
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1199 Session of
2023

INTRODUCED BY NEILSON, SCHLOSSBERG, T. DAVIS, HILL-EVANS,
MADDEN, DELLOSO, SANCHEZ, HOHENSTEIN AND PARKER, MAY 19, 2023

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 19, 2023

AN ACT

1 Amending Title 62 (Procurement) of the Pennsylvania Consolidated
2 Statutes, in source selection and contract formation, further
3 providing for debarment or suspension and for
4 prequalification of bidders and offerors.

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

7 Section 1. Section 531(a) of Title 62 of the Pennsylvania
8 Consolidated Statutes is amended and the section is amended by
9 adding a subsection to read:

10 § 531. Debarment or suspension.

11 (a) Authority.--After reasonable notice to the person
12 involved and reasonable opportunity for that person to be heard,
13 the head of a purchasing agency, after consultation with the
14 head of the using agency, shall have authority to debar a person
15 from consideration for the award of contracts. The decision to
16 debar shall be based upon substantial evidence that a cause for
17 debarment or suspension under subsection (b) has occurred. In
18 making the decision of whether to debar a person, the head of
19 the purchasing agency shall take into consideration the

1 seriousness of any violation and any mitigating factors. A
2 debarment may be for a period of not more than [three] five
3 years. The head of the purchasing agency may suspend a person
4 from consideration for an award of contracts for a period of up
5 to three months if there is probable cause for debarment.

6 * * *

7 (g) Civil penalties.--

8 (1) A debarred or suspended person shall be subject to
9 the following:

10 (i) For a debarment, a civil penalty not to exceed:

11 (A) \$1,500 for an individual.

12 (B) \$3,000 for a company.

13 (ii) For a suspension, a civil penalty not to
14 exceed:

15 (A) \$1,000 for an individual.

16 (B) \$2,000 for a company.

17 (2) A person subject to a civil penalty under
18 subparagraph (i) shall not be subject to a civil penalty
19 under subparagraph (ii) for the same cause enumerated under
20 subsection (b).

21 Section 2. Section 532 of Title 62 is amended to read:

22 § 532. Prequalification and qualification of bidders and
23 offerors.

24 (a) Prequalification.--

25 (1) Prospective bidders and offerors may be prequalified
26 for particular types of supplies, services and construction.

27 (2) Prequalification of bidders and offerors shall
28 include submission of evidence of compliance with the
29 following:

30 (i) Federal employer identification number or, for

1 sole proprietors, Social Security number requirements.

2 (ii) Provisions of 42 U.S.C. Ch. 21 Subch. VI
3 (relating to equal employment opportunities) and Federal
4 Executive Order No. 11246 as amended by Federal Executive
5 Order No. 11375.

6 (iii) Certificates of insurance indicating coverage
7 as necessary for the contract and in amounts specified in
8 the bid specifications.

9 (iv) Proof of performance bond, which shall cover at
10 least 20% of the total cost of the contract to be
11 awarded.

12 (v) Proof that employees are covered by a health
13 care plan.

14 (vi) Proof of any professional or trade license
15 required by the laws of this Commonwealth for any trade
16 or specialty area in which the bidder or offeror is
17 seeking a contract award, including any suspension or
18 revocation of a license.

19 (3) Prospective bidders and offerors failing to submit
20 evidence of compliance under this subsection shall not be
21 awarded a Commonwealth agency contract.

22 (b) Qualifications for contract award.--

23 (1) A bidder or offeror must meet the following
24 qualifications to be awarded a Commonwealth agency contract:

25 (i) Swear under oath that employees on the project
26 are properly classified under 26 U.S.C. (relating to
27 Internal Revenue Code) and as clarified in regulations
28 promulgated by the Internal Revenue Service.

29 (ii) Have had no violations of the act of August 15,
30 1961 (P.L.987, No.442), known as the Pennsylvania

1 Prevailing Wage Act, within the preceding five years
2 after the date of the latest finding.

3 (iii) File a signed statement that the bidder or
4 offeror has reviewed the provisions of the Pennsylvania
5 Prevailing Wage Act and that the bidder or offeror agrees
6 to pay the applicable prevailing wage rate.

7 (iv) Have had no violations under 29 U.S.C. § 160
8 (relating to prevention of unfair labor practices), the
9 act of June 1, 1937 (P.L.1168, No.294), known as the
10 Pennsylvania Labor Relations Act, or the act of July 23,
11 1970 (P.L.563, No.195), known as the Public Employe
12 Relations Act.

13 (v) Not use public funds to influence the decision
14 of its employees to join or not join the union of their
15 choice.

16 (2) The following qualifications may also be considered
17 in awarding a Commonwealth agency contract:

18 (i) Statements as to the past performance of the
19 contractor during the preceding three years. The bidder
20 or offeror shall give the names and addresses of the
21 projects, original contract price, final contract price
22 and the names of all subcontractors used, if applicable,
23 upon request by a Commonwealth agency.

24 (ii) Determinations relating to violations of
25 Federal, State or local laws, including violations of 29
26 U.S.C. Ch. 15 (relating to occupational safety and
27 health) and 41 U.S.C. Ch. 67 (relating to service
28 contract labor standards).

29 (c) Definition.--As used in this section, the term "health
30 care plan" shall mean a package of coverage benefits with a

1 particular cost-sharing structure, network and service area that
2 is purchased through a health insurance policy.

3 Section 3. This act shall take effect in 60 days.