

Chapter 25**FISCAL AFFAIRS**

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[History: Adopted by the Board of Commissioners of the Township of Upper St. Clair 4-5-76 as part of Ord. No. 614. Section 25.6.7 amended at time of adoption of Code; see Ch. 1, Adoption of Township Code. Other amendments noted where applicable.]

GENERAL REFERENCES

Budget and fiscal affairs – See Charter, Art. IX.
Contracts – See Charter, Art. X.
Definitions and rules of interpretation – See Ch. 3.
Bonds and insurance – See Ch. 17.
Department of Administration – See Ch. 21.
Taxation – See Ch. 118.

- § 25.1. **Annual operating budget.**

Preparation and adoption of the annual budget shall be accomplished in accordance with Article IX, § C-901 through § C-907 of the Home Rule Charter.

§ 25.2. Capital improvement program budget.

25.2.1. The Township Manager shall prepare and submit annually to the Board of Commissioners a five-year capital improvement program at least three (3) months prior to the final date for submission of the annual operating budget.

25.2.1.1. The capital improvement program shall include:

25.2.1.1.1. A general summary of its contents.

25.2.1.1.2. A list of all capital improvements which are proposed to be undertaken during the five (5) years next ensuing, with appropriate supporting information as to the necessity for such improvements.

25.2.1.1.3. Cost estimates, method of financing and recommended time schedules for each such improvement.

25.2.1.1.4. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

25.2.1.1.5. Comparison between projected capital improvements and actual capital improvements for the previous twelve (12) months.

25.2.1.2. The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.

25.2.2. The Township Manager shall publish in one (1) or more newspapers of general circulation in the township the general summary of the capital improvement program and a notice stating:

25.2.2.1. The times when and places where copies of the capital improvement program are available for inspection by the public.

25.2.2.2. The place and time, not less than two (2) weeks after such publication, for a public hearing on the capital improvement program.

25.2.3. The Board of Commissioners, by resolution, shall adopt the capital improvement program, with or without amendment, after the public hearing. Elements of the capital improvement program will not become appropriations until included in the annual budget and adopted by ordinance.

§ 25.3. Claims procedure; payment of funds.¹

¹ Editor's Note: For provisions pertaining to payment of funds generally, see S C-909 of the Home Rule Charter.

25.3.1. No payment of any funds of the township shall be made unless provided for in the annual operating budget and specifically approved by the Board of Commissioners; provided, however, that payroll and utility expenditures may be made at the direction of the Manager where based upon a prior ordinance or contract.

25.3.2. All checks or drafts of the township shall be signed by the Manager or Acting Manager and shall be countersigned by the President or Vice President of the Board of Commissioners. With the written approval of the signatory, a facsimile signature may be used. **[Amended 5-5-86 by Ord. No. 1206]**

25.3.3. All claims, prior to payment, shall be accompanied by a properly approved invoice, receipted purchase order or other acceptable evidence that the claim is properly due.

§ 25.4. Borrowing, debt limits and investments.

25.4.1. Borrowing and nonelectoral debt limits are regulated in accordance with laws of the Commonwealth of Pennsylvania and the Home Rule Charter.²

25.4.2. The Township Manager or his designated agent shall have full authority to invest, redeem and reinvest funds available for but not immediately required for municipal operations in a separate township account or in a municipal funding pool, provided that such authority shall be exercised only within the limits of programs previously approved by the Board of Commissioners. Such investments shall be made only in securities backed by the full faith and credit of the United States Government, by the Federal Deposit Insurance Corporation, by the Federal Savings and Loan Insurance Corporation or by the pledges of assets of the type and valuation provided under the laws of the Commonwealth of Pennsylvania. Temporary investments may also be made in bank certificates of deposit supported by fully pledged collateral and repurchase agreements for United States Government or other allowable securities. It shall be the responsibility of the Township Manager to maximize investment revenues consistent with applicable laws and minimum investment risk.

§ 25.5. Administrative purchasing system.

25.5.1. Basic requirements. The basic requirements of a purchasing system are established in § C-1001 of the Home Rule Charter.

25.5.2. General provisions. The Township Manager shall establish and administer a purchasing system which shall provide the regulations, policies and procedures covering the acquisition of goods and services by the township, subject to the provisions of this Administrative Code. Such purchasing system shall cover all purchases made by the municipality except those specifically excluded in § C-1004 of the Home Rule Charter.

² Editor's Note: See § C-1008 of the Home Rule Charter.

