

No. 250

AN ACT

HB 1784

Amending the act of May 2, 1945 (P.L.382, No.164), entitled "An act providing for the incorporation as bodies corporate and politic of 'Authorities' for municipalities, counties and townships; prescribing the rights, powers and duties of such Authorities heretofore or hereafter incorporated; authorizing such Authorities to acquire, construct, improve, maintain and operate projects, and to borrow money and issue bonds therefor; providing for the payment of such bonds, and prescribing the rights of the holders thereof; conferring the right of eminent domain on such Authorities; authorizing such Authorities to enter into contracts with and to accept grants from the Federal Government or any agency thereof; and conferring exclusive jurisdiction on certain courts over rates," regulating contract procedures and advertising for bids.

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

Section 1. Subsections A and B of section 10, act of May 2, 1945 (P.L.382, No.164), known as the "Municipality Authorities Act of 1945," amended September 1, 1967 (P.L.293, No.122), are amended to read:

Section 10. Competition in Award of Contracts.—A. All construction, reconstruction, repairs or work of any nature made by any Authority, where the entire cost, value or amount of such construction, reconstruction, repairs or work, including labor and materials, shall exceed **[one thousand five hundred dollars (\$1500)] two thousand dollars (\$2,000)**, except construction, reconstruction, repairs or work done by employees of said Authority, or by labor supplied under agreement with any Federal or State agency, with supplies and materials purchased as hereinafter provided, shall be done only under contract or contracts to be entered into by the Authority with the lowest responsible bidder upon proper terms, after due public notice has been given asking for competitive bids as hereinafter provided. No contract shall be entered into for construction or improvement or repair of any project or portion thereof, unless the contractor shall give an undertaking with a sufficient surety or sureties approved by the Authority, and in an amount fixed by the Authority, for the faithful performance of the contract. All such contracts shall provide among other things that the person or corporation entering into such contract with the Authority will pay for all materials furnished and services rendered for the performance of the contract, and that any person or corporation furnishing such materials or rendering such services may maintain an action to recover for the same against the obligor in the undertaking, as though such person or corporation was named therein, provided the action is brought within one year after the time the cause of action accrued. Nothing in this section shall be construed to limit the power of the Authority to construct, repair or improve any project or portion

thereof, or any addition, betterment or extension thereto, directly by the officers, agents and employes of the Authority, or otherwise than by contract.

B. All supplies and materials costing [**one thousand five hundred dollars (\$1500)**] *two thousand dollars (\$2,000)*, or more, shall be purchased only after due advertisement as hereinafter provided. Authority shall accept the lowest bid or bids, kind, quality and material being equal, but the Authority shall have the right to reject any or all bids or select a single item from any bid. The provisions as to bidding shall not apply to the purchase of patented and manufactured products offered for sale in a noncompetitive market or solely by a manufacturer's authorized dealer.

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

APPROVED—The 23rd day of November, A. D. 1976.

MILTON J. SHAPP