

Delegations Register update July 2021

Meeting: Kaipara District Council
Date of meeting: 28 July 2021
Reporting officer: Jim Sephton, GM Infrastructure Services

Purpose | Ngā whāinga

To update some financial and statutory functions of the Chief Executive to delegated authorities within Kaipara District Council.

Executive summary | Whakarāpopototanga

This report seeks Council approval to amend the Delegations Register for the following reasons:

- 1 Increased CE financial authority from \$750k to \$1m due to large infrastructure PGF projects and approved capital expenditure in the LTP 2021-31 budget.

In comparison the WDC CE has a financial delegation of \$3.5m.

- 2 Increased GM financial authority from \$100k to \$250k due to large infrastructure PGF projects and approved capital expenditure in the LTP 2021-31 budget, plus business as usual expenses.

For example: Over the last year the CE has approved more than 170 purchase orders on both non-project and project invoices across the organisation. There were approximately 36 invoices approved in the last year by the CE valued between \$100k - \$250k. It's recommended the GMs are more empowered to take over a financial responsibility to \$250k within their budget lines.

All projects are invoiced monthly, and to ensure workflow processes aren't, appropriate levels of control have been considered for the CE, GMs and project/budget leaders in this new delegation authority request. In comparison the WDC GMs have financial control of \$250k each.

- 3 Reflecting Infrastructure Services mid-2021 restructured operational team responsibilities, this is changing financial delegated authority from the generic budget manager value of \$25k to a more appropriate value of \$100k/\$50k as noted in the appendices.
These changes are due to large infrastructure PGF projects and approved capital expenditure in the LTP 2021-31 budget, plus business as usual expenses, and would enable management of the administrative volume better.

For example: Over the last year the GM Infrastructure Services has approved more than 500 purchase orders for invoices already approved through the project procurement plan and/or infrastructure projects in the Annual Plan and LTP. It's recommended the Senior leaders (T3) be empowered to take over this responsibility within financial delegated authority relevant to their team projects to share the administration load and enable management of project financials better.

- 4 Reflecting Infrastructure Services restructured operational team job titles - reflecting the job description title changes to the Delegations Register under RMA Delegations, CE Delegations, and CE Financial Delegations.

This will be a job title replacement relevant to an Act, Regulation or Bylaw enabling Council to perform duties with appropriate delegated authority. This is led by the GM and a hierarchy approach is taken. As this will take some time to replace, a copy of every job title change in the Delegation Register is not submitted in this report.

- 5 With the 3Waters reform transition commencing mid-2021, there is a requirement for preparedness therefore the 3Waters Delivery Panel has been added to the financial

delegations for procurement to make direct appointments to \$200k, and closed competition within the panel for up to \$750k.

- 6 Extend delegated authority for contract variations to the relevant manager if the value still falls within the Council approved project budget.

By enabling the relevant manager this financial delegation project workflow continues and delay minimized.

- 7 Delegate the power to authorise LIM refunds to the LIMs team.

This was inadvertently removed in 2020 when restructured job titles were adjusted.

- 8 Delegation enactment of Bylaw clauses within the Animal Control Bylaw and Dog Management Bylaw for effective monitoring and compliance to the CE, operated by the Monitoring and Compliance Services Team.

See table under Options.

Recommendation | Ngā tūtohunga

That the Kaipara District Council:

- a) Approves the revisions to the Delegation Register as specified in option [insert number] (Table [insert number] in the appendices of this report).

Context | Horopaki

Delegations ensure Council is operating in a compliant, timely and effective manner when undertaking business as usual operations.

The Chief Executive holds ultimate responsibility for the decision-making delegated.

The Delegations Register details the ability of the Chief Executive to undertake day to day matters relating to Council with reference to statutory provisions and/or functions efficiently. Any and all amendments, additions or deletions to the statutes or functions undertaken by the Chief Executive under delegation must be authorised by Council resolution.

Council delegations were last updated in August 2020.

The changes do not affect current processes which include:

- All procurement will give effect to the approved Kaipara Procurement Strategy.
- Specific Procurement Strategies (formally Business Cases) will be brought to Council for all projects, packages or programmes over \$500k for approval.
- Contract award above the CE delegation will be brought to Council for approval.

Procurement and contract activity will be reported in the exceptions report.

