## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

No. 382 Session of 2015

INTRODUCED BY EVANKOVICH, TALLMAN, WATSON, A. HARRIS, MENTZER, SAYLOR, CUTLER, EVERETT, DeLUCA, DUNBAR, GROVE, McGINNIS, OBERLANDER, GINGRICH, BLOOM, SIMMONS AND MOUL, FEBRUARY 9, 2015

REFERRED TO COMMITTEE ON STATE GOVERNMENT, FEBRUARY 9, 2015

## AN ACT

1 2 3	Amending Title 62 (Procurement) of the Pennsylvania Consolidated Statutes, adding provisions relating to local agency public-private partnerships for water and sewer projects.
4	The General Assembly of the Commonwealth of Pennsylvania
5	hereby enacts as follows:
6	Section 1. Title 62 of the Pennsylvania Consolidated
7	Statutes is amended by adding a chapter to read:
8	CHAPTER 47
9	LOCAL AGENCY PUBLIC-PRIVATE PARTNERSHIPS
10	FOR WATER AND SEWER PROJECTS
11	Sec.
12	4701. Definitions.
13	4702. Unsolicited submission of public-private partnership
14	agreement proposals to local agency.
15	4703. Solicitation of proposals for public-private partnership
16	agreements.

4704. Evaluation and selection of public-private partnership

17

- 1 <u>agreement proposal.</u>
- 2 4705. Implementation of public-private partnership agreement.
- 3 4706. Service contracts.
- 4 4707. Affected local jurisdictions.
- 5 <u>4708</u>. <u>Dedication of public property</u>.
- 6 4709. Powers and duties of operator.
- 7 4710. Federal, State and local assistance.
- 8 <u>4711. Material default and remedies.</u>
- 9 4712. Utility crossing.
- 10 <u>4713. Governmental immunity.</u>
- 11 4714. Special approval.
- 12 <u>4715</u>. Exclusivity.
- 13 <u>4716. Use of intellectual property.</u>
- 14 <u>4717</u>. Applicability.
- 15 4718. Public Utility Commission.
- 16 § 4701. Definitions.
- 17 The following words and phrases when used in this chapter
- 18 shall have the meanings given to them in this section unless the
- 19 context clearly indicates otherwise:
- 20 "Affected local jurisdiction." A local agency in which all
- 21 or a portion of an eligible project is located.
- 22 "Commission." The Pennsylvania Public Utility Commission.
- 23 "Eliqible project." A building or facility used for public
- 24 water supply or treatment, storm water treatment and disposal or
- 25 waste water treatment and disposal.
- 26 "Lease payment." A form of payment, including a land lease,
- 27 by a local agency to the operator for the use of an eligible
- 28 project.
- 29 "Local agency." A county, city, borough, incorporated town,
- 30 township, county institution, local authority or a joint or

- 1 cooperative body of local agencies or an instrumentality,
- 2 authority or corporation thereof which has authority to enter
- 3 into a contract.
- 4 <u>"Material default." A default by the operator in the</u>
- 5 performance of its duties under section 4709(e) (relating to
- 6 powers and duties of operator) which jeopardizes adequate
- 7 <u>service to the public from an eliqible project.</u>
- 8 "Offeror." A private entity that submits a proposal under
- 9 <u>this chapter.</u>
- 10 "Operator." The private entity that is responsible for an
- 11 <u>eligible project or a portion of an eligible project, including</u>
- 12 acquisition, design, construction, improvement, renovation,
- 13 <u>expansion</u>, <u>equipping</u>, <u>maintenance</u> and <u>operation</u>.
- 14 "Private entity." An individual, corporation, limited
- 15 liability company, partnership, joint venture or other private
- 16 <u>business entity.</u>
- 17 "Public-private partnership agreement." An agreement between
- 18 a local agency and a private entity which involves the
- 19 development or operation, or combination thereof, of an eliqible
- 20 project by the private entity. The agreement may consist of the
- 21 following:
- 22 (1) Predevelopment agreements leading to other
- 23 implementing agreements.
- 24 (2) A design-build agreement.
- 25 (3) A design-build-operate agreement.
- 26 (4) A design-build-maintain agreement.
- 27 (5) A design-build-finance-operate agreement.
- 28 (6) A design-build-operate-maintain agreement.
- 29 (7) A design-build-finance-operate-maintain agreement.
- 30 (8) An operate-maintain agreement.

