

Livermore Area Recreation and Park District Staff Report

TO: Chair Pierpont and Finance Committee

FROM: Jeffrey Schneider, Business Services Manager

DATE: August 16, 2021

SUBJECT: Proposed District Notice 0008 – Delegation of Authority

The attached, proposed, District Notice (DN) is intended to document District-wide delegation of authority to clarify “who can approve what?”. The scope of the DN is broad and encompasses all District departments and processes that involve the commitment and/or management of District resources, human and capital.

Note: Following closely behind this DN will be another that is specific to Procurement, and which will supplant a Policy that was last updated in 2002. The existing Procurement Policy is attached for your information and needs to be updated to reference this proposed DN once it is approved, among other things. The Procurement DN will provide specific guidance related to purchasing processes that are impacted by this DN; for example: When is a bid process required? What types of purchases should be accomplished with a Purchase Order (PO) or a Cal Card, or simply via an expense reimbursement?

Purpose of this Staff Report: Staff requests the Finance Committee’s feedback regarding the proposed DN and its guidance as to what revisions, if any, are required in order to move forward to obtain the approval of the Board of Directors. Staff are targeting either the August 25th or September 8th Board meeting, depending on the feedback received from the Finance Committee today.

Aside from the content of the DN, Staff requests feedback regarding the maintenance of Schedule A, “Delegation of Authority Matrix”, in terms of the Board’s involvement in effecting changes to the items in the Matrix that may be deemed necessary over time (please see the last paragraph of the proposed DN).

Attachments:

- A. Proposed District Notice 0008 – Delegation of Authority
- B. For Reference: Existing Purchasing Policy

Attachment A – Proposed District Notice 0008 – Delegation of Authority

TO: All Staff

FROM: Mathew Fuzie, General Manager

DATE: August XX, 2021

SUBJECT: District Notice 0008 – Delegation of Authority

Purpose: To document District-wide Delegation of Authority by establishing approval requirements for all District processes that involve the commitment and/or management of District resources, human and capital. This District Notice (DN) supersedes existing policy statements that address approval requirements for items that are documented herein.

Scope: Attachment A, Delegation of Authority Matrix, lists the items for which approvals are required, categorizes them based on their function within the District, and identifies the level of staff within the District whose approval must be obtained before a request to commit District resources can be acted upon. Though this DN is comprehensive in scope, the Delegation of Authority Matrix will be updated periodically as the need to add/delete items from the list and/or to modify item descriptions (in particular, dollar thresholds) becomes apparent.

Related Processes: While this DN outlines the District’s Delegation of Authority, there are processes related to the items listed here that are described in separate documentation. An example is Procurement and Contract Administration, which outlines how various types of commitments can be effected (what requires a purchase order? what can be purchased via credit card?, what are the District’s guidelines for expense reimbursement?, when is a competitive bid required?, etc....), all of which are subject to the approval requirements that are outlined in Exhibit A.

The Delegation of Authority Matrix is structured as follows:

1. “Items” that are related to resource commitments and/or management are categorized based upon District functions (Capital Improvement Projects, Human Resources, Programs, Finance, etc....).
2. “Approvers” are meant to align with the organization with which a requestor is aligned.
3. “Technical Review” is meant to ensure that groups who focus on technical functions within the District, including Finance, Legal, Human Resources, Information Technology, and Facilities/Park Maintenance, are involved in decisions that will benefit from their expertise. As well, in some cases, these groups (IT and Facilities/Park Maintenance in particular), will be

required to support/maintain assets that are requested and thus should be involved in the decision-making process.

Maintenance of the Delegation of Authority Matrix: The Matrix will be updated annually in conjunction with the annual Budget Process and will be subject to the approval of the Board of Directors.

Exhibit A - Delegation of Authority Matrix

Livermore Area Recreation and Park District (LARPD)
Exhibit A - Delegation of Authority Matrix
 Proposal as of 8/16/21

