



CITY OF PITTSBURGH

"AMERICA'S MOST LIVABLE CITY"

August 12, 2015

EXECUTIVE ORDER

WHEREAS, the City of Pittsburgh has been under state financial oversight since 2004, when it entered Act 47 supervision; and

WHEREAS, in that time the City has made great strides in balancing its budgets, paying down its debt, funding its pensions, and generally improving its financial position; and

WHEREAS, though substantial progress has been made there is still much work to be done internally to improve management processes and realize the day-to-day operational savings that can result from strong financial controls, standardized business processes, and the adoption of leading practices; and

WHEREAS, for decades the City has operated in a manner permitting each department managing its own finances with very little direction or coordination which has resulted in system-wide duplication and inefficiency; and

WHEREAS, each department should be focused on its core mission of quality service delivery to citizens and should not be weighed down by excessive administrative and bureaucratic processes; and

WHEREAS, the Office of Management and Budget, in most government organizations, plays an important role in coordinating and directing the financial control and management functions of a city, and it should do the same in the City of Pittsburgh; now

THEREFORE, by the power vested in me as the Mayor of the City of Pittsburgh, I do hereby order as follows:

1. Effective immediately, the Director of the Office of Management and Budget shall be responsible for issuing and enforcing compliance with financial and budgetary operating policies across all city departments. Department Directors shall retain the authority to manage their departments in all matters not otherwise directed by the Office of Management and Budget.
2. To ensure that legislative initiatives led by the departments are congruent with the Mayor's vision for the City, the Director of the Office of Management and Budget shall issue policies no later than September 1, 2015 that shall

require all proposed changes to city ordinances to be sent to the Office of Management and Budget and the Mayor's Office for approval and budgetary scoring prior to their submission to City Council.

3. To build upon the great success the City has recently achieved in seeking and winning external grant support, the Director of the Office of Management and Budget shall, by no later than September 1, 2015, issue policies that shall:
 - a. Require all proposals for grant requests, including those with foundations or educational institutions, to be coordinated through the Office of Management and Budget's grant administrators; and
 - b. Specifically forbid the submission of grant proposals to prospective funding agencies without the prior approval of the Office of Management and Budget.

These policies shall become effective on the date issued.

4. To improve governance and the coordination of financial management practices city-wide, the Director of the Office of Management and Budget shall issue a policy detailing a new dual reporting structure for all departmental finance managers whereby they will report both to their department directors and to the Director of the Office of Management and Budget. This structure shall give the Director of the Office of Management and Budget the exclusive ability to prescribe budgeting, procurement, and overall financial management protocols, the ability to establish consistent job descriptions and core competencies for finance staff, the ability to participate in performance reviews, and the ability to participate in hiring activities related to departmental finance managers. All other management functions shall be exclusively retained by the department directors. This policy shall be released prior to and become effective on September 15, 2015.
5. To improve transparency, remove bureaucratic obstacles, and provide greater control over procurement, no later than November 30, 2015 the Director of the Office of Management and Budget shall issue a policy that shall outline the organizational, process, policy, and technology changes that will be required to implement the recommendations of the NIGP Review of Procurement Policies and Procedures and the Code for America initiative, and that shall:



- a. Establish a new procurement unit within the Office of Management and Budget that shall, with reasonable exceptions, oversee all procurement functions of the City of Pittsburgh;
- b. Centralize, with reasonable exceptions, the issuance of all bids, requests for proposals (RFP's), request for qualifications (RFQ's), requests for information (RFI's), and the award of all contracts city-wide;
- c. Optimize the City's investment in the JD Edwards Enterprise Resource Planning (ERP) system through the adoption of leading practices in the procure-to-pay lifecycle;
- d. Develop a policy for the establishment and management of encumbrances;

This policy shall become effective on the date that issued.

6. To create stronger cost control during the drafting and implementation of the City's operating budget, the Director of the Office of Management and Budget shall, no later than December 15, 2015, issue policies that shall:
 - a. Establish a position control policy to provide stronger oversight of the creation, maintenance, and monitoring of positions and their budget;
 - b. Align all personnel costs (including salaries and benefits) within each department to provide a true cost of services;
 - c. Implement cost-control policies for certain high-demand expenditures such as computers, printing, workforce development, travel, and other such expenditures as determined by the Director of the Office of Management and Budget;

This policy shall become effective on the date issued.

7. To further develop the City's capital program and ensure that budgeted projects are completed in a timely and efficient manner, the Director of the Office of Management and Budget shall issue policies no later than December 31, 2015 that shall:



- a. Require periodic and regular reviews of all capital projects to evaluate their overall status, including financial reviews and their progress toward achieving planned deliverables.
- b. Require that all new construction and major repairs on city facilities, with reasonable exceptions, be submitted to the Office of Management and Budget with project plans and proposed budgets and approved prior to any expenditure or commitment of funds.

These policies shall become effective on the date issued.

8. The Director of the Office of Management and Budget shall review the financial control and management operations of the City of Pittsburgh from time to time and issue additional policies as deemed necessary and reasonable to fulfill the requirements of this executive order.
9. The Director of the Office of Management and Budget shall be authorized to execute whatever personnel and organizational changes are deemed reasonable and necessary, within their budgeted authority, to carry out the provisions of this order.

Mayor William Peduto

