Ordinance amending Administrative Code Chapters 21 and 21C to conform Purchasing requirements to Administrative Code Chapter 14B by defining minimum competitive amounts of $100,000 for professional services and commodities contracts and $400,000 for general services contracts, clarify "bid-splitting," and make miscellaneous changes to City procurement requirements; to clarify information technology purchases; to update and conform references to Administrative Code Chapter 14B; to rescind the Sealer of Weights and Measures' authority under Section 21.32 to donate food purchases; to rescind the local tax adjustment set forth in Administrative Code Chapter 21C; to enact a new Section 21.32 to adjust bids likely to result in local sales tax revenue; to reenact and renumber Administrative Code Sections 21.25, 21.25-1, 21.25-2, 21.25-3, 21.25-4, and 21.25-x regarding prevailing wage requirements as Chapter 21C; and to make certain technical corrections.

NOTE: Additions are single-underline italics Times New Roman; deletions are strike-through italics Times New Roman.
Board amendment additions are double-underlined; Board amendment deletions are strikethrough normal.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Administrative Code is hereby amended by amending Section 21.02, to read as follows:

SEC. 21.02. - DEFINITIONS.

As used in this Chapter the following words shall have the following respective meanings:

(a) "Bid" shall mean a bid, quotation, or other offer, other than a Proposal, from a person or entity to sell a Commodity or Service to the City at a specified price.
(b) "Bidder" shall mean any person or entity which submits a Bid.

(c) "City" shall mean the City and County of San Francisco.

(d) "Code" or "this Code" shall mean the most current version of the San Francisco Charter and the San Francisco Municipal Code. "COIT" shall mean the Committee on Information Technology of the City and County of San Francisco.

(e) "Commodity" shall mean products, including materials, equipment and supplies, purchased by the City. "Commodity" shall specifically exclude legal and litigation related contracts or contracts entered into pursuant to settlement of legal proceedings, and employee benefits, including, without limitation, health plans, retirement or deferred compensation benefits, insurance and flexible accounts, provided by or through the City's Human Resources Department or the Retirement Board.

(f) "Computer Store" shall mean the City-wide, multiple-award contract for the procurement of certain Commodities and Services, which is administered by COIT for the benefit of City departments, awarded pursuant to the "Request for Proposal for Computer Hardware, Software, Peripherals and Appropriate Network, Consulting, Maintenance, Training and Support Services," and any successor contracts thereto.

(gf) "Contractor" shall mean any corporation, partnership, individual, sole proprietorship, joint venture or other legal entity which enters into a contract to sell Commodities or Services to the City.

(hg) "Contracting Officer" shall mean the City employee who is authorized to execute a contract, which may be either the department head or a person designated in writing by the department head, board or commission as having the authority to sign contracts for the department. A designation of authority to sign contracts on behalf of a department may specify authority to sign a single contract, specified classes of contracts, or all contracts entered into by a department.
"Disadvantaged Business Enterprise" or "DBE" shall mean a private business located in and doing business in San Francisco with current revenues equal to or less than the limits set for similar businesses eligible for certification by the Human Rights Commission as Minority-Owned Business Enterprises (MBEs) or Women-Owned Business Enterprises (WBEs). DBE status shall be based only on economic criteria, and shall not include consideration of race or gender. The Purchaser shall verify the DBE status of any Offeror to whom a small business set-aside contract is proposed to be awarded prior to award.

(ih) "Electronic" shall mean electrical, digital, magnetic, optical, electromagnetic or other similar technology for conveying documents or authorizations, excluding facsimile.

(ki) "General Services" shall mean those services that are not Professional Services. Examples of General Services include, but are not limited to, janitorial, security guard, pest control, parking lot attendants management, and landscaping services.

