



Date: April 8, 2024
To: Public Works Commission
Through: Carla Short, Public Works Director
From: Bruce Robertson, Deputy Director Financial Management and Administration
Subject: Grant Procurement Questions

On March 18, 2024, Public Works staff received questions from the Public Works Commission regarding non-profit, grant procurement. This memo responds to the questions posed by the Public Works Commission.

1) How is fiscal capacity of bidders evaluated?

The Public Works grant request for proposal (RFP) panel evaluation includes scoring for Fiscal Capacity, which determines the overall capacity of the proposers. Panelists review the proposed budget, narrative justification for proposed expenses, as well as the organization's fiscal controls and accounting procedures. Through the Controller's Office, the City and County of SF has implemented a Citywide nonprofit monitoring and capacity building program ([link](#)).

2) What information is requested of bidders to demonstrate fiscal capacity?

Proposers must provide key features of the organization's financial tracking system, a list of previous programs and projects, which include budget size and scope. The Public Works Contract Administration section will review the reports from the Controller's Office prior to awarding contracts to a non-profit organization. Public Works staff can request additional financial information, such as financial statements and reports from grantees at any point (See Article 6 Reporting Requirements; Audits, Penalties for False Claims).

3) Is there a standard of how long an organization has been in existence to be considered to win a grant?

This is incorporated into the Minimum Qualifications requirement for every RFP issued for grant programs and a required response to get work with Public Works. The standard has generally been at least two years' experience providing workforce development to the target population, and at least two years' experience placing participants in unsubsidized, long-term employment. The RFP requires that all respondents must highlight key personnel experience and experience of the key personnel at a prior organization may be used should an organization's existence be less than the required duration.

- 4) Are there service delivery audits of the organizations to prove service in the grant is being performed? What does this look like?

Each Grant Agreement contains a Grant Plan (Appendix B) which requires weekly/monthly/quarterly reporting with regards to the progress of the scope of work (e.g., for Pit Stop - usage rates, demographic info; for Tree Planting - number of trees planted, locations, activities summary) and workforce development data (number of participants, details and hours of trainings/workshops, percentage of participants placed in unsubsidized full-time positions within 6 months exiting program). Program Managers work closely with Grantees on progress and any changes needed. Public Works staff routinely verify the work performed by the grantee with site visits.

Further, on March 22, 2024, Mayor Breed signed legislation ([Ordinance No. 55-24](#)) that will add the following requirements and responsibilities to the Controller's Office:

- Amended Administrative Code §10.6 to clarify that the Controller's auditing responsibilities extend to operations, activities, and effectiveness of services rendered by third parties contracting with the City.
- Added §10.6-1 requiring the Controller establish and adopt Citywide standards for departments to follow when contracting with nonprofit organizations.
- New section 10.6-1 also requires the Controller to administer a new corrective action policy for underperforming nonprofits.

- 5) Where can the public submit complaints about a granting organization's work?

Ways to inform Public Works include 311, applicable district supervisor's office, Public Works Communications staff.

- 6) Are there caps for how grant funds are used - percentage used for workforce development versus the percentage of funds used for capital purchases versus the percentage used for service delivery?

Prior to the execution of a grant agreement, the grantee will work with Public Work staff to determine the appropriate budget that includes sufficient funding for direct services and workforce development activities. The budget is memorialized in Appendix B of the grant agreement. Since the RFP stipulates the number of workforce development hours per employee per month, as well as the percentage of workforce development participants that must be placed in full-time unsubsidized employment within a certain timeframe upon exiting the program, the agreed upon budget must include sufficient funding to comply with the RFP requirements.

- 7) Are there any standards that would prevent the same capital purchases by consecutive granting organizations – Org A purchases trucks for 2024-2026 then Org B also purchases trucks when they win the same grant for 2027-2029?

Grant agreements with Public Works include a provision that all nonexpendable property, which is defined as property other than real property that costs more than \$1,000 and has a useful life which exceeds one year, shall be immediately surrendered to the City if requested, at the end of the term or upon earlier expiration of the grant agreement.

- 8) When individual grants are presented, can a history of the service be included in the staff report – who were the previous organizations that had this or a similar grant and for what periods?

Public Works will include such relevant background information as deemed appropriate in consultation with the City Attorney's Office in the staff report for the Commission going forward.