

No. 1990-13

## AN ACT

HB 1335

Amending the act of May 28, 1937 (P.L.955, No.265), entitled, as amended, "An act to promote public health, safety, morals, and welfare by declaring the necessity of creating public bodies, corporate and politic, to be known as housing authorities to engage in slum clearance, and to undertake projects, to provide dwelling accommodations for persons of low income; providing for the organization of such housing authorities; defining their powers and duties; providing for the exercise of such powers, including the acquisition of property by purchase, gift or eminent domain, the renting and selling of property, and including borrowing money, issuing bonds, and other obligations, and giving security therefor; prescribing the remedies of obligees of housing authorities; authorizing housing authorities to enter into agreements, including agreements with the United States, the Commonwealth, and political subdivisions and municipalities thereof; defining the application of zoning, sanitary, and building laws and regulations to projects built or maintained by such housing authorities; exempting the property and securities of such housing authorities from taxation; and imposing duties and conferring powers upon the State Planning Board, and certain other State officers and departments," increasing the maximum amount for which authorities may contract or purchase without bids; prohibiting evasion of requirement to advertise for bids; and providing for purchases that are not subject to advertisement and bidding.

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

Section 1. Section 11(a) and (b) of the act of May 28, 1937 (P.L.955, No.265), known as the Housing Authorities Law, amended February 5, 1982 (P.L.17, No.8), are amended and the section is amended by adding subsections to read:

Section 11. Awards of Contracts; Completion Bond; Additional Bond for Protection of Materialmen and Others.—

(a) Whenever the estimated cost of any construction, erection, installation, completion, alteration, repair of, or addition to, any project subject to the control of any Authority shall exceed **[four thousand (\$4,000) dollars] ten thousand (\$10,000) dollars**, it shall be the duty of said Authority to have such work performed pursuant to a contract awarded to the lowest responsible bidder, after advertisement for bids. Every such contract shall contain a provision obligating the contractor to the prompt payment of all material furnished, labor supplied or performed, rental for equipment employed, and services rendered by public utilities in or in connection with the prosecution of the work, whether or not the said material, labor, equipment or service enter into and become component parts of the work or improvement contemplated. Such provision shall be deemed to be included for the benefit of every person, copartnership, association or corporation who, as subcontractor or otherwise, has furnished material, supplied or performed labor, rented equipment or services in or in connection with the prosecution of the work as aforesaid, and the inclusion thereof in any contract shall preclude the filing

by any such person, copartnership, association or corporation of any mechanics' lien claim for such material, labor or rental of equipment.

(b) Whenever the estimated cost of any purchase of supplies, materials or equipment or the rental of any equipment, whether or not the same is to be used in connection with the construction, erection, installation, completion, alteration, repair of, or addition to, any project subject to the control of any Authority, shall exceed **[four thousand (\$4,000) dollars] ten thousand (\$10,000) dollars**, it shall be the duty of such Authority to have such purchase or rental made pursuant to a contract awarded to the lowest responsible bidder, after advertisement for bids, such advertisement to be inserted in a newspaper of general circulation within the county in which the Authority operates.

*(b.1) An authority shall not evade the provisions of subsection (a) or (b) as to advertising for bids by purchasing materials or contracting for services piecemeal for the purpose of obtaining prices under ten thousand (\$10,000) dollars upon transactions which should, in the exercise of reasonable discretion and prudence, be conducted as one transaction amounting to more than ten thousand (\$10,000) dollars. This provision is intended to make unlawful the practice of evading advertising requirements by making a series of purchases or contracts, each for less than the advertising requirement 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.*

*(b.2) Written or telephonic price quotations from at least three qualified and responsible vendors shall be obtained for all purchases under ten thousand (\$10,000) dollars, or, in lieu of price quotations, a memorandum shall be kept on file showing that fewer than three qualified vendors so qualified exist in the market area within which it is practicable to obtain quotations. A written record of telephonic price quotations shall be made and shall contain at least the date of the quotation, the name of the vendor and the vendor's representative, the item which was the subject of the quotation and the price of the item. Written price quotations, written records of telephonic price quotations and memoranda shall be retained for a period of three years.*

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Section 2. This act shall take effect in 60 days.

APPROVED—The 16th day of February, A. D. 1990.

ROBERT P. CASEY