THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1838 Session of 2013

INTRODUCED BY EVANKOVICH, LUCAS, R. MILLER, GROVE, LAWRENCE, DENLINGER, GINGRICH, EVERETT, COHEN, TALLMAN, MENTZER, F. KELLER, SANKEY, ROAE, RAPP, C. HARRIS, TRUITT, OBERLANDER, STEVENSON, SIMMONS, AUMENT, MACKENZIE, CUTLER, BLOOM, REESE, SACCONE, SAYLOR, TOBASH, PICKETT, ROCK, M. K. KELLER AND GILLEN, NOVEMBER 18, 2013

REFERRED TO COMMITTEE ON STATE GOVERNMENT, NOVEMBER 18, 2013

AN ACT

1 2 3 4 5 6 7 8 9 10	Amending Title 62 (Procurement) of the Pennsylvania Consolidated Statutes, providing for public-private partnerships, for prerequisite for operation, for approval by responsible government agency, for service contracts, for affected local jurisdictions, for dedication of public property, for powers and duties of operator, for comprehensive agreement, for Federal, State and local assistance, for material default and remedies, for condemnation and for utility crossing; imposing duties on the Pennsylvania Public Utility Commission; and providing for governmental immunity, for procurement, for use of intellectual property and for regulations.							
12	The General Assembly of the Commonwealth of Pennsylvania							
13	hereby enacts as follows:							
14	Section 1. Title 62 of the Pennsylvania Consolidated							
15	Statutes is amended by adding a chapter to read:							
16	CHAPTER 47							
17	PUBLIC-PRIVATE PARTNERSHIPS							
18	Sec.							
19	4701. Definitions.							
20	4702. Unsolicited submission of public-private partnership							

- 1 <u>agreement proposals to government agency.</u>
- 2 <u>4703</u>. Solicitation of proposals for public-private partnership
- 3 <u>agreements.</u>
- 4 4704. Evaluation and selection of public-private partnership
- 5 <u>agreement proposal.</u>
- 6 <u>4705</u>. Implementation of public-private partnership agreement.
- 7 4706. Service contracts.
- 8 4707 Affected local jurisdictions.
- 9 <u>4708. Dedication of public property.</u>
- 10 4709. Powers and duties of operator.
- 11 4710. Federal, State and local assistance.
- 12 <u>4711. Material default and remedies.</u>
- 13 <u>4712. Condemnation.</u>
- 14 4713. Utility crossing.
- 15 4714. Governmental immunity.
- 16 <u>4715. Special approval.</u>
- 17 4716. Exclusivity.
- 18 4717. Use of intellectual property.
- 19 4718. Applicability.
- 20 <u>4719</u>. Regulations.
- 21 § 4701. Definitions.
- The following words and phrases when used in this chapter
- 23 shall have the meanings given to them in this section unless the
- 24 context clearly indicates otherwise:
- 25 "Affected local jurisdiction." A political subdivision in
- 26 which all or a portion of a qualifying project is located.
- 27 "Commission." The Pennsylvania Public Utility Commission.
- 28 "Department." The Department of General Services of the
- 29 <u>Commonwealth.</u>
- 30 "Eligible project." Any of the following:

_	(1) An educational facility. This paragraph includes.
2	(i) A school building.
3	(ii) A facility which is functionally related and
4	subordinate to a school building, including a stadium or
5	other facility primarily used for school events.
6	(iii) Land which is functionally related and
7	subordinate to a school building.
8	(iv) Depreciable property provided for use in an
9	educational facility operated as part of the public
10	school system or as an institution of higher education.
11	(2) A building or facility for principal use by a
12	<pre>government agency.</pre>
13	(3) A building or facility used for public water supply
14	or treatment, storm water disposal or waste treatment or used
15	for public parking facilities.
16	(4) An improvement, together with equipment, necessary
17	to enhance public safety and security of a building to be
18	principally used by a government agency.
19	(5) Telecommunications and other communications
20	<u>infrastructure</u> .
21	(6) Utility infrastructure.
22	"Government agency." As defined in section 3102 (relating to
23	<pre>definitions).</pre>
24	"Lease payment." A form of payment, including a land lease,
25	by a government agency to the operator for the use of an
26	eligible project.
27	"Material default." A default by the operator in the
28	performance of its duties under section 4709(e) (relating to
29	powers and duties of operator) which jeopardizes adequate
30	service to the public from a qualifying project.

