



CITY COUNCIL

Committee of the Whole/Budget Review

Wednesday, October 19, 2016

5:30 pm – immediately following Public Hearing

Penn Room

Agenda

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee of the Whole meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the President of Council.

All electronic recording devices must be located behind the podium area in Council Chambers and located at the entry door in all other meeting rooms and offices, as per Bill No.27-2012.

I. Review Parking Lot Issues

II. Budget Review

a. Expenditure review

Mayor, Council, Auditor, Law, Administrative Services &
Community Development (GF & CDBG)

III. Parking Lot

Oct 10th Meeting

- Parking Authority Contribution
- EIT Growth & EIT reserved for Capital expenses
- Revenue Collection – Per Capita, BPT and LST – *Bid award on 10-24 agenda*

Oct 12th Meeting

→ Fire Tower Staircase Repair in Capital – Pagoda Skyline should explore grant opportunities

→ IT Plan with implementation plan and timeline

Capital expense of \$1.7M is the repayment of the refresh short-term loan; Hansen replacement in 2017 IT Budget

→ Liquid Fuel Regulations – *distributed 10-13-16; Pub Works w/ Liquid Fuels scheduled for review 10-24*

→ Trash/Recycling – *Solid Waste/Recycling scheduled for review 10-31*

Oct 17th Meeting

→ Fund balance assignments and/or trusts to address capital issues, liability, etc.

→ Police expenses pre and post Act 47

→ Pension Investments – actuarial estimate vs reality – *Dec Strategic Planning*

→ Post-retirement Healthcare costs



CITY OF READING,
PENNSYLVANIA

MEMORANDUM

TO: City Council/Mayor/Department Directors/Jessica Didow
FROM: Linda A. Kelleher, City Clerk
DATE: October 10, 2016
SUBJECT: 2017 Budget Development – Meeting Schedule & Agenda

All Public Hearings will be conducted in Council Chambers. All Budget Review meetings will be conducted in the Penn Room

COMPLETED

October 10, 2016 – Monday 5:00 PM to 6:00 PM

Matt Connell, Esq – VA relocation

Define Budget Review Schedule

Revenue overview

Revenue detail

Summarize this meeting's follow up items

October 12, 2016 – Wednesday 5:30 PM to 7:00 PM

Albright Work Group 3:30 pm – Marmarou Kelleher

RAWA Committee 4 pm Waltman, Reed, Goodman-Hinnershitz, Steckman

Reply to prior meeting follow up items

Capital Improvement Plan

Position Listing

Expenditure Overview

List of major expenditure drivers – Pension & Healthcare

Summarize this meeting's follow up items

October 17, 2016 – Monday 5:00 PM to 6:00 PM

Reply to prior meeting follow up items

2015 External Audit Report

Water & Parking Contribution

PFM – Recovery Plan and 2017 Budget – tentative

Expenditure review



October 19, 2016 – Wednesday 5:00 PM to 7:00 PM

Public Hearing Capital Program

Reply to prior meeting follow up items

Expenditure review

Mayor, Council, Auditor, Law Budgets

Administrative Services & Community Development (GF & CDBG)

Expenditure review

October 20, 2016 – Thursday 5:00 PM

General Fund Public Hearing

BPRC Certification Hearing 6 pm – Twyman, Kelleher

October 24, 2016 – Monday 5:00 PM to 6:00 PM

Reply to prior meeting follow up items

Expenditure review

Public Works w/ Liquid Fuels

Summarize this meeting's follow up items

October 26, 2016 – Wednesday 5:00 PM to 7:00 PM

Reply to prior meeting follow up items

Expenditure review

Police, Fire & Non-departmental

Summarize this meeting's follow up items

October 31, 2016 – Monday 5:00 PM to 7:00 PM

Reply to prior meeting follow up items

Expenditure review

HRC, Solid Waste/Recycling, Shade Tree, Sewer

Summarize this meeting's follow up items

November 2, 2016 – Wednesday 5:00 PM to 7:00 PM

Reply to prior meeting follow up items

Expenditure review

OPTIONAL Library, Ethics/ Charter Boards, Self Insurance, BCTV

Summarize this meeting's follow up items

November 7, 2016 – Monday 5:00 PM to 6:00 PM

Open

CHAPTER 449. LIQUID FUELS TAX FUNDS

Sec.

