



Meeting Date: September 11, 2025

To: Public Works Commission

Through: Carla Short, Public Works Director

From: Bob Fuller, Commission Affairs Manager

Subject: Adopt Revised Contract Approval Delegation Policy

Director's Recommendation: Approve resolution adopting a revised Contract Approval Delegation Policy, which describes requirements for regular and consent agenda items and delegates to the Director the authority to approve and execute contracts, contract amendments and other agreements within certain limits.

Executive Summary: The Public Works Delegation Policy ("Delegation Policy") delegates to the Director authority to approve various contracts, grant agreements, miscellaneous agreements and contract amendments with limits as prescribed in the Delegation Policy. The Delegation Policy also outlines when specific items will be placed on the regular and consent calendars of Commission agendas. In the current Delegation Policy, staff must present relatively low-value contract awards and amendments (\$5-10 million for construction and \$1-5 million professional services contracts) and all grants agreements with values greater than \$2 million to the Public Works Commission on the regular agenda for approval, taking up valuable Commission meeting time that could otherwise be used for truly large contracts and reports related to Department performance.

The revised policy updates amendment thresholds, authorizing routine and relatively low-value awards and modifications to be included in the consent agenda. The policy amendment also delegates all workforce development grant agreements to the Director. The full workforce development program will be presented annually, in addition to the program's approval during the budget priorities process each January and February.

Key Revisions:

- Throughout the document, changes formalize the threshold award value increases tied to inflation that went into effect citywide on January 1, 2025.
- Throughout the document, changes soften the language of the policy to allow the Commission more flexibility in hearing recurring types of items, such as various locations paying project contracts, on the Consent Calendar without the need to amend the Contract Approval Delegation Policy.
- Section IV.B increases the \$5 million award value threshold for the Regular Calendar to \$10 million for construction contracts.
- Section IV.A increases the \$1 million award value threshold for the Regular Calendar to \$5 million for Chapter 21 and Chapter 6 professional services contracts.

- Section IV.B and Section IV.A increase 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 respectively.
- Section I.B.(1) delegates to the Director approvals of contract modifications up to 20% of the contract's original value for commodities, general services and Chapter 21 Professional Services. The existing threshold had been 10% of the original contract value.
- Section I.B.(5) delegates all grant agreement awards and modifications to the Director.
- Non-substantive changes for clarity are included throughout the policy document.

Attachments:

1. Resolution
2. Contract Approval Delegation Policy (redline)
3. Contract Approval Delegation Options Study

**PUBLIC WORKS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. _____

WHEREAS, The San Francisco Public Works Commission (“Commission”) was empowered by the Charter Amendment approved by voters through Proposition B on the November 2020 ballot to approve all contracts proposed to be entered into by the Department, provided that the Commission may delegate this responsibility to the Director of Public works, or the Director’s designee; and,

WHEREAS, The Commission adopted via Commission resolution 2022-0003 the Contract Approval Delegation Policy (“Policy”) on September 2, 2022; and,

WHEREAS, The Commission adopted, via Commission resolution 2024-0032, an amendment of the Policy on April 22, 2024 to delegate relatively routine approvals to the Department director and focus its attention on substantive matters of oversight; and,

WHEREAS, Since the April 2024 amendment, the Commission found it was dedicating valuable meeting time to relatively small capital projects and the specifics of individual workforce development grant agreements; and,

WHEREAS, The Commission seeks to further focus its time and attention on substantive matters of contract approval and oversight of San Francisco Public Works; and,

WHEREAS, The Commission will continue to oversee workforce development grants through the annual budget process and an annual report on the workforce development program; and,

WHEREAS, The amendments to the Policy, shown in the attachment, formalize threshold award value increases tied to inflation, provide Commission discretion to hear routine matters on the consent calendar, raises the thresholds for construction and professional services contract awards and modifications to be heard individually on the regular calendar of meeting agendas, raises the threshold for Commission approval of contract modifications for commodities, general services and Chapter 21 professional services, and delegates to the Director all approvals of workforce development grant agreement awards and modifications; now, therefore, be it

RESOLVED, That the San Francisco Public Works Commission adopts the amendments to the San Francisco Public Works Commission Contract Approval Delegation Policy as shown in the version on file with the Commission Affairs Manager and incorporated by reference herein; and, be it

FURTHER RESOLVED, That a copy of the adopted Contract Approval Delegation Policy, as amended, will be posted on-line and will be made available to the public.

I hereby certify that the foregoing resolution was adopted by the Public Works Commission at its meeting of _____.

Commission Affairs Manager,
Public Works Commission



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~~25~~5, 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~~25~~5, 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~~25~~5, 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~~25~~5, is \$1.17 million.
- ~~5. **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 \$~~25~~ million on the consent agenda. For professional services contracts ~~and grants~~ with original contract amounts greater than \$~~25~~ 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 \$~~510~~ million on the consent agenda. For all other contracts with original contract amounts greater than \$~~510~~ 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.~~

Amended April 22, 2024.

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.