



PLANCON

PART I: INTERIM REPORTING

COMMONWEALTH OF PENNSYLVANIA
Department of Education
Bureau of Budget and Fiscal Management
Division of School Facilities
333 Market Street
Harrisburg, PA 17126-0333

**PART I: INTERIM REPORTING
CHANGE ORDERS AND SUPPLEMENTAL CONTRACTS**

If there are any questions regarding the completion of these materials, contact the Division of School Facilities at (717) 787-5480.

CHANGES AND CLARIFICATIONS

The following is a summary of changes and clarifications of procedures that are reflected in this document.

PDE approval before the execution of change orders or supplemental contracts is required for:

- (1) Any change order or supplemental contract greater than + \$10,000 once the cumulative total (in absolute dollars) for all change orders and/or supplemental contracts exceeds or reduces the total contract award (base bid and accepted alternates) for the project by three percent or \$300,000 (+ 3% or + \$300,000), whichever is lesser;
- (2) For Act 34 projects, any change order or supplemental contract triggering the need for an Act 34 referendum or a second Act 34 hearing - this applies even if costs have not yet exceeded the + 3% or + \$300,000 threshold for change orders and supplemental contracts. Any subsequent change order or supplemental contract greater than \$10,000 to be executed after an Act 34 referendum or a second Act 34 hearing is held would require PDE approval before execution; and
- (3) Any change order or supplemental contract affecting reimbursable capacity, Act 34 capacity, scheduled area or architectural area - this applies even if costs have not yet exceeded the + 3% or + \$300,000 threshold for change orders and supplemental contracts.

Due to legislative changes in the reimbursement formula, building or site construction related to other schools or structures (athletic stadium, maintenance building, bus garage, etc.) on the project site may not be bid with the PlanCon project.

All bid specifications for this project must contain the required information described in Attachment A. The wording provided for each item listed is suggested but need not be verbatim. School districts are cautioned to obtain the advice of their solicitors concerning the appropriateness and exact wording of the clauses in the specifications.

The use of a quantity allowance for specified material or work to award change orders for unrelated materials or work does not comply with generally accepted contract administration practices. School districts are advised to not employ this practice for construction work on reimbursable construction projects.

School districts are advised that, in general, bid prices for alternate bids that are not awarded at the time a school district enters into an original contract may not be used to award change orders during construction unless the board reserves the option to add such work at a later date as a change order.

24 P.S. § 7-701.1 requires that the board of school directors hold a second Act 34 hearing on a project whenever the maximum building construction cost based on bids exceeds the maximum building construction cost based on estimates by eight percent or more. Moreover, a referendum must be held on a project if the maximum building construction cost based on bids exceeds the aggregate building expenditure standard. The second Act 34 of 1973 hearing or the Act 34 referendum must be held before a school district enters into construction contracts and commences work on any portion of a project, the cost of which would cause the statutory limit to be exceeded. Failure to comply with the legal, regulatory and Departmental requirements applicable to a school construction project will result in the denial of reimbursement.

Under Act 34's provisions, an Act 34 project is subject to the second hearing and referendum requirements until all construction is completed. In fact, an Act 34 referendum or second hearing may be required even during construction if a project's accumulated costs, including any planned equipment purchases or future construction work, exceed a project's statutory limit. When the Act 34 referendum limit or second Act 34 hearing limit for a project is exceeded, the only options available are: (1) to hold a referendum or hearing before proceeding with any work or equipment purchases causing the statutory limit to be exceeded; or (2) to reduce the scope of any proposed work or equipment purchases.

GENERAL INSTRUCTIONS

PlanCon Part I accounts for changes resulting from change orders and supplemental contracts that occur subsequent to PDE approval of PlanCon Part F "Construction Documents." 22 Pa. Code § 349.18 (b), requires that following approval of final plans, further approval by the Department of any modifications during construction is required when such modifications:

- (1) require the approval of another state agency;
- (2) involve any change in the allocation of space; or
- (3) could have some effect upon the health and welfare of the scheduled occupants.

