

Municipal Procurement

In general, the competitive bidding requirements for municipalities can be summarized as follows:

Generic¹ Competitive Bidding Requirements		
	Contracts and Purchases Generally²	“Exempted” Categories of Contracts or Purchases³
Contracts below \$4,000	No advertising or competitive bidding or price quotations are required.	No advertising or competitive bidding or price quotations are required.
Contracts between \$4,000 and \$10,000	Only written or telephonic price quotations are required.	No advertising or competitive bidding or price quotations are required.
Contracts over \$10,000	Advertising and competitive bidding are required.	No advertising or competitive bidding or price quotations are required.

¹ The specific contract and procurement provisions of the applicable municipal code always should be referenced when examining procurement by any non-home rule municipality. Home rule municipalities may adopt their own purchasing procedures; and reference should be made to their charters and administrative codes.

² Act 88 of 2006, which amended General Procurement Provisions (62 Pa.C.S., Part II) by adding Chapter 46 (Electronic Bidding by Local Government Units), provides that requirements for competitive bidding may be met through electronic submission of bids to, and electronic receipt of bids by, a local government that has the capability of maintaining the confidentiality of such bids. Act 88 also permits electronic auction bidding. In a related but nonprocurement context, Act 49 of 2006, which amended Section 1504 (Personal Property) of the Second Class Township Code, authorizes electronic auction sales to dispose of the personal property of second class townships (53 P.S. § 66504).

³ While differing somewhat in the various municipal codes, each code does identify those purchases and contracts that are exempt from bidding requirements. Some examples are contracts for insurance, the purchase of certain patented or copyrighted materials, or contracts involving personal or professional services. This is not a complete list of exceptions, and the appropriate municipal code provisions should be examined for applicable exemptions.

Though similar, the municipal code provisions governing advertising and competitive bidding are not identical. The following chart shows the location of the “Article” on “Contracts” in each of the listed municipal codes:

Municipal Code	Code Provision	Purdon’s Pennsylvania Statute (P.S.)
“The County Code” ⁴	Article XVIII	Title 16 P.S. Section 1801 et seq.
“The Third Class City Code” ⁵	Article XIX	Title 53 P.S. Section 36901 et seq.
“The Borough Code” ⁶	Article XIV	Title 53 P.S. Section 46401 et seq.
“The First Class Township Code” ⁷	Article XVIII	Title 53 P.S. Section 56801 et seq.
“The Second Class Township Code” ⁸	Article XXXI	Title 53 P.S. Section 68101 et seq.

Pennsylvania Consolidated Statutes Title 62 (Procurement)

Municipalities and other political subdivisions, as well as municipal authorities and other local authorities, are also subject to Title 62 of the Pennsylvania Consolidated Statutes, Part II (General Procurement Provisions), which, among other things, contains:

- ◆ Chapter 33, relating to the prevention of environmental pollution.
- ◆ Chapter 37, Subchapter A, Section 3701, relating to contract provisions prohibiting discrimination.
- ◆ Chapter 37, Subchapter B, Section 3731 et seq., the Motor Vehicle Procurement Act.
- ◆ Chapter 37, Subchapter C, Section 3741 et seq., relating to mass transportation.
- ◆ Chapter 37, Subchapter D, Section 3746, relating to used oil products.
- ◆ Chapter 37, Subchapter E, Section 3751 et seq., the Guaranteed Energy Savings Act.
- ◆ Chapter 39, relating to contracts for public works.
- ◆ Chapter 41, relating to the purchase of surplus federal property.
- ◆ Chapter 43, Section 4301 et seq., the Public Facilities Concession Regulation Act.
- ◆ Chapter 45, Section 4501 et seq., the Antibid-Rigging Act.
- ◆ Chapter 46, Section 4601 et seq., relating to electronic bidding by local government units.

⁴ 16 P.S. § 101 et seq.

⁵ 53 P.S. § 35101 et seq.

⁶ 53 P.S. § 45101 et seq.

⁷ 53 P.S. § 55101 et seq.

⁸ 53 P.S. § 65101 et seq.

Also, in the Commonwealth Procurement Code,⁹ Chapter 19 (Intergovernmental Relations) is made applicable to political subdivisions.

For a more thorough discussion of the subject of this article, the reader is referred to the *Purchasing Handbook*, published by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services.¹⁰



⁹ 62 Pa.C.S. § 101 et seq.

¹⁰ *Purchasing Handbook*, 11th ed., Governor's Center for Local Government Services, Pennsylvania Department of Community and Economic Development, Harrisburg, Pa., 2003, 42 pages.

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