- 1 "Operator." The private entity that is responsible for an
- 2 eligible project or a portion of an eligible project, including
- 3 acquisition, design, construction, improvement, renovation,
- 4 <u>expansion</u>, <u>equipping</u>, <u>maintenance</u> and <u>operation</u>.
- 5 <u>"Private entity." An individual, corporation, limited</u>
- 6 <u>liability company, partnership, joint venture or other private</u>
- 7 business entity.
- 8 "Public-private partnership agreement." An agreement between
- 9 <u>a government agency and a private entity which involves the</u>
- 10 development or operation, or combination thereof, of an eliqible
- 11 project by the private entity. The agreement may consist of the
- 12 following:
- 13 (1) Predevelopment agreements leading to other
- implementing agreements.
- 15 (2) A design-build agreement.
- 16 (3) A design-build-operate agreement.
- 17 (4) A design-build-maintain agreement.
- 18 (5) A design-build-finance-operate agreement.
- 19 (6) A design-build-operate-maintain agreement.
- 20 (7) A design-build-finance-operate-maintain agreement.
- 21 (8) An operate-maintain agreement.
- 22 (9) A concession providing for the private entity to
- design, build, operate, maintain, manage or lease an eligible
- 24 project.
- 25 (10) Any other delivery method or agreement or
- 26 combination of methods or agreements that the public entity
- 27 <u>determines will address the needs of the Commonwealth and the</u>
- 28 public entity and serve the public interest.
- 29 "Revenue." Any of the following generated by an eligible
- 30 project:

- 1 (1) A user fee.
- 2 (2) A lease payment.
- 3 <u>(3) A service payment.</u>
- 4 <u>"Service payment." Payment to the operator of an eligible</u>
- 5 project pursuant to a public-private partnership agreement.
- 6 <u>"User fee." The rate or other charge imposed by the operator</u>
- 7 of an eligible project for use of the eligible project pursuant
- 8 <u>to a public-private partnership agreement.</u>
- 9 § 4702. Unsolicited submission of public-private partnership
- agreement proposals to government agency.
- 11 (a) Unsolicited request for approval. -- A private entity may
- 12 request consideration and approval of a proposed public-private
- 13 partnership agreement for an eligible project. The request may
- 14 be submitted to the applicable government agency, and any
- 15 proposal under this section shall not be approved unless the
- 16 government agency follows procedures outlined in sections 4703
- 17 (relating to solicitation of proposals for public-private
- 18 partnership agreements) and 4704 (relating to evaluation and
- 19 selection of public-private partnership agreement proposal). A
- 20 request shall be accompanied by the following material and
- 21 information unless waived by the government agency:
- 22 (1) A topographic map of 1:2,000 or other appropriate
- 23 <u>scale indicating the location of the qualifying project.</u>
- 24 (2) A description of the eligible project, including the
- 25 conceptual design of the facility or a conceptual plan for
- the provision of services and a schedule for the initiation
- 27 <u>of and completion of the eligible project to include the</u>
- 28 proposed major responsibilities and timeline for activities
- 29 to be performed by both the government agency and private
- 30 entity.

(5) A statement setting forth the method by which the
private entity proposes to secure a necessary property
interests required for the eligible project. The statement
shall include the following:
(i) The names and addresses, if known, of the
current owners of the property needed for the eligible
project.
(ii) The nature of the property interests to be
acquired.
(iii) Any property that the government agency may be
requested to condemn.
(4) Information relating to the current plans for
development of facilities to be used by a government agency
that are similar to the eligible project being proposed by
the private entity of each affected local jurisdiction.
(5) A list of all permits and approvals required for the
eligible project from Federal, State or political
subdivisions and a projected schedule for obtaining the
permits and approvals.
(6) A list of public utility facilities that will be
crossed by the eligible project and a statement of the plans
of the operator to accommodate the crossings.
(7) A statement setting forth the private entity's
general plans for financing the eligible project, including
the sources of the private entity's funds.
(8) The names and addresses of the persons who may be
contacted for further information concerning the request.
(9) User fees, lease payments and other service payments
included in the comprehensive agreement, including frequency
of assessments and the methodology and circumstances for

