



**PUBLIC UTILITIES
REVENUE BOND OVERSIGHT
COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO**

AGENDA

**Public Utilities Commission Building
525 Golden Gate Ave., 3rd Floor
Tuolumne Conference Room
San Francisco, CA 94102**

Listen/Public Call-In Phone Number

[\(415\) 906-4659](tel:(415)906-4659)

[Conference ID: 748 383 05 #](#)

Join on your computer, mobile app or room device

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Tuesday, August 13, 2024 - 9:00 AM

Regular Meeting

Mission:

The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

Remote Access to Information and Participation

RBOC convenes hybrid meetings that allow in-person attendance, in-person public comment (prioritized before remote public comment), remote access, and remote public comment via teleconference (<https://sfbos.org/remote-meeting-call>). Members of the public may also submit their comments by email to RBOC@sfgov.org; all comments received will be made a part of the official record.

1. Call to Order and Roll Call

- Seat 1** *Vacant*
- Seat 2** Lars Kamp
- Seat 3** Jason Leung
- Seat 4** Claire Veuthey, Vice Chair
- Seat 5** *Vacant*
- Seat 6** Abby Veesser
- Seat 7** Reuben Holober, Chair

2. General Public Comment: Members of the public may address RBOC on matters that are within RBOC jurisdiction and not on this agenda.

3. RBOC: Audit Update

*Members of RBOC shall discuss the status of ongoing audits.
Discussion and possible action.
(Public Comment)*

4. RBOC: Planning for Future Audits

*Members of RBOC shall discuss planning for future audits, to evaluate the performance of projects funded by Revenue Bonds.
Discussion and possible action.
(Public Comment)*

5. RBOC: Memorandum of Understanding – Amendment No. 1 – Office of the Controller – Audit and Technical Services

*Members of RBOC shall consider approval of an Amendment No. 1 to the existing Memorandum of Understanding with the Office of the Controller, extending the term of the agreement for audit and technical services through June 30, 2025.
Discussion and potential action.
Attachment: [DRAFT MOU Amendment No. 1](#)
Attachment: [Executed MOU, dated March 11, 2019](#)
(Public Comment)*

6. SFPUC: Wastewater Revenue Bond Sale

The SFPUC Capital Finance Director will provide a presentation on the sale of San Francisco Wastewater Revenue Bonds, 2024 Series ABCD.

Discussion.

(Public Comment)

7. Minutes Approval – May 14, 2024 Regular Meeting

Discussion and action.

Attachment: May 14, 2024 DRAFT RBOC Regular Meeting Minutes

(Public Comment)

8. Announcements, Comments, Questions, and Future Agenda Items

Discussion and possible action.

(Public Comment)

RBOC has scheduled the following meeting dates in 2024:

- September 10, 2024;*
- October 8, 2024;*
- November 12, 2024;*
- and December 10, 2024*

RBOC is tracking the following topics and issues as potential Future Agenda Items:

- A. SFPUC: State Federal Loan Updates;*
- B. SFPUC: Staff Report: Environmental Justice;*
- C. RBOC: Acquiring consultant to examine expected performance of completed projects;*
- D. SFPUC: Discussion of Finding 2 of the [SFPUC Performance Audit of Select Revenue Bond Expenditures dated December 23, 2021](#)
Finding 2: “The Quality Assurance Audit Function Was Not Operational From June 2017 Through November 2020;”
*(To be scheduled as a follow-up to the May 9, 2023 meeting)**
- E. SFPUC: Water Enterprise Update
(May be scheduled in Spring 2025)*

9. Adjournment

Agenda Item Information

Each item on the agenda may include: 1) Department or Agency cover letter and/or report; 2) Public correspondence; 3) Other explanatory documents. For more information concerning agendas, minutes, and meeting information, such as these documents, please contact:

RBOC Clerk, City Hall,
1 Dr. Carlton B. Goodlett Place,
Room 244, San Francisco, CA 94102
rbooc@sfgov.org
(415) 554-5184.