25.5.3. Competitive bidding. Competitive bidding for the purchase of material, supplies or services in accordance with the Home Rule Charter shall be required for contracts valued at ¼% (one quarter of one percent) or greater of the previous year's final TOWNSHIP budget. **[Added 1-4-93 by Ord. No. 1568]**

25.5.4. Certification of Limit. The TOWNSHIP Manager shall annually certify to the Board of Commissioners the competitive bid limit (BID LIMIT) to be utilized for the current fiscal year. **[Added 1-4-93 by Ord. No. 1568]**

25.5.5. Classification of Contracts. The TOWNSHIP hereby establishes four (4) classes of contracts. **[Added 1-4-93 by Ord. No. 1568]**

CLASS I contracts are contracts with vendors of material, supplies or services which do not exceed \$5,000 in any fiscal year of the TOWNSHIP.

CLASS II contracts are contracts with vendors of material, supplies or services which exceed \$5,000 but do not exceed 50% of the BID LIMIT in any fiscal year of the TOWNSHIP.

CLASS III contracts are contracts with vendors of material, supplies or services which exceed 50% of the BID LIMIT but do not exceed the BID LIMIT in any fiscal year of the TOWNSHIP.

CLASS IV contracts are contracts with vendors of material, supplies, or services which exceed the BID LIMIT.

25.5.6. Procedures for Executing and Processing Contracts. **[Added 1-4-93 by Ord. No. 1568]**

25.5.6.1. CLASS I Contracts.

25.5.6.1.1. Execution. All CLASS I contracts shall be executed by the TOWNSHIP Manager.

25.5.6.1.2. Authorization. All CLASS I contract expenditures must be authorized in the TOWNSHIP Budget for the fiscal year in which CLASS I contract is awarded.

25.5.6.1.3. Procedure. Procedures for awarding CLASS I contracts shall be established by regulations issued by the TOWNSHIP Manager.

25.5.6.2. CLASS II Contracts.

25.5.6.2.1. Execution. All CLASS II contracts shall be executed by the TOWNSHIP Manager.

25.5.6.2.2. Authorization. All CLASS II contract expenditures must be authorized in the TOWNSHIP Budget for the fiscal year in which CLASS II contract is awarded.

25.5.6.2.3. Procedure. The TOWNSHIP Manager or his designated representative shall obtain three (3) written proposals for each CLASS II contract or certify that proposals were invited without affirmative response.

25.5.6.3. CLASS III Contracts.

25.5.6.3.1. Execution. CLASS III contracts shall be executed by the TOWNSHIP Manager after approval of the Board of Commissioners by motion at a public meeting.

25.5.6.3.2. Authorization. All CLASS III contract expenditures must be authorized in the TOWNSHIP Budget for the fiscal year in which CLASS III contract is awarded.

25.5.6.3.3. Procedure. The TOWNSHIP Manager or his designated representative shall obtain three (3) written proposals for each CLASS III contract or certify that proposals were invited without affirmative response.

25.5.6.4. CLASS IV Contracts.

25.5.6.4.1. Execution. CLASS IV contracts shall be executed by the President of the Board of Commissioners or, in his absence, the Vice President of the Board of Commissioners, and attested by the Township Manager.

25.5.6.4.2. Authorization. All CLASS IV contract expenditures must be authorized in the TOWNSHIP Budget for the fiscal year in which CLASS IV contract is awarded.

25.5.6.4.3. Procedure. All CLASS IV contracts are subject to competitive bidding procedure as set forth in this Chapter.

25.5.6.5. No contract of any class shall be awarded to a vendor that has been classified not to be a responsible BIDDER in accordance with Sections 25.6.4 or 25.6.5 of this Chapter.

§ 25.6. Competitive bidding system; rules and regulations.³

³Editor's Note: For basic provisions pertaining to contracts and competitive bidding, see Art. X of the Home Rule Charter.

25.6.1. Definitions. As used in this section, the following terms shall have the meanings indicated:

BEST RESPONSIBLE BIDDER – A responsible bidder who, in a competitive bidding situation, submits a bid which, as finally determined by the Board of Commissioners, is the best bid available in terms of price, product and/or service quality, adherence to specifications, timeliness of delivery, serviceability and maintenance, and other factors that the Board of Commissioners may establish.

RESPONSIBLE BIDDER – A bidder who is considered responsible either through previous experience in business dealings with the township or through an investigation of the credit, reliability and performance of the bidder.

25.6.2. Subject and exempt purchases. Purchases subject to and exempt from the competitive bidding system are covered in §§ C-1002 and C-1004 of the Home Rule Charter.