Discussion | Ngā kōrerorero

Firstly, to note on items 1 – 6 below:

- All procurement will give effect to the approved Kaipara Procurement Strategy.
- Specific Procurement Strategies (formally Business Cases) will be brought to Council for all projects, packages or programmes over \$500k for approval.
- Contract awards under \$1m will be reported in the exceptions report.
- Contracts over \$1m will be brought to Council for approval.
- Variations above approved budget and/or greater than \$200k will be brought to Council for approval.

Options

In all cases below the recommended decision-making option is 'option 1'.

- 1 **Authorise increased financial authority of the Chief Executive from \$750k to \$1m to enable better operational workflow and delivery for large infrastructure projects. See *appendix item 1a*.**

The procurement strategy enables a more quality controlled and efficient method for identify costs requirements, utilisation of panel selected contractors. This would also create efficiencies with projects starting earlier, rather than waiting until the next Council meeting.

Option 1: Approve increased financial delegation

Option 2: Status quo which requires project contracts of values over \$750k to be presented at the next Council meeting.

- 2 **Authorise increased financial authority of General Managers (the Executive Team) and the General Manager NTA to \$250k to enable better operational workflow and delivery of projects, and authority to approve invoices to \$250k for business as usual purposes. There were approximately 35 invoices over \$100k, and below \$250k, in the last year that the CE authorised. See *appendix item 1a*.**

Option 1: Approve new financial delegations

Option 2: Status quo of \$100k per GM which requires more smaller project contract administration of contracts and invoices by the Chief Executive.

- 3 **Authorise increased financial authority of Infrastructure Services senior leaders (Tier 3) and NTA senior leaders (Tier 2) to \$100k to enable better operational workflow and delivery of projects, and authority to approve invoices to \$100k for business as usual purposes ie fleet replacement. See *appendix item 1a*.**

Option 1: Approve new financial delegations

Option 2: Status quo of \$25k authority that is allocated per budget manager.

- 4 **Authorise restructured Infrastructure Services team job titles and responsibilities to enable existing delegated authority. See *appendix item 1b***

Option 1: Approve delegations for restructured titles

Option 2: The restructure has been finalized and team members are in place. If this item is not approved, many of our CE delegated authorities will not be able to authorise or act on legislative requirements for work purposes on the basis of their job title being incorrect, including all those in item 3 above.

- 5 **Authorise the 3Waters Delivery Panel to make direct appointments to \$200k and closed competition within the panel up to \$750k. See *appendix item 1c*.**

Enabling the GM Infrastructure to effect three tender proposals from within the 3Waters Delivery Panel to ensure best value, and the best contractor to achieve the project outcomes.

Option 1: Approve additional financial delegations

Option 2: Status quo managed by the Professional Services Panel.

- 6 **Authorise contract price variations on projects can be approved by the CE, General Manager or Tier 3 leaders subject to their delegated authority if the variation value falls within the Council approved project budget and is less than \$201k. See *appendix item 1c*.**

Option 1: Approve the change on the value criteria of contract variations.

Option 2: Status quo which limits the contract price variations on projects to be approved by the CE or GM if the variation value falls within the Council approved project budget and is

within the authorising persons delegated financial authority, otherwise it needs to be approved by Council.

7 Authorise LIM refunds be approved by the Administration Manager. This has temporarily been approved by the CE.

Option 1: Approve delegation

Option 2: Status quo which requires the Resource Consents Manager to authorise. This was applied in error at the last delegation register update.

8 Authorise delegation updates to Bylaws

Bylaw	Clause	Delegation description	Delegation to
Alcohol Control Bylaw	12.1 Council may issue a consent to any person or class of persons to allow the bringing in and possession of alcohol in a public place (including inside a vehicle) within an alcohol control area.	Authority to issue a consent to allow the consumption, bringing in and possession of alcohol within an alcohol control area.	Alcohol Licencing Specialist; Monitoring & Compliance Services Manager
	<i>Note: While the bylaw provides for an exception to be granted to the Alcohol Ban in public places, there has been no officer delegated to authorize the consent allowing the bringing in and possession of alcohol in a public place (including inside a vehicle) within an alcohol control area</i>		
Dog Management Bylaw	11.2 Neutering: Council will require the neutering of a dog that has been impounded on more than two occasions	Authority to require the neutering of a dog that has been impounded on more than two occasions.	Animal & Compliance Services Officer
Dog Management Bylaw	15.1 Number of Dogs: No more than two dogs may be kept at an urban property unless a permit has been applied for...and granted by Council .	Authority to grant a permit to allow more than two dogs to be kept at an urban property.	Animal & Compliance Services Officer
Dog Management Bylaw	15.3 Where a dog owner is in breach of 15.1 or conditions of a permit, Council may impound any additional dogs on the property. This may be extended to include a bitch in whelp...	Authority to impound a dog.	Animal & Compliance Services Officer

