SF Small Business Summit

PROCUREMENT 101

OFFICE OF CONTRACT ADMINISTRATION
INTRO TO THE CITY OF SAN FRANCISCO’S PROCUREMENT OF NON-CONSTRUCTION GOODS & SERVICES

Presented by:
Office of Contract Administration (OCA)
TOPICS

PART 1. Procurement Basics

PART 2. Sourcing

PART 3. Supplier Compliance
PROCUREMENT BASICS
TYPES OF PURCHASES

01 Commodities & General Services
For example:
• Fuel
• Janitorial services

02 Professional Services
For example:
• Accounting services
• Engineering design

03 Construction
Renovation, construction, repair, demolition of “Public Work”

04 “Non Purchasing”
For example:
• Grants to CBOs
• Rents
• Gift Cards

05 Purchase Under Special Authority
For example:
• Health Related Commodities & Services
• MTA Authority
• Commodities & Gen. Services <$10,000
Purchasing Authorities

01 Commodities & General Services
- Admin Code Chapter 21 (includes Technology Marketplace)
- OCA (with some exceptions)

02 Professional Services
- Admin Code Chapter 21 & 6
  - Chapter 21 Depts + OCA
  - Chapter 6 Depts

03 Construction
- Admin Code Chapter 6
  - Chapter 6 Departments

04 “Non Purchasing”
- Various Code & Charter provisions, policies, rules & regulations
- Departments

05 Purchase Under Special Authority
- For example:
  - Chapter 21A
  - Charter Sec. 8A
  - Delegated Departmental Authority (“Prop Q”)
- Departments

Administrative Code Direct Link:
http://library.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1
**Purchasing Instruments**

**Supplier Contract**
- Construction
- Professional Services
- Commodity or general services required on a multi-year basis
- Grants
- Complex procurements (e.g. technology)

Recurring, multi-year, and/or as-needed purchases

Formal (sometimes negotiated) agreement

**Purchase Order**

One-time purchase of a defined quantity of goods or services

Encumbers funds before orders are placed with vendors

**Types**
- “Prop Q” PO (or “Dept Delegated PO”)
- OCA issued Purchasing PO
- PO Release against a Supplier Contract
- Non-Purchasing PO
OCA CONTRACT REVIEW – CHECKLISTS & PROCEDURES

All contracts submitted to OCA for review and signature must contain a completed checklist which can be found at: https://sfgov.org/oca/resources

- CL-100 (9-19): Services Contracts Certification Package Checklist
- CL-200 (9-19): Commodities/Software Contracts Certification Package Checklist
- CL-300 (9-19): Equipment Lease Contracts Certification Package Checklist
- CL-400 (9-19): Assignment and Assumption or Novation Certification Packet Checklist
COMPETITIVE SOLICITATIONS

- Acquisition of **goods and services** governed by City Administrative Code and rules & regulations:
  - Administrative Code Chapter 21
  - OCA Chapter 21 Rules & Regulations
  - Administrative Code Chapter 14B (Local Business Enterprise Requirements)
  - **Other:** Chapter 19B, Chapter 12X, Chapter 12U, Environment Code Ch. 2 & 5 ([Green Purchasing Requirements](#)), etc.

- The City typically must use competitive bidding procedures to select Suppliers
  - Low Bid
  - Request for Proposals
  - Request for Qualifications, etc.
**CH. 21 SOLICITATION THRESHOLDS**

<table>
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<tr>
<th>CONTRACT VALUE</th>
<th>COMMODITIES</th>
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**SOLICITATION TYPE**

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**Contract Monitoring Division LBE Subcontracting**

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**Contract Monitoring Division 10% LBE Bid Discounts When Evaluating Bids/Proposals**

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**Eligible for Contract Monitoring Division’s Micro Set Asides and SF First Programs?**

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WAIVER OF Ch. 21 SOLICITATION REQUIREMENTS

• Chapter 21 allows competitive solicitations to be waived under certain circumstances. Examples:
  • Only one source for the good or service
  • Proprietary articles
  • Pilot project
  • Reciprocal agreements
  • Go to https://sfgov.org/oca/requests-waive-solicitation-requirements for full list of justifications for waiving Chapter 21 solicitation requirements.

