

File No. 190592

Committee Item No. 7

Board Item No. 25

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date June 12, 2019

Board of Supervisors Meeting Date July 16, 2019

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Victor Young Date June 7, 2019

Completed by: Linda Wong Date July 8, 2019

1 [Contract Amendment - Budget and Legislative Analyst Services.- Not to Exceed
2 \$17,906,114]

3 **Resolution authorizing the Clerk of the Board to amend the Budget and Legislative**
4 **Analyst Services contract to enact a 3.2% cost-of-living adjustment (COLA) effective**
5 **July 1, 2019, and to exercise a final option to extend the term for two years through**
6 **December 31, 2021, increasing the total contract amount by \$5,016,694 including the**
7 **estimated future COLA for a total amount not to exceed \$17,906,114 for the period of**
8 **January 1, 2014, through December 31, 2021.**

9
10 WHEREAS, Under Charter, Section 2.117, the Board of Supervisors shall appoint and
11 may remove a Budget Analyst and such appointment shall be made solely on the basis of
12 qualifications by education, training and experience for the position to be filled; and

13 WHEREAS, Through a Request for Proposal (RFP) issued on May 24, 2013, the City
14 and County of San Francisco (City) selected Budget and Legislative Analyst, Joint Venture
15 and the Agreement was made for the term from January 1, 2014, to December 31, 2017, with
16 two options to extend the term for additional two years each; and

17 WHEREAS, The contract for Budget and Legislative Analyst Services allows the
18 contractor to request a cost-of-living adjustment (COLA) to their billing rates at least 60 days
19 in advance of each January 1 anniversary date of the contract; and

20 WHEREAS, The Budget Analyst Joint Venture submitted a request for a 3.2% COLA to
21 their contract, to be effectuated as of July 1, 2019; and

22 WHEREAS, The current term of the contract is from January 1, 2014 to December 31,
23 2019 with one final option to renew the contract for an additional two-year term from
24 January 1, 2020, through December 31, 2021; and

1 WHEREAS, Charter, Section 9.118(b) "Contract and Lease Limitations" requires the
2 Board of Supervisors to approve any contract estimated to exceed \$10,000,000 in anticipated
3 expenditure or amendments exceeding \$500,000 by resolution; now, therefore, be it

4 RESOLVED, That the Board of Supervisors enacts a 3.2% COLA to the contract
5 effective July 1, 2019, resulting in a new base contract amount of \$2,363,745, an increase of
6 \$73,294 in FY2019-2020 and; be it

7 RESOLVED, That the Board of Supervisors hereby authorizes the Clerk of the Board to
8 extend the term of the agreement from January 1, 2020, through December 31, 2021,
9 increasing the total contract amount by \$5,016,694, including the estimated future COLA of
10 3.2% each subsequent year, not to exceed \$17,906,114 for the period of January 1, 2014,
11 through December 31, 2021; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board
13 to take all necessary administrative actions to amend the contract accordingly and to include
14 the cost of the contract associated with this Amendment in the Department of the Board of
15 Supervisors' FY2019-2020 and FY2020-2021 proposed budget.

City and County of San Francisco
Office of Contract Administration
Purchasing Division

**Seventh Amendment to Agreement between the City and County of San Francisco
and
Budget and Legislative Analyst, Joint Venture**

THIS AMENDMENT (this "Amendment") is made as of July XX, 2019, in San Francisco, California, by and between Budget and Legislative Analyst, Joint Venture ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration or the Director's designated agent.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, The term of the Agreement from January 1, 2014 to December 31, 2019 includes one final option to renew for an additional two-year term. The City and County will notify the consultant by August 1, 2019 if the City intends to exercise the option to renew this contract until December 31, 2021; and

WHEREAS, The Agreement provides that City may, in its discretion, increase Contractor's compensation and the not-to-exceed amount of the Agreement if the City's Board of Supervisors adopts a motion to increase Contractor's hourly rate, provided that any such increase may be no more than the Cost of Living Adjustment (COLA) rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest; and

WHEREAS, On June XX, 2019, the Board of Supervisors adopted Resolution No. XXX-XX exercising an option to extend the term through December 31, 2021 and enacting a three point two percent (3.2%) COLA, to be effectuated no earlier than July 1, 2019, resulting in a \$73,294 increase to the contract in future fiscal years;

NOW, THEREFORE, Contractor and City agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

1a. Agreement. The term "Agreement" shall mean the Agreement dated December 19, 2013, between Contractor and City as amended by the:

First amendment, dated October 14, 2014, second amendment, dated October 19, 2015, and third amendment, dated August 18, 2016, fourth amendment, dated September 11, 2017, fifth amendment, dated September 10, 2018, and sixth amendment, dated February 8, 2019.