- 1 <u>changes to the user fees, lease payments and other service</u>
- 2 payments.
- 3 (10) Any additional material and information as the
- 4 <u>government agency may reasonably request.</u>
- 5 § 4703. Solicitation of proposals for public-private
- 6 <u>partnership agreements.</u>
- 7 (a) Solicitation of proposals. -- A government agency may
- 8 <u>issue a request for proposals for public-private partnerships</u>
- 9 for an eligible project.
- 10 (b) Public notice. -- The government agency shall give public
- 11 notice of a request for proposals for public--private
- 12 partnership agreements for an eligible project within the
- 13 <u>affected local jurisdiction</u>, and the notice shall be consistent
- 14 with regulations adopted by the department. The regulations
- 15 shall require that the method of public notice include all of
- 16 the following:
- 17 (1) Electronic publication which is accessible to the
- 18 general public.
- 19 (2) Advertisement as provided for in 45 Pa.C.S. § 306
- 20 (relating to use of trade publications).
- 21 (3) The issuance of a request for proposals to offerors
- on the mailing list of the government agency.
- 23 (4) Publication in a newspaper of general circulation.
- 24 (5) Where pregualification is a requirement of
- 25 submitting a proposal, notification to all private entities
- that have been prequalified by the government agency.
- 27 (c) Adoption of procedures. -- A government agency shall not
- 28 consider a request by a private entity for approval of a public-
- 29 private partnership agreement for an eligible project until the
- 30 government agency has adopted and made publicly available

- 1 procedures sufficient to enable the government agency to comply
- 2 with regulations issued pursuant to this chapter, and the
- 3 procedures shall provide a reasonable period of time of not less
- 4 than 45 days during which the government agency will receive
- 5 <u>competing proposals.</u>
- 6 (d) Availability to general public. -- Copies of a request for
- 7 proposals shall be made available to any interested person
- 8 residing within the affected local jurisdiction upon request to
- 9 the government agency. A government agency may establish
- 10 procedures for the distribution of a request for proposals,
- 11 including the imposition of a fee to reimburse the public entity
- 12 for the costs of photocopying and mailing.
- 13 (e) Receipt of proposals. -- Offerors shall submit their
- 14 sealed proposals to ensure that they are received prior to the
- 15 time and date established for receipt of the proposals. Sealed
- 16 proposals shall be submitted in the format required by the
- 17 government agency. Sealed proposals shall be opened so as to
- 18 avoid disclosure of their contents to competing offerors.
- 19 (e) Fee.--The government agency may charge a reasonable fee
- 20 to cover the costs of processing, reviewing and evaluating the
- 21 request, including reasonable attorney fees and fees for
- 22 financial and other necessary advisers or consultants.
- 23 § 4704. Evaluation and selection of public-private partnership
- 24 agreement proposal.
- 25 (a) Evaluation criteria. -- A government agency shall evaluate
- 26 each proposal to determine which one has the best value for and
- 27 <u>is in the best interest of the government agency. In making this</u>
- 28 <u>determination</u>, a government agency may consider any of the
- 29 following:
- 30 <u>(1) Cost.</u>

- 1 (2) Price.
- 2 (3) Financial commitment.
- 3 <u>(4) Innovative financing.</u>
- 4 <u>(5) Bonding.</u>
- 5 (6) Technical, scientific, technological or
- 6 <u>socioeconomic merit.</u>
- 7 (7) Financial strength and viability.
- 8 <u>(8) Design, operation and feasibility of the</u>
- 9 <u>transportation project.</u>
- 10 (9) Public reputation, qualifications, industry
- 11 experience and financial capacity of the private entity.
- 12 (10) The compatibility of the proposal with existing
- 13 <u>local and regional land use plans.</u>
- 14 (11) The commitment of local communities to approve land
- use plans in preparation for the project.
- 16 (12) Other factors deemed appropriate by the public
- 17 entity.
- 18 (b) Weighted consideration. -- The relative importance of each
- 19 evaluation factor shall be fixed prior to opening the proposals.
- 20 (c) Discussion with responsible offerors and revision of
- 21 proposals. -- As provided in the request for proposals,
- 22 discussions and negotiations may be conducted with responsible
- 23 offerors for the purpose of clarification and of obtaining best
- 24 and final offers. Responsible offerors shall be accorded fair
- 25 and equal treatment with respect to any opportunity for
- 26 discussion and revision of proposals. In conducting discussions,
- 27 there shall be no disclosure of any information derived from
- 28 proposals submitted by competing offerors.
- 29 (d) Selection for negotiation. -- The responsible offeror
- 30 whose proposal is determined in writing to be the best value for