- 1 (9) A concession providing for the private entity to
- design, build, operate, maintain, manage or lease an eligible
- 3 <u>project.</u>
- 4 (10) Any other delivery method or agreement or
- 5 <u>combination of methods or agreements that the local agency</u>
- 6 <u>determines will address the needs of the Commonwealth and the</u>
- 7 <u>local agency and serve the public interest.</u>
- 8 The term shall not include the acquisition of an eligible
- 9 project by a public utility under 66 Pa.C.S. § 102 (relating to
- 10 <u>definitions</u>).
- 11 "Request for proposals." All documents, including those
- 12 <u>either attached or incorporated by reference, used for</u>
- 13 <u>soliciting proposals.</u>
- 14 <u>"Responsible offeror."</u> An offeror that has submitted a
- 15 <u>responsive proposal and possesses the capability to fully</u>
- 16 perform the contract requirements in all respects and the
- 17 <u>integrity and reliability to assure good faith performance.</u>
- 18 "Responsive proposal." A proposal which conforms in all
- 19 material respects to the requirements and criteria in the
- 20 request for proposals.
- 21 "Revenue." Any of the following generated by an eligible
- 22 project:
- 23 <u>(1) A user fee.</u>
- 24 <u>(2) A lease payment.</u>
- 25 (3) A service payment.
- 26 "Sealed proposal." A proposal which contents are not
- 27 disclosed until the proposal receipt date.
- 28 <u>"Service payment." Payment to the operator of an eliqible</u>
- 29 project pursuant to a public-private partnership agreement.
- 30 "User fee." The rate or other charge imposed by the operator

- 1 of an eligible project for use of the eligible project pursuant
- 2 to a public-private partnership agreement.
- 3 § 4702. Unsolicited submission of public-private partnership
- 4 <u>agreement proposals to local agency.</u>
- 5 <u>A private entity may request consideration of a proposed</u>
- 6 <u>public-private partnership agreement for an eligible project.</u>
- 7 The request may be submitted to the applicable local agency, and
- 8 any proposal under this section shall not be approved unless the
- 9 local agency follows procedures outlined in sections 4703
- 10 (relating to solicitation of proposals for public-private
- 11 partnership agreements) and 4704 (relating to evaluation and
- 12 <u>selection of public-private partnership agreement proposal). A</u>
- 13 request shall be accompanied by the following material and
- 14 information:
- (1) A topographic map of 1:2,000 or other appropriate
- scale indicating the location of the eligible project.
- 17 (2) A description of the eligible project, including the
- 18 conceptual design of the facility or a conceptual plan for
- 19 the provision of services and a schedule for the initiation
- of and completion of the eligible project to include the
- 21 proposed major responsibilities and timeline for activities
- 22 to be performed by both the local agency and private entity.
- 23 (3) A statement setting forth the method by which the
- 24 private entity proposes to secure the necessary property
- 25 interests required for the eligible project. The statement
- 26 shall include the following:
- (i) The names and addresses, if known, of the
- 28 current owners of the property needed for the eligible
- 29 <u>project.</u>
- 30 (ii) The nature of the property interests to be