1b. Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **Section 2.** Section 2, Term of the Agreement, of the Agreement currently reads as follows:

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be from January 1, 2014 to December 31, 2019 with one final option to renew for an additional two-year term. The City and County will notify the consultant by August 1, 2019 if the City intends to exercise the option to renew this contract until December 31, 2021.

Section 5. Section 5, Compensation, of the Agreement currently reads as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-16 (ending June 30, 2016), \$2,174,806 in Fiscal Year 2016-17 (ending June 30, 2017), \$2,223,740 in Fiscal Year 2017-18 (ending June 30, 2018), \$2,290,451 in Fiscal Year 2018-19 (ending June 30, 2019) and shall not exceed \$2,290,451 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA). The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-6, "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Board of Supervisors Department as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be from January 1, 2014 to December 31, 2021. There is no remaining option to extend the term of the Agreement.

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-2016 (ending June 30, 2016), \$2,174,806 in Fiscal Year 2016-17 (ending June 30, 2017), \$2,223,740 in Fiscal Year 2017-18 (ending June 30, 2018), \$2,290,451 in Fiscal Year 2018-19 (ending June 30, 2019), \$2,363,745 in Fiscal Year 2019-20 (ending June 30, 2020) and shall not exceed \$2,363,745 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA) to increase that amount. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-7, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Clerk of the Board of Supervisors as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

2b. Appendix B-7. Appendix B-6 "Calculation of Charges" is replaced in its entirety by Appendix B-7, which is hereby attached and incorporated as though fully set forth herein.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after July 1, 2019.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

Budget and Legislative Analyst, Joint
Venture

Angela Calvillo
Clerk of the Board
Board of Supervisors

Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1150
San Francisco, CA 94102

Approved as to Form:

Dennis J. Herrera
City Attorney

By: _____

Jon Givner
Deputy City Attorney

Approved: _____

Alaric Degrafinried
Director of the Office of Contract
Administration, and
Purchaser

Appendix

B-7: Calculation of Charges

**Appendix B-7
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC and Debra A. Newman.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$195.01
Senior Analyst	\$148.79
Analyst	\$106.36

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City.

The City provides Contractor with City email accounts at actual cost, determined by the Department of Technology. It is Contractor's responsibility to notify the City of inactive email accounts to avoid unnecessary charges. Contractor shall subtract the annual email cost from its invoice each fiscal year.

Contractor may request a cost of living adjustment (COLA) increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$2,363,745 in FY 2019-20 and thereafter unless the Board of Supervisors adopts a motion enacting a COLA to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The table below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours
Principal Analyst	4,175
Senior Analyst	4,845
Analyst	7,840
Total	16,860

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	61.5%	73.4%
Debra A. Newman	22.4%	26.6%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 35% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, Joint Venture partner, subcontractor and staff classification.

DRAFT

City and County of San Francisco
Office of Contract Administration
Purchasing Division

Sixth Amendment to Agreement between the City and County of San Francisco
and
Budget and Legislative Analyst Joint Venture

THIS AMENDMENT (this "Amendment") is made as of February 8, 2019 in San Francisco, California, by and between Budget and Legislative Analyst Joint Venture ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration or the Director's designated agent.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, The Agreement was made on December 19, 2013 between Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture ("Contractor"), and the City and County of San Francisco ("City"); and

WHEREAS, On February 6, 2019, the Office of the Clerk of the Board received a letter from Louie & Wong LLP, one of the Joint Venture partners, informing of their withdrawal from the Joint Venture effective February 1, 2019;

NOW, THEREFORE, Contractor and City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:

1a. **Agreement.** The term "Agreement" shall mean the Agreement dated December 19, 2013, between Contractor and City as amended by the:

First amendment, dated October 14, 2014; second amendment, dated October 19, 2015; third amendment, dated August 18, 2016; and fourth amendment, dated September 11, 2017, and fifth amendment, dated September 10, 2018.

1b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **The contract currently reads as follows:**

This Agreement is made this 19th day of December, 2013, in the City and County of San Francisco, State of California, by and between: Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture, 1390 Market Street, Suite 1150, San Francisco, CA 94102, hereinafter referred to as "Contractor," and the City and County of San Francisco, a

municipal corporation, hereinafter referred to as "City," acting by and through its Director of the Office of Contract Administration or the Director's designated agent, hereinafter referred to as "Purchasing."