- 449.1. [Purpose and policy.](#)
- 449.2. [Definitions.](#)
- 449.3. [Advertising, bidding, and bond requirements.](#)
- 449.4. [Exceptions to Department specifications.](#)
- 449.5. [Failure to receive bids.](#)
- 449.6. [Escalator clause in contracts, materials purchases and equipment purchases.](#)
- 449.7. [Purchase of materials and equipment.](#)
- 449.8. [Equipment rental.](#)
- 449.9. [Construction and maintenance contracts.](#)
- 449.10. [Investment of funds, use of loan or bond issue proceeds.](#)
- 449.11. [Twenty percent funds.](#)
- 449.12. [Annual qualification.](#)
- 449.13. [Annual maintenance payments under Section 9511 of the Vehicle Code.](#)

Authority

The provisions of this Chapter 449 issued under act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.4), unless otherwise noted.

Source

The provisions of this Chapter 449 adopted December 12, 1975, effective December 13, 1975, 5 Pa.B. 3200, unless otherwise noted.

§ 449.1. Purpose and policy.

This chapter is promulgated for the purpose of effecting the fair and uniform administration of the provisions of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10) and 75 Pa.C.S. § 9511 (relating to allocation of proceeds), which provide a permanent allocation of a part of the liquid fuels, fuels and oil company franchise tax proceeds to cities, boroughs, incorporated towns and townships, for their road, street and bridge purposes.

Authority

The provisions of this § 449.1 issued under act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10); the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511.

Source

The provisions of this § 449.1 amended March 2, 1984, effective March 3, 1984, 14 Pa.B. 732. Immediately preceding text appears at serial page (73613).

§ 449.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicated otherwise:

Alley—A narrow roadway, usually to the rear of abutting properties, designed for the purpose of access to the rear of the properties and not as a thoroughfare; and every roadway less than 16 feet in width.

Court—A dead-end roadway designed to provide access to properties abutting thereon which has a length of less than 250 feet or a vehicle turnaround area with a radius of less than 40 feet.

Department—The Department of Transportation of the Commonwealth.

Intergovernmental agencies—Councils of government, area governments or other affiliation of governments or government agencies as authorized by 62 Pa.C.S. Chapter 19 (relating to intergovernmental relations) to participate in, sponsor, conduct or administer a cooperative purchasing agreement and which expend public moneys for the procurement of supplies, services and construction.

Person—Individual, partnership or corporation; contracts with two or more companies owned or operated by the same person are regarded as one contract.

Road machinery and road equipment—Any machinery or equipment used primarily for the maintenance, repair, construction or reconstruction of public roads or streets, including bridges, culverts and drainage structures for which municipalities are legally responsible.

Roadway—That portion of a street or highway between the side ditch lines, face of curbs, outside edge of shoulders and gutters, or combination thereof, exclusive of slope areas.

Secretary—The Secretary of Transportation.

Way—A short stretch of roadway having both terminals in a street or road and designed to provide access to properties abutting thereon.

Way, court and alley—Any way, court or alley established after the effective date of this chapter will not be recognized as a road or street for purposes of Liquid Fuels Tax participation.

Authority

The provisions of this § 449.2 amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and sections 1—10 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.2 amended July 21, 1978, effective July 22, 1978, 8 Pa.B. 2075; amended through October 10, 1980, effective October 11, 1980, 10 Pa.B. 4038; amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial pages (240957) to (240958).

§ 449.3. Advertising, bidding and bond requirements.

(a) *General rule.* Advertising, bidding, and a performance bond are required by statute on purchases and contracts in excess of \$10,000, with certain exceptions indicated in subsection (b). See: sections 1.1 and 1.2 of the act of March 7, 1901 (P. L. 20, No. 14) (53 P. S. § § 23308.1 and 23308.2); sections 1901—1918 of the act of June 23, 1931 (P. L. 932, No. 317) (53 P. S. § § 36901—36918); sections 1401—1411 of the act of February 1, 1966 (P. L. (1965) 1656, No. 581) (53 P. S. § § 46401—46411); the act of May 27, 1953 (P. L. 244, No. 34) (53 P. S. § § 53201—53209); sections 1801—1811 of the act of June 24, 1931 (P. L. 1206, No. 331) (53 P. S. § § 56801—56811); sections 801—808 of the act of May 1, 1933 (P. L. 103, No. 69) (53 P. S. § § 65801—65809); and the Public Works Contractors' Bond Law of 1967 (8 P. S. § § 191—202).

