



Date: June 26, 2025

To: Public Works Commission

From: Bob Fuller – Commission Affairs Manager
San Francisco Public Works

Subject: Public Works Commission Contract Approval Delegation Policy
Amendment Revisions

Dear Commissioners,

During the February 13, 2025 meeting of this Commission, Chair Lauren Post requested Staff draft a proposal to delegate more contract items to the Department Director, particularly routine matters, to streamline Commission meetings. In response, Staff drafted the attached proposed amendments to the current Contract Approval Delegation Policy, in consultation with the City Attorney's Office. At this meeting, the Commission will discuss these proposed changes and direct Commission Affairs Manager Fuller to draft an updated version of the policy for approval at a meeting in the future.

The Commission may elect to approve all, some or none of the revisions. The Commission may request specific provisions be changed by degree, such as a \$7.5 million construction contract threshold for the Regular Calendar, instead of the proposed \$10 million threshold. The edited Contract Approval Delegation Policy document contains underlines indicating the text has been added and ~~striketrough~~ indicating deleted text from the policy that was last amended by the Commission in April 2024.

Below is a summary of the proposed changes:

- Formalizing the threshold award value increases tied to inflation that went into effect citywide on January 1, 2025.
- Increasing the \$5 million award value threshold for the Regular Calendar to \$10 million for construction contracts.
- Increasing the \$1 million award value threshold for the Regular Calendar to \$5 million for Chapter 21 and Chapter 6 professional services contracts.
- Increasing the 20% threshold for the Regular Calendar to 50% for construction contract award value (cost) modifications and Chapter 21 and Chapter 6 professional services contract cost modifications.
- Delegating all grant agreement awards and modifications to the Director.

- Softening the language of the policy to allow the Commission more flexibility in hearing recurring types of items, such as various locations paving project contracts, on the Consent Calendar without the need to amend the Contract Approval Delegation Policy.

Commissioners are reminded that any item that qualifies for the Consent Calendar may be heard individually on the Regular Calendar at the request of a member of the Commission, Staff or the public.

Thank you to Department Staff, the City Attorney's Office and Chair Post for their work bringing these policy amendment revisions to the Commission.

Attachments:

- 1- Contract Approval Delegation Policy Revisions (redline)
- 2- Contract Delegation Study 2025

Sincerely,
Bob Fuller
Commission Affairs Manager
San Francisco Public Works
Bob.fuller@sfdpw.org



SAN FRANCISCO PUBLIC WORKS CONTRACT APPROVAL DELEGATION AND REQUIREMENTS POLICY

Under San Francisco City Charter Section 4.141(c)(3), as amended by San Francisco voters in November 2022, the Public Works Commission (“Commission”) shall “exercise all powers and duties of boards and commissions” set forth in Charter Section 4.102. The Commission establishes the following contract approval policy (“policy”) for San Francisco Public Works (“department” or “Public Works”) consistent with the Charter and the Municipal Code.

I. Expenditure Contracts

Except as provided below and subject to the limitations of Charter Section 9.118, the Public Works Commission delegates to the Public Works director the authority to approve, award and amend all San Francisco Public Works expenditure contracts.

A. Contract Approvals/Awards

The Commission shall approve the following San Francisco Public Works contracts:

1. **Commodities.** Direct purchases of commodities pursuant to Section 21.04 of the San Francisco Administrative Code where the expenditure obligation is equal to or exceeds the “Threshold Amount” as defined by Section 6.1 of the Administrative Code as it may be amended from time to time. For reference, the Threshold Amount as of ~~July-January~~ 1, 202~~5~~², is \$1.~~17~~ million. For purposes of this policy, a “commodity” is as defined in Section 21.02 of the Administrative Code.
2. **General Services.** Direct purchases of general services pursuant to Section 21.04 of the Administrative Code where the expenditure obligation is equal to or exceeds the “Minimum Competitive Amount” for general services as defined in section 21.02 of the Administrative Code as it may be amended from time to time. For reference, the Minimum Competitive Amount for general services as of ~~July-January~~ 1, 202~~5~~², is \$1.~~17~~ million. For purposes of this policy, a “general service” is as defined in Section 21.02 of the Administrative Code.
3. **Professional Services.** Contracts for professional services awarded under Chapters 6 or 21 of the Administrative Code where the expenditure obligation is equal to or exceeds the “Minimum Competitive Amount” as defined in Sections 6.40 and 21.02 of the Administrative Code as it may be amended from time to time. For reference, the Minimum Competitive Amount as of ~~July-January~~ 1, 202~~5~~², is \$~~200~~²³⁰,000.
4. **Public Works Construction Contracts.** Contracts for public works or improvements awarded under Chapter 6 of the Administrative Code where the expenditure obligation is equal to or exceeds the “Threshold Amount” as defined in Section 6.1 of the Administrative Code, as it may be amended from time to time. For reference, the Threshold Amount as of ~~July-January~~ 1, 202~~5~~², is \$1.~~17~~ million.

