

Report to / Rapport au:

**Ottawa Public Library Board
Conseil d'administration de la bibliothèque publique d'Ottawa**

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Submitted by / Soumis par:
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File Number: OPLB-2015-0042

SUBJECT: Chief Executive Officer Delegation of Authority Amendments

OBJET: Modifications à la délégation de pouvoir de la directrice générale

REPORT RECOMMENDATIONS

That the Ottawa Public Library Board approve the following recommended changes to the CEO Delegation of Authority:

- a) Provide the CEO with the approval authority for general competitive and non-competitive contracts be set at <\$500,000 for the CEO, and ≥\$500,000 for the Board.**
- b) Provide the CEO with authority to exercise approved spending authority for all capital projects up to the annual approved capital amount.**
- c) Provide the CEO with authority to approve, amend, extend, and execute agreements with federal, provincial, and international governments and agencies.**
- d) Amend Item #22 to read: Temporarily close or relocate branches in keeping with the branch closure policy, temporarily modify bookmobile stops, or temporarily modify kiosk services; and delete item #24.**
- e) Grant the CEO with authority to approve Cash or Near-Cash prizes valued at ≤\$300.**

- f) **Change the reporting frequency for the Report on Contract Expenditures from quarterly to semi-annually and increase the minimum threshold for reporting to \$25,000 in accordance with the revised City of Ottawa Purchasing Bylaw.**
- g) **Modify the terms of the Policy Review period.**

RECOMMANDATIONS DU RAPPORT

Que le C.A. de la Bibliothèque publique d'Ottawa approuve les modifications recommandées suivantes à la délégation de pouvoir de la DG :

- a) **Que le pouvoir d'approbation pour les marchés concurrentiels et non concurrentiels d'ordre général soit fixé à moins de 500 000 \$ pour la DG et à 500 000 \$ et plus pour le C.A.**
- b) **Accorder à la DG une délégation du pouvoir de dépenser pour tous les projets d'immobilisation, jusqu'à concurrence du montant en capital annuel approuvé.**
- c) **Accorder à la DG le pouvoir d'approuver, de modifier, de prolonger et d'exécuter les accords passés avec les administrations et les agences fédérales, provinciales et internationales.**
- d) **Modifier le point 22 de la manière suivante : Fermer ou déplacer temporairement les succursales conformément à la politique sur la fermeture des succursales, modifier temporairement les arrêts de bibliobus, ou modifier temporairement les services de kiosque; et supprimer le point 24.**
- e) **Accorder à la DG le pouvoir d'approuver la remise de prix en espèces ou en quasi-espèces d'une valeur inférieure ou égale à 300 \$.**
- f) **Modifier de trimestrielle à semestrielle la fréquence de reddition de comptes sur les dépenses liées aux marchés et accroître à 25 000 \$ le seuil minimal de reddition de comptes, conformément au Règlement révisé sur les achats de la Ville d'Ottawa.**
- g) **Modifier la durée de la période d'examen des politiques.**

BACKGROUND

On July 8, 2013, the Board approved a new *Delegation of Authority Policy* which clearly defines the decisions that are reserved by the Board and those that the CEO may make. The Board may impose such terms and conditions upon any delegation as it sees fit, and this shall include the power to vary such terms or rescind the delegation in question. On September 9, 2013, the Board approved a reporting framework (Appendix 1) for the *Delegation of Authority Policy*.

In most cases, reporting on the Delegation of Authority is on an exception basis. In some instances, reporting is on quarterly or annual basis. Decisions that are reported through quarterly financial reports include:

- Approval of general competitive and non-competitive expenditures less than \$150,000;
- Status report on the purchase of library materials; and,
- Approval of additional expenditures of less than 10% for amendments to previously approved projects.

Decisions that are reported through the CEO's annual report to the Board on delegation of authority include:

- Application for grants and other funding;
- Approval, amendment, extension, and execution of agreements with the federal and provincial governments; and,
- Approval, amendment, extension, and execution of service agreements, contribution agreements, and grant agreements.

DISCUSSION

This report puts forward recommended additions, changes, and deletions to the Delegation of Authority, as well as reporting timelines. Each new change is identified by the item number (in bold). A revised Delegation of Authority Policy and Framework is included in Document 1 to provide a view of the final framework, pending approval.