- 1 acquired.
- 2 (4) Information relating to the current plans, if any,
- for development of facilities to be used by a local agency
- 4 that are similar to the eligible project being proposed by
- 5 <u>the private entity.</u>
- 6 (5) A list of all permits and approvals required for the
- 7 <u>eligible project from Federal, State or political</u>
- 8 <u>subdivisions and a projected schedule for obtaining the</u>
- 9 <u>permits and approvals.</u>
- 10 (6) A list of any utility facilities known to the
- 11 <u>private entity that may be crossed or affected by the</u>
- 12 <u>eligible project and a statement of the plans of the operator</u>
- to accommodate the crossings or affected facilities.
- 14 (7) A statement setting forth the private entity's
- 15 general plans for financing the eligible project, including
- the sources of the private entity's funds.
- 17 (8) The names and addresses of the persons who may be
- 18 contacted for further information concerning the request.
- 19 (9) User fees, lease payments and other service payments
- 20 proposed in the public-private partnership agreement,
- 21 including frequency of assessments and the methodology and
- 22 circumstances for changes to the user fees, lease payments
- and other service payments.
- 24 § 4703. Solicitation of proposals for public-private
- 25 <u>partnership agreements.</u>
- 26 (a) Solicitation of proposals. -- A local agency may issue a
- 27 request for proposals for public-private partnerships for an
- 28 eligible project.
- 29 (b) Availability to general public. -- Copies of a request for
- 30 proposals shall be made available to any interested person

- 1 residing within the affected local jurisdiction upon request to
- 2 the local agency. A local agency may establish procedures for
- 3 the distribution of a request for proposals, including the
- 4 <u>imposition of a fee to reimburse the local agency for the costs</u>
- 5 of photocopying and mailing.
- 6 (c) Receipt of proposals. -- Offerors shall submit their
- 7 <u>sealed proposals to ensure that they are received prior to the</u>
- 8 time and date established for receipt of the proposals. Sealed
- 9 proposals shall be submitted in the format required by the local
- 10 agency. All sealed proposals shall be opened at the time, date
- 11 and place designated in the request for proposals.
- 12 <u>(d) Fee.--The local agency may charge a reasonable fee to</u>
- 13 cover the costs of processing, reviewing and evaluating the
- 14 proposal, including reasonable attorney fees and fees for
- 15 financial and other necessary advisers or consultants.
- 16 § 4704. Evaluation and selection of public-private partnership
- 17 agreement proposal.
- 18 (a) Evaluation criteria. -- A local agency shall evaluate each
- 19 responsive proposal to determine which one, if any, has the best
- 20 value for and is in the best interest of the local agency. In
- 21 making this determination, a local agency may consider any of
- 22 the following:
- 23 <u>(1) Cost.</u>
- 24 (2) Price.
- 25 <u>(3) Financial commitment.</u>
- 26 (4) Innovative financing.
- 27 <u>(5) Bonding.</u>
- 28 (6) Technical, scientific, technological or
- 29 <u>socioeconomic merit.</u>
- 30 (7) Financial strength and viability.

- 1 (8) Design, operation and feasibility of the eliqible
- 2 <u>project.</u>
- 3 (9) Public reputation, qualifications, industry
- 4 <u>experience and financial capacity of the private entity.</u>
- 5 (10) The compatibility of the proposal with existing
- 6 <u>local and county land use plans.</u>
- 7 (11) The commitment of local communities to approve land
- 8 <u>use plans in preparation for the project.</u>
- 9 (12) Other factors deemed appropriate by the local
- 10 agency.
- 11 (b) Weighted consideration. -- The relative importance of each
- 12 <u>evaluation factor shall be fixed prior to opening the proposals.</u>
- (c) Discussion with responsible offerors and revision of
- 14 proposals. -- As provided in the request for proposals,
- 15 discussions and negotiations may be conducted with responsible
- 16 offerors for the purpose of clarification and of obtaining best
- 17 and final offers. Responsible offerors shall be accorded fair
- 18 and equal treatment with respect to any opportunity for
- 19 discussion and revision of proposals. In conducting discussions,
- 20 there shall be no disclosure of any information derived from
- 21 proposals submitted by competing offerors.
- 22 (d) Selection for negotiation. -- The responsible offeror
- 23 whose proposal is determined in writing to be the best value for
- 24 and in the best interests of the local agency and the general
- 25 public, taking into consideration all evaluation factors, shall
- 26 be selected for contract negotiation.
- 27 (e) Cancellation. -- A request for proposals may be canceled
- 28 at any time prior to the time a partnership contract is executed
- 29 by all parties when it is in the best interests of the local
- 30 agency.

