

HOUSE No. 1718

By Messrs. Ambler of Weymouth and LaFontaine of Gardner, petition of Robert B. Ambler and Raymond M. LaFontaine for legislation to require competitive bidding in the letting of certain contracts by telephone and telegraph companies. Government Regulations.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Two.

AN ACT REQUIRING COMPETITIVE BIDDING IN THE LETTING OF CERTAIN CONTRACTS BY TELEPHONE AND TELEGRAPH COMPANIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 166 of the General Laws is hereby amended by
2 inserting after section 12A the following section:—

3 *Section 12B.* The condensed return of business and finan-
4 cial condition of a company shall not include as operating
5 expenses certain expenditures resulting from contracts let
6 without competitive bidding.

7 Every contract for the construction, reconstruction, altera-
8 tion, remodeling, repair or demolition of a building by and/or
9 any equipment, materials or other goods and services pur-
10 chased by a telephone and telegraph company, estimated to
11 cost more than two thousand five hundred dollars shall be
12 awarded to the lowest responsible general bidder, on the basis
13 of competitive bids in accordance with such competitive
14 bidding practices established within industry by custom and
15 usage.

16 The department shall in the discretion of the commission
17 from time to time promulgate rules and regulations to make
18 certain that competitive bidding procedures shall protect the
19 public to the extent that the companies' items of operating

20 expenses shall be as low as possible at the time of inclusion in
 21 the rate making formulas. The commission shall have the
 22 right to disallow said operating expenses in the event of a
 23 violation of this section.

24 The lowest responsible general bidder shall mean that
 25 bidder who is the lowest of those possessing the technical and
 26 financial ability necessary to perform the work.