- 1 and in the best interests of the government agency and the
- 2 general public, taking into consideration all evaluation
- 3 <u>factors</u>, shall be selected for contract negotiation.
- 4 (e) Cancellation. -- A request for proposals may be canceled
- 5 at any time prior to the time a partnership contract is executed
- 6 by all parties when it is in the best interests of the
- 7 government agency.
- 8 (f) Award.--Upon reaching an agreement with a selected
- 9 offeror, the government agency shall enter into a public-private
- 10 partnership agreement with the offeror. The public-private
- 11 partnership agreement shall be consistent with the requirements
- 12 of this chapter. If agreement cannot be reached with the
- 13 <u>selected offeror</u>, then negotiations shall be formally terminated
- 14 with the offeror. If proposals were submitted by one or more
- 15 other responsible offerors, negotiations may be conducted with
- 16 the other offeror or offerors in the order of their respective
- 17 qualification ranking. The contract may be awarded to the
- 18 responsible offeror then ranked as best qualified.
- 19 (q) Resolution of controversies involving the
- 20 Commonwealth. -- If an offeror is aggrieved by a selection under
- 21 this section and the government agency or proprietary government
- 22 agency in the invitation or contract is a Commonwealth agency,
- 23 the offeror may file a protest or a claim, as appropriate, in
- 24 accordance with Chapter 17 (relating to legal and contractual
- 25 remedies).
- 26 (h) Resolution of controversies not involving the
- 27 <u>Commonwealth.--If a private entity is aggrieved by a selection</u>
- 28 under this section and the proprietary government agency in the
- 29 <u>contract is an entity other than the Commonwealth</u>, an offeror
- 30 may file a claim with the court of common pleas where the

- 1 proprietary public entity is located. The process for the filing
- 2 and resolution of claims, including rights, contents, timing,
- 3 evaluation, determination and remedies, which are established in
- 4 Chapter 17 shall apply insofar as they are practicable.
- 5 § 4705. Implementation of public-private partnership agreement.
- 6 (a) Final approval. -- The approval of the government agency
- 7 <u>is contingent upon the private entity's agreement to enter into</u>
- 8 <u>a comprehensive partnership contract with the government agency.</u>
- 9 (b) Partnership contracts. -- Prior to acquiring, designing,
- 10 constructing, improving, renovating, expanding, equipping,
- 11 maintaining or operating the eligible project, the private
- 12 entity shall enter into a comprehensive partnership contract
- 13 detailing the public-private partnership agreement with the
- 14 government agency. The partnership contract shall provide for
- 15 all of the following:
- 16 (1) Delivery of maintenance, performance and payment
- 17 bonds or letters of credit in connection with the
- 18 acquisition, design, construction, improvement, renovation,
- expansion, equipping, maintenance or operation of the
- 20 eligible project, in the forms and amounts satisfactory to
- the responsible government agency.
- 22 (2) Review of plans and specifications for the eliqible
- 23 <u>project by the government agency and approval by the</u>
- 24 government agency if the plans and specifications conform to
- 25 standards acceptable to the government agency. This paragraph
- 26 may not require the private entity to complete design of an
- 27 eligible project prior to the execution of a comprehensive
- 28 contract.
- 29 (3) Inspection of the eligible project by the
- 30 responsible government agency to ensure that the operator's

1	<u>activities</u>	are	acceptable	to	the	government	agency	<u>in</u>
			-			-		

2 accordance with the comprehensive agreement.

3 (4) Maintenance of a policy of liability insurance, copies of which shall be filed with the government agency 4 5 accompanied by proofs of coverage, self-insurance, in form and amount satisfactory to the responsible government agency 6

and reasonably sufficient to insure coverage of tort

liability to the public and employees and to enable the

continued operation of the qualifying project.