Audio recordings of the meeting of the Revenue Bond Oversight Committee are available at:
http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=97

Meeting Procedures

Public Comment will be taken before or during the Committee's consideration of each agenda item. Speakers may address the Committee for up to three minutes on that item. During General Public Comment, members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on the agenda.

Procedures do not permit: 1) persons in the audience to vocally express support or opposition to statements by Commissioners by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) bringing in or displaying signs in the meeting room; and 4) standing in the meeting room.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

LANGUAGE INTERPRETERS: Requests must be received at least 48 hours in advance of the meeting to help ensure availability. Contact Wilson Ng (415) 554-5184. AVISO EN ESPAÑOL: La solicitud para un traductor debe recibirse antes de mediodía de el viernes anterior a la reunion. Llame a Wilson Ng o Arthur Khoo (415) 554-5184. PAUNAWA: Ang mga kahilingan ay kailangang matanggap sa loob ng 48 oras bago mag miting upang matiyak na matutugunan ang mga hiling. Mangyaring tumawag kay sa (415) 554-5184.

Americans with Disabilities Act (ADA)

Revenue Bond Oversight Committee meetings are held at the Public Utilities Commission, 525 Golden Gate Avenue, San Francisco, CA. The hearing rooms at the Public Utilities Commission are specified on the agenda and are wheelchair accessible. To request sign language interpreters, readers, large print agendas or other accommodations, please call (415) 554-5184. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

Know Your Rights Under The Sunshine Ordinance

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) or to report a violation of the ordinance, contact by mail Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102; phone at (415) 554-7724; fax at (415) 554-5163; or by email at sotf@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by printing the San Francisco Administrative Code, Chapter 67, on the Internet at <http://www.sfbos.org/sunshine>.

Ethics Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code, Section 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; website <http://www.sfgov.org/ethics>. Under Campaign and Governmental Conduct Code, Section 1.127, no person or entity with a financial interest in a land use matter pending before the Board of Appeals, Board of Supervisors, Building Inspection Commission, Commission on Community Investment and Infrastructure, Historic Preservation Commission, Planning Commission, Port Commission, or the Treasure Island Development Authority Board of Directors, may make a campaign contribution to a member of the Board of Supervisors, the Mayor, the City Attorney, or a candidate for any of those offices, from the date the land use matter commenced until 12 months after the board or commission has made a final decision, or any appeal to another City agency from that decision has been resolved. For more information about this restriction, visit www.sfethics.org.

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code, Section 2.100, et. seq.] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at: 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 581-3100; fax (415) 252-3112; website www.sfgov.org/ethics.



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller
ChiaYu Ma
Deputy Controller

**MEMORANDUM OF UNDERSTANDING ("MOU")
BETWEEN
THE OFFICE OF THE CONTROLLER
AND THE
PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE ("RBOC")
FOR AUDIT AND TECHNICAL SERVICES
"First Amendment"**

This amendment is made and entered on August 1, 2024, by and between the City and County of San Francisco's Office of the Controller (Controller) and the Public Utilities Revenue Bond Oversight Committee (RBOC) for technical and audit services.

WHEREAS, Controller and RBOC have entered into the Memorandum of Understanding, dated March 11, 2019. WHEREAS, Controller and RBOC desire to modify the Memorandum of Understanding, executed on March 11, 2019, on the terms and conditions set forth herein to extend the performance period; and NOW, THEREFORE, Controller and RBOC agree as follows:

Definition and Modification

Memorandum of Understanding (MOU). The term "MOU" shall mean the agreement dated March 11, 2019 between Controller and RBOC.

Term Extension: The term of the MOU expired on December 31, 2022, however the Controller continued to provide audit and technical services to RBOC. The Controller and RBOC desire to extend the term of the MOU to June 30, 2025, and month-to-month thereafter until either party terminates with 30 days written notice. This amendment constitutes the entire understanding between the Controller and RBOC concerning the subject matter hereof.

The parties hereto have executed this Agreement on the day first mentioned above.