The contract is amended to read as follows:

This Agreement is made this 19th day of December, 2013, in the City and County of San Francisco, State of California, by and between: Harvey M. Rose Associates, LLC and Debra A. Newman, A Joint Venture, 1390 Market Street, Suite 1150, San Francisco, CA 94102, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of the Office of Contract Administration or the Director's designated agent, hereinafter referred to as "Purchasing."

2b. **Appendix B-6.** Appendix B-5 "Calculation of Charges" is replaced in its entirety by Appendix B-6, which is hereby attached and incorporated as though fully set forth herein.

3. **Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after February 1, 2019.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

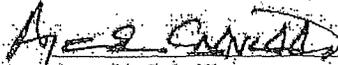
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first mentioned above.

CITY

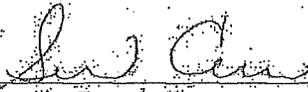
CONTRACTOR

Recommended by:

Budget and Legislative Analyst, Joint
Venture



Angela Calvillo
Clerk of the Board
Board of Supervisors

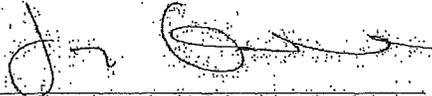


Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1150
San Francisco, CA 94102

Approved as to Form:

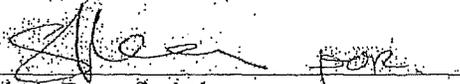
Dennis J. Herrera
City Attorney

By:



Jon Givner
Deputy City Attorney

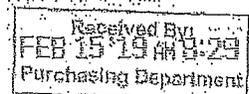
Approved:



Alarie Degrafinried
Director of the Office of Contract
Administration, and
Purchaser

Appendix

B-6: Calculation of Charges



**Appendix B-6
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC, and Debra A. Newman.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$188.96
Senior Analyst	\$144.18
Analyst	\$103.06

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City.

The City provides Contractor with City email accounts at actual cost, determined by the Department of Technology. It is Contractor's responsibility to notify the City of inactive email accounts to avoid unnecessary charges. Contractor shall subtract the annual email cost from its invoice each fiscal year.

Contractor may request a cost of living adjustment (COLA) increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$2,290,45 in FY 2018-19 and thereafter unless the Board of Supervisors adopts a motion enacting a COLA to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The table below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours
Principal Analyst	4,175
Senior Analyst	4,728
Analyst	7,957
Total	16,860

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	61.5%	73.4%
Debra A. Newman	22.4%	26.6%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 22.4% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, Joint Venture partner, subcontractor and staff classification.

City and County of San Francisco
Office of Contract Administration
Purchasing Division

Fifth Amendment to Agreement between the City and County of San Francisco
and
Budget and Legislative Analyst, Joint Venture

THIS AMENDMENT (this "Amendment") is made as of September 10, 2018, in San Francisco, California, by and between Budget and Legislative Analyst, Joint Venture ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration or the Director's designated agent.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, The Agreement provides that City may, in its discretion, increase Contractor's compensation and the not-to-exceed amount of the Agreement if the City's Board of Supervisors adopts a motion to increase Contractor's hourly rate, provided that any such increase may be no more than the Cost of Living Adjustment (COLA) rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest; and

WHEREAS, On July 24, 2018, the Board of Supervisors adopted Resolution No. 255-18 enacting a three percent (3%) COLA, to be effectuated no earlier than July 1, 2018, resulting in a \$66,712 increase to the contract in future fiscal years;

NOW, THEREFORE, Contractor and City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:

1a. **Agreement.** The term "Agreement" shall mean the Agreement dated December 19, 2013, between Contractor and City as amended by the:

First amendment, dated October 14, 2014, second amendment, dated October 19, 2015, third amendment, dated August 18, 2016, and fourth amendment, dated September 11, 2017.

1b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **Section 5.** Section 5, Compensation, of the Agreement currently reads as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board,

in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-16 (ending June 30, 2016), \$2,174,806 in Fiscal Year 2016-17 (ending June 30, 2017), \$2,223,740 in Fiscal Year 2017-18 (ending June 30, 2018) and shall not exceed \$2,223,740 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA). The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-4, "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Board of Supervisors Department as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-2016 (ending June 30, 2016), \$2,174,806 in Fiscal Year 2016-17 (ending June 30, 2017), \$2,223,740 in Fiscal Year 2017-18 (ending June 30, 2018), and \$2,290,451 in Fiscal Year 2018-19 (ending June 30, 2018) and shall not exceed \$2,290,451 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA) to increase that amount. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-5, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Clerk of the Board of Supervisors as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material

obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

2b. Appendix A-2. Appendix A-1 "Services to be provided by Contractor" is replaced in its entirety by Appendix A-2, which is hereby attached and incorporated as though fully set forth herein.