Submission of Part I is also required to ensure continued compliance with Act 34 of 1973 and to verify that reimbursement is calculated appropriately.

DEFINITIONS

School districts should be aware that the use of change orders for work originally specified and approved by the Department but not included in the original contracts is not acceptable. The legislature's intent is for all work to be bid competitively. Accordingly, the following defines a change order:

A **change order** is a transaction for additional or changed work with a contractor already under contract to provide work which is substantially similar to, or incidental to, that covered in originally approved plans and specifications, or for such minor changes and additions to the plans and specifications as may become necessary or desirable.

Work issued as a change order usually costs less than \$10,000, but may be higher for unforeseen conditions discovered during construction. For changes affecting architectural or scheduled area, or building capacity, a revised Part F room schedule and floor plan must be submitted for PDE review.

The following definition applies to supplemental contracts:

A **supplemental contract** is for work substantially different in scope from that originally specified and approved under the original project. Supplemental contracts are subject to the requirements for solicitation of bids from at least three responsible bidders for work costing up to \$10,000, or for proper advertisement and competitive bidding for work greater than \$10,000.

Supplemental contracts should be used for work undertaken during the construction period involving a change in the original scope of the project. This generally applies to work such as the erection of walls for additional offices or classrooms, as well as other substantial changes in a project's overall scope. In general, supplemental contracts, rather than change orders, should be used for adding architectural and scheduled area, such as

classrooms. For changes affecting architectural or scheduled area, or building capacity, a revised Part F room schedule and floor plan must be submitted for PDE review.

Any questions on these definitions should be directed to the Division of School Facilities. Refer to Attachment A, Specification Requirements, for detailed information on specification requirements.

GENERAL RULES

School districts must obtain PDE approval prior to entering into contract for any change orders and supplemental contracts under the following circumstances:

- Any change order or supplemental contract greater than \pm \$10,000 once the cumulative total (in absolute dollars) for all change orders and/or supplemental contracts exceeds or reduces the total contract award (base bid and accepted alternates) for the project by three percent or \$300,000 (\pm 3% or \pm \$300,000), whichever is lesser.

Example #1 -

Total Contract Award	\$10,000,000
\pm 3% or \pm \$300,000 threshold	\pm \$300,000
Cumulative Total for Previous C.O.s/S.C.s	\$295,000
(no Part I required for these since the cumulative total did not exceed reporting limit)	
Pending Change Orders of \$4,000 \$5,000 and \$11,000	\$20,000
Cumulative Total of Previous and Pending	\$315,000

Based on Total of Previous and Pending C.O.s/S.C.s, PDE approval of Part I required before issuing \$11,000 change order; change orders of \$4,000 and \$5,000 deemed approved since their cost does not exceed \$10,000. Any subsequent change order or supplemental contract greater than \pm \$10,000 requires PDE approval before execution.

Example #2 -

Total Contract Award	\$10,000,000
\pm 3% or \pm \$300,000 threshold	\pm \$300,000
Cumulative Total for Previous C.O.s/S.C.s	\$0
Pending Deduct Change Order of \$600,000	-\$600,000
Cumulative Total of Previous and Pending	-\$600,000

Based on Cumulative Total of Previous and Pending C.O.s/S.C.s, PDE approval of Part I required before issuing deduct change order. Any subsequent change order or supplemental contract greater than \pm \$10,000 require PDE approval before execution.

- For Act 34 projects, any change order or supplemental contract triggering the need for an Act 34 referendum or a second Act 34 hearing - this applies regardless of the cost - even if costs have not yet exceeded the \pm 3% or \pm \$300,000 threshold for change orders and supplemental contracts. Any subsequent change order or supplemental contract greater than \$10,000 to be executed after an Act 34 referendum or a second Act 34 hearing is held would require PDE approval before execution.
- Any change order or supplemental contract affecting reimbursable capacity, Act 34 capacity, scheduled or architectural area - this applies regardless of the overall scope of the change order or supplemental contract. For changes affecting architectural or scheduled area, or building capacity, a revised Part F room schedule and floor plan must be submitted for PDE review.