Performing Department

City Attorney

Mark de la Rosa, Director of Audits
Office of the Controller

Katherine Ortega, Deputy City Attorney
Office of the City Attorney

Requesting Agency

Ruben Holober, RBOC Chair
Revenue Bond Oversight Committee

DRAFT – DO NOT DISTRIBUTE

IN ACCORDANCE WITH CITY CHARTER APPENDIX F, SECTION F1.110, THE CONTROLLER'S DRAFT WORK PRODUCTS ARE CONFIDENTIAL. DISTRIBUTION BEFORE PUBLIC RELEASE VIOLATES THIS SECTION.



**OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO**

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

**MEMORANDUM OF UNDERSTANDING ("MOU")
BETWEEN
THE OFFICE OF THE CONTROLLER
AND THE
PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE ("RBOC")
FOR AUDIT AND TECHNICAL SERVICES**

This MOU is made and entered on March 11, 2019, by and between the City and County of San Francisco's Office of the Controller ("Controller" or "performing department") and the Public Utilities Revenue Bond Oversight Committee ("requesting department") for technical and audit services and will remain in effect until December 31, 2022.

Should the Board of Supervisors by ordinance reauthorize the establishment of the Public Utilities Bond Oversight Committee for a specified period extending beyond that date, this MOU will remain in effect for the specified period or until either party chooses to terminate as provided for in Section VII.

I. INTRODUCTION

Appendix F to the City Charter established the Controller as the City Services Auditor ("CSA"), with the authority to conduct independent management and performance audits of departments providing services to San Francisco residents. CSA also provides contract administration technical assistance on an as-needed basis to facilitate delivery of audit and performance analysis services.

The Public Utilities Revenue Bond Oversight Committee ("RBOC") was created as a result of the passage of Proposition P in November 2002. Its purpose is to monitor the expenditure of bond proceeds related to the repair, replacement, upgrading, and expansion of the City's water collection, power generation, water distribution, and wastewater treatment facilities. It may review efforts by the City to maximize bond proceeds by implementing cost-saving measures, including but not limited to: mechanisms designed to reduce the costs of professional consulting and similar fees and expenses related to site preparation and project design; recommendations regarding the cost-effective and efficient use of facilities; developing and using alternative technologies; and accessing other sources of infrastructure funding. In furtherance of its purpose, it may commission independent reviews and evaluation of bond expenditures and retain outside auditors, inspectors, and necessary experts.

II. SCOPE OF SERVICES

RBOC wishes to obtain the following services through CSA:

	Deliverable	Description	Start Date	Completion Date	Staff Hours	Not to Exceed (NTE)
1.	Informal solicitation for qualified firm to conduct audits of revenue bond.	Conduct Request for quote (RFq) solicitation with firms qualified per the Audit Services Request for Qualifications (RFQ). Obtain quotes and proposals for revenue bond expenditures audits.	3/1/19	5/1/19	80	\$12,000
2.	Draft contract and contract administration	Draft scope of work and administer the contract processing for execution.	5/1/19	6/28/19	80	\$12,000
3.	CSA project management services for up to 20 revenue bond audits	Oversee the 20 audits to ensure Contractor meets staffing, schedule, budget, and work product targets and deliverables.	7/1/19	Scheduling of audits TBD	30 hours/audit (600 hours total for 20 audits)	\$90,000 (\$4,500/audit)
4.	Revenue bond audits conducted by Contractor (up to 20 bond audits)	Audits will evaluate whether bond funds were spent in accordance with the ballot measure authorizing the bonds.	7/1/19	Scheduling of audits TBD	300 hours/audit	Up to \$1,400,000 (\$70,000/audit)
5.	Additional services as requested by RBOC: \$150/hour (80)					\$12,000
Total						\$1,526,000

Note: CSA will make its best effort to adhere to the schedule and keep the Committee informed of any impediments that may affect the nature of the scope of the services or the schedules and hours associated with each audit.

III. ROLES AND RESPONSIBILITIES OF RBOC AND CSA:

RBOC

- Communicate advance notice of any special requests to CSA
- Review audit findings and reports in a timely manner
- Provide funding to CSA for all agreed-upon services
- Approve scope of work and any significant changes to the MOU
- Approve selection of Contractor to perform each audit
- Prioritize audit projects and provide requested completion date
- Review and approve draft reports before publication

RBOC (contact: Mike Brown and RBOC Chair)

- Determine high-level scope of services and contribute to the work plan, estimated budget, deliverables, and schedule.