~~Grants. Grants awarded under Chapter 21G of the Administrative Code where the expenditure obligation equals to or exceeds the “Minimum Competitive Amount” as~~

~~defined in Sections 6.40 and 21.02 of the Administrative Code, as it may be amended from time to time. For reference, the Minimum Competitive Amount as of July 1, 2022, is \$200,000.~~

B. Amendments or Modifications

The Commission shall approve amendments or modifications to contracts as follows:

1. **Commodities, General Services, ~~Grants~~, and Chapter 21 Professional Services.** Cumulative increases in increments in excess of ~~10~~ 20% of the original contract amount of commodities, general services, ~~grants~~ and Chapter 21 professional services contracts. For contracts with an original contract amount under the Minimum Competitive Amount or Threshold Amount, amendments or modifications do not require Commission approval unless the amendment or modification would cause the contract amount to exceed the Minimum Competitive Amount or Threshold Amount, as applicable.
2. **Chapter 6 Professional Services.** Any increase or decrease in contract amount for Chapter 6 professional services contracts. For contracts with an original contract amount under the Minimum Competitive Amount, amendments or modifications do not require Commission approval unless the amendment or modification would cause the contract amount to exceed the Minimum Competitive Amount.
3. **Public Works Construction Contracts.** Cumulative increases or decreases in increments of 10% of the original contract amount of public works construction contracts. For contracts with an original contract amount under the Threshold Amount, amendments or modifications do not require Commission approval unless the amendment or modification would cause the contract amount to exceed the Threshold Amount.

II. Revenue Contracts

Unless otherwise provided for in this policy, the Commission shall approve Public Works contracts having anticipated revenue to the City of \$1 million or more, or the modification, amendment or termination of any contract which when entered into had anticipated revenue of \$1 million or more (that is, agreements requiring Board of Supervisors approval under Charter Section 9.118(a)).

III. Additional Contracting Authority and Requirements

- A. **Emergency Contracts.** The commission authorizes the director to approve and amend emergency contracts, subject to the provisions in Sections 21.15 and 6.60 of the Administrative Code. Sections 21.15 and 6.60 require that if the emergency permits, the director first secures the written approval of the Commission chair before entering into the emergency contract. If the emergency does not permit such approval, the approval is to be obtained as soon thereafter as possible.
- B. **Director or Director's Designee.** For purposes of this policy, "director" means the duly appointed Public Works director, interim director or acting director. In addition, the director may redelegate the director's authority under this policy to any deputy director or senior Public Works manager during any temporary absence, leave or incapacity.

C. Other Contracts. Except as otherwise provided in this policy, the Commission delegates to the director authority to approve all other Public Works contracts.

IV. Consent Agenda

While any specific contract item may be placed on the regular agenda or consent agenda at the request of the Commission, or in consultation with the Commission Secretary, in general the Commission ~~shall~~may hear categories of contract items on the consent agenda as follows:

A. Professional Services ~~and Grants~~. The Commission ~~shall~~may hear contract approvals and amendments to professional services contracts ~~or grants~~ with original contract amounts between the Minimum Competitive Amount and \$~~2.5~~ million on the consent agenda. For professional services contracts ~~and grants~~ with original contract amounts greater than \$~~2.5~~ million, the commission shall hear amendments increasing the contract amount by ~~20-50%~~ or less on the consent agenda. All other Commission approvals shall be on the regular agenda.

B. All Other Contracts. The Commission shall hear all other contract approvals and amendments to contracts with original contract amounts between the Threshold Amount (or Minimum Competitive Amount in cases of direct purchasing of general services contracts) and \$~~5-10~~ million on the consent agenda. For all other contracts with original contract amounts greater than \$~~5-10~~ million, the commission shall hear amendments increasing the contract amount by ~~20-50%~~ or less on the consent agenda. All other Commission approvals shall be on the regular agenda.

~~**C. Consent Agenda Threshold Automatic Increases.** The consent agenda threshold amounts shall increase commensurate with the Urban Regional Consumer Price Index increases to the Threshold Amount and Minimum Competitive Amount as provided in Sections 6.1 and 6.40 of the Administrative Code.~~

PWC Contract Delegation Policy - Existing (Revised April 2024) vs. Proposed

Includes all PWC new-award contracts and contract modifications Jan. 2024-March 2025

	Agenda Placement	Current Thresholds				Staff Proposed Thresholds				
Contract Type		Award Value	Award Items	Modification	Mod Items	Award Value	Award Items	Modification	Mod Items	Impact
Construction	Director	\$1.17m		≤10%		\$1.17m		≤10%		
	Consent	>\$1.17m - \$5.86m	11	>10%*	14	>\$1.17m - \$10m	19	>10%*	17	11
	Regular	>\$5.86m	11	>20%	3	>\$10m	3	>50%	0	-11
Chapter 21 Professional Services	Director	\$230k		≤10%		\$230k		≤20%		
	Consent	>\$230k - \$1.17m	1	>10%		>\$230k - \$5m	1	>20%		
	Regular	>\$1.17m	0	>20%		>\$5m		>50%		
Chapter 6 Professional Services	Director	\$230k				\$230k				
	Consent	>\$230k - \$1.17m		Any change		>\$230k - \$5m	1	Any change		1
	Regular	>\$1.17m	2	>20%		>\$5m	1	>50%		-1
Grants	Director	\$230k		≤10%		All WFD Grant Awards**		All WFD Grant Mods**		
	Consent	>\$230k - \$2.3m	0	>10%	3	N/A	0	N/A	0	-3
	Regular	>\$2.3m	1 WFD, 1 Federal Grant***	>20%	2	N/A	1	N/A	0	-1

*If modification(s) >20% (>50% under Proposal) *and* cumulative contract value is >\$5.86m (>\$10m under Proposal), they are on the Regular calendar.

**PWC is not legally required to review workforce development grants and could delegate them to the Director.

***Candlestick Point USDOT RAISE Grant.