



Meeting Date: 9/2/2022

To: Public Works Commission
Lauren Post, Chair
Fady Zoubi, Vice Chair
Lynne Newhouse Segal
Paul Woolford

Through: Carla Short, Interim Public Works Director

From: Rachel Alonso, Prop B Project Director
Alexander Burns, Manager of Contract Administration

Subject: Adopt Contract Approval Delegation Policy

Director's Recommendation: Approve resolution adopting a Contract Approval Delegation Policy, which delegates to the Director the authority to approve and execute contracts, contract amendments, and other agreements within certain limits.

Executive Summary: The Public Works Contract Approval Delegation Policy (Contract Policy) would delegate to the Director authority to approve various contracts, grant agreements, miscellaneous agreements, and contract amendments with limits as prescribed in the Contract Policy. In the absence of delegated approval authority to the Director, staff must present routine and relatively low-value agreements and amendments to the Public Works Commission for approval, which can add weeks to the contracting process, delay project implementation or progress, and delay payments to contractors and vendors.

Attachments:

1. Resolution
2. Policy

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

RESOLUTION NO. _____

WHEREAS, On November 3, 2020 the voters passed Proposition B which enacted Section 4.141 of the Charter to establish the San Francisco Public Commission; and

WHEREAS, Under Section 4.141(c)(3), the Public Works Commission is to approve all contracts proposed to be entered into by the Department of Public Work, provided that the Commission may delegate this responsibility to the Director of Public Works or the Director's designee; and

WHEREAS, In order to promote administrative efficiency to allow the department to nimbly meet its mission, while reserving to the Public Works Commission decisions over significant policy issues, the Public Works Commission wishes to establish a contracting and delegation policy for Public Works; now, therefore, be it

RESOLVED, That the San Francisco Public Works Commission approves the San Francisco Public Works Contract Approval Delegation and Requirements Policy which delegates to the Director of Public Works the authority to approve certain contracts and contract amendments within certain limits.

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 Charter Section 4.141(c)(3), the Public Works Commission (“Commission”) is to approve all contracts proposed to be entered into by the Department of Public Works (“San Francisco Public Works” or “Public Works”), provided that the Commission may delegate this responsibility to the Director of Public Works (“Director”), or the Director’s designee. In order to promote administrative efficiency to allow the department to nimbly meet its mission, while reserving to the Public Works Commission decisions over significant policy issues, the Commission establishes the following contract approval delegation and requirements policy (“Policy”).

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 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 1, 2022 is \$1,000,000. 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 1, 2022 is \$1,000,000. 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 1, 2022 is \$200,000.
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 1, 2022 is \$1,000,000.

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% of the original contract amount or original contract term 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 or term 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 or original contract term 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 \$1,000,000 dollars or more, or the modification, amendment or termination of any contract which when entered into had anticipated revenue of one million dollars 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 secure 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 at the request of the Commission, in general the Commission shall hear categories of contract items on the consent agenda as follows:

A. Professional Services and Grants. The Commission shall hear contract approvals and amendments to professional services contracts or grants with original contract amounts between the Minimum Competitive Amount and \$1 million 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 million on the consent agenda. All other Commission approvals shall be on the regular agenda.

C. As-Needed Contracts. Notwithstanding the above, amendments to as-needed contracts, regardless of original contract amount, shall be heard on the consent agenda.

D. 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.