(i) "Minimum Competitive Amount" shall mean (i) for the procurement of Commodities and Professional Services, the "Minimum Competitive Amount" as defined in Section 6.40(A) of the Administrative Code, which shall be $100,000 and (ii) for the procurement of General Services, an amount equivalent to the "Threshold Amount" as defined in Chapter 6.1(M) of the Administrative Code which shall be $400,000, provided that on January 1, 2015 and every five years thereafter, the Controller shall recalculate the Minimum Competitive Amount (and the Threshold Amount from which the Minimum Competitive Amount for General Services is calculated) to reflect any proportional increase in the Urban Regional Consumer Price Index from January 1, 2010, rounded to the nearest $1,000.

(lk) "Offer" shall mean a Bid or Proposal submitted to the City in response to an invitation for Bids or a Request for Proposals. "Offer" may include a response to a request for qualifications if no further ranking prior to Contractor selection is contemplated by the procurement process.
"Offeror" shall mean a person or entity that submits an Offer to the City to provide Commodities or Services.

"Professional Services" shall mean those services which require extended analysis, the exercise of discretion and independent judgment in their performance, and/or the application of an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Examples of professional service providers include, but are not limited to, licensed professionals such as architects, engineers, and accountants, and non-licensed professionals such as software developers and financial and other consultants.

"Proposal" shall mean a response to a request for Proposals issued by the City for Commodities or Services, or a response to a request for qualifications if no further ranking prior to Contractor selection is contemplated by the procurement process.

"Proposer" shall mean a person or entity that submits a Proposal in response to a request for Proposals issued by the City.

"Purchase Order" shall mean an authorization document designated as such by the Purchaser for the procurement of Commodities or Services, whether issued in a paper or electronic format, including blanket purchase orders for purchases involving multiple payments.

"Purchaser" shall mean the Purchaser of Commodities or Services Supplies of the City and County of San Francisco, or his or her designee(s).

"Quotation" shall mean an Bid Offer to supply for Commodities or Services to the City for a specified price (and possibly subject to other terms and conditions) which is acquired without the use of advertising to solicit Bids.

"Services" shall mean Professional Services and General Services. "Services" shall specifically exclude grants to a nonprofit entity to provide services to the community.

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agreements making a grant of City funds to private entities for the purpose of providing a benefit to the public, which may include incidental purchases of commodities; legal and litigation related services or contracts entered into pursuant to settlement of legal proceedings; and services related to employee benefits, including, without limitation, health plans, retirement or deferred compensation benefits, insurance and flexible accounts, provided by or through the City's Human Resources Department or the Retirement Board.

"Solicitation" shall mean an invitation for Bids, request for Quotations, request for qualifications, or request for Proposals issued by the City for the purpose of soliciting Bids, Quotations, or Proposals to perform a City contract.

"Technology Store" shall mean the City-wide, multiple award contract for the procurement of certain Commodities and Services awarded pursuant to the "Request for Proposal for Computer Hardware, Software, Peripherals and Appropriate Network, Consulting, Maintenance, Training and Support Services," and any successor contracts thereto.

Section 2. The San Francisco Administrative Code is hereby amended by amending Section 21.03, to read as follows:

SEC. 21.03 GENERAL AUTHORITY OF THE PURCHASER OF SUPPLIES.

(a) Approval of Purchases. The Purchaser shall purchase all Commodities or Services required by City departments and offices of the City, except as otherwise provided in the Charter and Municipal Code of San Francisco this Code. The Purchaser shall, by regulation, designate and authorize appropriate department personnel to exercise the Purchaser's approval authority for contracts approved as provided in this section.

(b) Purchases to be Made on Requisitions; Exception for Large Quantities or Common Use. All purchases made by the Purchaser shall be made on the basis of requisitions of ordering departments; except that Commodities and Services in common use
by more than one department, or used in large quantities by a department may be purchased on the basis of the total of such requisitions or estimates previously filed from the various departments. The Purchaser is authorized to enter into City-wide requirements contracts for the purchase of indefinite quantities of Commodities or Services for the period of time and at prices set forth in the contract, under which any department may elect to order such Commodities or Services.

(c) **Standardization of Purchases.** The Purchaser may establish specifications, terms and conditions, and product tests to cover all Commodities and Services purchases of (i) large quantities, or (ii) recurring purchases, or (iii) Commodities or Services in common use by more than one department. The Purchaser may, as far as is practicable, standardize Commodities according to the use to which they are to be put, when two or more types, brands or kinds are specified or requested by individual departments.

