



San Francisco Ethics Commission

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February 16, 2024

Honorable Members of the San Francisco Board of Supervisors
Attention: Victor Young, Assistant Clerk
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Re: **File #240016**

Dear Members of the Board of Supervisors,

This letter is to provide background and express support for legislation ([File #240016](#)) currently before the Board of Supervisors, which would update and clarify the City's Conflict of Interest Code regarding the Form 700 filing requirements of City employees with Delegated Departmental Purchasing authority through Proposition Q and to make other non-substantive corrections to the Code.

Pursuant to [Chapter 21.03\(a\)](#) of the Administrative Code, certain City officials may be delegated, by their departments, the ability to make certain purchases up to \$10,000, without engaging in a competitive bidding process. These officials are charged with ensuring City funds are spent wisely and adhere to all City laws, rules, regulations, and policies. These purchases are commonly referred to "Delegated Departmental Purchases" or, simply as, "Prop. Q Purchases."

The City's Office of Contract Administration specifies in [Regulation 21.03\(a\)](#), that in order to use Delegated Departmental Purchasing authority "[a]ll designated employees [in the department who are authorized to purchase goods and services using delegated purchasing authority] shall file Form 700, Statement of Economic Interests annually as required by the Article III, Chapter 1, of the San Francisco Campaign and Governmental Conduct Code."

This also aligns with the Political Reform Act, which requires the City to have a Conflict of Interest Code that identifies all City positions that make or participating in the making of government decisions, as the officials occupying such positions are required to file the Statement of Economic Interests (Form 700). City employees that are making or approving purchases with Prop. Q authority participate in making government decisions, and as such should file the Form 700 under State law.

However, in the City's Conflict of Interest Code, only five departments have clearly identifiable Prop. Q positions listed in their sections of the Code. Given this, the Ethics Commission is concerned that other departments may have employees who are using Prop. Q authority to make or approve purchases without filing the Form 700 as required, potentially making the City out of compliance with City regulations and State law.

This legislation ([File #240016](#)) would help raise awareness of this requirement and make it easier for departmental filing officers to have employees with Prop. Q authority start filing their Form 700s.

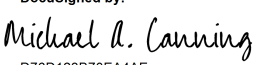
The legislation would create a new Section 3.1-109 in Article III, Chapter 1, of the C&GCC that is specifically for “Delegated Departmental Purchaser (Prop Q) Initiators and Approvers.” Having this new section would allow departmental filing officers the ability to have new employees start filing the Form 700 when the department wants them to have Prop. Q authority and to stop filing when that authority is no longer needed, in a streamlined way, without regularly amending their department’s section of Article III, Chapter 1 during the Biennial Code Review. The process for administering a new Section 3.1-109 for those with Prop. Q authority would be similar to how Section 3.1-108 currently operates for consultants who are also required to file the Form 700.

This legislation does not extend a Form 700 filing obligation to any new City employees, as anyone with Prop. Q authority is already required to file the Form 700. The legislation just clarifies and simplifies how City departments can comply with the existing requirements, by ensuring that anyone in their department with Prop. Q authority is filing the Form 700. Increased awareness of these requirements may lead some departments to identify new employees that need to begin filing the Form 700 in order to continue using Prop. Q authority. Determinations regarding which employees need Prop. Q authority, and thus need to file the Form 700, would, and should, remain at the departmental level. If a department wishes to extend Prop. Q authority to a new employee, thus making them a Form 700 filer, the City may need to meet and confer with City bargaining units on such changes.

We believe this change to Article III, Chapter 1 of the C&GCC will allow the City to create a simplified, consistent process for having employees with Prop. Q authority file their Form 700s as required, while raising awareness of, and hopefully increasing compliance with, this important tool for identifying and preventing conflicts of interest in City government.

We would like to thank the Board for considering this legislation and to recommend the Board approve [File #240016](#).

Best regards,

DocuSigned by:

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Michael Canning

Policy and Legislative Affairs Manager
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cc:

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