Unless written approval of the Department is received, allowable costs for reimbursement will not be increased because of costs for supplemental contracts or change orders where the cumulative total exceeds the above stated $\pm 3\%$ or $\pm \$300,000$ threshold.

For changes affecting architectural or scheduled area, or building capacity, a revised Part F room schedule and floor plan must be submitted for PDE review.

Supplemental contracts for movable fixtures and equipment should not be submitted for PDE review.

BOARD TRANSMITTAL, PAGE I01

Complete this page to formally submit PlanCon Part I. Note the following:

- **PROJECT BUILDING NAME:** Enter the name of the building for which construction or alteration is planned and for which reimbursement is sought.
- **PROJECT #:** Enter the project number which was assigned by PDE.
- Enter a check mark or "N/A" for each of the items listed on this page. Although this page lists the attachments normally required, additions may be added to the list of attachments.

CUMULATIVE LIST OF CHANGE ORDERS AND SUPPLEMENTAL CONTRACTS, I02(a) and I02(b)

Complete this form to determine if the cumulative total (in absolute dollars) of all change orders and/or supplemental contracts exceeds or reduces the total contract award for the project building by three percent or \$300,000, whichever is lesser. Change orders and supplemental contracts must be listed in chronological order to determine if the threshold has been met. If additional space is needed to list all the change orders and supplemental contracts, make copies of I02(b). The subtotals from the additional I02(b) pages must be carried forward to the original I02(a) for calculating the $\pm 3\%$ or $\pm \$300,000$ threshold.

Separate change orders and supplemental contracts must be used for site development work. Site development includes any work, excluding sanitary sewage disposal, related to the site surrounding the project building. This work may include: erosion and sedimentation control; landscaping; paving for sidewalks, parking and driveways; construction of playgrounds and athletic fields; street and parking lot lighting; and provisions for water, including off-site line extension and tap-in fees. In general, work that is five feet beyond the project building's footprint is to be considered site development. Geothermal well fields, photovoltaic energy generation systems (ground or roof mounted), wind energy generation systems (ground or roof mounted) and green roofs are to be considered site development. Enter "X" in the space identified as "Site Dev" if a change order or supplemental contract is for site development.

A school district may presume approval for change orders and/or supplemental contracts that do not increase or reduce the cumulative cost (in absolute dollars) of a project by more than three percent, up to a maximum of \$300,000 except if: (1) an Act 34 referendum or a second Act 34 hearing is required; or (2) building area or capacity is affected. Unless written permission has been obtained from the Department in advance, change orders and/or supplemental contracts must be completed within three years of the original bid opening date in order to be considered for reimbursement.

APPLICATION FOR CHANGE ORDER APPROVAL, I03

Complete this form to gain PDE approval for:

- (1) Any change order greater than + \$10,000 once the cumulative total (in absolute dollars) for all change orders and/or supplemental contracts exceeds or reduces the total contract award (base bid and accepted alternates) for the project by three percent or \$300,000 (+ 3% or + \$300,000), whichever is lesser;
- (2) For Act 34 projects, any change order triggering the need for an Act 34 referendum or a second Act 34 hearing - this applies even if costs have not yet exceeded the + 3% or + \$300,000 threshold for change orders and supplemental contracts. Any subsequent change order greater than \$10,000 to be executed after an Act 34 referendum or a second Act 34 hearing is held would require PDE approval before execution; or
- (3) Any change order affecting reimbursable capacity, Act 34 capacity, scheduled area or architectural area - this applies even if costs have not yet exceeded the + 3% or + \$300,000 threshold for change orders and supplemental contracts.

