable.

Section 2. The act is amended by adding after section 3 a new section to read:

Section 3.1. Contracts between Seven Hundred Fifty Dollars and One Thousand Five Hundred Dollars; Written Bids.—In all cases of contracts or purchases, other than the kinds mentioned in clauses (1) to (5) inclusive of subsection (d) of section 2 of this act, from seven hundred fifty dollars to one thousand five hundred dollars inclusive, whether made by the town council or by an officer or appointee of the town, written bids shall be solicited therefor; and no such contract or purchase shall be made for the town except upon at least three such written bids. The specifications upon which bids are solicited shall be uniform in so far as possible to afford equal opportunity for bidding. Catalogues and circulars of firm prices shall be acceptable as bids upon the contracts or purchases herein regulated. All such bids shall be retained in the proper department or office for a period of at least two months, and shall be reported monthly to the person designated by the town council, who shall make a consolidated monthly

report thereof to council. The town council and the person designated by the town council shall have access to the bids in all departments and offices of the town for the enforcement of this provision. Any official or appointee of the town contracting or purchasing in violation of the provision of this section shall be liable upon his bond, if any, or personally, in the full amount of the purchase or contract so made, and the town council may avoid any such purchase or contract.

Section 3. Sections 5 and 6 of the act are amended to read:

Section 5. Separate Bids for Plumbing, Heating, Ventilating and Electrical Work.—In the preparation for the erection, construction and alteration of any public building of an incorporated town, when the entire cost of such work shall exceed one thousand five hundred

dollars, the architect, engineer or other person preparing such specifications shall prepare separate specifications for the plumbing, heating, ventilating and electrical work. The person or persons authorized to enter into contracts for the erection, construction or alteration of such public buildings shall receive separate bids upon each of the said branches of work and award the contract for the same to the lowest responsible bidder for each of said branches.

Section 6. Bonds for the Protection of Labor and Materialmen.—It shall be the duty of every incorporated town to require any person, copartnership, association or corporation entering into a contract with such incorporated town for the construction, erection, installation, completion, alteration, repair of or addition to any public work or improvement of any kind whatsoever, where the amount of such contract is in excess of [seven hundred and fifty] one thousand five hundred

dollars, before commencing work under such contract, to execute and deliver to such incorporated town, in addition to any other bond which may now or hereafter be required by law to be given in connection with such contract, an additional bond for the use of any and every person, copartnership, association or corporation interested in a sum not less than fifty per centum and not more than one hundred per centum of the contract price, as such incorporated town may prescribe, having as surety thereon one or more surety companies legally authorized to do business in this Commonwealth, conditioned for the prompt payment of all material furnished and labor supplied or performed in the prosecution of the work, whether or not the said material or labor enter into and become component parts of the work or improvement contemplated. Such additional bond shall be deposited with and held by the incorporated town for the use of any party interested therein. Every such additional bond shall provide that every person, copartnership, association or corporation who, whether as subcontractor or otherwise, has furnished material or supplied or

performed labor in the prosecution of the work as above provided and who has not been paid therefor may sue in assumpsit on said additional bond, in the name of the incorporated town, for his, their or its use, and prosecute the same to final judgment for such sum or sums as may be justly due him, them or it, and have execution thereof. An incorporated town shall not be liable for the payment of any costs or expense of any such suit.

Section 4. This act shall take effect immediately.

APPROVED—The 25th day of June, A. D. 1968.

RAYMOND P. SHAFER

---

No. 121

AN ACT

HB 2337

Amending the act of August 9, 1955 (P. L. 323), entitled "An act relating to counties of the third, fourth, fifth, sixth, seventh and eighth classes; amending, revising, consolidating and changing the laws relating thereto," authorizing the billing and collection of fourth, fifth and sixth class county and county institution district taxes by counties in cities of the third class.

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

Section 1. Section 1701.1, act of August 9, 1955 (P. L. 323), known as "The County Code," added January 26, 1966 (P. L. 1621) is amended to read:

Section 1701.1. Billing and Collection of Third, Fourth, Fifth and Sixth Class County Taxes.—(a) The county commissioners of each county of the third, fourth, fifth and sixth class may, by resolution, provide for the billing and collecting of all county and county institution district taxes levied within a third class city by the authorities empowered to levy such taxes.

(b) In counties of the third, fourth, fifth and sixth class in which the county commissioners provide, by resolution, for the billing and collection of all county and county institution district taxes levied in third class cities, the county commissioners shall have the power and authority by resolution, to vest in the county treasurer the duties and responsibilities of billing and collecting county and county institution district taxes.

(c) The county commissioners may appoint such other employes as may be necessary to carry out the provisions of this section.