



HOW TO:

What happens if no bids are received?

Council has directed the secretary or manager to prepare a bid for a street sweeper advertisement and it complies with the provisions in the Borough Code however it does not receive any bids or in another borough it is selling a used police car which is valued at more than \$1,000 and no bids are received. Now what do you do?

According to a law in the Trade & Commerce volume of PA law or 73 PS § 1641 Non-receipt of bids.

“(a) Purchase of goods.-When a political subdivision, municipal authority or transportation authority advertises for bids on an item and no bids are received, the political subdivision, municipal authority or transportation authority shall rebid the item. If again no bids are received, the political subdivision, municipal authority or transportation authority may purchase or enter into contracts for the purchase of any item where no bids are received from suppliers for the item within 45 days of the date of the second advertisement there for.”

In the second example the borough has not received a bid for the used police car and the new car is arriving next week. Section 1641 (b) of the Non-receipt of bids law addresses that situation.

(b) Sale of property. When a political subdivision, municipal authority, or transportation authority is required to advertise for bids in order to sell real or personal property and no bids are received, the political subdivision, municipal authority or transportation authority may proceed as follows:

- (1). The political subdivision, municipal authority, transportation authority may advertise for bids a second time.
- (2). If no bids are received within 15 days of the second advertisement, the political subdivision, municipal authority or transportation authority may initiate negotiations for a private sale of the property, taking into consideration its retail value.
- (3). The political subdivision, municipal authority or transportation authority must publicly announce the identity of the parties, the sale price and a summary of the other terms and conditions relating to any proposed private sale at a regular or special meeting of its governing body.
- (4). After the public announcement of the sale is made in accordance with paragraph (3), at least 30 days must elapse before a political subdivision, municipal authority or transportation authority may authorize the private sale in accordance with its subsection.”

(Note: Because this provision applies to all types of political subdivisions, municipal authorities etc. this law could not be placed in the municipal codes).