



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

MEMO

September 9, 1974

SUBJECT: Legislative Proposals

TO: Members of the House Select Committee to Investigate State Contract Practices

FROM: Rep. Patrick A. Gleason

Enclosed you will find copies of the 17 bill initial package of legislation that I requested the Legislative Reference Bureau to prepare.

I ask you to examine this package and I await your written comments.

If you wish to sponsor any of the bills, let me know. I plan to introduce them later this week after Tuesday, so that you have time to make your comments.

Let me stress that this package is a beginning only and that additional proposals will be forthcoming in subsequent weeks.

(NOTE: Proposal #14 is being redrafted with the following changes:

- a. p 15 L6 - Auditor General changed to Treasurer
- b. p 16 L27 to 29 is being changed to read by a sworn statement that the person or entity seeking the contract has fully complied with section 1605.1 of the Election Code to the extent applicable.

Proposal #13 is being changed in the following manner:

p 18 L2, p20 L8, p20 L29, p24 L1, "the Act of July 21, 1974" changed to "section 1605.1 of the Election Code to the extent applicable."

LEGISLATIVE PROPOSALS OF THE HOUSE SELECT COMMITTEE TO INVESTIGATE
STATE CONTRACT PRACTICES.

Proposal #1

Establishes a procedure in the Dept. of Transportation for the leasing of motorized equipment used in the repair and maintenance of State highways. The Department will advertise its need for such equipment in each county maintenance district on April 30 of each year. The advertisement will include the specifications of equipment and the price the Commonwealth is prepared to pay per hour for such equipment. Each applicant will receive a contract unless the county maintenance district superintendent can substantiate in writing to the satisfaction of the Secretary that such contract should not be awarded. An Office of Hearing Examiner is established to provide those prospective lessors who are recommended to not receive a contract to have an impartial public hearing. The Department is directed to promulgate regulations to ensure that each piece of equipment under contract within each category shall be utilized with the same degree of frequency as all other pieces of equipment within that category.

Proposal #2

Requires the Department of Transportation to phase out by July 1, 1980 its practice of leasing motorized equipment used in the repair and maintenance of State highways. An exception to this is provided for work necessitated by acts of God such as snow and floods. A strict phase-out schedule is provided but such schedule may be suspended by the Secretary if he can certify in writing to the Governor a satisfactory reason why such schedule cannot be met. Such written certification and the acceptance or rejection of same shall be published in the Pennsylvania Bulletin.

Proposal #3

Requires all employees in the Department of Transportation except the Secretary, Deputy Secretaries, and all attorneys to be subject to the Civil Service Law. All newly covered employees except district maintenance superintendents and assistant district maintenance superintendents will be "grandfathered" into the act.

Proposal #4

Removes the Auditor General from the Board of Commissioners of Public Buildings and Grounds and replaces him with the Senate Leader from the party opposite that of the Governor. The bill also extends the responsibility of the Board for lease approvals to include those in the city of Harrisburg.

Proposal #5

Requires the Department of Property and Supplies to advertise for bids for the leasing of office space and other accommodations. Specifications shall be approved by the Board of Commissioners of Public Buildings and Grounds before advertisement and final approval of any such leases shall remain vested with the Board.

Proposal #6

Grants to the Auditor General the power to subpoena the tax records and tax returns of any individual or business when relevant to a proper audit being conducted by that office.

Proposal #7

Establishes the Office of Risk Manager in the Office of Administration. The office will survey the Commonwealth's risks and prepare specifications for those it determines necessary to have pass on to insurers. The specifications of insurance will be turned over to the Department of Property and Supplies which must obtain not less than three proposals from different insurers specifying the form, rates, and commission to be paid. Upon selecting a company the Secretary of Property and Supplies shall submit the selection to the Insurance Commissioner for determination of the requisite financial integrity of the company.

Proposal #8

Establishes a Bond Counsel in the Office of the State Treasurer.

Proposal #9

Supplements the Capitol Budget to provide funds for the purchase of the Evangelical Press Building and the Harrisburger Hotel Building.

Proposal #10

Amends Section 5110 of the Crimes Code to define contempt of the General Assembly to conform with the Federal Statute.

Proposal #11

Amends the Fictitious Name Act to require that an individual be registered under this act in order to be awarded a Commonwealth contract. Failure to do so will render an existing contract void and prohibits any new State contract for a period of two years after such failure has been corrected.

Proposal #12

Amends the Fictitious Corporate Name Act to require an annual filing of the names of all directors and officers of the corporation and of all shareholders owning more than 25% of the outstanding shares issued. Such report shall be due 75 days following the end of the corporation's tax year. The penalty for failing to file initially or annually is ineligibility to contract with the State for a period of 2 years after the defect has been corrected. Contracts become void if such failures are discovered during their existence.

Proposal #13

Establishes a Department of Building Construction. Essentially this bill is an amalgam of House Bill 224 and S.B. 956. It abolishes the GSA, the State Art Commission, and certain functions of the Commissioners of Grounds and Buildings. Replacing them with a Departmental Commission of 7 members: the Governor, the Treasurer, the Secretary of Building Construction, and Secretary of Dept. of Property and Supplies and three appointees. This Commission will be responsible for establishing regulations for the procedure for determining whether architectural and engineering services are to be provided by departmental architects and engineers. Whether architectural and engineering services are to be procured through competitive bidding, or whether private professional services are to be procured in accordance with H.B. 2363. These regulations would be published in accordance with the Commonwealth Documents Law.

The bill limits architects fees to 6% at the time of the award. The Department will exercise all the powers and duties as to new construction for the Commonwealth exceeding \$25,000 in cost.

Proposal #14

This revises the responsibilities remaining in the Department of Property and Supplies (after the Dept. of Building Construction has been established). Establishes a parallel commission with the same seven members to be known as the Commonwealth Procurement Commission. It would establish regulations governing leasing procedures for real property and equipment, including data processing equipment. It would be generally responsible for formalizing procurement policy which would then be published in accordance with the Commonwealth Document's Law.

Proposal #15

Establishes the Department of the Solicitor General severing the claims and advisory responsibilities currently assigned to the Attorney General. The Attorney General will continue to be responsible for all litigation and law enforcement. Included in the Solicitor General's responsibilities would be responsibility for acting as bond counsel for the State.

Proposals #16 and #17

Companion bills to No. 13 above. Replace the Secretary of Property and Supplies with the Secretary of Building Construction on "The Pennsylvania Higher Educational Facilities Authority" and the "State Public School Building Authority".

OTHER BILLS RECOMMENDED FOR PASSAGE BY THE COMMITTEE

- H.B. 1891 - Provides that the Auditor General shall receive copies of all contracts with entities receiving State funds where the amount of such contracts exceeds \$500. within 10 days of execution of such contracts and further provides that no monies shall be expended pursuant to said contract until the Auditor General receives a copy thereof.
- H.B. 1892 - Enlarges the subpoena power of the Auditor General authorizing him to subpoena witnesses and the records of any entities receiving funds from Commonwealth Boards, Commissions, etc. The bill also provides for the impoundment of records through court order where the Auditor General shows to the satisfaction of the court that the records might be destroyed.