(b) *Evasion prohibited.* While it is lawful to make a purchase or contract for up to \$10,000 without advertising and bidding, it is unlawful to enter into several less-than \$10,000 contracts with the same person or with several persons merely for the purpose of evading advertising and bidding requirements.

(c) *Bonds.* Bonds shall include the following:

(1) *Bid bond.* A bid bond guarantees that the bidder will execute the contract in the event he is declared the winning bidder.

(2) *Performance bond.* A performance bond guarantees that work, materials and equipment will be provided at the time specified in the contract. A performance bond does not guarantee the quality of the work, materials and equipment.

(3) *Payment bond.* A payment bond guarantees that the contractor or supplier will pay his workers, subcontractors and suppliers.

(d) *Emergency exception to advertising and bidding requirements.* Whenever municipal officials determine that an emergency condition exists rendering it essential to undertake immediate repair or maintenance work to protect the health, safety or welfare of the people, the emergency work may be contracted for by the municipality without the necessity of advertising for competitive bids for the project.

(1) An emergency which will warrant dispensing with advertising for competitive bids must be immediate, unforeseen and existing. A condition which may or may not arise in the future or a condition which should reasonably have been foreseen in time to advertise for bids will not warrant dispensing with normal advertising and bidding requirements.

(2) The determination of the emergency and the actions of the municipal officials in contracting for emergency work shall be fully documented for Department review.

(e) *Exception to advertising, bidding and bonding requirements for home rule charter municipalities.* In the case of any municipality which has adopted a home rule charter, the Department will recognize charter provisions which are contrary to the advertising, bidding and bonding requirements in this chapter or in the various municipal codes.

(f) *Brand names.* In advertising for equipment to be rented or purchased, or for materials to be purchased or delivered in place, it is unlawful to require or specify any particular make or brand thereof, thereby excluding other makes or brands. A particular brand name or its equivalent may be specified if equal consideration is given to all brands which are reasonably similar to the specified brand. The specifications shall be reasonable and not merely imposed to exclude some brands of equipment or material in favor of other brands.

Authority

The provisions of this § 449.3 issued under The Administrative Code of 1929 (71 P. S. § § 511.3, 512 and 513); and act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10); amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.3 amended through August 20, 1982, effective August 21, 1982, 12 Pa.B. 2802; amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial pages (240958) to (240959).

§ 449.4. Exceptions to Department specifications.

(a) *General rule.* The Department specifications, as set forth in the current Publication 408, and supplements, apply to all purchases and contracts with the following exceptions:

(1) Prequalification of bidders under Section 102.01 of Publication 408 is not required, except on projects funded in part with State highway funds other than liquid fuels tax funds or with Federal-aid highway funds. See Chapter 457 (relating to prequalification of bidders). Section 106.01 of Publication 408, relating to control of materials and approval of sources, does apply to all purchases and contracts.

(2) Marshall testing to determine the quality of bituminous paving materials (see Pennsylvania Test Method (PTM) 705) is not required if the material is produced in accordance with the master design approved by the Department (see Department Bulletin 27).

(3) Tailgate-type spreaders, for example, Temple spreaders, may be utilized for applying aggregate for surface treatment, seal coat, and the like.

(b) *Preapproved waiver.* The municipality may request the Department to waive other Department specifications in advance of advertising. Any such pre-approved waiver of specifications must be noted in the bid proposal.

(c) *Bituminous paving material equipment.* All machinery, equipment, and plants used in producing or applying bituminous paving materials, whether purchased with 20% funds or rented, shall be of a type approved by the Department.

Source

The provisions of this § 449.4 amended through January 20, 1984, effective January 21, 1984, 14 Pa.B. 232. Immediately preceding text appears at serial page (73616).

§ 449.5. Failure to receive bids.

