

## **CONSTRUCTION CLAUSES FOR GRANTS**

### 1. Steel Products Procurement Act (73 P.S. §1881 et seq.)

In the performance of any grant or subgrant awarded pursuant to this agreement, the grantee, subgrantees, materialmen, or suppliers shall use only steel products, rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise similarly processed, or processed by a combination of two or more of such operations, from steel made in the United States by the open hearth, basic oxygen, electric furnace, Bessemer, or other steel-making process. Steel products include not only cast iron products, but also machinery and equipment listed in United States Department of Commerce Standard Industrial Classifications 25 (furniture and fixtures), 35 (machinery, except electrical), and 37 (transportation equipment), and made of, fabricated from, or containing steel components. If a product contains both foreign and United States steel, it shall be determined to be a United States steel product only if at least 75 percent of the cost of the articles, materials, and supplies have been mined, produced, or manufactured, as the case may be, in the United States. Transportation equipment shall be determined to be a United States steel product only if it complies with §165 of Public Law 97-424 (96 Stat. 2136).

When unidentified steel products are supplies under a grant, before any payment will be made, the grantee or subgrantee must provide documentation including, but not limited to, invoices, bills of lading, and mill certification that the steel was melted and manufactured in the United States. If a steel product is identifiable from its face, the Grant Recipient must submit certification which satisfies the using agency that the Grant Recipient has fully complied with this provision. The department shall not provide for or make any payments to any person who has not complied with the act. Any such payments made to any person by the department which should not have been made as a result of the act shall be recoverable directly from the Grant Recipient, subgrantee, manufacturer, or supplier who did not comply with the act.

In addition to the withholding of payments, any person who willfully violates any of the provisions of the act shall be prohibited from submitting any bids to any public agency for a period of five years from the date of the determination that a violation has occurred. In the event the person who violates the provisions of the act is a subgrantee, manufacturer, or supplier, such person shall be prohibited from performing any work or supplying any materials to a public agency for a period of five years from the date of the determination that a violation has occurred.

The grantee shall include the provisions of the Steel Products Procurement Act in every subgrant and supply grant so the provisions of the act shall be binding upon each subgrantee and supplier.

2. Trade Practices Act (71 P.S. §773.101 et seq.)

In accordance with the Trade Practices Act of July 23, 1968, P.L. 686 (71 P.S. §773.101 et seq.), the grantee cannot and shall not use or permit to be used in the work any aluminum or steel products made in a foreign country which is listed below as a foreign country which discriminates against aluminum or steel products manufactured in Pennsylvania. The countries of Brazil, South Korea, Spain, and Argentina have been found to discriminate against certain products manufactured in Pennsylvania. Therefore, the purchase or use of those countries products, as listed below, is not permitted:

- a. Brazil: Welded carbon steel pipes and tubes; carbon steel wire rod; tool steel; certain stainless steel products including hot-rolled stainless steel bar; stainless steel wire rod and cold-formed stainless steel bar; pre-stressed concrete steel wire strand; hot rolled carbon steel plate in coil; hot-rolled carbon steel sheet; and cold -rolled carbon steel sheet.
- b. Spain: Certain stainless steel products including stainless steel wire rod, hot-rolled stainless steel bars, and cold-formed stainless steel bars; pre-stressed concrete steel wire strand; and certain steel products including hot-rolled steel, plate, cold-rolled carbon steel plate, carbon steel structural shapes, galvanized carbon steel sheet, hot-rolled carbon steel bars, and cold-formed carbon steel bars.
- c. South Korea: Welded carbon steel pipes and tubes; hot-rolled carbon steel plate; hot-rolled carbon steel sheet; and galvanized steel sheet.
- d. Argentina: Carbon steel wire rod and cold-rolled carbon steel sheet.

Penalties for violation of this paragraph may be found in the Trade Practices Act, which penalties include becoming ineligible for public works grants for a period of three years.

NOTE: This provision in no way relieves the grantee of responsibilities to comply with those provisions of this agreement which prohibit the use of foreign-made steel and cast iron products.

3. Public Works Grant Recipient's Bond Law of 1967 (8 P.S. §191 et seq.) if the amount of the grant exceeds \$5,000

Prior to the grantee's award of any grant, the Grant Recipient to be awarded must furnish the following bonds which shall become binding upon the award of the grant to the Grant Recipient:

- 1) A performance bond at 100 percent of the grant amount, conditioned upon the faithful performance of the grant in accordance with the plans, specifications, and conditions of the grant. Such a bond shall be solely for the protection of the granting body which awarded the grant.
- 2) A payment bond at 100 percent of the grant amount. Such bond shall be solely for the protection of claimants supplying labor or materials to the prime Grant Recipient to whom the grant was awarded, or to any of his subgrantees, in the prosecution of the work provided for in such grant and shall be conditioned for the prompt payment of all such materials furnished or labor supplied or performed in the prosecution of the work. "Labor or materials" shall include public utility services

and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.

4. Commonwealth Procurement Code (62 Pa.C.S. §101 et seq.)

The grantee's grant with the awarded Grant Recipient is subject to the provisions, duties, obligations, remedies, and penalties of the Commonwealth Procurement Code, 62 Pa.C.S. §101 et seq., which is incorporated herein by reference. Failure to keep and comply with this provision shall be sufficient legal reason to refuse payment of the grant price to the Grant Recipient.

5. Pennsylvania Prevailing Wage Act (43 P.S. §165-1 et seq.) If the estimated cost of the total project is in excess of \$25,000

The grantee's grant with the awarded Grant Recipient is subject to the provisions, duties, obligations, remedies, and penalties of the Pennsylvania Prevailing Wage Act, 43 P.S. §165-1 et seq., which is incorporated herein by reference as if fully set forth herein. The general prevailing minimum wage rates as determined by the Secretary of Labor and Industry shall be paid for each craft or classification of all workmen needed to perform this grant during the term hereof for the locality in which the work is to be performed.