3 | RBOC/CSA Memorandum of Understanding

- Participate in Contractor solicitation, evaluation, and negotiations processes, as managed by CSA.
- Provide/facilitate timely support and information to CSA or Contractor for all phases of the audit engagements.
- Attend any necessary meetings throughout the process.
- Review audit deliverables, including draft and final reports, in a timely manner and provide responses as requested.
- Review and approve any requested changes to scope, budget, deliverables, or schedule.
- Review and approve invoices [please add language as needed]

CSA (contacts: Winnie Woo 554-7652 or Tonia Lediju 554-5393)

Solicitation and Contract Administration

- Draft scope of work for RFq solicitation.
- Draft scope of work contract.
- Oversee the Contractor selection process from solicitation through contract negotiations and award (see Section V below for more details).
- Coordinate with Controller's Central Contracts team (Central Contracts) for contract approvals, including those of the City Attorney, Contracts Monitoring Division (CMD), and Office of Contract Administration (OCA).
- Receive and approve contract invoices.

Project Management

- Oversee the audits to ensure Contractor meets staffing, schedule, budget, and work product targets and deliverables described in this MOU.
- Communicate regularly with Contractor.
- Review and approve drafts invoices submitted by Contractor and any subcontractor.
- Review and approve final audit reports prepared by Contractor and any subcontractor.
- Coordinate all parties involved in the audit, as necessary.
- Provide monthly status and expenditure updates to RBOC or designee on solicitation, contract, or audit status.

Contractor (hired by CSA)

- Provide timely updates to all pertinent city departments or parties (RBOC, CSA, San Francisco Public Utilities Commission (PUC), etc.) regarding audit status and other audit or project issues as requested.
- Complete internal quality review for its work papers and draft reports.
- Complete audit work within agreed-upon scope and by agreed-upon dates.
- Communicate any meetings CSA should attend (for example, entrance and exit meetings).
- Adhere to all contract requirements.

PUC/CSA Points of Contact

- Provide/facilitate timely support and information to CSA or Contractor for all phases of the audits.
- Attend any necessary meetings throughout each audit.

- Review audit reports in a timely manner and provide responses as requested

III. AUDIT PROCESS

CSA requires that the audits requested from the Contractor be conducted and delivered as performance audits defined by the U.S. Government Accountability Office (GAO) *Government Auditing Standards*. For each audit, the following phases will be performed by the Contractor:

a) Planning and Survey

- Assess compliance with laws and regulations.
- Assess the effectiveness of management controls.
- Provide reasonable assurance of detecting abuse or illegal acts.
- Assess the status of prior audit findings and recommendations that are significant to the audit objectives.
- Determine the needs of the potential users of the audit report.
- Obtain an understanding of the nature and profile of the program to be audited.
- Obtain an understanding of the program's internal control as it relates to the objectives and scope of the audit.
- Identify the criteria for measuring the program's performance.
- Identify previous audit work or studies that could affect the current audit objectives.
- Consider whether the work of external specialists may be used to satisfy some of the audit objectives.
- Identify potential sources of audit evidence.
- Test the reliability of computer-processed data the audit will rely on to make conclusions.

b) Field Work

- Carry out the audit program.
- Gather and analyze data and information.
- Document audit evidence (prepare work papers) that include:
 - Criteria (i.e., the standards, measures, and expectations of what should exist), defined business practices, or benchmarks against which performance will be compared or evaluated.
 - Procedures to establish the cause of the condition and the effect or potential effect of the condition.
 - Procedures to provide reasonable assurance of detecting violations of laws, regulations, or contract or grant provisions that are significant within the context of the audit objectives. These procedures should be based on the risk that illegal acts or violations could occur, as determined by the fraud brainstorming activity and the risk assessment performed during the audit survey
- Have audit managers or other appropriate supervisors review work papers to ensure they meet GAGAS and CSA standards and provide an adequate basis for audit reports, letters, or other correspondence.

c) Reporting

- Hold a message meeting to formulate the contents of the audit report.
- Hold an exit meeting to inform the auditee of the audit findings.
- Write drafts of the report for review and comment by CSA management.
- Conduct an independent review of the final draft report to ensure it is accurate and adequately supported by work papers.
- Obtain the auditee's formal response and include it in the final report.
- Issue and distribute the final report to the Mayor, Board of Supervisors, and others to be determined.
- Present the results to government officials when requested.