- (5) Monitoring of the practices of the operator by the government agency to ensure that the eligible project is properly maintained.
- 13 (6) Reimbursement to be paid to the government agency 14 for services provided by the government agency.
- (7) Filing of appropriate financial statements on a 15 16 periodic basis.
- (8) Policies and procedures governing the rights and 17 18 responsibilities of the government agency and the operator in 19 the event the comprehensive contract is terminated or there 20 is a material default by the operator. The policies and 21 procedures shall include conditions governing assumption of 22 the duties and responsibilities of the operator by the 23 government agency and the transfer or purchase of property or 24 other interests of the operator by the government agency. (c) Fees. -- The partnership contract may provide for a user
- 25
- 26 fee, lease payment or service payment. A copy of a service
- contract must be filed with the government agency. When 27
- 28 negotiating a user fee under this section, the parties shall
- 29 establish payments or fees that are the same for a person using
- the facility under like conditions and that will not materially 30

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- 1 discourage use of the eligible project. The execution of the
- 2 partnership contract or an amendment to the partnership contract
- 3 <u>constitutes conclusive evidence that the user fee, lease payment</u>
- 4 or service payment provided for complies with this chapter. A
- 5 <u>user fee or lease payment established in the partnership</u>
- 6 contract as a source of revenue may be in addition to or in lieu
- 7 <u>of a service payment.</u>
- 8 (d) Grants or loans. -- In the partnership contract, the
- 9 government agency may agree to make a grant or loan to the
- 10 operator from an amount received from the Federal or State
- 11 government or a political subdivision or from one of their
- 12 agencies or instrumentalities.
- 13 (e) Duties.--The partnership contract shall incorporate the
- 14 duties of the operator under this chapter and may contain other
- 15 terms and conditions that the government agency determines serve
- 16 the public purpose under section 4704(d) (relating to evaluation
- 17 and selection of public-private partnership agreement proposal).
- 18 The partnership contract may contain any of the following:
- 19 (1) Provisions under which the government agency agrees
- 20 to provide notice of default and right to cure for the
- 21 benefit of the operator and the persons specified in the
- 22 notice as providing financing for the eligible project.
- 23 (2) Other lawful terms and conditions to which the
- 24 operator and the government agency mutually agree, including
- 25 provisions regarding unavoidable delays or provisions
- 26 providing for a loan of public funds to the operator to
- 27 <u>acquire, design, construct, improve, renovate, expand, equip,</u>
- 28 maintain or operate one or more eligible protects.
- 29 (3) Provisions under which the authority and duties of
- 30 the operator under this chapter shall cease and the eliqible

- 1 project is dedicated to the government agency or, if the
- 2 <u>eligible project was initially dedicated by an affected local</u>
- 3 jurisdiction, to the affected local jurisdiction for public
- 4 use.
- 5 (f) Amendments.--Change in the terms of the partnership
- 6 contract, as may be agreed upon by the parties, shall be added
- 7 by written amendment.
- 8 (g) Date. -- In connection with its approval of the eliqible
- 9 project, the responsible government agency shall establish a
- 10 date for the commencement of activities related to the project.
- 11 The government agency may extend the date.
- 12 (h) Public access. -- Any documents created by or provided to
- 13 a government agency under this chapter shall be subject to
- 14 inspection and copying only to the extent required under the act
- 15 of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know
- 16 Law.
- 17 (i) Debt capacity. -- A partnership contract entered into
- 18 under this chapter shall not enlarge, diminish or affect the
- 19 <u>authority otherwise possessed by the government agency to take</u>
- 20 action that would impact the debt capacity of the Commonwealth
- 21 or any of its political subdivisions.
- 22 § 4706. Service contracts.
- 23 In addition to any authority conferred by statute, a
- 24 government agency may contract with an operator for the delivery
- 25 of services to be provided as part of an eligible project in
- 26 exchange for service payment and other consideration as the
- 27 government agency may deem appropriate.
- 28 § 4707. Affected local jurisdictions.
- 29 (a) Notification.--A private entity submitting a proposal to
- 30 a government agency under section 4703 (relating to solicitation

