
ARTICLE 117
Department of Finance

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CROSS REFERENCES

Audit: Home Rule Charter, Sect. 7.13
Budget: Home Rule Charter, Sects. 7.03-7.12
City Manager to Prepare Budget: Home Rule Charter, Sect. 6.03
Earned Income Tax: Art. 313
Fiscal Year: Home Rule Charter, Sect. 7.01
Garbage Charges: Sects. 923.08 & 925.03
Guidelines: Art. 115
Emergency and Municipal Services Tax: Art. 317
Per Capita Tax: Art. 315
Police Pension Board: Sect. 147.03
Real Estate Tax: Art. 319
Realty Transfer Tax: Art. 311
Sewer Rentals: Art. 917
Tax Levy: Home Rule Charter, Sect. 7.02

117.01 FUNCTION OF DEPARTMENT

The functions of the Department of Finance shall be the administration and direction of the City's activity pertaining to the receipt, expenditure, accounting, investment, custody and control of City funds, assets and property, except to the extent that any such activity is expressly charged to any other department, office or agency. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.02 BIDDING PROCEDURES

a.) All expenditures shall be limited by budgetary amounts unless expressly approved by Council. Sealed bids shall be procured for all expenditures in the base amount of \$18,500.00, subject to an annual inflation adjustment in accordance with state law, or more, and shall be awarded to the lowest responsible bidder with service, performance record on other bids, price, warranty and delivery evaluated after being advertised at least

one (1) time in a newspaper of general circulation within the City of Franklin. The advertisement should state the time, date and place where the bids are to be opened. At least five (5) days shall pass between the time of the first advertisement and the time established to open the sealed bids. All plans and specifications shall be placed on file in the City Clerk's office, and be available to any prospective bidder for examination with payment of the appropriate fees or deposit, by the date of the first advertisement. All expenditures from \$10,000.00 to the base amount of \$18,500.00, subject to annual inflation adjustments in accordance with state law, and within the budgetary limits, may be made without advertisement and without sealed bids to the lowest responsible supplier after procuring, or attempting to procure, at least two (2) written or telephonic price quotations or proposals. All expenditures of \$18,500.00 subject to an annual inflation adjustment in accordance with state law, or less may be made solely upon the order of the department head involved in the purchase for his department with the approval of the City Manager. (Ord. 2 of 2012, Sect. 1, Passed 3-5-2012)

In the event of an emergency requiring contracts or purchases before the aforesaid advertising and bidding or quotation procedures can be implemented, the said procedures may be suspended by the Council. (Ord. 2 of 2012, Sect. 1, Passed 3-5-2012)

All plans and specifications shall be placed on file in the City Engineer's office, the City Clerk's office or the City Manager's office, and be available to any prospective bidder for examination, by the date of the first advertisement. All expenditures under \$10,000.00 and over \$2,000.00 and within the budgetary limits may be made without advertisement and without sealed bids to the lowest responsible supplier after procuring at least three written quotations or proposals therefor. All expenditures of \$10,000.00 or less may be made solely upon the order of the department head involved in the purchase for his department with the approval of the City Manager, or in his absence, the Finance Director.

In the event of an emergency requiring contracts or purchases before the aforesaid advertising and bidding or quotation procedures can be implemented, the said procedures may be suspended by the Council.

b.) Every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works shall comply with the provisions of the Act of March 3, 1978 (P.L. 6) known as the "Steel Products Procurement Act", 73 P.S. §1881 et seq.

c.) Purchases or contracts involving an expenditure of \$18,500.00, subject to an annual inflation adjustment in accordance with state law, or more which shall not require advertising or bidding as hereinbefore provided are as follows (Ord. 2 of 2012, Sect. 2, Passed 3-5-2012):

- (1) Those for maintenance, repairs or replacements for water, electric light or other public works of the City, provided they do not constitute new additions, extensions or enlargements of existing facilities and equipment.