(d) **Purchases of Commodities.** Purchases of Commodities shall be made in accordance with selection criteria or specifications furnished by the department requiring such Commodities whenever the need for particular selection criteria or specifications is peculiar to such department. For patented or proprietary Commodities sold by brand name, the Purchaser may require each department requisitioning same by such brand name to furnish specifications of the Commodity requisitioned, and may advertise for Offers on the basis of such specifications, under conditions permitting manufacturers of, or dealers in other products made and sold for the same purpose, to make Offers on such specifications or on the specifications of their own product. If the Purchaser recommends the acceptance of the lowest or best Offer, stating the Purchaser's reasons in writing therefor, and if the department head concerned recommends the acceptance of any other Offer on such proprietary Commodities, stating the department's reasons in writing therefor, the award shall be determined by the Controller.
(e) **Procurement of Vehicles for Use of City Officials And Employees.**

(1) When purchasing, leasing, or otherwise procuring passenger vehicles, including passenger cars, passenger vans, sport utility vehicles, cargo vans and pickup trucks up to and including one ton in payload, departments shall request vehicles of the same functional type and passenger capacity approved by the Board of Supervisors in the budget.

(2) In evaluating vehicle purchase requests, the Purchaser is authorized to consider the price, durability, fuel efficiency, resale value, expected repair and maintenance cost, and all other factors, including options and accessories that may among other considerations enhance the safety and resale value of the vehicle and that bear directly on the total cost to the City of the vehicle in relationship to the service it will render.

(3) The Purchaser may develop sets of general specifications, including optional equipment, for purchases of compact, mid-size and full-size passenger cars or may specify vehicles by proprietary brand name when purchasing additional vehicles for an existing fleet. The specifications shall note the major items of standard equipment of such vehicles and may include, in the Purchaser's discretion, optional equipment which the Purchaser has determined should be ordered on City passenger cars. When procuring passenger cars, the purchaser shall include this group of options, to the extent possible, even if the department which will use the car does not request them.

If a department requests optional equipment that is not part of the Purchaser's group of options and which would cost in excess of a dollar limit to be set by the Purchaser in regulations, the department must either:

(A) Itemize the equipment in the description of the vehicle itself, when the vehicle purchase is reviewed as part of the City's annual budget process, and obtain the Board's approval of the vehicle as equipped; or
(B) Obtain the approval of the Mayor's Budget Office before submitting a requisition to the Purchaser.

(4) If a department desires to procure a passenger vehicle that is upgraded in terms of the functional type or capacity from what was approved in the budget, then the department must first obtain the approval of the Mayor's Budget Office before submitting a requisition to the Purchaser.

(5) This section shall not apply to the procurement of mass transit vehicles over one ton or other specialized vehicles as defined in the Purchaser's regulations.

(f) Payment procedures. The Purchaser and Controller shall establish procedures to approve all bills and vouchers for Commodities and Services. All approvals required pursuant to such procedures must be obtained before the Controller shall draw and approve warrants therefor.

(g) Storerooms and Garages. The Purchaser shall have charge of a garage and shop for the repair of City equipment, and of the Purchaser's storerooms and warehouses for the City and the personnel assigned thereto.

(h) Leasing Of Equipment From Non-profit Corporations Without Competitive Bidding. Notwithstanding any other provisions of this Code, the Purchaser is authorized to award a contract, without issuing Solicitations, to a non-profit corporation for the leasing of equipment; provided, that the non-profit corporation has been formed for the purpose of aiding and assisting the City, and the formation of the non-profit corporation has been approved by resolution of the Board of Supervisors.