- 1 of proposals for public-private partnership agreements) shall
- 2 notify each affected local jurisdiction by furnishing a copy of
- 3 its request or proposal to each affected local jurisdiction.
- 4 (b) Comments. -- Each affected local jurisdiction that is not
- 5 the applicable government agency for the respective eligible
- 6 project shall, within 60 days after receiving the notice, submit
- 7 any comments it may have in writing on the proposed eligible
- 8 project to the applicable government agency and indicate whether
- 9 the facility is compatible with the local ordinance requirements
- 10 and other local requirements. The comments shall be given
- 11 consideration by the government agency prior to entering a
- 12 <u>public-private partnership agreement with a private entity.</u>
- 13 <u>§ 4708. Dedication of public property.</u>
- 14 A government agency may dedicate any property interest,
- 15 <u>including land</u>, improvements and tangible personal property,
- 16 that it has for public use in an eligible project if it finds
- 17 that doing so will serve the public purpose under section
- 18 4704(a) (relating to evaluation and selection of public-private
- 19 partnership agreement proposal) by minimizing the cost of an
- 20 eligible project to the government agency or reducing the
- 21 delivery time of a qualifying project. In connection with the
- 22 dedication, a government agency may convey any property interest
- 23 that it has, subject to the conditions imposed by law, to the
- 24 operator, subject to the provisions of this chapter, for
- 25 <u>consideration as the government agency may determine. The</u>
- 26 Commonwealth may not convey any interest in real estate
- 27 <u>belonging to the Commonwealth without the approval of the</u>
- 28 General Assembly, in accordance with section 514 of the act of
- 29 April 9, 1929 (P.L.177, No.175), known as The Administrative
- 30 Code of 1929. The consideration may include the agreement of the

- 1 operator to operate the eligible project.
- 2 § 4709. Powers and duties of operator.
- 3 (a) Powers.--The operator shall have the power under
- 4 <u>existing law to a private entity having the same form of</u>
- 5 organization as the operator and shall have the power to
- 6 acquire, design, construct, improve, renovate, maintain, expand,
- 7 equip or operate the eliqible project and collect lease
- 8 payments, impose a user fee or enter into a service contract in
- 9 connection with the use of its power.
- 10 (b) Right.--The operator may own, lease or acquire any other
- 11 right to use or operate the eligible project.
- 12 <u>(c) Financing.--</u>
- (1) Notwithstanding paragraph (2), any financing of the
- 14 <u>eligible project may be in an amount and upon terms and</u>
- conditions as may be determined by the operator.
- 16 (2) The operator may issue debt, equity or other
- 17 securities or obligations, enter into sale and leaseback
- transactions and secure any financing with a pledge of,
- 19 <u>security interest in or lien on any or all of its property,</u>
- 20 including all of its property interests in the eligible
- 21 project.
- 22 (d) Operation. -- In operating the eligible project, the
- 23 operator may do all of the following:
- (1) Make classifications according to reasonable
- 25 categories for assessment of user fees.
- 26 (2) With the consent of the government agency, make and
- 27 enforce reasonable rules to the same extent that the
- 28 government agency may make and enforce rules with respect to
- 29 <u>similar facilities.</u>
- 30 (e) Duties.--The operator shall do the following:

1 (1) Acquire, design, construct, improve, renovate,

2 <u>expand, equip, maintain or operate the eliqible project in</u>

- accordance with the public-private partnership agreement.
- 4 (2) Keep the eligible project open for use by members of
- 5 the public at all times or as appropriate based upon the use
- of the facility after its initial opening upon payment of the
- 7 <u>applicable user fee, lease payment or service payment except</u>
- 8 that the eligible project may be temporarily closed because
- 9 <u>of emergencies or with the consent of the government agency</u>,
- to protect the safety of the public or for reasonable
- 11 <u>construction or maintenance procedures as set forth under the</u>
- 12 <u>public-private partnership agreement.</u>
- 13 (3) Maintain or provide by contract for the maintenance
- of the eligible project, if required by the public-private
- 15 partnership agreement.
- 16 (4) Cooperate with the government agency in making best
- 17 <u>efforts to establish any interconnection with the eligible</u>
- project requested by the government agency.
- 19 <u>(5) Comply with the public private-partnership agreement</u>
- 20 and any service contract.
- 21 (f) Additional services. -- This section does not prohibit an
- 22 operator of an eligible project from providing additional
- 23 services for the eligible project to government agencies or
- 24 private entities other than the government agency if the
- 25 provision of additional service does not impair the operator's
- 26 ability to meet its commitments to the government agency under
- 27 the comprehensive agreement.
- 28 § 4710. Federal, State and local assistance.
- The government agency may obtain assistance from the Federal
- 30 or State government or one of its political subdivisions for an