25.6.3. Authorization to bid. Appropriation for the purchase of goods or services in the annual operating budget adopted by the Board of Commissioners shall constitute authorization for the Township Manager to initiate competitive bidding for **CLASS IV. [Amended 1-4-93 by Ord. No. 1568]**

25.6.4. Responsible bidders list. The Township Manager shall cause to be established and maintained a bidders list for each type of goods or service purchased by the township. Inclusion on the bidders list shall signify that a bidder is considered responsible either through previous experience in business dealings with the Township or through an investigation of the credit, reliability and performance of the bidder. Once qualified as responsible, a bidder shall remain on the bidders list indefinitely unless removed by reason of disqualification.

25.6.5. Disqualification of bidders.

25.6.5.1. A bidder may be disqualified for reasons, including but not limited to the following:

25.6.5.1.1. Documentation of unsatisfactory performance by the bidder or of unsatisfactory goods or service provided by the bidder to the township or to other municipalities.

25.6.5.1.2. Failure to submit a bid on two (2) successive occasions.

25.6.5.1.3. False or misleading statements about a product or service.

25.6.5.1.4. An attempt by a bidder to influence the purchase of goods or services by the township through a gift, gratuity, favor or benefit, or promise thereof, to a township officer or employee.⁴

25.6.5.1.5. Collusion with another bidder in an attempt to regulate the price, quality or availability of goods or services to the detriment of the township.

25.6.5.2. Upon disqualification, a supplier shall be removed from the responsible bidders list until requalified. Such requalification shall consist of reasonable proof that the cause for disqualification shall not recur.

25.6.6. Invitation to bid. When it is determined that a purchase is to be made through competitive bidding, an invitation to bid shall be sent by mail to all vendors appearing on the bidders list for the item to be purchased. The invitation shall include:

25.6.6.1. A basic description of the item to be purchased.

25.6.6.2. The quantity to be purchased.

25.6.6.3. The method by which specifications and bid documents may be obtained.

25.6.6.4. The date, time and place of the bid opening.

25.6.6.5. And other specific requirements.

25.6.7. Notification requirements. A copy of the invitation to bid may be placed in a legal advertisement published at least one (1) time in a newspaper of general circulation in the Township and/or may be posted and announced via the Internet by the Township directly, or through its designated online service provider. The legal advertisement or Internet posting shall appear no later than ten (10) days prior to the scheduled bid opening. **[Amended 9-4-01 by Ord. No. 1847]**

25.6.8. Specifications. Specifications shall be prepared for all purchases made through competitive bidding. Specifications shall consist of a specific, complete and accurate description of the item to be purchased, the performance requirements and conditions and terms of purchase. Specifications shall be clearly worded but shall not be so specific or strict as to effectively eliminate acceptable products from competition. If a maintenance bond is to be required before a contract is awarded, the amount, manner and form shall be prescribed in the specifications. All specifications for construction contracts with the township shall include a requirement for performance, labor, and materialman's bonds.

⁴Editor's Note: For provisions pertaining to the prohibited involvement of a township officer or employee in a transaction, see Ch. 23, Ethics, Code of § 23.4.

25.6.9. Bid deposits or bond. A bid deposit or bond may be required for any purchase made by the township and shall be provided in an amount, manner and form prescribed by the Township Manager. The bid deposits of the best responsible bidder, as determined by the Board of Commissioners, shall be forfeited to the township if the product or service purchased is not delivered as required in the specifications.

25.6.10. Bid procedures. All bids shall be firmly sealed in an envelope and labeled so as to indicate the specific purchase for which the bid is submitted and the scheduled date and time of the bid opening. Bids shall be opened at the appointed time by a committee of at least one (1) member of the Board of Commissioners and two (2) members of the administrative staff. All bid openings shall be open to the public. Any bids received after the bid opening has commenced shall be returned to the bidder unopened. Upon completion of bid opening, the bid committee will analyze the bid for conformance with the specifications and recommend to the Board of Commissioners the best responsible bid.

25.6.11. Bid award. The Board of Commissioners shall review the recommendation of the bid committee and may award a contract to the best responsible bidder. All such awards shall be made in a public meeting by a majority vote of the Commissioners present. The Board of Commissioners shall at all times reserve the right to reject any and all bids received or to waive and informalities in the bids received if said informalities do not conflict with this Administrative Code or the Home Rule Charter.

25.6.12. Tie Breaker. In a competitive bidding situation, where more than one vendor's goods and/or services are considered essentially identical and a tie occurs among the best responsible bidders, those responsible bidders or their designated representatives shall draw lots under the supervision of the Township Manager, or his designated representative. The bidder who receives the lowest number lot will be considered the best responsible bidder for the contract award. **[Added 6-5-95 by Ord. No. 1666]**

25.6.13. Filing of bids. The Township Manager shall maintain on file all bids received for a period of not less than three (3) years and shall make such files available for public inspection upon request. **[Amended 6-5-95 by Ord. No. 1666]**

§ 25.7. Emergency purchases.