Note: Audit findings are determinations about performance (favorable or unfavorable) or material exceptions to testing that meet the standards of evidence and satisfy audit objectives. Performance audit findings are determinations about performance (positive or negative) that meet the standards of evidence and fulfill the audit's objectives. They are the basis for conclusions and recommendations. The determinations may be about past, current, or future performance.

In addition, CSA will:

- Confer with RBOC and the PUC on the results, findings, and recommendations of the audits. However, RBOC will have the sole authority to cause the release of any of the audit reports that result from this MOU.
- Follow up by obtaining status reports from the auditees on the implementation of the audit reports' recommendations every six months after report issuance until CSA closes all recommendations.
- Report any recommendations not implemented to CSA leaders and retain the right to make new recommendations as to additional actions that should be taken.
- Verify the follow-up responses received from auditees by scheduling field audit follow-up assessments for a sample of audits each year.
- Seek advanced approval of funding from RBOC for any follow-ups CSA deems necessary. CSA may conduct follow-ups per its independent discretion without RBOC funding.

Note: Throughout the Contractor's period of work, CSA will provide progress reports that include status details and expenditures. CSA will report progress made and expenditures-to-date at monthly RBOC meetings. If recent expenditure information is unavailable, CSA will estimate whether planned expenditures through task completion will remain reasonably within budget.

IV. OVERVIEW OF CSA CONTRACTS ADMINISTRATION

CSA conducts its contract administration process in accordance with the San Francisco Charter and Administrative Code. CSA's goals for each contracting process are to ensure fair, transparent, and justifiable processes and results for the use of public funds. Independence of process oversight is critical and based on best practices and lessons learned.

CSA will work with RBOC to assure the quality of programmatic content and decisions reflected in the contract documents. These areas include scope, budget, deliverables, schedule, evaluation criteria, and submission requirements. CSA will manage the review process and obtain sign-offs from its leaders and RBOC and will consult with Central Contracts on the contract administration process.

Central Contracts will document quality control and compliance with city contracting requirements. Central Contracts will review documents for clarity, logic, and consistency of content, structure, and format to provide accountability and mitigate risk to the City. OCA will coordinate the review and approval of documents by the Human Rights Commission and City Attorney, finalize the documents, and post the documents.

The major phases of a contract administration process include (as required):

a) SOLICITATION DEVELOPMENT

- 1) Notification and Confirmation. CSA will notify Central Contracts regarding solicitation. Central Contracts confirms the latest RFq template and process.
- 2) Solicitation Development. CSA will develop the solicitation draft, in consultation with RBOC, including the following sections: Background, Introduction, Scope of Work, Evaluation Criteria, and Attachment V Proposal/Response Template. Central Contracts develops the remaining solicitation sections and attachments.
- 3) Solicitation Contact List. CSA will consult with RBOC, selecting the appropriate firms to solicit from among the Audit Services RFQ prequalified firms. Central Contracts will conduct the follow-up contact with firms to ensure receipt of solicitation information and to gauge the level of interest in responding. All questions regarding the process or content should be referred to the contact listed on the RFq. Central Contracts will maintain and update the solicitation list and keep copies of communications to firms, including the e-mail solicitation and any clarification or update e-mail communications.
- 4) Draft Review. CSA will provide the draft solicitation for review by its leaders. CSA will then give it to Central Contracts for initial review before it is submitted to RBOC. The draft is submitted to the City Attorney and CMD for legal and subcontracting reviews, respectively. Depending on the types of changes requested, CSA and RBOC may need to review the modified draft.
- 5) Posting. Upon finalization of solicitation documents, Central Contracts works with the webmaster to post on the Controller's Contract Opportunities website. Central Contracts will also submit to OCA a posting form to ensure the solicitation is included on OCA's contracting opportunities webpage.

b) PRE-PROPOSAL/RESPONSE Q&A OR CONFERENCE

The purpose of a pre-proposal conference is to provide firms with more information and an additional opportunity for questions and networking for partnerships/subcontractors. Central Contracts gathers and organizes pre-proposal/response questions received before the deadline from Proposers.