- (2) Those made for improvements, repairs and maintenance of any kind paid or provided by the City through its own employees; provided, however, that this shall not apply to construction materials used in a street improvement.
- (3) Those where particular types, models or pieces of new equipment, articles, apparatus, appliances, vehicles, or parts thereof, are desired by Council, which are patented or copyrighted products.
- (4) Those involving any policies of insurance or surety company bonds; those made for public utility service under tariffs on file with the Pennsylvania Public Utility Commission; those made with another political subdivision, the Commonwealth of Pennsylvania, the Federal government, any agency of the Commonwealth or the Federal government or any municipal authority, including the sale, leasing or loan of any supplies or materials by the Commonwealth or the Federal government, or their agencies, but the price thereof shall not be in excess of that fixed by the Commonwealth, the Federal government, or their agencies.
- (5) Those involving personal or professional services.
- (6) Those made during a state of emergency declared by the Mayor. (Ord. 2 of 2012, Sect. 3, Passed 3-5-2012)

d.) In the preparation of specifications for the erection, construction and alteration of any public building, when the entire cost of such work shall exceed \$18,500.00, subject to an annual inflation adjustment in accordance with state law, it shall be the duty of the architect, engineer or other person preparing such specifications, to prepare separate specifications for the plumbing, heating, ventilating and electrical work; and it shall be the duty of the person or persons authorized to enter into contracts for the erection, construction or alteration of such public buildings to receive separate bids upon each of the said branches of work, and to award the contract for the same to the lowest responsible bidder for each of said branches. (Ord. 2 of 2012, Sect. 4, Passed 3-5-2012)

e.) When advertisement is required herein and no bids are received, the item shall be rebid. If again no bids are received, the City may, within 45 days of the date of the second advertisement therefor, purchase or enter into contracts for the purchase of such item or items for which no bids were received.

f.) When advertising is required herein, the bids received shall be opened in accordance with the bidding documents and the advertisement. The bids shall be presented to Council, and Council shall either award the contract or reject all bids, within 45 days of the date of the opening of the bids unless otherwise specified in the bidding documents and the advertisement.

g.) All bids advertised for shall be accompanied by cash, by a certified or cashier's good faith check, or by a bond executed by one or more surety companies legally authorized to do business in the Commonwealth of Pennsylvania, in an amount not less than ten percentum of the amount bid. In the event any bidder shall, upon award of the contract to him, fail to comply with the requirements hereinafter stated as to a performance bond and/or a payment bond, or if the bidder fails to enter into the contract within the time period specified in the bidding documents, or if no such time is so specified then within the time period specified by Council at or after the time of the award of the contract, the good faith deposit by cash, certified or cashier's check, or bond shall be forfeited to the City as liquidated damages.

h.) When advertising is required herein, the successful bidder shall, within twenty days after the contract has been awarded unless Council prescribes a shorter period of not less than ten days, furnish a performance bond at one hundred percentum of the contract amount, conditioned upon the faithful performance of the contract in accordance with the plans, specifications and conditions thereof. Failure to furnish such bond within such time shall void the award. Such bond shall be executed by one or more surety companies legally authorized to do so business in the Commonwealth of Pennsylvania. This sub-section shall not apply to purchases, or contracts for the purchase, of motor vehicles or other pieces of equipment unless Council otherwise so specifies. Except as otherwise provided in Subsection (i) of this Section, in authorizing the advertising for bids, Council may specify that the performance bond be a lesser percentage of the contract amount than hereinabove required or may waive the requirement of a performance bond entirely. Council may, in any or all cases, require bonds for performance, delivery or other terms. All bonds required in accordance with this subsection shall be payable to the City and shall be filed in the office of the City Clerk.

i.) Notwithstanding anything hereinabove to the contrary, before any contract exceeding \$18,500.00, subject to an annual inflation adjustment in accordance with state law, for the construction, reconstruction, alteration or repair of any public building or other public work or public improvement, including highway work, of the City is awarded to any prime contractor, such contractor shall furnish to the City the following bonds, which shall become binding upon the awarding of said contract to such contractor (Ord. 2 of 2012, Sect. 5, Passed 3-5-2012):

- (i) A performance bond at one hundred percent of the contract amount, conditioned upon the faithful performance of the contract in accordance with the plans, specifications and conditions of the contract. Such bond shall be solely for the protection of the City.
- (ii) A payment bond at one hundred percent of the contract amount. Such bond shall be solely for the protection of claimants supplying labor or materials to the prime contractor to whom the contract was awarded, or to any of his subcontractors, in the prosecution of the work provided for in such contract, and shall be conditioned for the prompt payment of all such material furnished or labor supplied or performed in the prosecution of the work. "Labor or materials" shall include public utility

services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.