A justification for issuing a change order as opposed to a supplemental contract must be provided. Note that delays caused by the requirement to advertise and receive bids to complete any work using a supplemental contract is not an acceptable justification for using a change order rather than a supplemental contract. The Department reserves the right to review change orders regardless of their cost at any time during the construction process.

Complete the bottom section of this page only if requesting an exception to the + 3% or + \$300,000 threshold for change orders. If additional space is needed for the description or justification, attach the additional page(s) to the applicable I03.

APPLICATION FOR SUPPLEMENTAL CONTRACT APPROVAL, I04

Complete this form to gain PDE approval:

- (1) Any supplemental contract greater than + \$10,000 once the cumulative total (in absolute dollars) for all change orders and/or supplemental contracts exceeds or reduces the total contract award (base bid and accepted alternates) for the project by three percent or \$300,000 (+ 3% or + \$300,000), whichever is lesser;
- (2) For Act 34 projects, any supplemental contract triggering the need for an Act 34 referendum or a second Act 34 hearing - this applies even if costs have not yet exceeded the + 3% or + \$300,000 threshold for change orders and supplemental contracts. Any subsequent supplemental contract greater than \$10,000 to be executed after an Act 34 referendum or a second Act 34 hearing is held would require PDE approval before execution; and
- (3) Any supplemental contract affecting reimbursable capacity, Act 34 capacity, scheduled area or architectural area - this applies even if costs have not yet exceeded the + 3% or + \$300,000 threshold for change orders and supplemental contracts.

Note that supplemental contracts for movable fixtures and equipment should not be submitted for PDE review.

This form provides for the professional who prepared the specifications to certify as to their compliance to laws, regulations and policies. The actual construction documents and drawings should NOT be submitted to the Department. The Department reserves the right to review the plans and specifications for supplemental contracts at any time during the construction of the project building.

Complete the bottom section of this page only if requesting an exception to the $\pm 3\%$ or $\pm \$300,000$ threshold for supplemental contracts. Exceptions may be limited to work not originally specified but now needed due to the unexpected failure of existing mechanical equipment or due to the availability of a more technologically advanced communication system.

If additional space is needed for the description or justification, attach the additional page(s) to the applicable I04.

Following board action to issue an intent to award, Attachment C, "Post-Bid Opening Certification" must be submitted for PDE review. (Refer to PlanCon Part F "Construction Documents" Instructions for Attachment C.)

ACT 34 OF 1973: FOR NEW BUILDINGS OR SUBSTANTIAL ADDITIONS ONLY
PROJECT ACCOUNTING BASED ON ACTUAL COSTS, I05

Page I05 should reflect costs provided on Page I02(a), Line C, plus any change orders or supplemental contracts. Report only the actual costs for this PlanCon project building on this page. For projects involving the construction of a **totally new building** or an **addition** to a building, record all costs associated with the new construction or addition in the "NEW" column. For **alterations to an existing building**, record all alteration costs in the "EXISTING" column. For projects involving the **purchase of a building** for school purposes, record all costs associated with the building purchase and renovation in the "EXISTING" column. Record all costs associated with an addition to a purchased building in the "NEW" column.

List **site development costs**, including rough grading to receive the building, in the costs reported in Section A, Structure Costs. Only report "**New**" site development costs under **Site Development, Line J**. Site development includes any work, excluding sanitary sewage disposal, related to the site surrounding the project building. This work may include: erosion and sedimentation control; landscaping; paving for sidewalks, parking and driveways; construction of playgrounds and athletic fields; street and parking lot lighting; and provisions for water, including off-site line extension and tap-in fees. In general, work that is five feet beyond the project building's footprint is to be considered site development. Geothermal well fields, photovoltaic energy generation systems (ground or roof mounted), wind energy generation systems (ground or roof mounted) and green roofs are to be considered site development.

For reimbursement and Act 34 of 1973 calculations, "**New**" and "**Existing**" **site development** is determined as follows:

NEW - Any completely new feature on the site or any existing feature that will be reconstructed on the site but at a different location will be treated as a "new" cost.