If a purchase or contract over \$10,000 is advertised and no bids are received, the municipality may not proceed with the purchase or contract unless it is again advertised for bids. If again no bids are received, the municipality may negotiate the purchase or contract on the best terms available within 45 days of the second advertisement if no substantial changes are made in the terms, conditions and specifications contained in the bid proposal. If substantial changes must be made to procure the purchase or contract, the purchase or contract shall be re-advertised and bid on the basis of the changes.

Authority

The provisions of this § 449.5 issued under The Administrative Code of 1929 (71 P. S. § § 511.3, 512 and 513); and act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10); amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and sections 1—10 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.5 amended through August 20, 1982, effective August 21, 1982, 12 Pa.B. 2802; amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial page (240960).

§ 449.6. Escalator clause in contracts, material purchases and equipment purchases.

There is no requirement for an escalator clause in any contract. However, if, after reasonable inquiry, the municipality, by resolution adopted at a public meeting, determines that it is unlikely that flat unit price bids will be obtainable for certain materials or equipment, the municipality may prepare and insert an escalator clause in the bid proposal to provide that the price of such materials and equipment will increase or decrease over the bid price if and when the cost to the contractor of the materials and equipment or any material ingredient thereof increases or decreases, as a result of a general price increase or decrease by the supplier of the contractor and in an amount directly related to such increase or decrease. An escalator clause is optional; however, if used, it must be included in the bid proposal prepared by the municipality. An escalator clause may not be inserted by the contractor.

Source

The provisions of this § 449.6 amended through January 20, 1984, effective January 21, 1984, 14 Pa.B. 232. Immediately preceding text appears at serial pages (73617) and (73618).

§ 449.7. *Purchase of materials and equipment.*

(a) *Advertisement.* The advertisement for any purchase, whether to be picked up or delivered or, in case of materials, to be applied in place, shall contain a reasonably complete description and estimated quantities of the major items or categories of items. The advertisement shall also indicate the requirement of a bid or performance bond, or both.

(b) *Proposal.* The proposal shall contain the approximate number of items or tons, gallons, square yards, the metric equivalent, or other standard unit of measure, required, as reasonably estimated by the municipality.

(1) The bidder shall insert in the proposal:

(i) The unit price for each item.

(ii) The total price for each item (quantity x unit price).

(iii) The total price for any group of items which the proposal stipulates shall be supplied by a single bidder.

(2) Bids, without quantities, are not acceptable.

(3) Only like items may be required to be supplied by a single bidder.

(i) If this requirement is imposed, the proposal shall so indicate.

(ii) It is not permissible to require a single supplier to provide both tars and asphalts.

(iii) When tar is to be bid, it is not permissible to specify coal tar or to specify water tar.

(4) Liquid asphalt shall be purchased by one of the following:

(i) Weight.

(ii) Volume (gallons or liters) at 60°F or 15.5°C. Use the conversion table contained in the Department Bulletin 25, Publication #27.

(c) *Bonds.* On purchases over \$10,000, suppliers shall provide bonds in accordance with the following chart:

First, Third Class
Second, Cities

Boroughs

First Class
Townships

Second Class
Townships

&
2A-
Class
Cities

Bid Bond	*	Discretionary with council in a reasonable amount. (53 P. S. § 36901(f)) Bond or irrevocable letter of credit, in amount sufficient to council, furnished within 20 days, but not less than 10 days, of award as specified by council. (53 P. S. § 36901(g))	Discretionary with council, in an amount determined by council. (53 P. S. § 46402(b)(1)) At council's discretion. If required, not less than 10% or greater than 100%, furnished within 20 days, but not less than 10 days, of award as specified by council. (53 P. S. § 46402(c))	Not required Not less than 10% or greater than 100%, furnished within 20 days, but not less than 10 days, of award as specified by township commissioners. (53 P. S. § 56802(c))	Not required Not less than 10% or greater than 100%, as specified by township supervisors, furnished within 20 days of award. (53 P. S. § 68102(g))
Performance Bond	*				

* See appropriate municipal code or charter.

NOTE: The Public Works Contractors' Bond Law of 1967 may supersede requirements of municipal codes. Consult the appropriate statutes or consult with the appropriate municipal solicitor, or both, regarding bonding requirements for a particular contract or project.