Dog Management Bylaw	Various	Authority to act as an 'Authorised Officer' under the Dog Management Bylaw 2019.	Animal & Compliance Services Officer
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Option 1: Approve new delegated authorities

Option 2: Status quo which requires Council to authorise any enactments to these bylaw clauses.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

When approved, these changes will be formally updated in the Delegation Register and distributed to the Executive Team for continued compliance and review. Where required, the Procurement Manual and Guideline will be updated to reflect changes.

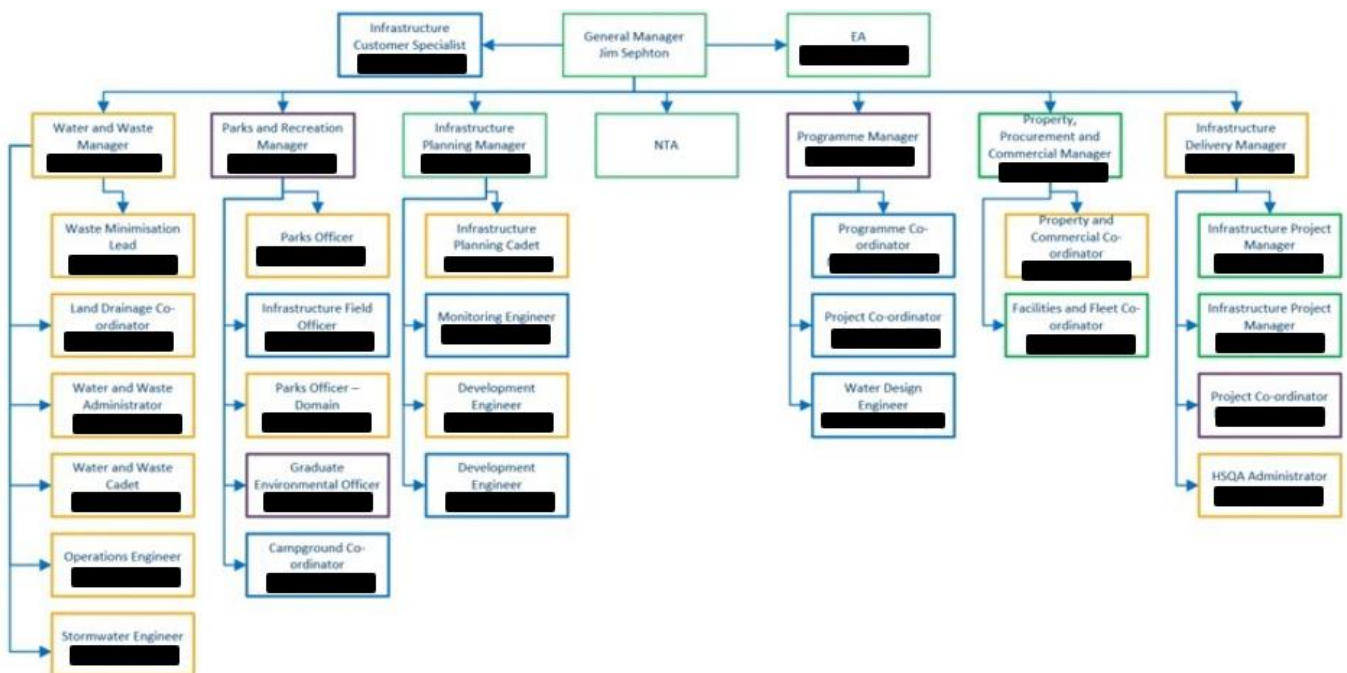
Appendices

Item 1a

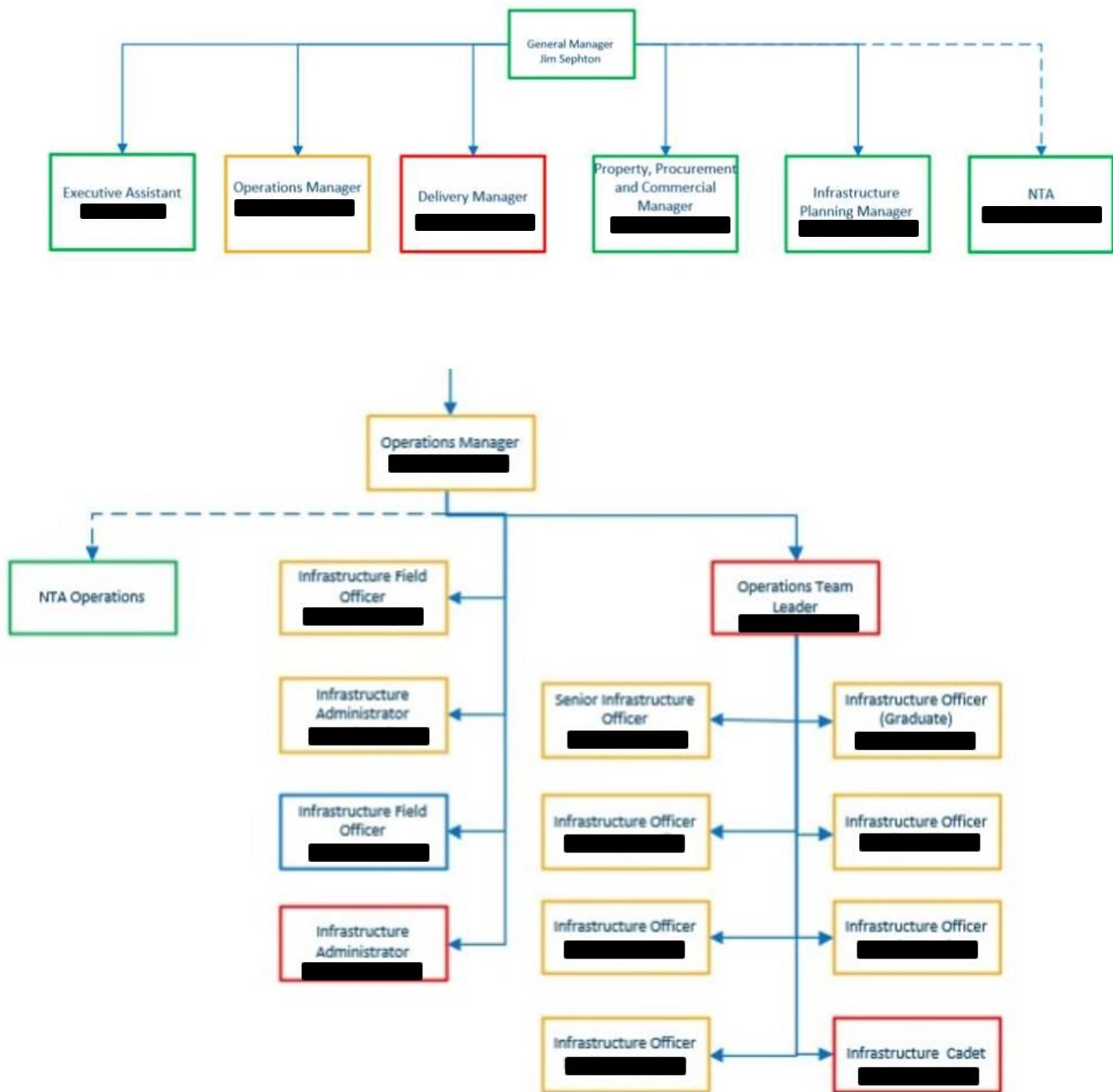
Financial Delegations		
Budget Manager	New financial delegation	
Chief Executive	\$1m	From \$750K
GM / GM NTA	Up to \$250k	From \$100k (excluding GM Infrastructure Service who already has \$499k delegation authority)
Operations Manager	Up to \$100k	Change in job title / increase of delegated value from \$25k
Delivery Manager	Up to \$100k	Change in job title / increase of delegated value from \$25k
Infrastructure Planning Manager	Up to \$100k	Change in job title / increase of delegated value from \$25k
Property, Procurement & Commercial Manager	Up to \$100k	Change in job title / increase of delegated value from \$25k
NTA Capital Works & Procurement Manager	Up to \$100k	Change to NTA T2 level from Transportation Manager / Increase of delegated value from \$25k
NTA Maintenance & Operations Manager	Up to \$100k	Change to NTA T2 level from Transportation Manager / Increase of delegated value from \$25k
NTA Strategy & Planning Manager	Up to \$100k	Change to NTA T2 level from Transportation Manager / Increase of delegated value from \$25k
Operations Team Leader	Up to \$50k	Change in job title / increase of delegated value
Project Delivery Team Leader	Up to \$50k	New position