EXISTING - Any work that is limited to the repair or complete replacement of an existing site feature at the same location will be treated as an "existing" cost.

EXAMPLES -

1. Resurface existing parking lots/driveways - treat as Existing
2. Relocate existing tennis courts to new location - treat as New

Exclude the amount attributable to **sanitary sewage disposal** from site development costs. Report sanitary sewage disposal costs on Line E. **Sanitary sewage disposal is defined** as a sewage treatment plant or system required by the Pennsylvania Department of Environmental Protection (DEP), or an extension of the sanitary sewer lines from 5 feet outside the project building to

connect to a DEP approved municipal sewage system. Costs for the construction of an on-site sewage treatment plant or system, charges for tap-in to a municipal sewer authority, reserve capacity charges required by a local sewer authority, and on-site sewer line extension should be reported on Line E.

Report **fixed equipment costs** on Line A, Structure Costs, and not on Line C, **Movable Fixtures and Equipment**.

The following definitions differentiate between supplies and equipment:

- **Supplies** - unit consumed in use or loses its original shape or appearance with use; useful life of two years or less. **Expenditures for supplies are non-reimbursable.** Examples - ink cartridges for printers; buckets; desk clocks; desk lamps; small hand laboratory tools; gymnasium, tumbling and wrestling mats; snow shovels; and waste baskets.
- **Equipment** - unit maintains its original shape and appearance with use; useful life of more than two years. Examples - kitchen ovens; desks and chairs; chalkboards; and computer hardware.

The following definitions differentiate between movable and fixed equipment:

- **Fixed** - built-in; usually included in prime contract. Examples - flagpoles; playground jungle gyms and sliding boards; built-in kitchen equipment such as commercial-size chest freezers and refrigerators; and built-in cabinets.
- **Movable** - not attached to building or site permanently; usually purchased separate from prime contract; may be moved from one location to another without causing appreciable damage to a location when installed or removed. Examples - filing cabinets; kilns; copiers; tables, desks and chairs; and musical instruments.

ACT 34 OF 1973: MAXIMUM BUILDING CONSTRUCTION COST, PAGE I06

Act 34 applies only to costs for new construction. Do not include costs associated with the existing structure and other related costs in the calculations.

This page allows for the calculation of the Act 34 Maximum Building Construction Cost based on construction costs including change orders and supplemental contracts. If these costs exceed the Aggregate Building Expenditure Standard (Page G16, Line E), the planned work on the project must not proceed until a voter-approved referendum is held.

ACT 34 OF 1973: REQUIREMENT FOR SECOND PUBLIC HEARING, PAGE I07

Page I07 calculations allow for the determination if a second Act 34 public hearing must be held on the project. If the maximum building construction cost is less than the aggregate building expenditure standard but exceeds by eight percent or more the initial construction cost estimates approved by the Department of Education (Part D of PlanCon), a second public hearing must be held. The Act 34 Maximum Building Construction Cost Based on Estimates (Line A) must be the amount approved at Part D, Page D20, Line C.

Section 349.12 (e) of the Department of Education's Standards does not establish specific public notice requirements for a second public hearing. The school district solicitor should determine the public notice requirements for the second hearing. See Attachment A of the Part G instructions for the requirements for a second public hearing.

Attach the following if a second Act 34 hearing was held:

1. copies of the notice of public hearing and proof of publication;
2. copy of the hearing agenda;
3. public comments received before, during and after the hearing; and
4. copy of the transcript or minutes of the hearing.

Note: If a transcript is not submitted to the Department, an audio tape recording should be maintained so that a transcript can be produced if necessary. The Department of Education reserves the right to request a copy of any information distributed at the second Act 34 hearing.

SPECIFICATION REQUIREMENTS

All specifications for construction, reconstruction and repair must contain the items described below. The wording provided for each item listed is suggested but need not be verbatim. School districts are cautioned to obtain the advice of their solicitors concerning the appropriateness and exact wording of the clauses in the specifications.