Category	Item	Approver	Technical Review				
			Finance	Legal Counsel	HR	IT	Facil/Park Maint
Admin	Public Records request	Admin to GM		X			
Programs	Customer Contract - special event	Dept Mgr					
	Customer Contract - rental - one time	Dept Mgr					
	Customer Contract - rental - on-going	GM	X				
	Pricing new/changes	GM	X				
	New program Offerings	GM	X				
	Service Provider Agrmt - initial <\$1,000	Supervisor					
	Service Provider Agrmt - initial \$1,000-\$24,999	Dept Mgr	X				
	Service Provider Agrmt - initial > \$25,000	GM	X				
Electronic Media	Service Provider Agreements - renewals	Dept Mgr					
	Posts to Social Media	Dept Mgr					
	Revisions to Web-Site	GM					
Finance	Purchase Request (a) < \$1,000	Supervisor				if IT	if fleet/facil/CIP
	Purchase Request (a) - \$1,000 - \$24,999	Dept Mgr				if IT	if fleet/facil/CIP
	Purchase Request (a) - \$25,000 - \$249,999	GM	X			if IT	if fleet/facil/CIP
	Purchase Request (a) - \$250,000 +	Board	X			if IT	if fleet/facil/CIP
	Vendor/Partner Contract (a) < \$1,000	Supervisor				if IT	if fleet/facil/CIP
	Vendor/Partner Contract (a) \$1,000 - \$24,999	Dept Mgr	X			if IT	if fleet/facil/CIP
	Vendor/Partner Contract (a) \$25,000 - \$249,999	GM	X			if IT	if fleet/facil/CIP
	Vendor/Partner Contract (a) > \$250,000	Board	X			if IT	if fleet/facil/CIP
	Procurement Card application	Dept Mgr	X				
	Procurement Card statement Review	Supervisor	X				
	RFP/RFQ - issuance and review	Dept Mgr	X			if IT	if fleet/facil/CIP
	District provision of mobile device (phone/tablet)	Dept Mgr				X	
	Mobile Device Reimbursement	Dept Mgr					
	Travel Request	Dept Mgr					
	Conferences	Dept Mgr					
	Expense Reimbursement <\$500 (Pre-approval)	Supervisor					
	Expense Reimbursement \$500 - \$999 (Pre-approval)	Dept Mgr					
	Expense Reimbursement >= \$1,000 (Pre-approval)	GM					
	Sale of Assets - FMV < \$10,000	Dept Mgr	X			if IT	if fleet/facil/CIP
	Sale of Assets - FMV \$10,000 - \$24,999	GM	X			if IT	if fleet/facil/CIP
	Sale of Assets - FMV \$25,000 +	Board	X			if IT	if fleet/facil/CIP
	Reserve Structure	Board	X				
	Addition of funds to reserves	Board	X				
use of committed reserves	Board	X					
Banking RFP	GM	X					
Legal/Audit RFP	Board						
Equipment Financing	GM	X					
Debt Issuance (excl operating leases)	Board	X					

(a) purchase amount is defined as total year 1 commitments (capital, one-time operating, and on-going operating expense)

Livermore Area Recreation and Park District (LARP)
Exhibit A - Delegation of Authority Matrix
 Proposal as of 8/16/21

Category	Item	Approver	Technical Review				
			Finance	Legal Counsel	HR	IT	Facil/Park Maint
Human Resources	Work Remotely - short term (< 1 mo)	Dept Mgr			X	X	
	Work Remotely - long term (> 1 mo)	GM					
	Flexible Schedule - short term (<1 mo)	Dept Mgr			X		
	Flexible Schedule - long term (>1 mo)	GM					
	Office/workspace location - new/moves	GM/BSM			X	X	
	Overtime	Dept Mgr					
	Leave of Absence - FMLA, etc..	Dept Mgr			X		
	Education Reimbursements (Pre-approval)	Dept Mgr			X		
	Personnel Requisition - benefitted positions	GM	X		X		
	Personnel Requisition - Casual	Dept Mgr			X		
	Job posting form (post requisition)	Supervisor			X		
	Hire - offer review/approval	Dept Mgr	X		X		
	New Job Classification	GM/Board	X		X		
	Revised Job Classification	GM			X		
	Salary and Benefit Plans - District-wide	GM/Board	X		X		
	Salary Range - modifications to existing classification	GM	X		X		
	Disciplinary action - up to termination	GM			X		
	Performance Improvement Plan	Dept Mgr			X		
	Termination - cause	GM			X		
	Professional Development - external	Dept Mgr			X		
Parks and Facilities	Leases	GM	X				X
Capital Improvement Projects	Bid documents	Dept Mgr	X	X		if IT	X (excl IT)
	Bid review	Dept Mgr	X			if IT	X (excl IT)
	Bid award	GM	X	X		if IT	X (excl IT)
	Change Orders - <\$1,000; 25 days	Supervisor					if fleet/facil/CIP
	Change Orders - \$1,000 - \$25,000; < 50 cal days	Dept Mgr	X				if fleet/facil/CIP
	Change Orders - \$25,000-\$249,999; < 100 cal days	GM	X				if fleet/facil/CIP
	Change Orders - > \$250,000; > 100 days	Board	X				if fleet/facil/CIP
	Notice of Completion	GM	X				X
	Certificate of Substantial Completion	GM	X				X
	Certificate of Occupancy	Dept Mgr	X				X
	Grants of Easement	GM	X				X

Attachment B - For Reference: Existing Purchasing Policy

LIVERMORE AREA RECREATION AND PARK DISTRICT

PURCHASING POLICY

The board of directors adopts the Livermore Area Recreation and Park District Purchasing Policy in compliance with the Public Resources Code 5786.15, pursuant to Article & (commencing with Section 54201) of Chapter 5 of Division 2 of Title 5 of the Government Code and Sections 22030-22045 of the Public Contract Code as follows:

- I. The district may request the Department of General Services of the State of California to make purchases of materials, equipment, or supplies on its behalf pursuant to Section 10324 of the Public Contract Code.