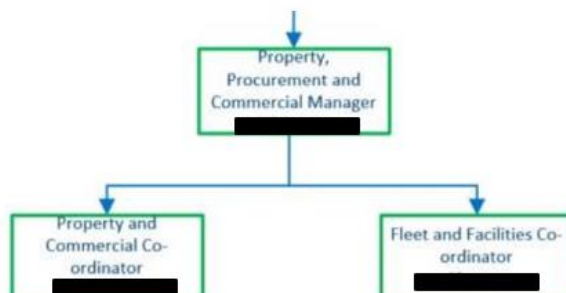
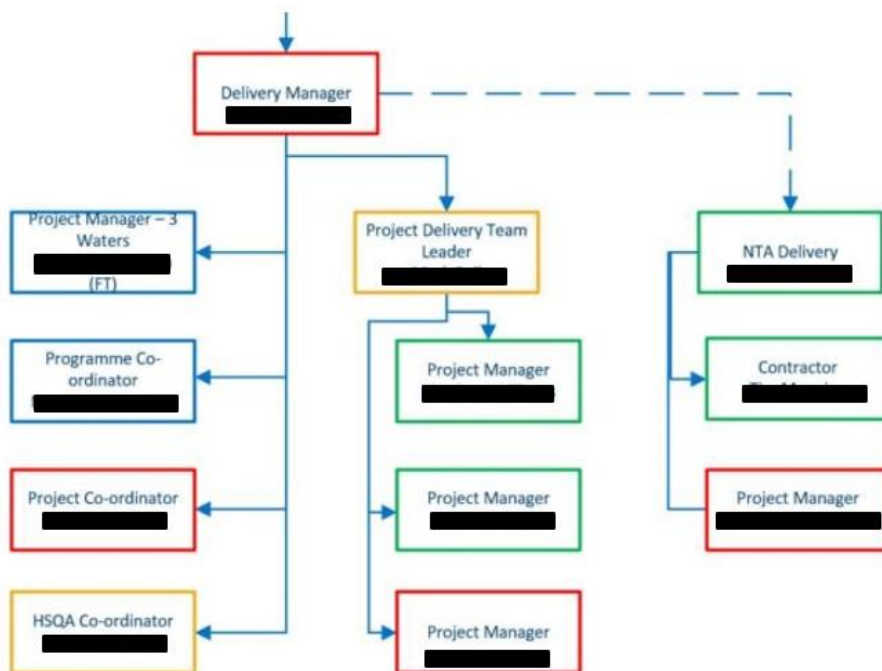
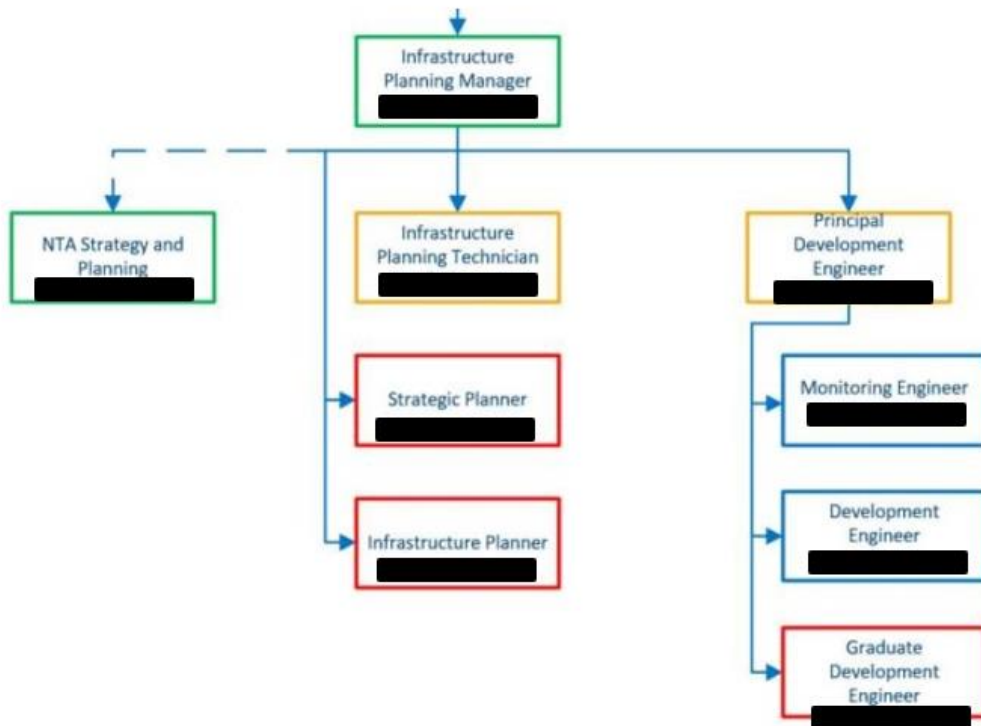
Item 1b