• Chapter 21 solicitation waivers must be approved by OCA
**TECHNOLOGY PROCUREMENTS**

*What is a Technology purchase?* All digital products that contain or transmit data and/or interact with the City’s networks in some manner are deemed to be a Technology Purchase.

- Computer hardware
- Software systems
- Software maintenance
- Software customization services
- Telecommunications

- All technology purchases **MUST** go through the OCA
- May be subject to review by the City’s Department of Technology (“DT”).
- Can NEVER be completed using Departmental Delegated Authority (aka Prop Q), even if under $10,000.
- May be subject to City’s Cybersecurity review requirements.
SUPPLIER COMPLIANCE
SUPPLIER COMPLIANCE

Suppliers must comply with the San Francisco Administrative Code Chapter 12B Equal Benefits Ordinance – vendor must give equal benefits to employees along with their domestic partners/spouses without discrimination.

Exceptions to 12B can be made if:
- City has never spent > $5,000 with supplier during any given fiscal year
- Supplier is sole source for the purchase (requires waiver from CMD)
- Supplier has chosen to comply only for certain business locations (contract-by-contract compliance)

Suppliers must also comply with the Treasurer & Tax Collector’s (TTX) Business and Tax Regulation code, which requires every person engaging in business within the City to register for business tax at:
https://newbusiness.sfgov.org/vendor/

Chapter 12B Direct Link: http://sfgov.org/cmd/how-comply
OTHER SUPPLIER REQUIREMENTS

Depending on the type of purchase, Suppliers may need to comply with additional regulations at the time of bidding and during performance of the contract:

- **Chapter 14B Local Business Enterprise Ordinance** – subcontracting to LBEs
- **Administrative Code Chapter 12P** – Minimum Compensation Ordinance (MCO)
- **Administrative Code Chapter 12Q** – Health Care Accountability Ord. (HCAO)
- **Administrative Code Chapter 12U** – Sweatfree contracting
- **Administrative Code Chapter 12X** – Prohibited states
- **Administrative Code Chapter 83** – First Source Hiring
- **Chapter 21C** – Prevailing Wage
QUESTIONS

Contact OCA:
415-554-6743
oca@sfgov.org
https://sfgov.org/oca/resources

Additional Resources available at:
https://sfgov.org/oca/purchasing-and-contracting-guidelines
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<th>RESOURCES</th>
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<tr>
<td><strong>Find City contracting opportunities:</strong></td>
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<tr>
<td><strong>Register as a City Bidder or Supplier:</strong></td>
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<tr>
<td><a href="https://sfcitypartner.sfgov.org/pages/index.aspx">https://sfcitypartner.sfgov.org/pages/index.aspx</a></td>
</tr>
<tr>
<td><strong>Business Tax Registration:</strong></td>
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<td><a href="https://sftreasurer.org/business/register-business">https://sftreasurer.org/business/register-business</a></td>
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<td><strong>Administrative Code Chapter 12B – Equal Benefits Ordinance:</strong></td>
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<td><a href="https://sfgov.org/cmd/12b-equal-benefits-program">https://sfgov.org/cmd/12b-equal-benefits-program</a></td>
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<td><strong>Administrative Code Chapter 12P – Minimum Compensation Ordinance (MCO):</strong></td>
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<td><strong>Administrative Code Chapter 12X – Prohibited States:</strong></td>
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<td><a href="https://sfgsa.org/chapter-12x-state-ban-list">https://sfgsa.org/chapter-12x-state-ban-list</a></td>
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<td><strong>Administrative Code Chapter 83 – First Source Hiring:</strong></td>
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<td><a href="https://oewd.org/first-source">https://oewd.org/first-source</a></td>
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<tr>
<td><strong>Administrative Code Chapter 21C – Prevailing Wage for Goods &amp; Services:</strong></td>
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<td><a href="https://sfgov.org/olse/prevailing-wage-non-construction">https://sfgov.org/olse/prevailing-wage-non-construction</a></td>
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<td><strong>Cybersecurity Risk Assessment for Technology Procurements:</strong></td>
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<td><a href="https://sfgov.org/oca/technology-procurement-considerations">https://sfgov.org/oca/technology-procurement-considerations</a></td>
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