1. NON-TECHNICAL SPECIFICATIONS:

- A. **PROPOSED ADVERTISEMENT:** (Section 106 of the Public School Code of 1949, as amended. Exceptions for solicitation of bids authorized under Section 751a and b).
- B. **INSTRUCTIONS TO BIDDERS:** The conditions of bidding, bonds and insurance required, procedures, etc.
- C. **BID FORMS:** Prepared for separate contracts, uniformity of bidding, and adherence to the plans and specifications (Section 751a of the Public School Code of 1949, as amended).
- D. **GENERAL AND SUPPLEMENTAL CONDITIONS:** The documentation where the architect and the owner establish the conditions under which the work will be done and what happens when various circumstances arise, etc., including items E through M below.
- E. **PERFORMANCE AND LABOR AND MATERIAL PAYMENT BONDS:** For any contract exceeding \$5,000, wording about this requirement must be provided:

PERFORMANCE AND LABOR AND MATERIAL PAYMENT BONDS: the contractor shall provide a performance bond and a labor and material payment bond, each in the amount of 100% of the contract price, before the award of the contract. (Sections 756 and 757 of the Public School Code of 1949, as amended, and the Public Works Contractors Bond Law of 1967).

- F. **DISCRIMINATION PROHIBITED:** For each contract entered into by a government agency for the construction, alteration or repair of any public building or public work, wording about this requirement must be provided:

DISCRIMINATION PROHIBITED: According to 62 Pa.C.S.A. § 3701, the contractor agrees that:

1. In the hiring of employees for the performance of work under the contract or any subcontract, no contractor, subcontractor or any person acting on behalf of the contractor or subcontractor shall by reason of gender, race, creed or color discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. No contractor or subcontractor or any person on their behalf shall in any manner discriminate against or intimidate any employee hired for the performance of work under the contract on account of gender, race, creed or color.
3. The contract may be canceled or terminated by the government agency and all money due or to become due under the contract may be forfeited for a violation of the terms or conditions of that portion of the contract.

G. **COMPLIANCE WITH HUMAN RELATIONS ACT:** Wording about this requirement must be provided:

HUMAN RELATIONS ACT: The provisions of the Pennsylvania Human Relations Act, Act 222 of October 27, 1955 (P.L. 744) (43 P.S. Section 951, et. seq.) of the Commonwealth of Pennsylvania prohibit discrimination because of race, color, familial status, religious creed, ancestry, age, sex, national origin, handicap, disability or use of guide or support animal, by employers, employment agencies, labor organizations, contractors and others. The contractor shall agree to comply with the provisions of this Act as amended that is made part of this specification. Your attention is directed to the language of the Commonwealth's non-discrimination clause in 16 PA. Code 49.101.

H. **CONDITIONS OR PAYMENT OF WAGES:**

COMPETENT WORKMEN: For projects where the **total estimated cost is \$25,000 or less**, wording about this requirement must be provided:

According to Section 752 of the Public School Code of 1949, no person shall be employed to do work under such contract except competent and first class workmen and mechanics.

COMPETENT WORKMEN: No workmen shall be regarded as competent first class, within the meaning of this Act, except those who are duly skilled in their respective branches of labor, and who shall be paid not less than such rates of wages and for such hours work as shall be established and current rates of wages paid for such hours by employers of organized labor in doing of similar work in the school district where work is being done.

PENNSYLVANIA PREVAILING WAGE RATES: Projects where the **total estimated cost is greater than \$25,000**, paid for in whole or in part out of funds of a public body, except for maintenance work or work performed under a rehabilitation program or manpower training program must specify "Prevailing Wages." Further information on implementation of the act, definition of maintenance work and prevailing wage rates may be requested from the Pennsylvania Department of Labor and Industry (800-932-0665 or 717-705-5969). When applicable, use Davis-Bacon wage rates for federally assisted projects.