(i) Disposal of Surplus. Commodities which have been determined to be surplus to City needs shall be disposed of in a manner which will best serve the interests of the City. For the purposes of this section, the interests of the City shall include the City's ability to maximize the City's economic return on surplus Commodities, the City's interest in maximizing the re-
use of surplus Commodities by public entities, non-profit organizations and schools, and the City's interest in avoiding any unnecessary additions to the waste stream by maximizing the re-use and recycling of surplus Commodities. Disposal of surplus Commodities may include sales to, exchanges with, or donation to public entities, non-profit organizations, and private organizations for a public purpose, or donation to private entities for recycling of parts or materials. The Purchaser may maintain lists of all known local resources for transfer of surplus Commodities to public entities, non-profit organizations, and private organizations for a public purpose, and for the recycling of parts. The Purchaser shall have the authority to require the transfer of surplus property in any department to the Purchaser's stores or to other departments.

(1) The Purchaser of supplies shall have the authority to exchange used Commodities to the advantage of the City, to advertise for Bids, and to sell Commodities belonging to the City on the recommendation of a department head that such Commodities are surplus to the needs of the department.

(2) The Purchaser shall have the authority to donate obsolete, used or surplus Commodities if a department head states in writing that such Commodities are surplus to the needs of the department. The Purchaser shall document in writing each donation.

(A) Donations of Commodities meeting the criteria listed above may be offered to public entities, non-profit organizations, or private organizations serving the public. The order of priority for donations shall be to entities or organizations:

(i) Engaged in distributing the surplus Commodities offered at no cost or for a nominal fee to non-profit organizations, schools, or low-income individuals or families that are physically located in San Francisco;
(ii) Engaged in distributing the surplus Commodities offered at no cost or for a nominal fee to non-profit organizations, schools, or low-income individuals or families that are physically located in the Bay Area;

(iii) Engaged in distributing the surplus Commodities offered at no cost or for a nominal fee to non-profit organizations, schools, or low-income individuals or families that are physically located in the United States;

(iv) Engaged in distributing the surplus Commodities offered at no cost or for a nominal fee to non-profit organizations, schools, or low-income individuals or families that are physically located in foreign countries;

(v) Engaged in recycling the surplus Commodities, including parts or materials.

(B) Surplus medical supplies that are no longer in compliance with Federal Drug Administration regulations may be offered to entities and organizations which are engaged in distributing or administering the surplus medical supplies at no cost or for a nominal fee to low-income individuals or families in foreign countries.

(C) To the extent that more than one organization meets the criteria in a category listed above, surplus Commodities shall be made available on a rotational basis to entities and organizations in the same category. If there is a need to dispose of surplus Commodities and no entity or organization meeting the criteria noted in Section 21.03(i)(2)(A) can be located to receive a donation, the Purchaser is authorized to utilize other means that may be available to dispose of such Commodities in a manner that will best serve the interests of the City.

(j) Information Technology Purchases. All contracts for the acquisition of information technology Commodities or Services shall be made by the Purchaser, under the direction and supervision of COIT "Information technology" Commodities and Services which are subject to this
requirement shall be defined in regulations adopted by the Purchaser, the Department of Telecommunication and Information Services and COIT.

(k) Rules And Regulations. The Purchaser, with the approval of the Director of Administrative Services and the Controller, shall establish rules and regulations for the purpose of implementing the provisions of this Chapter.

Section 3. The San Francisco Administrative Code is hereby amended by amending Section 21.3, to read as follows:

SEC. 21.3. - COMPETITIVE SEALED BIDDING.

(a) Invitation for Bids. Except as otherwise authorized in this Code, for any Commodity or General Services purchase estimated to cost in excess of $50,000, the Minimum Competitive Amount, an invitation for Bids may be issued to solicit Bids and shall include a purchase description and all contractual terms and conditions applicable to the procurement, including a reservation of the City's right to reject all Offers. It shall constitute official misconduct to divide any purchase into two or more units with the intent of evading the requirements of this section.

(b) Bid Opening. Bids shall be opened publicly by the Contracting Officer at the time and place designated in the Invitation for Bids in the presence of all Bidders who attend. Relevant information as the Purchaser may specify by regulation shall be recorded. Except for materials protected from disclosure pursuant to Administrative Code Section 67.24, the record and each Bid shall be open to public inspection following the bid opening.

