



Edwin M. Lee
Mayor

Jaci Fong
Director and Purchaser
Purchasing

May 23, 2017

To: Angela Calvillo, Clerk of the Board
From: Jaci Fong, Director of Office of Contract Administration (OCA) and Purchaser *JF*
Subject: Resolution Designating Official Newspaper for Fiscal Year 2017 - 2018

Enclosed is the resolution that would designate *The Examiner* as the City's official newspaper for all Advertising for Fiscal Year 17-18.

The Office of Contract Administration (OCA) received and evaluated two (2) bids for its formal and competitive solicitation for official advertising. Upon its evaluation, OCA is recommending award to the only responsive and responsible bids. A "responsive" bid meets with all requirements by the due date and time as specified in a solicitation. Additionally, a "responsible" bid refers to a bidder being capable and qualified as specified in a solicitation. As seen in the attached table, "Summary of Official Advertising Bids for Fiscal Year 2017 - 2018," the *San Francisco Examiner* submitted the only responsive and responsible bid for official advertising. The *Francisco Chronicle's* bid was deemed not responsive because it is not printed in San Francisco, a requirement set forth in San Francisco Administrative Code 2.80. OCA policy dictates that we officially recommend only responsive and responsible bidders for contract awards but the Board of Supervisors has historically used its discretion to award the Official Advertising contract to multiple bidders to best serve the City's official advertising needs.

OCA also formally solicited competitive bids for the services of a clearinghouse in addition to the bids for the official newspaper. The clearinghouse transmits the City's ads to the newspapers and handles invoicing and payment. OCA received two (2) responsive and responsible bids from the Daily Journal Corporation and Ad Club Advertising. Daily Journal's commission bid is 15% and Ad Club Advertising's commission bid is 10%. As seen in the attached table, "Summary of Official Advertising Bids for Fiscal Year 2017 - 2018," the *Ad Club* submitted the lowest bid and is being recommended by OCA for the clearinghouse services. OCA policy dictates that we officially recommend the responsive and responsible lowest bidder for contract awards, but the Board of Supervisors has historically used its discretion to award the Official Advertising contract to multiple bidders to best serve the City's official advertising needs.

OCA officially recommends only responsive and responsible bidders for contract awards but the Board of Supervisors has used its discretion to award contracts to multiple bidders to best serve the City's official advertising needs.

| CLEARINGHOUSE/BIDDER | RESPONSIVE AND RESPONSIBLE | COMMISSION BID |
|----------------------|----------------------------|----------------|
| Ad Club Advertising | YES | 10% |
| Daily Journal | YES | 15% |

The total estimated contract value for official advertising for Fiscal Year 2017 - 2018 is \$500,000.00 and the total estimated contract value for clearinghouse services Fiscal Year 2017-2018 is \$75,000.00. The contract values have seen an increase over the last year due to an increase in City activities that require the advertising of public notices.

The third and fourth attachments are the Mayor's and Board's versions of San Francisco Ethics Commission Form 126, "Notification of Contract Approval."

If you have any questions or require additional information, please contact Florence Kyaun on my team at 415-554-6263.

Enclosures: Summary of Official Advertising Bids for Fiscal Year 2017-2018

 Resolution designating the *San Francisco Examiner* as the official newspaper

 S.F. Ethics Commission form 126, Notification of Contract Approval (Mayor)

 S.F. Ethics Commission form 126, Notification of Contract Approval (Board)