Recommended procedure is to include the applicable published wage rates for the project within the body of the specification, if possible, or at least issue the rates accompanying the specifications, or by addendum.

The conditions, provisions and requirements of the Pennsylvania Prevailing Wage Act, by proper references, shall be specified for compliance. The following brief reference may be used for minor project specifications:

PENNSYLVANIA PREVAILING WAGE RATES: This regulation and the general Pennsylvania prevailing minimum wage rates, (Act 442 of 1961, P.L. 987, amended), as determined by the Secretary of Labor and Industry, which shall be paid for each craft or classification of all workers needed to perform the contract during the anticipated term therefore in the locality in which public work is performed, are made part of this specification.

QUALIFIED SCHOOL CONSTRUCTION BOND (QSCB) and QUALIFIED ZONE ACADEMY BOND (QZAB) PROGRAM: QSCB and QZAB were authorized under the American Recovery and Reinvestment Tax Act (ARRA). If a project is funded in whole or in part with QSCB or QZAB, the project is subject to all corresponding administrative requirements related to the Davis-Bacon Act and the U.S. Department of Labor Prevailing Wage. Bid documents must include the following:

- a) a complete listing of the U.S. Department of Labor Prevailing Wage Rates applicable to this project;
- b) a complete listing of the Pennsylvania State Prevailing Wage Rates applicable to this project;
- c) instructions to the bidders explaining why both Federal and State Wage Rates are included in the bid documents;
- d) instructions to the bidders indicating their responsibility to compare the Federal and State Wage Rates for each classification of work and to use the higher Rate;
- e) instructions to the bidders indicating their responsibility to perform and to adhere to all related administrative functions, as required by the U.S. Department of Labor and the Commonwealth of Pennsylvania.

- I. **STANDARD OF QUALITY:** A Standard of Quality must be defined. The following wording would permit substitutions if included in the specifications.

STANDARD OF QUALITY: The various materials and products specified in the specifications by name or description are given to establish a standard of quality and of cost for bid purposes. It is not the intent to limit the bidder, the bid or the evaluation of the bid to any one material or product specified but rather to describe the minimum standard. When proprietary names are used, they shall be followed by the words "or alternatives of the quality necessary to meet the specifications". A bid containing an alternative which does not meet the specifications may be declared non-responsive. A bid containing an alternative may be accepted but, if an award is made to that bidder, the bidder will be required to replace any alternatives which do not meet the specifications.

- J. **COMPLIANCE WITH STEEL PRODUCTS PROCUREMENT ACT:** For projects where steel or steel products are specified, wording about this requirement must be provided:

PROVISION FOR THE USE OF STEEL AND STEEL PRODUCTS MADE IN THE U.S.: In accordance with Act 3 of the 1978 General Assembly of the Commonwealth of Pennsylvania, if any steel or steel products are to be used or supplied in the performance of the contract, only those produced in the United States as defined therein shall be used or supplied in the performance of the contract or any subcontracts thereunder.

In accordance with Act 161 of 1982, cast iron products shall also be included and produced in the United States. Act 144 of 1984 further defines "steel products" to include machinery and equipment. The act also provides clarifications and penalties.

- K. **PROHIBITION ON CASH ALLOWANCES:** Any reference that implies the presence of cash allowances must be deleted.

Cash allowances are prohibited.

- L. **TIME(S) OF COMPLETION OF THE PROJECT:** Completion dates for projects must be stated in terms of actual date(s) or the number of calendar days after the notice to proceed with the work.

- M. **OWNERS COMPLIANCE IN RETAINING PAYMENTS:** If the school district intends to retain a percentage of the payments to the contractors throughout the duration of the project, it should be clearly stated in the specifications. Retaining of payments must be done in accord with 62 Pa.C.S.A. § 3921.

2. **TECHNICAL SPECIFICATIONS:** This portion of the specifications must contain the documentation for the actual construction processes, materials, equipment and work to achieve the objectives of the project.