Delegation of Authority Changes:

A. Item #4 in the CEO Delegation of Authority is: Approve general competitive and non-competitive expenditures as per the City of Ottawa Purchasing By-Law No. 50 of 2000 (as amended from time to time) including, but not limited to:

- Operational expenses
- Leases
- Single or multi-year tenders or contracts (including any contingencies) per vendor
- Settlement and lawsuit payments
- Software license agreements

The current threshold for this item is:

- BOARD: ≥ \$150,000 (includes GST/HST and other taxes as appropriate)
- CEO: <\$150,000 (includes CEO or CEO's designate)

In order to account for inflationary effects since amalgamation, to provide the OPL with greater efficiency, and to ensure continued alignment and consistency with the City of Ottawa policies and practices of the Financial Services Unit that acts as the service provider for OPL, staff recommend increasing the thresholds to:

- BOARD: ≥\$500,000 (includes GST/HST and other taxes as appropriate)
- CEO: <\$500,000 (includes CEO or CEO's designate)

In addition, staff are recommending the addition of clarifying language with respect to lease expenditures to read: "Leases (single or multi-year with total expenditure within financial authority)."

B. Addition: As part of the annual budget process, staff recommend that the CEO have authority to exercise approved spending authority for all capital projects up to the annual approved capital amount. Staff recommend that this delegation be included in the DOA, such that it is a standard authority and not required on an annual basis.

C. Item #7 in the CEO Delegation of Authority is: Approve, amend, extend, and execute agreements with the federal and provincial governments. Staff recommend revising the sentence to read: "...agreements with federal, provincial, and international

governments and agencies,” in order to account for collaborations with organizations at various governmental levels (e.g. Embassy of the United States of America in Ottawa).

D. Item #22 in the CEO Delegation of Authority is: Temporarily close branches in keeping with the branch closure policy, temporarily modify bookmobile routes, or temporarily modify kiosk services. Staff have identified a partial duplication of authority with **Item #24**: Approve temporary locations for branches or bookmobile stops. As such, staff recommend deleting Item #24 and modifying Item #22 to read: Temporarily close **or relocate** branches in keeping with the branch closure policy, temporarily modify bookmobile **stops**, or temporarily modify kiosk services.

E. Addition: In 2014, the City of Ottawa developed a policy on the awarding of cash or near cash prizes, in response to a recommendation from an audit of Corporate Credit Cards by the Office of the Auditor General. Staff are recommending that the CEO have authority to allocate Cash or Near Cash prizes valued at ≤\$300.

F. Reporting Frequency

In addition to changes to the reporting framework, staff recommend one change in reporting frequency for the Purchasing Bylaw. On January 1, 2015, the City of Ottawa implemented changes to the purchasing by law, including reporting timelines. All reports for City departments (e.g. FEDCO, OPH, Transit) are now done on a semi-annual basis. The minimum reporting threshold for this report has also been increased to \$25,000. These changes were approved by council and are the standards going forward.

It is recommended that the OPL follow the City's financial practices, that is, change the contract expenditures reporting frequency to semi-annual and to report on expenditures between \$25,000 and \$500,000 with the exception of capital contracts previously authorized. Staff will follow City's Purchasing By Law (Section 39 (1) Reporting to Council, replacing Board with Council as required for OPL purchases.

G. Policy Review

The current CEO Delegation of Authority Policy is set to be reviewed every four years in the first quarter of the second year of the term of the Board. In order to remain

responsive to changes at the City of Ottawa which acts as a service provider to OPL, staff recommend the addition of a statement to read: “or as required in order to ensure consistency and alignment with related City of Ottawa policies.” As the Board retains the power to vary such terms or rescind the delegation in question, Board approval will still be required for amendments.

Minor modifications and amendments

In addition to the above, the CEO Delegation of Authority policy and framework have been updated to include delegations approved through various reports since 2013 (e.g. third-party fundraising), as well as minor changes in terminology for improved clarification.

CONSULTATION

Library Program Managers and Senior Staff were consulted in the development of this report.

LEGAL IMPLICATIONS

There are no legal implications associated with this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology impacts associated with this report.

BOARD PRIORITIES

The Board is fulfilling its obligations under Board Policy OPLB-1 Roles and Responsibilities of the Board.

SUPPORTING DOCUMENTATION

Document 1 002-OPLB – Delegation of Authority

DISPOSITION

Staff will update Board policy #2 (CEO Delegation of Authority) including revisions to numbering and reporting timelines as per proposed Document 1.