(c) Bid Evaluation. Bids shall be evaluated based on the requirements and specifications set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the Bid price and be considered in evaluation
for award shall be objectively measurable, such as discounts, transportation costs, conversion costs and total or life cycle costs.

(d) **Correction, Withdrawal, or Rejection of Bids; Cancellation of Awards.**

Correction or withdrawal of inadvertently erroneous Bids before or after award, or cancellation of awards or contracts based on such Bid mistakes, shall be permitted in accordance with regulations promulgated by the Purchaser. After Bid opening, no changes in Bid prices or other provisions of Bids prejudicial to the interest of the City or fair competition shall be permitted. Except as otherwise provided by regulation, all decisions to permit the correction or withdrawal of Bids, or to cancel awards or contracts based on Bid mistakes, shall be supported by a written determination made by the Purchaser. The Purchaser may reject all bids at any time prior to award.

(e) **Award.** *Except for a showing of good cause, a* contract shall be awarded not less than five (5) working days after Bid opening by written notice to the lowest responsible and responsive Bidder whose Bid meets the requirements and criteria set forth in the Invitation for Bids. Notice of all awards made pursuant to the provisions of this section shall be published as required by the Charter. In the event that all Bids exceed available funds and the lowest responsible and responsive Bidder does not exceed such funds by more than ten (10) percent (10%), the Purchaser is authorized in situations where time and economic considerations preclude resolicitation of work of a reduced scope to negotiate an adjustment of the Bid price, including changes in the Bid requirements, with the low responsive and responsible Bidder, in order to bring the Bid within the amount of available funds.

(f) **Awards in the Public Interest.** If the Purchaser finds that the public interest would be best served by accepting other than the lowest total or unit price the Purchaser is authorized to accept the Bid(s) that in the Purchaser's opinion will best serve the public interest, to make the awards and to enter into the necessary contracts. Prior to making an
award to a Bidder other than the lowest Bidder(s), the Purchaser shall submit a written statement of the basis for the finding to the Director of Administrative Services.

(g) **Additional Purchases.** Where the quantity of Commodities or General Services to be provided under a contract is fixed, the Contracting Officer may, within one year after award and subject to the Contractor's consent, purchase additional quantities of the specific Commodities or General Services for which award was made at the award price or a lower price, in accordance with the Purchaser's regulations.

(h) **Multi-step Bidding.** A Contracting Officer may prequalify Bidders prior to issuing an Invitation for Bids based on prequalification criteria set forth in a Solicitation.

(i) **Bid Protests.** The procedure for resolving Bid protests shall be established by regulations adopted by the Purchaser.

Section 4. The San Francisco Administrative Code is hereby amended by amending Section 21.5, to read as follows:

**SEC. 21.5. - OTHER PURCHASES.**

Notwithstanding any other provision of this Chapter Code, procurement of the following shall be made in accordance with the Purchaser’s regulations:

(a) Commodities or services where the total amount of the purchase does not exceed the Minimum Competitive Amount. It shall constitute official misconduct to divide any proposed procurement in excess of the Minimum Competitive Amount into two or more units for the purpose of evading this Code's competitive solicitation requirements.

(b) Commodities or services available only from a sole source.

(c) Perishable foods.

(d) Proprietary articles.
(e) Contracts involving a pilot project with a term not to exceed two years; provided, however, that any further procurement beyond the pilot project phase shall be subject to all applicable competitive procurement requirements.

(f) Contracts set aside for competitive award to Micro-LBEs in accordance with Chapter 14B.7(K) of the Administrative Code.

(g) Commodities or Services purchased with federal grant funds when an informal solicitation is consistent with Federal contracting requirements. Federal grant funds include federal monies awarded to the City through the state or other governmental entities. This subsection does not cover Commodities or Services identified by the grant as an administrative or management cost or expense.

