

**LEGISLATIVE DIGEST**  
(Revised 7/12/21)

[Administrative Code - Rules for Awarding Grants]

**Ordinance amending the Administrative Code by codifying a grant award process to, among other things, 1) require, with certain exceptions, a competitive solicitation; 2) require advertisement of solicitations and set forth evaluation criteria of grant proposals; 3) reserve the City's right to cancel, reject and/or readvertise solicitations; 4) list required grant terms; 5) set forth requirements for the head of a granting agency in making a sole source grant determination; 6) authorize the purchaser to promulgate rules and regulations for effectively carrying out the requirements of this Ordinance; 7) set forth grant requirements based on a grant's funding source; 8) set forth administrative debarment procedures; and 9) set forth the requirements for the advertisement and notice of availability of rebate and incentive programs.**

Existing Law

There are no existing laws addressing procedures for awarding grants. City awarded grants have been governed by an informal consensus agreement between four City departments since 1997.

Amendments to Current Law

The Administrative Code will be amended to add Chapter 21G codifying a grant award process for City departments to follow. Departments are required, with certain exceptions, to issue competitive solicitations setting forth the evaluation of grant proposals. Grant solicitations shall be advertised and proposals evaluated prior to grant award. Departments are required to submit an annual report to the Board of Supervisors, listing each grant that the granting department awarded during the preceding calendar year without following an open and competitive process, and with the exception relied on for making each such grant without said process. The Purchaser is required to promulgate rules and regulations for effectively carrying out this Chapter 21G. Departments will need to follow the Purchaser's rules and regulations in awarding sole source grants. Departments under a jurisdiction of a commission or a board will need to obtain the commission's or board's approval, via a resolution, of such sole source grants. Grants for the four City-owned community cultural centers may be awarded as sole source grants. Grantees are subject to the provisions and penalties contained in Administrative Code Chapter 28 (Administrative Debarment Procedures). Departments administering rebate and/or incentive programs shall widely advertise the availability of rebates and/or incentives.

### Background Information

This legislative digest reflects amendments made in the Rules Committee on June 7, 2021. Those changes include:

- Revising the definition of “grant” to exclude rebates and incentives.
- Revising the definition of “grantee” to add individuals.
- Revising the list of grants excluded from the open and competitive process to include grants made for the improvement of property by property owners.
- Requiring departments to submit an annual report to the Board of Supervisors listing each grant awarded during the preceding calendar year without following an open and competitive process.
- Requiring departments to follow the Purchaser’s regulations in awarding sole source grants.
- Requiring departments under the jurisdiction of a commission or a board, to obtain approval from the commission or board, via resolution, approving the justification of the sole source and awarding the grant.
- Requiring the sole source justification for recurring grants to the same recipient be supported by either a formal or informal documented competitive process demonstrating the lack of potential grantees.
- Adding grants for the four City-owned community cultural centers as approved sole source grants.
- Revising the administrative debarment procedure to require the Controller to publish on the City’s Internet website a current list of debarred grantees, and requiring the Controller to submit a semi-annual report to the Board of Supervisors that includes the grantees subject to debarment or suspension.
- Requiring departments that operate rebates and incentive programs to advertise the rebates and incentive programs by publishing notices in accordance with the Administrative Code.

This legislative digest additionally reflects amendments introduced in the Rules Committee on July 12, 2021. Those changes include:

- Updating the operative date of the ordinance to be January 1, 2022.

- Coordinating the different required reporting dates by departments and Controller to the operative date of the ordinance.
- Clarifying that a department shall not award a grant without conducting an open and competitive process unless the commission or board overseeing the department approves the department's recommendation that the grant be awarded as a sole source.
- Updating the title to Section 21G.9 to be "Rules and Regulations," and allowing the Purchaser to update the rules and regulations from time to time as needed.
- Requiring the specific issuance of rules and regulations for sole source grants.

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