Infrastructure Services – old structure



Infrastructure Services – new structure with hierarchy and job titles





Item 1c

Financial Delegations – current

Financial Delegations - tier limitations		Schedule 1
Provided that the expenditure is included in the Council's current approved Long-term Plan and budgeted for the year it is to be spent, or in an approved forecast or otherwise authorised by Council, the delegations set out in the following table apply.		
Expenditure Range Within Budget	Procurement Requirements	CE delegation to:
Less than \$50,000	For purchases up to \$50,000, oral quotations are permitted.	Budget Holder* or Budget Holder's General Manager or Delegated Project Manager
\$50,000 - \$100,000	Three quotations are required, unless an exemption has been authorised by the General Manager.	General Manager
Up to \$100,000	Direct appointments within the KDC Professional Services Panel are permitted up to 100k unless authorised by the Chief Executive	General Manager Infrastructure Services / Professional Services Panel
\$100,000 - \$499,000	Potential infrastructure contracts with a value of over \$100,000 are to be competitively tendered, unless an exemption has been authorised by the Chief Executive.	General Manager Infrastructure Services
For infrastructure contracts only - \$100,000 - \$499,000	Direct appointments within the KDC Professional Services Panel are permitted up to \$500k for closed competition by tendering three proposals, unless authorised by the Chief Executive	General Manager Infrastructure Services / Professional Services Panel
\$100,001 - \$750,000	Potential contracts with a value of over \$100,000, are to be competitively tendered, unless an exemption has been authorised by the Chief Executive.	N/A, with exception of delegation to General Manager Infrastructure Services as described above
Over \$500,000	A Business Case shall be submitted to Council as part of the approval process for any high value procurement over \$500,000 unless Council has approved otherwise.	N/A
Expenditure Range Exceeds Budget	Council	

Financial Delegations - proposed

Procurement				Schedule 1
Provided that the expenditure is included in the Council's current approved Long-term Plan and budgeted for the year it is to be spent, or in an approved forecast or otherwise authorised by Council, the delegations set out in the following table apply.				
Estimated Procurement Costs	Procurement Policy Requirements	Procurement Plan Prior Approvals	Required Consultation	Procurement Plan Final Approval
Greater than \$500k	Competitively tendered, unless an exemption has been authorised by the Chief Executive.	CEO GM Procurement Manager T3 Manager	Budget Manager H&S Manager	Council
\$100,000 - \$499,000 <i>Outside of an approved panel</i>	Competitively tendered, unless an exemption has been authorised by the Chief Executive.	GM Procurement Manager T3 Manager	Budget Manager H&S Manager	CEO
For contracts within approved panels	Professional Services Panel - Direct appointments up to \$100k - Closed competition by tendering three proposals up to \$499,000 3Waters Delivery Panel - Direct appointments up to \$200k - Closed competition by tendering three proposals up to \$750,000 unless authorised by the Chief Executive	GM Infrastructure Services Procurement Manager T3 Manager	Budget Manager H&S Manager	GM Infrastructure
\$50,000 - \$100,000	Three proposals are required, unless an exemption has been authorised by the General Manager.	GM Procurement Manager T3 Manager	Budget Manager H&S Manager	General Manager
Less than \$50,000	For purchases up to \$50,000, written quotations are required.		Budget Manager H&S Manager	General Manager
Expenditure Range Exceeds Budget	Council			

Contract	Schedule 1
<p>Provided that the expenditure is included in the Council's current approved Long-term Plan and budgeted for the year it is to be spent, or in an approved forecast or otherwise authorised by Council, the delegations set out in the following table apply.</p>	
Expenditure Range Within Budget	Contract Approval
Greater than \$1m	Council
\$500,000 - \$1m	CEO
Up to \$499,000	General Manager Infrastructure Services
Variations (within budget)	
Greater than \$200k	Council
\$100k to \$200k	CEO
\$50 to \$100k	General Manager
Up to \$50k	T3 Manager
Variations outside budget	Council