(d) *Annual estimate of materials.* Each municipality shall make an annual estimate of its requirements of road construction and maintenance materials, and shall advertise for bids on all items and groups of like items ordinarily supplied by a single supplier—see subsection (b)(3)—which are estimated to exceed \$10,000 for the year. For materials estimates between \$4,000 and \$10,000, three telephone price quotes shall be obtained prior to the selection of a supplier. In lieu of the price quotations, a memorandum shall be kept on file showing that fewer than three qualified contractors service the market area within which it is practicable to obtain quotations until a satisfactory audit of the contract is completed by the Department of the Auditor General. If the cost during the year of an unadvertised item or group of like items ordinarily supplied by a single supplier exceeds \$10,000, or if the cost was between \$4,000 and \$10,000 and three price quotes were not obtained, the entire cost shall be ineligible for payment from the Liquid Fuels Tax fund unless it can be shown to the satisfaction of the Secretary that it was reasonably believed that the cost of the year's requirements of that item or group of like items would not exceed \$10,000 or be between \$4,000 and \$10,000 as specified in this section.

(e) *Purchases through Department of General Services or intergovernmental agencies.* Advertising, bidding and bonding requirements do not apply to “piggy back” purchases from suppliers under contracts with the Department of General Services or intergovernmental agencies. Compliance by an intergovernmental agency with the advertising and bonding requirements in this chapter shall be sufficient to relieve a municipality cooperating in the same purchasing agreement from compliance with the advertising, bidding and bonding requirements.

(f) *Purchases of gasoline subject to Federal Energy Administration regulations.* Advertising, bidding and bonding requirements do not apply to gasoline purchases which Federal Energy Administration regulations require be made from specified suppliers if a municipality utilizes 84,000 gallons or more a year.

Authority

The provisions of this § 449.7 issued under The Administrative Code of 1929 (71 P. S. § § 511.3, 512 and 513); and act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10); amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and sections 1—10 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.7 amended through August 20, 1982, effective August 21, 1982, 12 Pa.B. 2802; amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial pages (240961) to (240962).

Cross References

This section cited in 67 Pa. Code § 449.8 (relating to equipment rental).

§ 449.8. Equipment rental.

(a) *General rule.* A contract in excess of \$10,000 for the rental of equipment shall be advertised, bid and bonded and a contract between \$4,000 and \$10,000 shall be awarded only after three telephone price quotes are obtained, unless the work is performed by the municipality’s own employee forces. For contracts between \$4,000 and \$10,000, in lieu of the price quotations, a memorandum shall be kept on file showing that fewer than three qualified contractors service the market area within which it is practicable to obtain quotations until a satisfactory audit of the contract is completed by the Department of the Auditor General.

(1) The advertisement shall contain a reasonably complete description of the type of equipment, approximate length of time the equipment will be required and whether the equipment shall be provided with operators.

(2) The proposal shall contain the approximate number of hours, days, and the like that the equipment will be required, as reasonably estimated by the municipality.

(3) Annual contracts for equipment rental and labor shall be permitted.

(4) On equipment rental contracts over \$10,000, suppliers shall provide bonds in accordance with the chart in § 449.7(c) (relating to purchase of materials and equipment).

(5) If rented equipment is subsequently purchased, any rental paid in excess of an annual rate of 25% of the value of the equipment shall be regarded as a part of the purchase price in determining if the purchase must be advertised and bid.

(b) “*Local forces*” defined. “Local forces” are defined as follows:

(1) For the local forces exception to apply to equipment rented with operators, it must be shown that more than one half of the total man-hours of work on the project will be performed by municipal employees.

(2) Bona fide temporary employees of the municipality shall be counted as municipal employees. Employees of a contractor placed on the payroll of a municipality for the duration of a project will not be recognized as municipal employees.

(3) To substantiate a determination that a project is a local forces job, all man-hours shall be identified on payroll records.

(c) *Lease-purchase contracts of equipment*. When equipment is rented for general street and highway construction and maintenance use, rather than for a particular project, it may be desirable to enter into a lease containing a purchase option.

(1) If the total amount of the lease-purchase agreement, including trade-in allowance, all rentals and the amount paid under the purchase option exceeds \$10,000, advertising, bidding and a performance bond are required.

(2) The only Liquid Fuels Tax funds which may be used for a lease-purchase agreement is the 20% portion reserved for the purchase of equipment.

(3) Equipment purchased with Liquid Fuels Tax funds shall be used primarily for street and highway use.