25.7.1. When emergency circumstances require that a purchase be made within a limited period of time so as to preclude the competitive bidding process, the Township Manager may waive the bid requirement and authorize an emergency purchase. Such emergency purchases shall be limited to situations where:

25.7.1.1. Delay in making the purchase would present a threat to the health, safety or welfare of the residents of the township.

25.7.1.2. The purchase is required by unforeseen circumstances and delay would seriously hinder the effective delivery of essential township services.

25.7.1.3. There are no feasible alternatives to the emergency purchase.

25.7.2. Every effort shall be made to provide competitive conditions during the emergency purchase. Quotations should be obtained from as many vendors as possible although such quotations may be oral in nature. As soon as possible after becoming aware of the need for an emergency purchase, the Township Manager shall advise the president or, in his absence, the Vice President of the Board of Commissioners. All emergency purchases shall be reported to the Board of Commissioners at the next regularly scheduled meeting.

§ 25.8. Sale of municipal equipment and supplies. [Amended 1-4-93 by Ord. No. 1568]

The Township Manager shall have the authority to dispose of unneeded, obsolete or surplus equipment or supplies with a sale value of less than six thousand dollars (\$6,000) in the manner most beneficial to the TOWNSHIP. Sale of equipment with a sale value of more than six thousand dollars (\$6,000) shall be sold with the approval of the Board of Commissioners through the competitive bidding process, except that competitive bidding shall not be required for the sale of equipment, supplies or services to other political subdivisions.

§ 25.9. Independent audit.

In accordance with § C-910 of the Home Rule Charter, the Board of Commissioners shall appoint, for the purpose of an independent annual audit of all township revenues, expenditures and accounts, a certified public accountant or a certified public account firm for each fiscal year not later than February 15 of each succeeding year.

§ 25.10. Investment Policy. [Added 12-31-94 by Ord. No. 1645]

25.10.1. The TOWNSHIP MANAGER is authorized to invest TOWNSHIP funds in any of the following:

25.10.1.1. United States Treasury bills.

25.10.1.2. Short-term obligations of the United States Government or its agencies or instrumentalities.

25.10.1.3. Deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent

that such accounts are so insured, and, for any amounts above the insured maximum, provided that approval collateral as provided by LAW therefore shall be pledged by the depository.

25.10.1.4. Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the COMMONWEALTH or any of its agencies or instrumentalities backed by the full faith and credit of the COMMONWEALTH, or of any political subdivision of the COMMONWEALTH or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

25.10.1.5. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for TOWNSHIP funds listed in Sections 25.10.1 through 2.10.4.

25.10.1.6. Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured. However, for any amounts above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interest in pools of loans) secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities.

25.10.1.7. Any investment authorized by 20 Pa. C.S. Ch. 73 (relating to fiduciaries investment) shall be an authorized investment for any pension or retirement fund.

25.10.2. In addition to the investments permitted in Section 25.10.1, the TOWNSHIP MANAGER, with the approval of the BOARD OF COMMISSIONERS, shall have the power to invest TOWNSHIP funds consistent with the sound business practice of a prudent PERSON in any investment selected by the TOWNSHIP MANAGER and approved by the BOARD OF COMMISSIONERS.

25.10.3. The TOWNSHIP MANAGER shall have the authority:

25.10.3.1. To permit assets pledged as collateral under Subsection 25.10.1.3. above, to be pooled in accordance with the act of August 6, 1971 (P.L. 281, No. 72), relating to pledges of assets to secure deposits of public funds.

25.10.3.2. To combine moneys from more than one fund under TOWNSHIP control for the purchase of a single investment, provided that each of the funds combined for the purpose shall be accounted for separately in all respects and that the earnings from the investment are separately and individually computed and recorded, and credited to the accounts from which the investment was purchased.

25.10.3.3. To join with one or more other political subdivision and municipal authorities in accordance with the act of July 12, 1972 (P.L. 762, No. 180) entitled “An act relating to intergovernmental cooperation,” in the purchase of a single investment, provided that the requirements of subclause (ii) on separate accounting of individual funds are separate computation, recording and crediting of the earning therefrom are adhered to.

25.10.4. The officers of the TOWNSHIP are authorized to execute any documents necessary to carry out the investment policy of the TOWNSHIP.

25.10.5. The TOWNSHIP Manager is authorized to select management companies, mutual funds, or insurance plans for employees to invest employee deferred compensation funds under Section 457 of the Internal Revenue Code or to purchase insurance coverage. No TOWNSHIP funds shall be involved in the selections. **[Amended 8-7-95 by Ord. No. 1678]**