- 1 (f) Award. -- Upon reaching an agreement with a responsible
- 2 <u>offeror</u>, the local agency shall enter into a public-private
- 3 partnership agreement with the responsible offeror. The public-
- 4 private partnership agreement shall be consistent with the
- 5 requirements of this chapter. If agreement cannot be reached
- 6 with the responsible offeror, then negotiations shall be
- 7 <u>formally terminated with the responsible offeror. If proposals</u>
- 8 were submitted by one or more other responsible offerors,
- 9 <u>negotiations may be conducted with the other responsible offeror</u>
- 10 or offerors in the order of their respective qualification
- 11 ranking. The contract may be awarded to the responsible offeror
- 12 whose proposal is then ranked as providing the best value.
- 13 (g) Resolution of controversies.--If a private entity is
- 14 aggrieved by a selection under this section, a responsible
- 15 offeror may file a claim with the court of common pleas where
- 16 the local agency is located. The process for the filing and
- 17 resolution of claims, including rights, contents, timing,
- 18 evaluation, determination and remedies, which are established in
- 19 Chapter 17 (relating to legal and contractual remedies) shall
- 20 apply insofar as they are practicable.
- 21 § 4705. Implementation of public-private partnership agreement.
- 22 (a) Final approval. -- The approval of the local agency is
- 23 contingent upon the private entity's agreement to enter into a
- 24 contract with the local agency.
- 25 (b) Contracts. -- Prior to designing, constructing, improving,
- 26 renovating, expanding, equipping, maintaining or operating the
- 27 <u>eligible project, the private entity shall enter into a</u>
- 28 contract detailing the public-private partnership agreement with
- 29 the local agency. The contract shall provide for all of the
- 30 following:

1	(1) Delivery of maintenance, performance and payment
2	bonds or letters of credit in connection with the
3	acquisition, design, construction, improvement, renovation,
4	expansion, equipping, maintenance or operation of the
5	eligible project, in the forms and amounts satisfactory to
6	the local agency.
7	(2) Review of plans and specifications for the eligible
8	project by the local agency and approval by the local agency
9	if the plans and specifications conform to standards
10	acceptable to the local agency. This paragraph may not
11	require the private entity to complete design of an eligible
12	project prior to the execution of a contract.
13	(3) Inspection of the eligible project by the local
14	agency to ensure that the operator's activities are
15	acceptable to the local agency in accordance with the
16	<pre>public-private partnership agreement.</pre>
17	(4) Maintenance of policies of liability insurance,
18	copies of which shall be filed with the local agency
19	accompanied by proofs of coverage, self-insurance, in form
20	and amount satisfactory to the local agency and reasonably
21	sufficient to insure coverage of tort liability to the public
22	and employees and to enable the continued operation of the
23	eligible project.
24	(5) Monitoring of the practices of the operator by the
25	local agency to ensure that the eligible project is properly
26	maintained.
27	(6) Reimbursement to be paid to the local agency for
28	services provided by the local agency.
29	(7) Filing of appropriate financial statements on a
30	periodic basis.

