

1 [Sole Source contracting procedures.]

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3 **Resolution directing the Office of Contract Administration to change its procedures for**
4 **sole source contracting, including the adoption of the key recommendations made by**
5 **the Office of the Controller, in order to ensure a more coordinated, controlled and**
6 **efficient administrative procedure for the City and County of San Francisco.**

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8 WHEREAS, In April 2002, the Civil Grand Jury recommended that the Office of the
9 Controller audit and issue annual reports on “sole source” contracting activities in the City and
10 County of San Francisco; and,

11 WHEREAS, In August of 2002, the Office of Contract Administration (“OCA”) issued a
12 memo to department heads, contract administrators, and OCA purchasers outlining a new
13 review and approval procedure for all sole source contracts; and,

14 WHEREAS, The OCA memo contained a provision for all departments seeking sole
15 source contracts must request a waiver from OCA before proceeding with or entering into a
16 sole source contract

17 WHEREAS, The only citywide reporting requirement for sole source contracts is
18 contained in the Sunshine Ordinance, which requires city departments to report annually on
19 their sole source contracts to the Board of Supervisors. However, there is no follow up to
20 require compliance with the requirements and only nineteen departments filed a report for
21 fiscal year 2001-02; and,

22 WHEREAS, In its memo dated April 7, 2003, the Office of the Controller determined
23 that although new guidelines and procedures for sole source contracting have been recently
24 established by the Office of Contract Administration, historically the City’s oversight and

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1 knowledge of its contracts with sole source providers of goods and services has been
2 inadequate; and,

3 WHEREAS, The memo also stated that in general, (1) The City does not know the
4 number of its sole source contracts, (2) Has long-term relationships with contractors where no
5 competitive process has occurred for many years or has never occurred, (3) Provides funding
6 for specific contracts or organizations through the Board of Supervisors' "addback" process,
7 and (4) Should make a number of changes to allow for more effective and efficient processing
8 and tracking of sole source contracts; and,

9 WHEREAS, In its survey of city departments, the Office of the Controller found that at
10 least three City departments, which includes the Airport, the Board of Supervisors and the
11 Department of Public Health, reported having contracts or a series of contracts with the same
12 organizations for more than ten years without competitive solicitations or sole source waivers
13 from the City's Human Rights Commission; and,

14 WHEREAS, Over the past three years, the Board of Supervisors alone earmarked
15 approximately \$10 million to specific organizations through a total of 108 separate addbacks;
16 now, therefore, be it

17 RESOLVED, That the Board of Supervisors does hereby support measures that will
18 enable the City to more effectively and efficiently process and track information about its sole
19 source contracts; now, therefore, be it

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
21 does hereby direct the Office of Contract Administration to immediately adopt and implement
22 the key recommendations put forth by the Office of the Controller, to include;

23 1. Change its procedures to require departments to submit all existing sole source
24 contracts for review within a reasonable time period so that existing contracts can
25 be reviewed under its new guidelines.

- 1 2. Develop a computerized, sole source database that includes all relevant information
- 2 for each contract.
- 3 3. Review existing contracts to determine if services provided under sole source
- 4 contracts can now be bid competitively.
- 5 4. Begin competitive solicitation processes for services provided under contracts that
- 6 have been in place for 10 years or longer, beginning with the Board of Supervisors,
- 7 the Airport and the Department of Public Health; and, be it

8 FURTHER RESOLVED, That the Office of Contract Administration, after a period of
9 ninety days, shall make a report to the Board of Supervisors on its progress to date made on
10 the recommendations set forth.

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