

Municipal Procurement

Competitive bidding requirements for municipalities can be summarized, generally, as follows:

Generic¹ Competitive Bidding Requirements

Contract Base Amounts <i>as of January 1, 2020</i> , subject to annual adjustment ²	Contracts and Purchases Generally³	“Exempted” Categories of Contracts or Purchases⁴
Contracts up to \$11,300	No advertising or competitive bidding or price quotations are required	No advertising or competitive bidding or price quotations are required
Contracts over \$11,300 and up to \$21,000	Only written or telephonic price quotations are required	No advertising or competitive bidding or price quotations are required
Contracts over \$21,000	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 Contract base amounts are subject to possible annual adjustment by the Pennsylvania Department of Labor and Industry, effective January 1, as determined from the percentage change in Consumer Price Index for All Urban Consumers: All Items (CPI-U) for the United States City Average as published by the United States Department of Labor. The Department publishes notice of adjusted base amounts prior to January 1 of each year in the Pennsylvania Bulletin. The most recent published adjusted base amounts are accessible through the Local Government Commission’s website (<http://www.lgc.state.pa.us>).

³ Chapter 46 (Electronic Bidding by Local Government Units) of General Procurement Provisions (62 Pa.C.S., Part II), which was added by Act 88 of 2006, 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. The Chapter also permits electronic auction bidding. In a related but non-procurement context, The Third Class City Code, the Borough Code, The First Class Township Code and The Second Class Township Code authorize electronic auction sales to dispose of municipal personal property (*see, e.g.*, the Borough Code, 8 Pa.C.S. § 1201.2(a.1)).

⁴ 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 or chapter on “Contracts” in each of the listed municipal codes:

Advertisement and Competitive Bidding Citations

Municipal Code	Code Article	Citation
County Code ⁵	Article XVIII	16 P.S. § 1801 et seq.
Third Class City Code ⁶	Chapter 119	11 Pa.C.S. § 11901 et seq.
Borough Code ⁷	Chapter 14	8 Pa.C.S. § 1401 et seq.
First Class Township Code ⁸	Article XVIII	53 P.S. § 56801 et seq.
Second Class Township Code ⁹	Article XXXI	53 P.S. § 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.

⁵ Act 130 of 1955 (16 P.S. § 101 et seq.)

⁶ 11 Pa.C.S. § 10101 et seq.

⁷ 8 Pa.C.S. § 101 et seq.

⁸ Act 331 of 1931 (53 P.S. § 55101 et seq.)

⁹ Act 69 of 1933 (53 P.S. § 65101 et seq.)

- 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 Antbid-Rigging Act.
- Chapter 46, Section 4601 et seq., the Local Government Unit Electronic Bidding Act.

Also, in the Commonwealth Procurement Code,¹⁰ Chapter 19 (Intergovernmental Relations) is made applicable to political subdivisions.

For a more thorough discussion of the subject of this article, the reader may wish to consult the *Purchasing Handbook*, published by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services.¹¹

¹⁰ 62 P.S. et seq.

¹¹ *Purchasing Handbook*, 13th ed., Governor's Center for Local Government Services, Pennsylvania Department of Community and Economic Development, Harrisburg, Pa., 2019. https://dced.pa.gov/library/?wpdmc=publications_and_documents (accessed April 22, 2020).