CSA will work with RBOC to prepare responses to Proposers' questions and to provide information along with RBOC representative(s) at the pre-proposal conference, if applicable. CSA will coordinate with RBOC and distribute drafts of responses to questions and pre-proposal conference materials to CSA leaders and then to Central Contracts for posting and distribution.

c) PANEL PLANNING

CSA will work with RBOC and Central Contracts to select panelists and schedule the meetings. Both CSA and RBOC have the option of designating a representative to serve as a scoring member of the panel.

The panelist roster must be reviewed by Central Contracts and submitted to CMD for approval by Central Contracts ten business days before the panel meets. Central Contracts will serve as the Proposers' contact. All panelists must review and sign a Panel Participant Acknowledgement form. This form describes panelist responsibilities, precluding conflicts of interest, and outlines confidentiality requirements.

d) MATERIALS SCREENING

Central Contracts will screen proposals/responses for compliance with submission requirements and will conduct the Minimum Qualification screening, review all materials, including the proposals/responses, and will compile a proposal/response guide, if applicable. This preparatory work will assist with taking informed notes at each panel evaluation session and ensure the notes and scoring sheets have sufficient information to justify the panel's decisions.

e) PANEL ORIENTATION

Central Contracts will serve as the process specialists and will work with CSA to set up panel process documents, including written proposal evaluation panel materials and interview panel materials (if interviews are conducted).

f) PANEL EVALUATION

Panelists will document notes/comments documenting strengths, weaknesses, and comparative differences between Proposers on score sheets. The score sheets, the RFq, and other process materials, together will be the basis for justifying and explaining the City's decision to select one Proposer over the other(s). Recording a solicitation evaluation session (written proposal evaluation and/or interview process) is optional, but could be beneficial.

Central Contracts will review the scoring sheets before the conclusion of any panel evaluation session to ensure the sheets are complete, legible, and ready for public review.

Central Contracts will ensure:

- Sums on individual scoring sheets are correct, as are panel average scores, including any CMD-LBE rating bonus points.

- There are enough and appropriate narrative comments from each panelist to justify the scores.
- The range of numbers accurately reflects the panel's final determination.

g) PANEL INTERVIEWS (Optional)

Following the panel's determination, the highest-scoring Proposers will be invited by Central Contracts to interviews to provide the panel with an opportunity to ask clarifying questions, obtain "face time" with a Proposer, obtain a sense of the Proposer's presentation style, and to continue to promote competition to make a final selection decision.

The interview process should consist of panel and Proposer introductions, a brief overview presented by the Proposer, standard questions asked of all selected Proposers, and may consist of specific questions about proposals as long as each Proposer is allowed the same number of questions. The scoring for proposal-specific questions should be weighted less than the standard questions to reduce the subjectivity of the interview evaluation process.

Even if only one Proposer is invited, an interview can help clarify expectations before selection for contract negotiations. It is disadvantageous for the City to inform interviewees when there is no competition. The City does always have the option not to select a sole Proposer and to re-bid the services, discontinue the project, or pursue other alternatives such as internal staffing.

Typically, Central Contracts' interviews are separately scored from the written proposals. Central Contracts will work with CSA and RBOC to create the interview or Proposer presentation format, including the interview questions and panel evaluation process.

The highest-scoring Proposer in the interview process will be selected for contract negotiations.

h) SELECTION AND CLOSE-OUT

If the Controller has not worked with the selected Contractor before, Central Contracts may obtain at least two prior client reference checks each for the selected Contractor before Central Contracts issues the notice of intent to award a contract (enter into contract negotiations). Central Contracts should use (and save in its files) the information provided in the proposer's prior project descriptions and the Reference Check Template.