- 1 (8) Policies and procedures governing the rights and
- 2 <u>responsibilities of the local agency and the operator in the</u>
- 3 event the contract is terminated or there is a material
- 4 <u>default by the operator. The policies and procedures shall</u>
- 5 <u>include conditions governing assumption of the duties and</u>
- 6 <u>responsibilities of the operator by the local agency and the</u>
- 7 <u>transfer or purchase of property or other interests of the</u>
- 8 <u>operator by the local agency.</u>
- 9 (c) Fees.--The contract may provide for a user fee, lease
- 10 payment or service payment. A copy of a service contract must be
- 11 <u>filed with the local agency. When negotiating a user fee under</u>
- 12 this section, the parties shall establish payments or fees that
- 13 are the same for a person using the facility under like
- 14 conditions and that will not materially discourage use of the
- 15 <u>eligible project. The execution of the contract or an amendment</u>
- 16 to the contract constitutes conclusive evidence that the user
- 17 fee, lease payment or service payment provided for complies with
- 18 this chapter. A user fee or lease payment established in the
- 19 contract as a source of revenue may be in addition to or in lieu
- 20 of a service payment.
- 21 (d) Grants or loans. -- In the contract, the local agency may
- 22 agree to make a grant, if the terms of the grant allow, or loan
- 23 to the operator from an amount received from the Federal or
- 24 State government or a political subdivision or from one of their
- 25 agencies or instrumentalities.
- 26 (e) Duties.--The contract shall incorporate the duties of
- 27 the operator under this chapter and may contain other terms and
- 28 conditions that the local agency determines serve the public
- 29 purpose under section 4704(d) (relating to evaluation and
- 30 selection of public-private partnership agreement proposal). The

- 1 contract may contain any of the following:
- 2 (1) Provisions under which the local agency agrees to
- 3 provide notice of default and right to cure for the benefit
- 4 of the operator and the persons specified in the notice as
- 5 providing financing for the eligible project.
- 6 (2) Other lawful terms and conditions to which the
- 7 operator and the local agency mutually agree, including
- 8 provisions regarding unavoidable delays or provisions
- 9 providing for a loan of public funds to the operator to
- 10 acquire, design, construct, improve, renovate, expand, equip,
- 11 <u>maintain or operate one or more eligible projects.</u>
- 12 (3) Provisions under which the authority and duties of
- 13 <u>the operator under this chapter shall cease and the eligible</u>
- 14 project is dedicated to the local agency or, if the eligible
- project was initially dedicated by an affected local
- jurisdiction, to the affected local jurisdiction for public
- 17 use.
- 18 (f) Amendments.--Change in the terms of the contract, as may
- 19 be agreed upon by the parties, shall be added by written
- 20 amendment.
- 21 (q) Date. -- In connection with its approval of the eligible
- 22 project, the local agency shall establish a date for the
- 23 commencement of activities related to the eliqible project. The
- 24 local agency may extend the date.
- 25 (h) Public access. -- Any documents created by or provided to
- 26 a local agency under this chapter shall be subject to inspection
- 27 and copying only to the extent required under the act of
- 28 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.
- 29 Nothing in this chapter shall be construed to abrogate the
- 30 provisions of the act of November 29, 2006 (P.L.1435, No.156),

- 1 known as the Public Utility Confidential Security Information
- 2 <u>Disclosure Protection Act.</u>
- 3 (i) Debt capacity. -- A contract entered into under this
- 4 <u>chapter shall not enlarge</u>, <u>diminish or affect the authority</u>
- 5 otherwise possessed by the local agency to take action that
- 6 would impact the debt capacity of the Commonwealth or any of its
- 7 political subdivisions.
- 8 <u>§ 4706. Service contracts.</u>
- 9 <u>In addition to any authority conferred by statute, a local</u>
- 10 agency may contract with an operator for the delivery of
- 11 services to be provided as part of an eligible project in
- 12 <u>exchange for service payment and other consideration as the</u>
- 13 <u>local agency may deem appropriate.</u>
- 14 § 4707. Affected local jurisdictions.
- 15 (a) Notification. -- Prior to entering into a public-private
- 16 partnership agreement with a responsible offeror in accordance
- 17 with section 4704 (relating to evaluation and selection of
- 18 public-private partnership agreement proposal), the local agency
- 19 shall notify each affected local jurisdiction by furnishing a
- 20 copy of the proposal to each affected local jurisdiction. The
- 21 responsible offeror shall reimburse the local agency for costs
- 22 incurred by the agency in furnishing a copy of the proposal to
- 23 <u>each affected local jurisdiction.</u>
- 24 (b) Comments. -- Each affected local jurisdiction that is not
- 25 the applicable local agency for the respective eligible project
- 26 shall, within 30 days after receiving the notice, submit any
- 27 comments it may have in writing on the proposed eligible
- 28 project to the applicable local agency and indicate whether the
- 29 facility is compatible with the local ordinance requirements and
- 30 other local requirements. The comments shall be given

