

No. 1978-239

AN ACT

HB 2354

Amending the act of June 23, 1931 (P.L.932, No.317), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," further regulating contracts as to purchasing and advertising requirements.

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

Section 1. Subsections (a) and (b) and the first paragraph of subsection (d) of section 1901 and section 1902, act of June 23, 1931 (P.L.932, No.317), known as "The Third Class City Code," reenacted and amended June 28, 1951 (P.L.662, No.164) and amended November 23, 1976 (P.L.1140, No.245), are amended and section 1901 is amended by adding a subsection to read:

Section 1901. Power to Make Contracts; Regulations Concerning Contracts.—(a) Each city may make contracts for carrying into execution the provisions of this act and the laws of the Commonwealth. The council shall, by ordinance, provide for and regulate the award of all contracts. All contracts or purchases not in excess of [**two thousand dollars**] *two thousand five hundred dollars* shall be by note or memorandum in writing, signed by the officer or employe making the purchase or contract.

(b) All services and personal properties required by any city, or any department thereof, where the amount exceeds the sum of [**two thousand dollars**] *two thousand five hundred dollars*, shall be furnished and performed under written contract, and the contract shall be awarded and given to the lowest responsible bidder, after advertising three times, each publication on a different day, in not more than two newspapers, in accord with the provisions of section one hundred and nine of this act, and the bids shall not be opened until at least ten days have elapsed after the first advertisement.

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

* * *

(k) *Every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works shall comply with the provisions of the act of March 3, 1978 (No.3), known as the "Steel Products Procurement Act."*

Section 1902. Evasion of Advertising Requirements.—No member or members of council shall evade the provisions of the preceding section as to advertising for bids by purchasing or contracting for services and personal properties piecemeal for the purpose of obtaining prices under **[two thousand dollars] *two thousand five hundred dollars*** upon transactions which should, in the exercise of reasonable discretion and prudence, be conducted as one transaction amounting to more than **[two thousand dollars] *two thousand five hundred 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. 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. Wherever 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. This act shall take effect in 60 days.

APPROVED—The 4th day of October, A. D. 1978.

MILTON J. SHAPP