- II. The district may request the purchasing agent of the County of Alameda to make purchases of materials, equipment or supplies on its behalf or to contract with persons to provide recreation facilities and programs of community recreation, pursuant to Article 7 (commencing with Section 25500 of Chapter 5 of Division 2 of Title 3 of the Government Code. The district shall be responsible for and maintain control over contracted facilities and programs.

- III. The district may lease or rent private vehicles or equipment owned by district employees.

- IV. The district having previously elected to become subject to the uniform construction cost accounting procedures will comply with the Public Contract Code, Sections 22030- 22045.

- V. The district shall conduct bids as required in Article 53.5, (commencing with Section 20815), Chapter 1 of Part 3 of the Public Contract Code.

The Board appoints the General Manager as "purchasing agent" to administer purchases in accordance with this policy.

Adopted: February 13, 2002, by Resolution No. 1765

LIVERMORE AREA RECREATION AND PARK DISTRICT
PURCHASING PROCEDURES
Effective 2/1/02

1. Introduction

This policy is intended to provide an overview of the District's purchasing policies and procedures. Information and instruction is provided for those staff who are involved with the paper-flow of the purchasing function. It also contains a code of ethics under which the District conducts its purchasing business.

2. Procedures

A. Formal bid procedures.

Formal bid procedures must be followed under the following conditions:

- (1) Purchases over \$25,000 for furnishing equipment, materials or supplies not related to new construction.
- (2) Purchases over \$100,000 of equipment, materials, supplies, and labor for projects for alterations, maintenance, or repairs.

Formal bid procedures require the preparation of a formal bid package for approval by the Board of Directors. Bid packages are sent to prospective vendors; bids are returned to the District where they are formally opened on the day and time specified; bid is awarded by the Board of Directors; the successful bidder receives a formal contract.

B. Informal Bid Procedures

Purchases over \$500 per item, \$500 - \$25,000 total for equipment and between \$5,000 and \$100,000 for construction projects require the buyer to obtain three or more informal bids, preferably in writing. Prospective suppliers should be given sufficient time to prepare and submit appropriate bids. An Informal Bid Form and any written bids received must accompany the Check Request, invoice, or credit card receipt. Justification for "Sole Source" purchases must accompany Informal Bid Forms. Informal Bid Forms may be initiated by any employee, but must be reviewed and initialed by a supervisor and forwarded to the Administrative Assistant for Accounting review.

C. Purchasing Processes.
(1) Purchase Orders.

Purchase orders will be prepared only at the request of a vendor. Purchase orders may be initiated by any employee. Purchase order numbers will only be authorized by accounting

The District maintains "open" Purchase Orders at various vendors. These allow specific employees to make purchases up to specified amounts without processing individual purchase orders. Requests for "Open" Purchase Orders must be reviewed by accounting and approved by the General Manager.

Receipts for all purchases made under "Open" Purchase Orders must be initialed by a supervisor and forwarded immediately to accounting.

(2) Check Requests.

Check Request forms are submitted by the buyer to accounting for payment for goods and/or services ordered or received. All backup material (Informal Bid forms, receipts, statements, etc.) must accompany the form. Check Request forms must be approved by a Supervisor.

(3) Vendor Charge Accounts.

The District maintains charge accounts with selected vendors which allow specified employees to make purchases up to specified amounts. Vendors may issue individual employee charge cards or District charge cards which allow District employee use at a specific vendor. Additionally, charge accounts are maintained at vendors which do not require charge cards. Receipts for purchases made under vendor charge accounts must be initialed by a Supervisor and forwarded immediately to accounting.

(4) Cal-Card (Visa)

At the request of an approving official, designated by the General Manager, an individual (Visa) Cal-Card may be issued to a District employee. The approving official must set a single transaction and 30-day credit limit with the request to the Cal-Card Coordinator. The approving official may also restrict type of merchant where the card may be used. (Detailed procedures are included in Instructions for Approving Officials and Procedures for Credit Card Use.)

(5) District VISA accounts

The District maintains VISA accounts which may be used under special conditions. Supervisors must approve use of the District VISA accounts prior to use. If approval is given, VISA receipts must be forwarded immediately to accounting along with a completed VISA Payment Request.

3. General Standards of Ethical Conduct

All purchases made by an employee using any of the above means are restricted to official business of the Livermore Area Recreation and Park District. Purchases made for personal use are prohibited.

It is a breach of ethical standards for any employee to participate directly or indirectly in a purchase agreement when the employee knows that:

- A the employee or any member of the employee's immediate family has a financial interest pertaining to the purchase.
- B. a business or organization in which the employee, or any member of the employee's immediate family, had a financial interest pertaining to the purchase; or
- C. any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the purchase.

It is a breach of ethical standards for any employee to solicit, demand, accept, or agree to accept any payment, gratuity or kickback in connection with any purchasing activity.

It is a breach of ethical standards for any employee knowingly to use confidential information connected to the purchasing process for actual or anticipated personal gain.

Employees found to be in violation of the ethical standards of this purchasing policy are subject to disciplinary and corrective action as described in the District's Personnel Rules and Regulations.