Section 5. The San Francisco Administrative Code is hereby amended by amending Section 21.8, to read as follows:

SEC. 21.8 - MULTIPLE AWARD CONTRACTS

(a) Generally. A Contracting Officer may award contracts to more than one Offeror if the Contracting Officer determines that it is in the City's best interest to have more than one Contractor provide one or more similar Commodities and/or Services and the Solicitation states that the contract may be subject to multiple award. The Contracting Officer may either require all multiple award contractors to do business with the City under a single set of terms and conditions, or if the Solicitation is made by means of a request for Proposals, may negotiate separate terms and conditions with each Offeror for specified Commodities and/or Services. Following multiple award and in the administration of multiple award contracts, the Contracting Officer shall use best efforts to fulfill the policies of Chapter 14B of this Code.
(b) **Computer Technology Store.** Any department or other entity ordering Commodities or Services through the **Computer Technology Store** shall pay an administrative fee of up to *one and nine tenths* \( 1.9\% \) of the total purchase price of Commodities and Services purchased through the **Computer Technology Store**. Such administrative fee shall be used solely to pay the City's for-actual costs of administering the **Computer Technology Store** contracts for the benefit of City departments. Beginning in fiscal year 1999-2000, COIT shall annually review the administrative costs from the previous fiscal year and may reduce the administrative fee to conform to projections of actual administrative costs for the succeeding fiscal year. Any excess funds collected during one fiscal year shall be applied by COIT to reduce the administrative fee in the following fiscal year. Such administrative fee shall be collected from procuring departments by Computer Technology Store vendors for each transaction and shall be paid to and disbursed by the Controller in accordance with procedures to be established by the Controller.

Section 6. The San Francisco Administrative Code is hereby amended by deleting Section 21.24 in its entirety.

**SEC. 21.24.** CONTRACT TERMS—CONTRACTS EXCEEDING $10,000,000.

Chapter 12 D.A. shall not be applicable to any contract for the purchase of Commodities or Services estimated to cost in excess of $10,000,000.

Section 7. The San Francisco Administrative Code is hereby amended by amending Section 21.35, to read as follows:

**SEC. 21.35 - SUBMITTING FALSE CLAIMS; MONETARY PENALTIES.**

(a) The covenant of good faith and fair dealing is contained in every City Commodities or Services Contract, and Contractors and subcontractors shall at all times deal in good faith with the City and shall submit claims, requests for equitable adjustments, requests for change...
orders, requests for contract modifications or requests of any kind seeking increased compensation on a City contract only upon a good-faith, honest evaluation of the underlying circumstances and a good-faith, honest calculation of the amount sought. Any contractor, subcontractor, or consultant who commits any of the following acts shall be liable to the City for three times the amount of damages which the City sustains because of the act of that contractor, subcontractor or consultant. A contractor, subcontractor or consultant who commits any of the following acts shall also be liable to the City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to $10,000 for each false claim:

(1) Knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;

(2) Knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City;

(3) Conspires to defraud the City by getting a false claim allowed or paid by the City;

(4) Knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City;

(5) Is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

(b) This Section does not apply to any controversy involving an amount of less than $500 in value. For purposes of this Section, "controversy" means any one or more false claims submitted by the same contractor, subcontractor, or consultant in violation of this Section.

(c) Every contract for Commodities or Services performed at the expense of the City or the cost of which is paid for out of monies deposited in the treasury of City, whether directly
awarded or indirectly by or under subcontract, subpartnership, day labor, station work, piece
work, or any other arrangement whatsoever, is subject to the requirements of Subdivision (a).

(d) Liability under this Section shall be joint and several for any act committed by two
or more persons.

(e) For purposes of this Section, the terms "Contractor" and "subcontractor" shall
have the same definitions as found in Section 12-D-A:5 14B of the San Francisco
Administrative Code. The term "consultant" shall be broadly defined to include any person or
entity that provides services to the City.

(f) For purposes of this Section, "claim" includes any request or demand for money,
property, or services made to any employee, officer, or agent of the City, or to any
Contractor, subcontractor, grantee, or other recipient, whether under contract or not, if any
portion of the money, property, or services requested or demanded issued from, or was
provided by the City.