Authority

The provisions of this § 449.8 issued under The Administrative Code of 1929 (71 P. S. § § 511.3, 512 and 513); and act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10); amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and sections 1—10 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.8 amended through August 20, 1982, effective August 21, 1982, 12 Pa.B. 2802; amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial pages (240962) to (240963).

§ 449.9. *Construction and maintenance contracts.*

(a) *Cost comparison.* Before deciding to pave a road or street by purchasing materials and renting equipment with operators, the municipality should compare the cost of having the job done by contract.

(b) *Advertisement.* The advertisement for a construction or maintenance contract shall contain a reasonably complete description of the project, including the scope of the project and the type of work involved, as well as bond requirements as indicated in subsection (f).

(c) *Proposal.* The proposal shall contain the approximate number of tons or square yards of materials, or the metric equivalents, required, as reasonably estimated by the municipality. The bidder shall insert:

- (1) The unit price of each item.
- (2) The total price for each item (quantity x unit price).
- (3) The total price for any group of items, as to which the proposal requires a total or subtotal.

(d) *Lump sum bids.* In special cases, the Director of the Bureau of Municipal Services of the Department may approve lump sum bids in lieu of the procedure in subsection (c).

(e) *Prevailing wage requirements.* If the estimated cost of a construction contract, as defined in the memorandum of understanding between the Department, the Department of Labor and Industry and the former Department of Justice exceeds \$25,000, the municipality shall:

- (1) Determine the prevailing minimum wage rates from the Prevailing Minimum Wage Division of the Department of Labor and Industry.
- (2) Indicate in the advertisement issued for the purpose of securing bids for the contract that prevailing wage rates shall be paid on the project.
- (3) Specify the prevailing minimum wage rates in the bid proposals for the contract.

(f) *Bonds.* Construction and maintenance contractors are required to provide bonds in accordance with the following chart:

BOND REQUIREMENTS FOR CONSTRUCTION AND MAINTENANCE

	First, Second, & 2A- Class Cities	Third Class Cities	Boroughs	First Class Townships	Second Class Townships
Bid Bond	*	Requirement and reasonable amount discretionary with council. (53 P. S. § 36901(f)) Bond or irrevocable letter of credit, in amount sufficient to council, furnished within 20 days, but not less than 10 days, of award as specified by council.	Discretionary with council, in an amount determined by council. (53 P. S. § 46402(b)(1)) At council's discretion. If required, not less than 10% or greater than 100%, furnished within 20 days, but not less than 10 days, of award as specified by Council.	Not required	Not required
Performance Bond over \$10,000	*		(53 P. S. § 46402(c))	(53 P. S. § 46402(c))	Not less than 10% or greater than 100%, as specified by township supervisors, furnished within 20 days of award. (53 P. S. § 68102(g))
Payment Bond over \$1,500	*	(53 P. S. § 36901(g)) 50% to 100% at discretion of city.	50% to 100% at discretion of the borough. (53 P. S. § 46406)	50% to 100% at discretion of the township. (53 P. S. § 56804)	Not required unless covered under the Public Works Contractors' Bond Law of 1967. (53 P. S. § 68105)

* See appropriate municipal code or charter.

NOTE: The Public Works Contractors' Bond Law of 1967 may supersede requirements of municipal codes. Please consult the appropriate statutes or consult with the appropriate municipal solicitor, or both, regarding bonding requirements for a particular contract or project.

(g) *Payment of engineering fees.* Reasonable engineering fees in connection with any contract made by a municipality under this chapter shall be payable out of the Liquid Fuels Tax fund of the municipality. Any fees in excess of 10% of the total contract price shall be documented and justified to the satisfaction of the Department.

Authority

The provisions of this § 449.9 issued under The Administrative Code of 1929 (71 P. S. § § 511.3, 512 and 513); and act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10); amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and sections 1—10 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.9 amended through November 19, 1982, effective November 20, 1982, 12 Pa.B. 3984; amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial pages (240964) to (240965).

§ 449.10. Investment of funds, use of loan, or bond issue proceeds.

(a) *Liquid fuels tax account.* All monies in the liquid fuels tax account may be invested so as to earn interest until expended and may be combined with other municipal funds for investment.