Central Contracts typically does not use reference checks in its evaluation—meaning no scores are given for reference checks. To finalize the City's selection, reference checks are used to validate the selected Proposer's experience and capabilities.

i) CONTRACT NEGOTIATIONS AND DEVELOPMENT

CSA will draft the contract appendices (Scope of Work and Calculation of Charges), in coordination with Central Contracts and RBOC, by weaving together language from the RFq and the selected proposal. CSA leaders, then RBOC, review the appendices. CSA will confirm project goals/objectives and priorities and discuss roles and responsibilities among the Contractor, CSA, and RBOC before finalizing the contract for Central Contracts' review.

Central Contracts will conduct a final review of the appendices and work with the Contractor to resolve any outstanding compliance issues, including insurance coverage, subcontracting, and invoicing paperwork requirements, if applicable. Central Contracts will also negotiate the terms and conditions (P-600 template) with the Contractor, coordinating City Attorney legal review, and incorporating City Attorney comments. In the event a City Attorney question or comment is related to project content or if the Contractor requests a change to a term/condition that may affect project content, Central Contracts will refer the issue to CSA to resolve in consultation with RBOC, if appropriate.

V. MOU BUDGET AND WORK ORDER BILLINGS

The budget amount for this work order is \$1,526,000. This amount includes individual work orders for deliverables described in Section II. Work order billings will be based on actual costs incurred by the Controller and include details on specific charges. CSA staff time will be charged at \$150 per hour. This hourly billing rate blends all salary and fringe costs for staff performing work rather than accounting for individual positions; it is an estimate designed to recover CSA's costs. It is calculated by dividing CSA's total expenditures by the total number of direct chargeable hours provided by CSA. Any consultant contract costs will be charged for invoices actually paid by the Controller. Other charges may include expenses reasonably and necessarily incurred in performing the work. The Controller will make a fiscal year-end adjustment if actual costs are higher or lower than those billed.

The Controller will bill Work Order # ____ quarterly for receipt and approval by the PUC and RBOC. RBOC will approve work order billings that exceed individual task budgets.

VI. MUTUAL TERMINATION

With advance notice of at least 30 days, either RBOC or CSA may terminate this MOU at any time upon notice to the other party. RBOC will pay CSA all sums owed for actual costs incurred up to the day a majority of RBOC members vote to terminate. Information developed or obtained by CSA in connection with this MOU or related task assignments will, up through termination, remain the property of RBOC.

VII. MOU AMENDMENTS

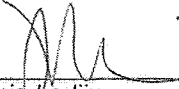
Amendments to this MOU may be made upon mutual written agreement of the undersigned parties. RBOC may make changes to any approved scope of work or work plan provided advance written notice is given to CSA, subject to the approval of CSA. If such changes increase or decrease the budget, the MOU will be amended to reflect such change.

This MOU constitutes the entire understanding between the Controller and RBOC concerning the subject matter hereof.

10| RBOC/CSA Memorandum of Understanding

The parties hereto have executed this Agreement on the day first mentioned above.

Office of the Controller, City Services Auditor




Tonia Lediju
Chief Audit Executive

3/11/19

Date

Revenue Bond Oversight Committee

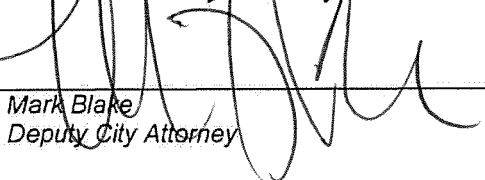


Travis George
RBOC Chair

3/11/19

Date

Office of the City Attorney



Mark Blake
Deputy City Attorney

3/14/19

Date



**PUBLIC UTILITIES
REVENUE BOND OVERSIGHT COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO
DRAFT MINUTES**

**Public Utilities Commission Building
525 Golden Gate Ave., 3rd Floor
Tuolumne Conference Room
San Francisco, CA 94102**

Tuesday, May 14, 2024 - 9:00 AM

Regular Meeting

Mission: The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade, and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

1. Call to Order, Roll Call, and Agenda Changes

Seat 1	<i>Vacant</i>
Seat 2	Lars Kamp
Seat 3	Jason Leung
Seat 4	Claire Veuthey, Vice Chair
Seat 5	<i>Vacant</i>
Seat 6	Abby Veaser
Seat 7	Reuben Holober, Chair

Chair Holober called the meeting to order at 9:05 a.m. On the call of the roll, Chair Holober, Vice Chair Veuthey, and Members Kamp, Leung, and Veaser were noted present. A quorum was present.