Each of the bonds shall be executed by one or more surety companies legally authorized to do business in the Commonwealth of Pennsylvania. Such bonds shall be payable to the City and shall be filed in the office of the City Clerk.

(Ord. 12 of 1976, Sect. 1, Passed 8-16-76;
Ord. 8 of 1982, Sect. 1, Passed 4-5-82
Ord. 5 of 1988, Sect. 1, Passed 7-18-88)

117.03 DIRECTOR OF FINANCE

The Department of Finance may be headed by the City Manager or by a Director of Finance appointed under the provisions of the Home Rule Charter. The Director of Finance will be responsible for the performance of the functions of that department. Specific responsibilities are hereafter enumerated. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-70)

117.04 TAX LEVY AND BUDGET

The Director of Finance shall implement the provisions of Article VII of the Home Rule Charter, which concerns the requirements for a tax levy and budget. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.05 GUIDANCE TO OTHER OFFICERS

The Director of finance shall provide guidance to all officers of the City regarding the financial management of their departments, according to approved procedures. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.06 MAINTENANCE OF RECORDS

The Director of Finance shall maintain separate and distinct records of all City assets, property and trusts, all debts owed to the City and all other resources of the City. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.07 ACCOUNTING SYSTEM

The Director of Finance shall provide for and manage a comprehensive accounting system, including budgetary controls, in accordance with generally accepted accounting principles. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.08 MONITORING OF RECEIPTS AND EXPENDITURES

To insure proper financial control of City operations, the Director of Finance shall monitor the receipts and expenditures of all of the departments and report variances promptly and regularly to the Manager. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.09 INVESTMENTS

The Director of Finance shall provide for the prudent investment of idle funds. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.10 ECONOMIC FORECASTING

The Director of Finance shall conduct economic research and forecasting of City finances relevant to the City and prepare and issue reports on the results of those studies. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.11 LONG-TERM FINANCIAL PLANNING

The Director of Finance shall provide long-term financial planning and assist in developing the financial policy of the City. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.12 ASSISTANCE TO MANAGER AND OTHER PERSONNEL

The Director of Finance shall assist the Manager and the directors of the other departments in the preparation of the annual budget. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.13 OTHER FINANCIAL DUTIES

The Director of Finance shall perform other related financial duties that are assigned to his department. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.14 CLAIMS AGAINST CITY

The Director of Finance shall present to Council all claims against the City. Claims against the City shall not be paid unless they are itemized and submitted in writing to the Finance Director. Claims will be certified by the individual authorized to purchase goods and/or services that such goods and/or services have been received. After certification, the Finance Director shall see that the claim is audited, sign the claim and present it to the Mayor and council. After the Mayor and Council, by majority vote, approve the claim, the claim will be deemed payable. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.15 CO-SIGNING CHECKS

All checks shall be signed by the Finance Director or, in his absence, by the Deputy Finance Director, and co-signed by the Mayor, or, in his absence, the Deputy Mayor. (Ord. 1 of 1976, Art. III, Sect. 1.03, Passed 1-5-76)

117.16 BOND REQUIRED

From the time of his appointment but before entering into the duties of his functions as City Finance Director and City Tax Collector, the Finance Director shall give bond with two or more sureties or with a Surety Company authorized by law to act as surety, a bond in an amount specified by Council. The bond is to be approved by Council and to be conditioned by the faithful discharge of the duties of his position. Should Surety Company bonds be required, the cost of the same may be borne by the City. (Ord. 747, Sects. 1 and 2, Passed 2-1-32)