(b) *Loans or bonds.* All proceeds of any loan or bond issue made for road or street improvement purposes must be used exclusively for road or street improvement purposes. A single loan or bond issue shall not be made for both a road or street improvement purpose and a nonrelated purpose.

Source

The provisions of this § 449.10 amended April 13, 1979, effective April 14, 1979, 9 Pa.B. 1308.

§ 449.11. Twenty percent funds.

(a) *Accumulation of 20% funds.* A municipality may accumulate its road machinery and road equipment funds—20% funds—over a period of years subject to the following limitations:

(1) The full amount of 20% funds to be carried over from one year to the next shall be on deposit in the Liquid Fuels Tax account at the end of the calendar year, and shall be carried as part of the maintenance fund balance as reported on Form MS-965.

(2) If 20% funds are accumulated in an amount in excess of 100% of the most recent Liquid Fuels Tax allotment, the municipal budget shall indicate the kind of road machinery or road equipment which the municipality plans to purchase.

(b) *Payment of loans with 20% funds.* Loans or bond issues made to finance the purchase of road machinery and road equipment may be repaid from 20% funds.

(c) *Reimbursement of general fund expenditures with 20% funds.* Expenditures from the general fund made to finance the purchase of road machinery and road equipment purchased on or after August 6, 1971, may be reimbursed from 20% funds in the same or subsequent years.

Authority

The provisions of this § 449.11 amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and sections 1—10 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.11 amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial pages (240965) to (240966).

§ 449.12. Annual qualification.

(a) *Requirements.* To qualify for its annual Liquid Fuels Tax allocation, each municipality shall submit to the Department the following documents and information:

(1) Evidence that its treasurer is bonded in accordance with law, or that its treasurer is a bank requiring no bond. This information is due on or before January 31 each year and shall be submitted on Department Form MS-965.

(2) A report indicating the manner in which its liquid fuels tax allocation was expended in the preceding year, the manner in which it plans to expend its Liquid Fuels Tax allocation in the current year and the amount of funds for road and street purposes to be raised by the levying of taxes in the current year. This information shall be due on or before January 31 each year on Department Form MS-965.

(3) A report of all elected and appointed officials, indicating the official and address to which Liquid Fuels Tax allocations and correspondence shall be forwarded. This information is due on or before January 31 each year and shall be submitted on the appropriate Department of Community and Economic Development forms:

(i) Form DCED-CLGS-19-2 for Cities.

(ii) Form DCED-CLGS-19-3 for Boroughs.

(iii) Form DCED-CLGS-19-4 for First Class Townships.

(iv) Form DCED-CLGS-19-5 for Second Class Townships.

(4) A copy of Form DCED-CLGS-69 (survey of financial condition). This completed form must be received by the Department of Community and Economic Development by March 15 each year.

(b) *Waiver*. The Secretary, for good cause, may waive any of these requirements as prerequisites to qualification for the annual Liquid Fuels Tax allocation.

Authority

The provisions of this § 449.12 amended under the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511; and sections 1—10 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10).

Source

The provisions of this § 449.12 amended through January 20, 1984, effective January 21, 1984, 14 Pa.B. 232; amended May 16, 2003, effective May 17, 2003, 33 Pa.B. 2378. Immediately preceding text appears at serial page (240966).

[§ 449.13. Annual maintenance payments under section 9511 of the Vehicle Code.](#)

Annual maintenance payments under 75 Pa.C.S. § 9511 (relating to allocation of proceeds) shall be deposited into the municipality's liquid fuels tax account, and may be used on any streets and highways in the municipality in the same manner and subject to the same restrictions as liquid fuels tax funds paid under section 2615 of the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § 2615).

Authority

The provisions of this § 449.13 issued under the act of June 1, 1956 (P. L. (1955) 1944, No. 655) (72 P. S. § § 2615.1—2615.10); the Vehicle Code, 75 Pa.C.S. § § 6103 and 9511.

Source

The provisions of this § 449.13 adopted March 2, 1984, effective March 3, 1984, 14 Pa.B. 732.

No part of the information on this site may be reproduced for profit or sold for profit.

This material has been drawn directly from the official Pennsylvania Code full text database. Due to the limitations of HTML or differences in display capabilities of different browsers, this version may differ slightly from the official printed version.