- 1 consideration by the local agency prior to entering a public-
- 2 private partnership agreement with a private entity.
- 3 § 4708. Dedication of public property.
- 4 A local agency may dedicate any property interest, including
- 5 <u>land</u>, improvements and tangible personal property, that it has
- 6 for public use in an eligible project if it finds that doing so
- 7 will serve the public purpose under section 4704(a) (relating to
- 8 evaluation and selection of public-private partnership agreement
- 9 proposal) by minimizing the cost of an eligible project to the
- 10 local agency or reducing the delivery time of an eligible
- 11 project. In connection with the dedication, a local agency may
- 12 convey any property interest that it has, subject to the
- 13 conditions imposed by law, to the operator, subject to the
- 14 provisions of this chapter, for consideration as the local
- 15 <u>agency may determine</u>.
- 16 § 4709. Powers and duties of operator.
- 17 (a) Powers. -- The operator shall have the power to acquire,
- 18 design, construct, improve, renovate, maintain, expand, equip or
- 19 operate the eligible project and collect lease payments, impose
- 20 <u>a user fee or enter into a service contract in connection with</u>
- 21 the use of its power.
- 22 (b) Right.--The operator may own, lease or acquire any other
- 23 <u>right to use or operate the eligible project.</u>
- 24 (c) Financing.--
- 25 (1) Notwithstanding paragraph (2), any financing of the
- 26 eligible project may be in an amount and upon terms and
- 27 <u>conditions as may be determined by the operator.</u>
- 28 (2) The operator may issue debt, equity or other
- securities or obligations, enter into sale and leaseback
- transactions and secure any financing with a pledge of,

- 1 security interest in or lien on any or all of its property,
- 2 including all of its property interests in the eligible
- 3 project.
- 4 (d) Operation. -- In operating the eligible project, the
- 5 operator may do all of the following:
- 6 (1) Make classifications according to reasonable
- 7 <u>categories for assessment of user fees.</u>
- 8 (2) With the consent of the local agency, make and
- 9 <u>enforce reasonable rules to the same extent that the local</u>
- 10 agency may make and enforce rules with respect to similar
- 11 <u>facilities.</u>
- (e) <u>Duties.--The operator shall do the following:</u>
- 13 (1) Acquire, design, construct, improve, renovate,
- 14 <u>expand, equip, maintain or operate the eligible project in</u>
- 15 <u>accordance with the public-private partnership agreement.</u>
- 16 (2) Keep the eligible project open for use by members of
- 17 the public as appropriate based upon the use of the facility
- 18 after its initial opening upon payment of the applicable user
- 19 fee, lease payment or service payment. The eligible project
- 20 may be temporarily closed because of emergencies or with the
- 21 consent of the local agency, to protect the safety of the
- 22 public or for reasonable construction or maintenance
- 23 procedures as set forth under the public-private partnership
- 24 agreement.
- 25 (3) Maintain or provide by contract for the maintenance
- of the eligible project, if required by the public-private
- 27 <u>partnership agreement.</u>
- 28 (4) Cooperate with the local agency in making best
- 29 efforts to establish any interconnection with the eliqible
- 30 project requested by the local agency.