(g) For purposes of this Section, "knowingly" means that a Contractor, subcontractor,
or consultant, with respect to information, does any of the following:

(1) Has actual knowledge of the information;
(2) Acts in deliberate ignorance of the truth or falsity of the information;
(3) Acts in reckless disregard of the truth or falsity of the information.

Proof of specific intent is not required and reliance on the claim by the City is also not
required.

Section 8. The San Francisco Administrative Code is hereby amended by deleting
Section 21.32 in its entirety and replacing it with a new Section 21.32 to read as follows:

SEC. 21.32—FOOD PURCHASED BY THE SEALER OF WEIGHTS AND MEASURES.
Food purchased by the Sealer of Weights and Measures in the course of official duties shall be delivered for use at public institutions of the City and County of San Francisco, or at non-profit organizations, in accordance with procedures established by the Director of Administrative Services.

SEC. 21.32 PRICE ADJUSTMENT FOR ANTICIPATED LOCAL TAX REVENUE

(a) Local Bidder Defined. For the purposes of determining eligibility for the price adjustment set forth in this Section 21.32 only, "Local Bidder" shall mean a business that is physically located at, and registered with the Office of the Treasurer & Tax Collector's Business Registration records as at, an address located within the geographic limits of the City.

(b) Bids for the purchase of Commodities with an estimated value in excess of $1,000 submitted by Local Bidders shall be reduced by an amount equal to 1.25% of the Bid amount for the purpose of determining the lowest responsible Bidder.

(c) For Bids from Local Bidders for purchase of Commodities of an indefinite quantity, the Purchaser shall select a fixed quantity of the identified Commodity based on the minimum amount of the Commodity the Purchaser estimates, in his or her sole discretion, the City will purchase over the term of the contract, and apply the 1.25% price adjustment required by Paragraph (b) to Bids from Local Bidders to that same fixed quantity for the purpose of comparing prices offered.

(d) For Bids from Local Bidders for General or Professional Services which include the purchase of Commodities with an estimated value of Commodities in excess of $1,000, the Purchaser shall reduce the Bid price of the included Commodities only by 1.25% for the purpose of determining the lowest responsible bidder. No bid adjustment shall be made for Services Contracts that will be awarded according to criteria other than lowest price.

(e) The Bid adjustment required by Paragraph (b) shall be in addition to any other discounts, preferences, or adjustments required by City law.

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(f) **Exception.** The following Commodities purchases shall not be subject to the 1.25% price adjustment: (1) purchases paid for with City Retirement or Health Services System trust funds; (2) purchases where the City is entering into a cooperative procurement with one or more other jurisdiction; and (3) purchases where the price adjustment would conflict with conditions contained in federal or state grants or violate preemptive federal or state law or the City Charter.

Section 9. Chapter 21C of the San Francisco Administrative Code is hereby rescinded.


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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: CATHARINE S. BARNES
Deputy City Attorney

Supervisor Chu
BOARD OF SUPERVISORS
Ordinance amending Administrative Code Chapters 21 and 21C to conform Purchasing requirements to Administrative Code Chapter 14B by defining minimum competitive amounts of $100,000 for professional services and commodities contracts and $400,000 for general services contracts, clarify "bid-splitting," and make miscellaneous changes to City procurement requirements; to clarify information technology purchases; to update and conform references to Administrative Code Chapter 14B; to rescind the Sealer of Weights and Measures' authority under Section 21.32 to donate food purchases; to rescind the local tax adjustment set forth in Administrative Code Chapter 21C; to enact a new Section 21.32 to adjust bids likely to result in local sales tax revenue; to reenact and renumber Administrative Code Sections 21.25, 21.25-1, 21.25-2, 21.25-3, 21.25-4, and 21.25-x regarding prevailing wage requirements as Chapter 21C; and to make certain technical corrections.

December 06, 2010 Land Use and Economic Development Committee - RECOMMENDED

December 14, 2010 Board of Supervisors - PASSED, ON FIRST READING
Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

January 04, 2011 Board of Supervisors - FINALLY PASSED
Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/4/2011 by the Board of Supervisors of the City and County of San Francisco.