There were no agenda changes.

2. Public Comment

Speakers: None.

3. RBOC: Audit Update

Hunter Wang (City Services Auditor, Office of the Controller) shared that the City Services Auditor office is beginning with the Phase III audit sample testing, after which there will be a round of validation and verification, followed by the audit fieldwork. City Services Auditor team is anticipating preparing the first draft report in August of 2024, Hunter Wang provided other updates and responded to questions from the committee.

Public Comment: None.

There was no action taken.

4. SFPUC: Wastewater Enterprise Update

Bessie Tam and Joel Prather (San Francisco Public Utilities Commission); provided a [presentation](#) updating RBOC on the Wastewater Enterprise.

Public Comment: None.

There was no action taken.

5. SFPUC: Power Enterprise Update

Catherine Spaulding, Michael Clark, and Joel Prather (San Francisco Public Utilities Commission) provided a [presentation](#) updating RBOC on the Power Enterprise.

Public Comment: None.

There was no action taken.

6. RBOC: Site Visit Report

Vice Chair Veuthey and Members Leung and Veaser provided an overview of the May 10, 2024 Southeast Treatment Plant site visit, and thanked tour staff for the safe and informative event. Katherine Ortega (Office of the City Attorney) answered questions raised throughout the discussion.

Public Comment: None.

There was no action taken.

7. RBOC: Planning for Future Audits

RBOC has been planning to initiate a new round of auditing. RBOC members considered formation of a working group—in consultation with the City Attorney’s Office—to develop and present a future audit proposal at a later RBOC meeting. As of this time, the working group is not empaneled. Vice Chair Veuthey expressed interest in participating in the potential future working group. Katherine Ortega (Office of the City Attorney) answered questions raised throughout the discussion.

Public Comment: None.

There was no action taken.

8. Minutes Approval – April 9, 2024 RBOC Meeting

John Carroll, Clerk, indicated he would make clerical corrections to the April 9, 2024, meeting minutes.

Public Comment: None.

Vice Chair Veuthey, seconded by Member Veesser, moved to approve the April 9, 2024, meeting minutes with clerical changes. The motion PASSED by the following vote:

Ayes: 5 - Kamp, Leung, Veuthey, Veesser, Holober

Action: Minutes APPROVED

9. Announcements, Comments, Questions, and Future Agenda Items

RBOC members discussed cancelling meetings in the summer of 2024, or potentially adjusting the meeting start times.

Public Comment: None.

RBOC has scheduled the following meeting dates in 2024:

- *June 11, 2024;*
- *July 9, 2024;*
- *August 13, 2024;*
- *September 10, 2024;*
- *October 8, 2024;*
- *November 12, 2024; and*
- *December 10, 2024*

RBOC updated the list of topics and issues as potential Future Agenda Items:

- A. *SFPUC: State Federal Loan Updates;*
- B. *SFPUC: Staff Report: Environmental Justice;*
- C. *RBOC: Acquiring consultant to examine expected performance of completed projects;*
- D. *SFPUC: Discussion of Finding 2 of the [SFPUC Performance Audit of Select Revenue Bond Expenditures dated December 23, 2021](#)
Finding 2: “The Quality Assurance Audit Function Was Not Operational From June 2017 Through November 2020;”
(May be scheduled in Spring 2024, as a follow-up to the May 9, 2023 meeting)*
- E. *SFPUC: Water Enterprise Update
(May be scheduled in Spring 2025)*

10. Adjournment

There being no further business, the meeting adjourned at 10:41 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Revenue Bond Oversight Committee on the matters stated but not necessarily in the chronological sequence in which the matters were taken up.

Approved: Draft
Public Utilities Revenue Bond Oversight Committee