- 1 (5) Comply with the public private-partnership agreement
- 2 and any service contract.
- 3 (f) Additional services. -- This section does not prohibit an
- 4 operator of an eligible project from providing additional
- 5 <u>services for the eligible project to private entities or local</u>
- 6 agencies, other than the local agency that is party to the
- 7 <u>public-private partnership agreement, if the provision of</u>
- 8 <u>additional service does not impair the operator's ability to</u>
- 9 meet its commitments to the local agency under the public-
- 10 private partnership agreement.
- 11 § 4710. Federal, State and local assistance.
- 12 The local agency may obtain assistance from the Federal or
- 13 State government or one of its political subdivisions for an
- 14 eligible project in accordance with the purposes under section
- 15 <u>4704 (relating to evaluation and selection of public-private</u>
- 16 partnership agreement proposal) and may enter into a contract in
- 17 order to receive the assistance. The local agency may pay a
- 18 portion of the costs of an eliqible project directly or
- 19 indirectly from the proceeds of a grant or loan made by the
- 20 Federal or State government or one of its political
- 21 subdivisions.
- 22 § 4711. Material default and remedies.
- 23 (a) General rule. -- If there is a material default by the
- 24 operator of an eligible project, the local agency may assume the
- 25 responsibilities and duties of the operator, in which case it
- 26 shall succeed to any right, title and interest in the eliqible
- 27 project, subject to any liens on revenue previously granted by
- 28 the operator to any person providing financing.
- 29 (b) Condemnation. -- A local agency which is a party to a
- 30 partnership contract, and which has the power of condemnation

- 1 under State law, may exercise the power of condemnation to
- 2 <u>acquire the eliqible project in the event of a material default</u>
- 3 by the operator. A person who has provided financing for the
- 4 <u>eligible project</u>, and the operator to the extent of its capital
- 5 <u>investment</u>, may participate in the condemnation proceedings with
- 6 the standing of a property owner.
- 7 (c) Termination. -- For cause shown, the local agency may
- 8 terminate the public-private partnership agreement and exercise
- 9 any other rights and remedies that may be available at law or in
- 10 <u>equity.</u>
- 11 (d) Claims. -- The local agency may make or cause to be made
- 12 any appropriate claims under maintenance, performance or payment
- 13 bonds or lines of credit required under section 4705(b)(1)
- 14 <u>(relating to implementation of public-private partnership</u>
- 15 agreement).
- 16 (e) Procedure after takeover.--
- 17 (1) If a local agency takes over an eligible project
- pursuant to subsection (a), it may acquire, design,
- 19 <u>construct, improve, renovate, operate, expand, equip or</u>
- 20 maintain the eligible project, impose user fees, impose and
- 21 <u>collect lease payments for the use of the project and comply</u>
- 22 with service contracts as if it were the operator.
- 23 (2) Revenue subject to a lien shall be collected for the
- 24 benefit of and paid to secured parties, as their interests
- 25 may appear, to the extent necessary to satisfy the operator's
- obligations to secured parties, including the maintenance of
- 27 <u>reserves. Liens shall be correspondingly reduced and released</u>
- when they are paid off.
- 29 (3) Before a payment to or for the benefit of secured
- 30 parties, the local agency may use revenue to pay current