- 1 <u>eliqible project in accordance with the purposes under section</u>
- 2 4704 (relating to evaluation and selection of public-private
- 3 partnership agreement proposal) and may enter into a contract in
- 4 order to receive the assistance. If a State agency is the
- 5 government agency, funds received from the Federal or State
- 6 government shall be subject to appropriation by the General
- 7 Assembly. The government agency may pay a portion of the costs
- 8 of an eligible project directly or indirectly from the proceeds
- 9 of a grant or loan made by the Federal or State government or
- 10 one of its political subdivisions.
- 11 § 4711. Material default and remedies.
- 12 (a) General rule.--If there is a material default by the
- 13 operator of an eligible project, the government agency may
- 14 <u>assume the responsibilities and duties of the operator, in which</u>
- 15 case it shall succeed to any right, title and interest in the
- 16 project, subject to any liens on revenue previously granted by
- 17 the operator to any person providing financing.
- 18 (b) Condemnation. -- A government agency which is a party to a
- 19 partnership contract, and which has the power of condemnation
- 20 under State law, may exercise the power of condemnation to
- 21 acquire the eligible project in the event of a material default
- 22 by the operator. A person who has provided financing for the
- 23 eligible project, and the operator to the extent of its capital
- 24 investment, may participate in the condemnation proceedings with
- 25 the standing of a property owner.
- 26 (c) Termination. -- For cause shown, the government agency may
- 27 <u>terminate the comprehensive agreement and exercise any other</u>
- 28 rights and remedies that may be available at law or in equity.
- 29 (d) Claims. -- The government agency may make or cause to be
- 30 made any appropriate claims under maintenance, performance or

- 1 payment bonds or lines of credit required under section
- 2 4705(b)(1) (relating to implementation of public-private
- 3 <u>partnership agreement</u>).
- 4 <u>(e) Procedure after takeover.--If a government agency takes</u>
- 5 over an eligible project pursuant to (a), it may acquire,
- 6 <u>design</u>, construct, improve, renovate, operate, expand, equip or
- 7 maintain the eliqible project, impose user fees, impose and
- 8 <u>collect lease payments for the use of the project and comply</u>
- 9 with service contracts as if it were the operator. Revenue
- 10 subject to a lien shall be collected for the benefit of and paid
- 11 to secured parties, as their interests may appear, to the extent
- 12 <u>necessary to satisfy the operator's obligations to secured</u>
- 13 parties, including the maintenance of reserves. Liens shall be
- 14 correspondingly reduced and released when they are paid off.
- 15 Before a payment to or for the benefit of secured parties, the
- 16 government agency may use revenue to pay current operation and
- 17 maintenance costs of the qualifying project, including
- 18 compensation to the responsible government agency for its
- 19 <u>services in operating and maintaining the qualifying project.</u>
- 20 The right to receive payment, if any, is just compensation for
- 21 the eligible project. The full faith and credit of the
- 22 government agency may not be pledged to secure any financing of
- 23 the operator by the election to take over the eligible project.
- 24 Assumption of operation of the eligible project may not obligate
- 25 the government agency to pay an obligation of the operator from
- 26 sources other than revenue.
- 27 § 4712. Condemnation.
- 28 At the written request of the operator, the government agency
- 29 <u>may exercise its power of condemnation, if any, to acquire</u>
- 30 lands, estates and interests therein to the extent that the

- 1 government agency finds that the action serves a public purpose
- 2 under section 4704(d) (relating to evaluation and selection of
- 3 public-private partnership agreement proposal). An amount paid
- 4 in a condemnation proceeding must be paid by the operator.
- 5 § 4713. Utility crossing.
- 6 (a) General rule. -- The operator and each public service
- 7 company, public utility, railroad and cable television provider
- 8 whose facilities are to be crossed or affected shall cooperate
- 9 <u>fully in planning and arranging the manner of the crossing or</u>
- 10 relocation of the facilities. A government agency possessing the
- 11 power of condemnation is expressly granted authority to exercise
- 12 that power in connection with moving or relocating facilities to
- 13 be crossed by the eligible project or facilities that must be
- 14 relocated, to the extent that moving or relocation is made
- 15 necessary or desirable by construction of, renovation to or
- 16 <u>improvements to the eligible project, which shall be construed</u>
- 17 to include construction of, renovation to or improvements to
- 18 temporary facilities for the purpose of providing service during
- 19 the period of construction or improvement. An amount paid for
- 20 the crossing, construction, moving or relocating facilities must
- 21 be paid by the operator.
- 22 (b) Disputes.--If the operator and a public service company,
- 23 public utility, railroad or cable television provider are unable
- 24 to agree upon a plan for the crossing or relocation, the
- 25 commission may determine the manner in which the crossing or
- 26 relocation is to be accomplished and any damages due arising out
- 27 of the crossing or relocation. The determination shall be made
- 28 within 90 days of notification by the private entity that the
- 29 project will cross utilities subject to the commission's
- 30 jurisdiction. The commission may employ expert engineers who