2c. Appendix B-5. Appendix B-4 "Calculation of Charges" is replaced in its entirety by Appendix B-5, which is hereby attached and incorporated as though fully set forth herein.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after July 1, 2018.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

Budget and Legislative Analyst, Joint Venture



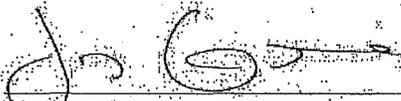
Angela Calvillo
Clerk of the Board
Board of Supervisors

Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1150
San Francisco, CA 94102

Approved as to Form:

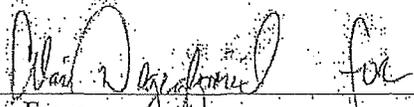
Dennis J. Herrera
City Attorney

By:



Jon Givner
Deputy City Attorney

Approved:



Jaci Fong
Director of the Office of Contract
Administration, and
Purchaser

Appendix

- A-2: Services to be provided by Contractor
- B-5: Calculation of Charges

Received By:
SEP 12 18 AM 9:52
Purchasing Department

Appendix A-2
Services to be provided by Contractor

1. Description of Services

Contractor agrees to perform the following services:

I. Detailed review of the Annual Appropriation and Salary Ordinances (the City and County's budget) from a financial and policy perspective. The Board seeks analysis that would provide tools to understand the explicit and implicit assumptions in the Mayor's proposed budget, recommend cost savings and revenue enhancements, identify areas of duplication, evaluate Board policy priorities for adequate funding, and recommend modifications that most effectively allocate resources among competing priorities.

II. Evaluation of legislation pending before Board Committees and the Board, including supplemental appropriation requests, leases, contract agreements, Municipal Code changes, and Charter Amendments. To ensure the Board produces the highest quality legislation, evaluation would include review of:

- a. fiscal impact to the City,
- b. report on applicable City, State and Federal laws that relate to the legislation,
- c. policies, particularly urban policy, such as land use, including development agreements, energy policy, and other policy issues on an as-needed basis,
- d. policy consequences and articulation of policy options,
- e. ease of implementation,
- f. documents that contain information to be considered by the Board prior to the Board reaching its decision to enact a law to establish legislative intent,
- g. information necessary for legislative oversight and informational hearings,
- h. assignments which may be requested by a committee of the Board, or by the full Board when approved by motion, concerning legislation pending before it.

III. Provide policy analysis and evaluation of options for legislative initiatives that are of interest to the majority of the Board and may be requested by motion. Additionally, provide policy analyses and follow up support to the Government Audit and Oversight (GAO) Committee regarding the Civil Grand Jury Reports. Support would include:

- a. prior to the hearing, work with the Committee Clerk to ensure the GAO Committee understands the Civil Grand Jury process and expectations for each publicly released Civil Grand Jury report, ensuring that set date(s) work with both the Committee Clerk and the GAO Committee,
- b. compose draft resolutions outlining the Board's response to the findings and recommendations that require the Board's reply in a timely manner before the initial and follow-up response is set to be heard,
- c. during the hearing, explain the Committee's duty to consider and take positions on each finding and recommendation that require the Board's response and record with regard to each finding whether the Committee "agrees" or "disagrees" (wholly, or partially with, and/or

specify the portion of the disputed finding) and the reasons required under the law, and record with regard to each recommendation whether the recommendation has been implemented, has not been implemented, will not be implemented or requires further analysis, with reasons and timelines required under the law,

- d. track all reports, findings, recommendations, and responses,
- e. work with the Committee Clerk to prepare a proposed resolution for the Board's consideration that accurately reflects the GAO Committee's responses to each finding and recommendation for adoption by the full Board in a timely manner,
- f. for each report for which the Board indicates a follow up response is needed (e.g., "Requires Further Analysis" or "Will Be Implemented"); work with the Committee Clerk to schedule a Hearing to ascertain the status of responses to findings or recommendations for report back to the Civil Grand Jury or Controller's Office,
- g. consider each finding and recommendation that requires a follow up response and, if necessary, prepare a draft motion to be introduced by the Committee directing the Clerk of the Board on the Committee's desired action,
- h. work with the Committee Clerk to update the annual Controller's report on all Civil Grand Jury matters requiring a Board response,
- i. work with the Committee Clerk on any other responses or follow up information requested (e.g., