



**SAN FRANCISCO  
REDEVELOPMENT AGENCY  
PURCHASING POLICY**

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## I. INTRODUCTION

This San Francisco Redevelopment Agency Purchasing Policy (“**Purchasing Policy**”) establishes the policies and standards for the purchase of: (1) goods (including catering and printing), materials, products, items, supplies, commodities and equipment (“**Goods**”) and (2) personal and/or professional services (“**Services**”) for the Redevelopment Agency of the City and County of San Francisco (“**Agency**”). These standards ensure that the Agency obtains Goods and Services efficiently, economically and fairly in compliance with various legal requirements. This Purchasing Policy also includes a description of purchasing procedures and the delegated expenditure approval authority and corresponding responsibilities associated with certain expenditure types. As used in this Purchasing Policy, the term “**Contractor**” shall include, as applicable, all contractors, developers, suppliers, consultants, vendors, organizations, firms, companies (whether for profit or nonprofit) and/or individuals who seek or obtain a contract to provide Goods or Services for or on behalf of the Agency. .

The Agency is acutely aware of the many challenges that small businesses face when contracting with public entities. Furthermore, the Agency recognizes that discrimination in contracting still exists. The Agency intends to eliminate discriminatory obstacles that may exist and to provide an environment of open and fair competition that is free of any discrimination against any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) or other protected class status in the award or performance of any Agency contract. The mission of the Agency includes economic development in Project Areas and accordingly this document establishes the Small Business Enterprise (“**SBE**”) Policy, which will provide, among other things, First Consideration to project area SBEs for contracting opportunities with the Agency or through its developers.

## II. DEFINITIONS

“**Construction Work**” means any work of grading, clearing, demolition or construction undertaken by the Agency if the cost of that work exceeds the lesser of \$5,000 or the limit set forth in Public Contract Code Section 20162, as amended from time to time. (See generally Public Contract Code Section 20688.2)

“**Contractor**” means and includes, as applicable, all contractors, developers, suppliers, consultants, vendors, organizations, firms, companies (whether for profit or nonprofit) and/or individuals who seek or obtain a contract to provide Goods or Services for or on behalf of the Agency.

“**Responsible**” means “a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the public works contract.” (Public Contract Code Section 1103). Typically, for Agency contract, this means that the Contractor represents that it can perform the work, obtain the necessary insurance, agree to the indemnification language contained in the Agency contract, and obtain payment and performance bonds, if required.

“**Responsive**” means a bidder whose bid which contains an unconditional offer to provide the goods and services that are being bid upon, and that complies with all of the bid terms, conditions, and procedures required in the bid documents or applicable law.

“**Small Business Enterprise (SBE)**” means a small business enterprise certified by the Agency Contract Compliance Division pursuant to the standards described in the Small Business Enterprise Policy.

### III. PURCHASING POLICY

#### A. Maximum Competition

1. All purchasing transactions (purchases of Goods and Services), regardless of the method of procurement and without regard to dollar value, shall be conducted in a nondiscriminatory manner that provides maximum open and free competition consistent with this Purchasing Policy. Purchasing procedures shall not restrict or eliminate competition. Examples of what is considered restrictive of competition include, but are not limited to: (i) placing unreasonable requirements on firms in order for them to qualify to do business; (ii) applying noncompetitive practices among firms; (iii) organizational conflicts of interest; and (iv) unnecessary experience, insurance and bonding requirements. Solicitation of offers regardless of the method of procurement shall:

a. Incorporate a clear and accurate description of the technical requirements for the material, product or service to be purchased, which does not, in competitive purchases, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be purchased and, when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use.

b. Clearly set forth all requirements which Contractors must fulfill and all other factors to be used in evaluating bids or proposals.

2. Awards shall be made only to Responsive, Responsible Contractors that possess the ability to perform successfully under the terms and conditions of a proposed purchase. Appropriate consideration shall be given to such matters as Contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

3. On-going services or multi-year contracts shall not normally exceed a three-year period without the purchasing process occurring again.

#### B. Contract Cost Analysis and Limitations

1. The Agency shall perform some form of cost or price analysis in connection with every purchase action, including contract modifications. All Agency contracts shall specify a fixed or not-to-exceed dollar amount.

#### C. Compliance with Agency's Policies

1. The Agency's purchase of goods and services shall comply with all applicable Agency policies, including but not limited to, the Small Business Enterprise Policy, as amended from time to time.

#### D. Conflict of Interest

1. In reviewing and awarding Agency contracts, the Agency's officers, employees, Commissioners, and agents shall follow all financial disclosure and disqualification provisions of conflict of interest laws and policies, including but not limited to: the California Political Reform Act, Cal. Gov't Code § 87100 *et seq.*, 2 Cal. Code Regulations. § 18700 *et seq.*; Section 1090 of the California Government Code; the Community Redevelopment Law, Cal. Health & Safety Code § 33130, the Agency's Statement of Incompatible Activities (July 30,

2004); and the Employee's Responsibility provisions of the Agency's Personnel Policy, Section X. This Purchasing Policy incorporates the requirements of these laws and policies, including, but not limited to, the following:

a. No employee, officer, Commissioner or agent of the Agency shall participate in the selection or in the award or administration of an Agency contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer, Commissioner or agent, or any member of his or her immediate family, or those with whom any of the above referenced persons has, or intends to have, a business or employment relationship, has a financial or other interest in the firm selected for award or whose contract is to be administered.

b. In reference to contractors, the Agency Policy states that no present or former consultant shall knowingly act for anyone other than the Agency in connection with any particular matter in which the Agency is a party, or has a direct and substantial interest, and in which the consultant participated personally and substantially as a consultant for the Agency. Agency Policy also provides that the Agency Commission may waive this requirement through written approval prior to the consultant's work for another party.

c. Violation of these standards of conduct by the Agency's officers, employees, Commissioners or agents, or by its contractors or their agents may result in penalties, sanctions or other disciplinary actions.

#### **IV. ANTI-DISCRIMINATION PROVISIONS IN ALL CONTRACTS**

##### **A. Nondiscrimination Provisions**

1. Agency contractors are subject to various non-discrimination laws and policies. To ensure nondiscrimination in the performance of any contract, the Agency shall require that contracts subject to this Purchasing Policy include the following provisions:

a. The contractor agrees that there shall be no discrimination against or segregation of any person, or group of persons, on account of any basis listed in Section 12940 of the California Government Code and in Section 12B.2 of the San Francisco Administrative Code. Contractor will ensure that applicants are employed, and that employees are treated during employment, without regard to their protected class status as described in Section 12940 of the California Government Code and in Section 12B.2 of the San Francisco Administrative Code. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations to clients or the general public.

b. Contractor will, in all solicitations or advertisements for employees placed by it or on its behalf, state it is an equal opportunity employer.

c. Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work paid for in whole or in part by the Agency so that such provisions will

be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

d. Contractor agrees not to discriminate in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, and shall comply fully with all provisions of the Agency's Nondiscrimination in Contracts Policy ("Nondiscrimination Policy"), adopted by Agency Resolution No. 175-97, as such policy may be amended from time to time.

e. To the extent required by law, Contractor shall provide all services to the public under an Agency contract in facilities that are accessible to persons with disabilities.

f. Contracts shall require contractors to appoint a senior manager as the individual responsible for the firm's equal opportunity efforts and as the liaison between the firm and the Agency.

## **B. Contract Termination**

1. If the Agency's Executive Director concludes that a Contractor is not complying with the Agency's Nondiscrimination Policy, the Executive Director or his/her designee will meet and confer with the Contractor. If, as a result of the meeting, the Executive Director finds that a violation of the Nondiscrimination Policy has occurred, the violation shall be considered a material breach of the contract and the Executive Director may terminate the contract. The Executive Director's determination that a violation has occurred and his/her decision to terminate the contract shall be final and not subject to review.

## **V. DOCUMENTATION OF OUTREACH TO SBEs**

1. When Agency staff seeks contract authorization, staff shall document and report to the Executive Director and/or the Agency Commission that the Agency has provided outreach to SBEs consistent with the SBE Policy, including but not limited to the following:

a. Whether the Contract Compliance Division provided a list of potential SBEs to be invited for the scope of work being considered.

b. Where appropriate, how the potential work was divided into small contracts to ensure that the scope of work was not too large for an SBE to bid or submit a proposal or how potential SBEs were encouraged to joint venture.

c. That specific items of the contract that may be performed by SBE subcontractors were identified and prospective SBEs were identified for the bidder(s).

d. On all construction related contracts (including construction consultant services contracts) that are estimated to cost \$5,000 or more, that prospective SBEs were invited to a pre-bid and/or pre-solicitation meeting for the purpose of answering questions about the process, the bonding and insurance requirements, the specifications and other requirements.

e. What outreach efforts including advertisements or notifications to trade associations or other groups were made as part of attempts to reach potential SBE candidates.

## **VI. NOTICE OF PUBLIC HEARING**

1. Except for solicitations under the Competitive Sealed Bids – Public Contract Code Method, which have their own “protest period”, all potential Contractors who have submitted a proposal or bid will be notified in writing by letter or email of the proposed action no later than seventy-two (72) hours prior to the Commission meeting on the proposed action and will have an opportunity to be heard by the full Commission during public comment when the item comes up on the agenda.

## **VII. PURCHASING RECORDS**

1. The Agency shall maintain records sufficient to detail the significant history of a purchase. These records shall include, but are not necessarily limited to, information pertinent to the following: rationale for the method of purchase, selection of contract type, Contractor selection or rejection, and the basis for the cost or price. In some instances, the terms and conditions of a grant or agreement with a public agency will have specific record retention obligations that the Agency shall follow.

## **VIII. SIZE AND ECONOMY OF PURCHASES**

1. Consideration is to be given to consolidation or breaking out of Goods and Services to obtain a more economical purchase. Where appropriate, an analysis shall be made of lease versus purchase alternatives and any other appropriate analysis to determine which approach would be the most economical. To foster greater economy and efficiency, the Agency shall consider entry into State and local intergovernmental agreements for purchase or use of Goods and Services.

## **IX. FOUR METHODS OF SELECTING A CONTRACTOR (SERVICES)**

1. Contractors shall be selected by one of the following methods: (1) 3+ Contractor Telephone Solicitation Method; (2) Competitive Sealed Bids – Public Contract Code Method; (3) RFP/RFQ Method; and (4) Sole Source Method. The four methods are described in detail below. Regardless of the method of purchase, an applicant’s public statements on matters of public concern, that are protected under the First Amendment to the United States Constitution and unrelated to the contract, shall not be considered by the Agency in the evaluation and selection of the applicant for the contract. In addition, every effort should be made to assemble a list of qualified SBE suppliers or contractors from the Agency's Contract Compliance Division.

### **A. The 3+ Contractor Telephone Solicitation Method**

1. The 3+ Contractor Telephone Solicitation Method is appropriate for those relatively simple purchases of short term duration (generally no longer than twelve (12) months), for Goods and Services, costing in the aggregate not more than \$50,000. Notwithstanding anything to the contrary contained in this Purchasing Policy, the Executive Director may authorize, under the 3+ Contractor Telephone Solicitation Method, the same Contractor to receive separate contracts that individually do not exceed the Executive Director’s expenditure authority, but that collectively exceed no more than \$150,000; provided, however, that each

contract provides Goods or Services that are distinctly different from those provided under the other contracts by the same Contractor during any 12 month period.

2. If the 3+ Contractor Telephone procedure is used for a purchase, the price or rate quotations shall be obtained by telephone, email or in writing from an adequate number of qualified potential contractors, generally at least three (3). Whenever possible, at least three of the quotations shall be solicited from SBEs.

3. Agency staff shall choose the lowest, Responsive, Responsible bidder as to price, except that in the interest of standardization or inability to meet the required delivery schedule, the purchase may be made from a Responsive, Responsible bidder other than the lowest bidder in price.

4. The Responsive, Responsible Contractor chosen by Agency staff must also: (a) meet the Agency's insurance and indemnification requirements, as determined by the Agency's Risk Manager; (b) comply with all applicable Agency's policies; (c) be licensed to do business in the State of California; and (d) not be on the debarment list of the City and County of San Francisco ("City"), the State of California or the United States of America.

5. The Purchasing Policy Procedures Manual provides additional standards on the procurement of Goods and Services using the 3+ Contractor Telephone Solicitation Method.

## **B. Competitive Sealed Bids – Public Contract Code Method**

1. The Competitive Sealed Bid Method is appropriate to be used when: (a) a complete, adequate and realistic specification or purchase description is available; and (b) the purchase lends itself to a firm fixed-price contract, and selection of the successful bidder can appropriately be made, principally on the basis of price.

2. The Competitive Sealed Bid Method must be used when (a) the Agency seeks to obtain construction services for a "Public Project" **or** "Construction Work" as those terms are defined by the California Public Contract Code ("Code") or the Purchasing Policy Procedures Manual; **and** 2) the Agency seeks a contract that is otherwise subject to state or federal law requiring this method of procurement.

3. In general, the Competitive Sealed Bids Method requires the Agency: (a) to publicly solicit sealed bids using the current approved Construction Documents – Bid Specifications Template ("bid packet"); (b) to open publicly the bids at a time and place designated in the bid packet in the presence of all bidders who attend; (c) to evaluate the bids based on the requirements and specifications described in the bid packet; (d) to award a firm fixed-price contract (lump sum or unit price) to the lowest, Responsive, Responsible bidder whose bid conforms to all the material terms and conditions of the invitation for bids; and (e) to provide a bid protest period for unsuccessful bidders to challenge the award. The Code or other state and federal laws may specify the terms, conditions, and procedures required under this method of procurement.

4. The Purchasing Policy Procedures Manual provides additional standards on the procurement of Goods and Services using the Competitive Sealed Bids – Public Contract Code Method.

**C. Request For Proposals / Request For Qualifications (“RFP/RFQ”) Method**

1. The RFP/RFQ Method is appropriate for soliciting proposals from a number of prospective sources where the services sought are widely available. The RFP/RFQ Method allows staff to conduct a competitive solicitation and consider qualifications other than the lowest price. The resulting contract may be either a flat fee for services or cost reimbursable.

2. Agency staff may utilize the RFP/RFQ Method for the selection of developers for Agency projects or for the procurement of personal or professional services including but not limited to the following: accounting, architectural, engineering, environmental, legal or planning whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.

3. The RFP/RFQ shall specify evaluation criteria for selection of a Contractor and shall reserve the right to reject or cancel the RFP/RFQ in whole or in part. The RFP/RFQ shall state that the Agency will not consider an applicant's public statements on matters of public concern, that are protected under the First Amendment to the United States Constitution and unrelated to the contract, in the evaluation and selection of the applicant for the contract.

4. Agency staff shall also use the RFP/RFQ Method for establishing and maintain a list (or Contractor panel) from which the Agency will select, on an as-needed basis, qualified contractors, consultants or vendors for future contracts,. The Agency Commission shall approve the formation of the panel if the future contracts may exceed the Executive Director's expenditure authority. Typically, the Agency will establish a panel for a set duration (no longer than three (3) years) and for a not-to-exceed aggregate amount that can be contracted.

5. In addition, Agency staff may select a Contractor from a City panel that was established using the City's competitive selection process, to the same extent that Agency staff may select a Contractor from an Agency panel authorized under this Purchasing Policy. If the Agency staff uses a City panel to select a Contractor for a contract exceeding the Executive Director's expenditure authority, the Agency Commission must approve the contract.

6. The Purchasing Policy Procedures Manual provides additional standards on the procurement of Goods and Services using the RFP/RFQ Method.

**D. Sole Source Method**

1. In the Sole Source Method, a proposal is solicited from only one source. Circumstances under which a contract may be awarded by the Sole Source Method are limited to one of the following:

- a. The Goods or Services are available only from a **single** source or Contractor;

b. An emergency situation exists where a fire, flood or an immediate threat of personal injury, death or property damage has occurred (or is likely to occur) and where the urgency of the situation will not permit the delay needed to complete the 3+ Contractor Telephone Solicitation Method, the Competitive Sealed Bid Method or the RFP/RFQ Method, as determined by the Agency Executive Director (“**Emergency Conditions**”);

c. After solicitation of a number of sources using the RFP/RFQ method described above, the Executive Director determines that the competition is inadequate;

d. The proposed Contractor has previously provided the needed Goods or Services to the Agency and, in doing so, has performed satisfactorily and gained specific information and experience making the proposed Contractor uniquely qualified to provide the needed Goods or Services; or

e. Although Emergency Conditions do not exist, the Agency’s business assets or financial investments are at risk and the urgency of the requirement will not permit the delay needed to complete the 3+ Contractor Telephone Solicitation Method, the Competitive Sealed Bid Method or the RFP/RFQ Method, as determined by the Agency Executive Director.

2. Notwithstanding anything to the contrary contained in this Purchasing Policy, the Executive Director may authorize, under the Sole Source Method, the same Contractor to receive separate contracts that individually do not exceed the Executive Director’s expenditure authority, but that collectively exceed no more than \$150,000; provided, however, that each contract provides Goods or Services that are distinctly different from those provided under the other contracts by the same Contractor during any 12 month period.

3. The Purchasing Policy Procedures Manual provides additional standards for the procurement of Goods and Services using the Sole Source Method.

## **X. COMPLETING A PURCHASE**

1. Except as noted in Section X.E (Emergency Conditions) below, all purchases of Goods shall be effective only by issuance of a valid purchase order in the form provided by the Agency. Employees from the various divisions shall not confirm an order with the vendor for the purchase of any Goods until a purchase order has been prepared by the Finance and Administrative Services Division (“**Finance Division**”).

2. A Personal Services Contract is normally required when personal services are being purchased, regardless of the cost of the services. Requests to waive this requirement and substitute a purchase requisition may be made to the Legal Division. The waiver will only be granted when to do so would cause little risk to the Agency.

3. The Purchasing Policy Procedures Manual provides additional standards for completing the purchase of Goods and Services, including but not limited to the single purchase of Goods.

### **A. Multiple Purchases of Goods**

1. Vendors and Contractors from whom the Agency has a continuing need for small purchases/services (e.g., reproduction, office supplies, etc.) may be given a blanket purchase order periodically.

## **B. Ongoing Building Maintenance Services**

Purchase orders are not required for each invoice received for rent, utilities or other continuing services such as maintenance contracts on equipment. However, such services shall be initiated by issuance of blanket purchase orders at the beginning of the original contract through the end of the fiscal year of the contract's origin. Subsequently, a purchase requisition for the total amount expected to be paid during the fiscal year should be forwarded to the Finance Division at the beginning of each fiscal year. Services other than building maintenance services should be done through a personal services contract and not as a purchase requisition, unless approved by the Legal Division pursuant to Section X.2 above.

## **C. Contracts for Construction, Personal or Professional Services**

1. In accordance with the established contract approval procedures, services under a construction, personal or professional services contract should not be allowed to commence until the contract has been signed by the Contractor, the Agency General Counsel, and the Executive Director (or his/her designee).. Moreover, services should not commence until the Finance Division has confirmed that funds are available. Prior to the contract being signed, the unsigned contract and Contractor's insurance certificates should be routed to the Administrative Services Manager for review of insurance provisions and to the Contract Compliance Division for review of contract compliance requirements.

2. After the contract is signed, a contract package should be forwarded to the Finance Division. The package shall include a purchase requisition for the total contract amount, the signed original contract, Contractor's certificates of insurance, and the approved Agency resolution authorizing the contract, when applicable.

3. Finance Division will check for available funds, encumber the budget for the contract amount (except in the case of service contracts applying to all Redevelopment Areas), and establish tracking for the contract.

4. The Contractor should be instructed to commence services by written notice to proceed, which, in the case of professional service contracts, should outline the specific scope of work, and the Project budget as appropriate. A copy of the notice should be forwarded to Finance for addition to the permanent file.

5. Contractor invoices should be inspected for adherence to contract provisions, budgets, and documentation by the division and the amounts adjusted when appropriate prior to forwarding them to Finance for payment.

## **D. Purchases from Petty Cash**

1. When single purchases are made locally of a value of \$20.00 or less, exclusive of sales and other taxes and delivery and handling charges, and where such purchases are not in a continuing series of similar purchases or made from a vendor with whom the Agency does business on a regular and continuing monthly basis, consideration may be given to making the purchases from petty cash rather than by purchase order. Employees required to frequently attend meetings or do other Agency business outside the office and pay for parking at these times

shall not normally be reimbursed from petty cash, but shall submit a Local Mileage and Expense Report for such parking periodically.

**E. Emergency Conditions**

1. Where an emergency condition exists, which has or will result in fire, flood or an immediate threat of personal injury, death or property damage where the urgency of the requirement will not permit the delay needed to complete the 3+ Contractor Telephone Solicitation Method, the Competitive Sealed Bid Method or the RFP/RFQ Method, as determined by the Agency Executive Director (“Emergency Condition”), the following shall be observed:

2. The Executive Director, Deputy Executive Director, Division Manager or Project Manager/Coordinator or their designees, in order of availability, shall have the authority to solicit bids by telephone, or otherwise, awarding the order to the lowest Responsive, Responsible bidder for immediate delivery. Only in an Emergency Condition shall an order be placed without soliciting bids.

3. A confirming requisition shall be prepared immediately by the originating Division and a purchase order shall be sent to the vendor.

**XI. EXPENDITURE AUTHORITY**

**Note:** This Section addresses expenditure authority only. Selection of a Contractor must follow one of the four methods set forth in Section IX regardless of who has the authority to authorize the contract. Also See Quick Reference Chart-Exhibit I for expenditure authority information.

**A. Administrative Budgets - Recurring Purchases**

1. Except as otherwise provided below, purchases within approved administrative budgets of Goods or Services necessary to do business, which are recurring in nature (e.g., subscriptions, postage, supplies, equipment lease and/or maintenance, local mileage, etc.) shall be the responsibility of the individual Division or Project Manager for his or her area of responsibility, and may be made without approval of the Agency Commission following budgetary approval. Expenses need not be in the same amounts every month to be considered recurring.

**B. Administrative Budgets - Non-Recurring Purchases**

1. Non-recurring purchases within approved administrative budgets shall be the responsibility of the individual Division or Project Manager for his or her area of responsibility for purchases between \$0 and \$999, but shall require the final approval of the Deputy Executive Director, Finance and Administration or the Executive Director for purchases between \$1,000 and \$50,000, and the Agency Commission in amounts over \$50,000. Examples of non-recurring expenses are purchases of personal computers and software, furniture and equipment, and temporary help. Attendance at seminars, training sessions, and conferences is not considered a non-recurring expense for purposes of this Purchasing Policy, but is covered under Section XI.E. below.

**C. Service and Construction Contracts**

1. Personal or professional services contracts within approved administrative or project budgets and prime construction contracts within approved project budgets shall be the responsibility of the individual Division or Project Manager for his or her area of responsibility, subject to the procurement and bidding procedures described in Section IX. above. Pursuant to Section 20612 of the California Public Contract Code, prime construction contracts over \$5,000 must be competitively bid. After review and approval as to form by the Agency General Counsel, contracts up to \$5,000 may be executed by the Division or Project Manager and, contracts between \$5,000 and \$50,000 may be executed by the Executive Director or the Deputy Executive Director, Finance and Administration without approval of the Agency Commission.

**D. Property Management**

1. Property Management work shall be provided by a licensed contractors that are selected in advance by the procedures described in Section IX above. The selected Contractor (whether time and material or flat fee based) shall comply with the Agency's equal opportunity practices, Agency prevailing wage policy, liability insurance and bonding requirements contained in a contract in a form approved by the Agency General Counsel. The bid process shall be repeated no less than every three years.

**E. Travel and Conferences**

1. Out-of-town travel, meals and lodging and conference registration fees (regardless of conference location) within administrative budgets must be approved in advance by the Deputy Executive Director, Finance and Administration or the Executive Director in amounts up to \$3000. Amounts over \$3,000 require the advance approval of the Agency Commission.

**F. Line Item Transfers**

1. Under the California Community Redevelopment Law (Health & Safety Code Section 33606), the Agency Commission and Board of Supervisors must approve the Agency's annual budget and any amendments to the budget. Any changes to the approved budget that results in a ten percent change in any line item of the approved budget shall require the approvals of the Agency Commission and Board of Supervisors.

2. Line item transfers of budgeted Salary and Fringe Benefits to any other administrative expense shall not be permitted without the approval of the Deputy Executive Director for Finance and Administration. The Accounting Supervisor may request line item transfers within administrative budgets or within project budgets when the intended use is compatible with the original funding source, and when justified by circumstances, which could not be foreseen. Funds may not be transferred from project budgets to administrative budgets or vice versa.<sup>3</sup> As part of the budget process, Agency managers also submit a more detailed budget to the Finance Division and Executive Director regarding proposed expenditures for the new fiscal year. These budgets are approved administratively and serve as the basis for preparing the annual budget that is submitted to the Agency Commission, Mayor's Office, and Board of Supervisors. In some instances, the reprogramming of funds within these more detail

budgets may result in line item changes that would trigger the above-described approval by the Board of Supervisors.

3. Accordingly, line item transfers will be approved by the Deputy Executive Director for Finance and Administration to ensure such transfers are: (i) compatible with the original funding source; (ii) would not trigger approval by the Board of Supervisors (or if triggered, that Board of Supervisor approval is obtained prior to approval of the line item transfer); and (iii) in compliance with the Community Redevelopment Law and City policy.

## **XII. RESPONSIBILITY**

1. The Deputy Executive Director for Finance and Administration is responsible for recommending administrative and project budgets to the Agency Commission.

2. The Agency Commission is responsible for review, modification and approval of the recommended budgets, for the approval of all contracts in excess of \$50,000 and for the approval of travel and/or conference costs in excess of \$3,000.

3. The individual Division Managers are responsible for implementing this Purchasing Policy in their respective Divisions and keeping records of vendors contacted and quotations received. Each Division is required to plan its work so that necessary Goods and Services can be purchased in advance and in accordance with standard purchasing policy.

4. The Accounting Supervisor is responsible for verifying the availability of funds, timely payment of vendors, enforcing line item transfer provisions, and the periodic review of this policy.

5. The Administrative Services Manager is responsible for acting as purchasing agent, coordinating the ordering and distribution of office supplies used Agency-wide, and in any other circumstances when group purchasing improves coordination and/or results in additional volume discounts. The Administrative Services Manager is responsible for identifying and implementing opportunities to realize Agency-wide savings through group purchasing of supplies.

6. The Executive Director is responsible for assuring that proper negotiating and contracting procedures are adhered to when authorizing contracts up to \$50,000 and when recommending larger contracts to the Agency Commission for approval. In addition, the Executive Director shall have the authority to promulgate, from time to time, purchasing procedures which are consistent with the Purchasing Policy without the need of further action by the Agency Commission. The purchasing procedures may be in the form of a procedures manual or in any other form deemed appropriate by the Executive Director.

## **XIII. SEVERABILITY**

1. The provisions of this Purchasing Policy are declared to be separate and severable. The invalidity or unenforceability of any one or more provisions of this Purchasing Policy shall in no way affect the validity of the remainder.

# EXHIBIT I

## SAN FRANCISCO REDEVELOPMENT AGENCY

### EXPENDITURE AUTHORIZATION

	<b>DEPUTIES AND MANAGERS</b>	<b>EXECUTIVE DIRECTOR OR DEPUTY EXECUTIVE DIRECTOR</b>	<b>VOTE OF COMMISSIONERS</b>
1. Regular, recurring operating Expenses within Administrative Budgets (i.e., rent, utilities maintenance, local mileage)	Any Amount	Any Amount	Budgetary Approval
2. Non-Recurring purchases within Administrative Budgets (i.e., Computers, furniture, etc.)	Up to \$1,000	Up to \$50,000	Over \$50,000
3. Personal or Professional Services Contracts (including Property Management)	Up to \$5,000	Up to \$50,000	Over \$50,000
4. Prime Construction Contracts	Up to \$5,000	Up to \$50,000	Over \$50,000
5. Out of Town Travel / meals / lodging: Local or out of town conference registration fees within Administrative Budgets	No Authority	Up to \$3,000	Over \$3,000