- 1 shall examine the location and plans for the crossing or
- 2 <u>relocation</u>, hear any objections, consider modifications and make
- 3 a recommendation to the commission. The cost of the experts must
- 4 <u>be borne by the operator.</u>
- 5 § 4714. Governmental immunity.
- 6 This chapter shall not be construed or deemed to constitute a
- 7 <u>waiver of the governmental immunity of the Commonwealth, a</u>
- 8 government agency or an affected local jurisdiction with respect
- 9 to participation in or approval of an eligible project or its
- 10 operation, including interconnection of the eligible project
- 11 with another infrastructure or project. A political subdivision
- 12 <u>in which an eligible project is located has governmental</u>
- 13 <u>immunity with respect to its design, construction and operation.</u>
- 14 § 4715. Special approval.
- 15 A government agency that is a political subdivision may enter
- 16 into an agreement under this chapter only with the approval of
- 17 <u>its governing body</u>.
- 18 § 4716. Exclusivity.
- 19 The provisions of this chapter and regulations adopted in
- 20 accordance with section 4719 (relating to regulations) shall
- 21 constitute the exclusive method of procurement for agreements
- 22 entered into under this chapter, notwithstanding any other law.
- 23 In the event of a conflict with another statute or regulation,
- 24 the provisions of this chapter and the regulations promulgated
- 25 under this chapter shall govern.
- 26 § 4717. Use of intellectual property.
- 27 Unless otherwise agreed and except to the extent not
- 28 transferable by law, the government agency shall have the right
- 29 to use all or a portion of a submitted proposal, including the
- 30 technologies, techniques, methods, processes and information

- 1 contained in the proposal. Notice of nontransferability by law
- 2 shall be given to the government agency in response to the
- 3 <u>request for proposals.</u>
- 4 § 4718. Applicability.
- 5 <u>Eligible projects that are subject to a public private</u>
- 6 partnership agreement under this chapter shall not be subject to
- 7 the requirements of the following:
- 8 (1) The act of May 1, 1913 (P.L.155, No.104), referred
- 9 <u>to as the Separations Act.</u>
- 10 (2) Section 1909 of the act of June 23, 1931 (P.L.932,
- 11 No.317), known as The Third Class City Code.
- 12 (3) Section 1805 of act of June 24, 1931 (P.L.1206,
- No.331), known as The First Class Township Code.
- 14 (4) Section 3107 of the act of May 1, 1933 (P.L.103,
- No.69), known as The Second Class Township Code.
- 16 (5) Section 751 of the act of March 10, 1949 (P.L.30,
- 17 No.14), known as the Public School Code of 1949.
- 18 (6) Section 5 of the act of May 27, 1953 (P.L.244,
- 19 No.34), entitled "An act relating to and regulating the
- 20 contracts of incorporated towns and providing penalties."
- 21 (7) Section 2517 of the act of July 28, 1953 (P.L.723,
- No.230), known as the Second Class County Code.
- 23 (8) Section 2317 of the act of August 9, 1955 (P.L.323,
- No.130), known as The County Code.
- 25 (9) Section 1404 of the act of February 1, 1966 (1965)
- 26 P.L.1656, No.581), known as The Borough Code.
- 27 <u>§ 4719. Regulations.</u>
- The Department of General Services shall, within 12 months of
- 29 the effective date of this section, promulgate proposed
- 30 regulations which are necessary to implement the provisions of

- 1 this chapter.
- 2 Section 2. This act shall take effect in 60 days.