- 1 operation and maintenance costs of the eligible project,
- 2 including compensation to the responsible local agency for
- 3 its services in operating and maintaining the eligible
- 4 project. The right to receive payment, if any, is just
- 5 <u>compensation for the eligible project.</u>
- 6 (4) The full faith and credit of the local agency may
- 7 <u>not be pledged to secure any financing of the operator by the</u>
- 8 <u>election to take over the eligible project.</u>
- 9 <u>(5) Assumption of operation of the eligible project may</u>
- not obligate the local agency to pay an obligation of the
- 11 <u>operator from sources other than revenue.</u>
- 12 § 4712. Utility crossing.
- 13 <u>Notwithstanding any other provision of law, the following</u>
- 14 shall apply:
- 15 (1) The operator and each public utility, railroad and
- cable television provider whose facilities are to be crossed
- or affected by an eligible project shall cooperate fully in
- 18 planning and arranging the manner of the crossing or
- 19 relocation of the facilities.
- 20 (2) All costs incurred by the public utility, railroad
- or cable television provider in relocating, constructing or
- 22 reconstructing its facilities, including temporary
- facilities, shall be paid by the operator.
- 24 (3) If the operator and a public utility, railroad or
- 25 cable television provider are unable to agree upon costs to
- be paid by the operator under paragraph (2), the commission
- 27 <u>shall determine the amount of the payment to be made by the</u>
- 28 operator.
- 29 § 4713. Governmental immunity.
- This chapter shall not be construed or deemed to constitute a

- 1 waiver of the governmental immunity of a local agency or an
- 2 <u>affected local jurisdiction with respect to participation in or</u>
- 3 approval of an eligible project or its operation, including
- 4 <u>interconnection of the eligible project with another</u>
- 5 <u>infrastructure or project. An affected local jurisdiction has</u>
- 6 governmental immunity with respect to an eligible project's
- 7 <u>design</u>, <u>construction</u> and <u>operation</u>.
- 8 <u>§ 4714. Special approval.</u>
- 9 <u>A local agency may enter into an agreement under this chapter</u>
- 10 only with the approval of its governing body.
- 11 <u>§ 4715. Exclusivity.</u>
- 12 The provisions of this chapter shall constitute the exclusive
- 13 method of procurement for agreements entered into under this
- 14 chapter, notwithstanding any other law. In the event of a
- 15 conflict with another statute or regulation, the provisions of
- 16 this chapter shall govern.
- 17 § 4716. Use of intellectual property.
- 18 <u>Unless otherwise agreed and except to the extent not</u>
- 19 transferable by law, the local agency shall have the right to
- 20 use all or a portion of a submitted proposal, including the
- 21 technologies, techniques, methods, processes and information
- 22 contained in the proposal. Notice of nontransferability by law
- 23 shall be given to the local agency in response to the request
- 24 for proposals.
- 25 § 4717. Applicability.
- 26 Eligible projects that are subject to a public-private
- 27 partnership agreement under this chapter shall not be subject to
- 28 the requirements of the following:
- 29 (1) The act of May 1, 1913 (P.L.155, No.104), referred
- 30 to as the Separations Act.

- 1 (2) Section 1909 of the act of June 23, 1931 (P.L.932,
- No.317), known as The Third Class City Code.
- 3 (3) Section 1805 of act of June 24, 1931 (P.L.1206,
- 4 No.331), known as The First Class Township Code.
- 5 <u>(4) Section 3107 of the act of May 1, 1933 (P.L.103,</u>
- No.69), known as The Second Class Township Code.
- 7 (5) Section 751 of the act of March 10, 1949 (P.L.30,
- 8 No.14), known as the Public School Code of 1949.
- 9 (6) Section 5 of the act of May 27, 1953 (P.L.244,
- 10 No.34), entitled "An act relating to and regulating the
- 11 <u>contracts of incorporated towns and providing penalties."</u>
- 12 <u>(7) Section 2517 of the act of July 28, 1953 (P.L.723,</u>
- No.230), known as the Second Class County Code.
- 14 (8) Section 2317 of the act of August 9, 1955 (P.L.323,
- No.130), known as The County Code.
- 16 (9) 8 Pa.C.S. § 1405 (relating to separate bids for
- 17 plumbing, heating, ventilating and electrical work).
- 18 § 4718. Public Utility Commission.
- 19 Except as provided in section 4712 (relating to utility
- 20 crossing) nothing in this chapter shall affect the existing
- 21 duties and jurisdiction of the Public Utility Commission.
- 22 Section 2. This act shall take effect in 60 days.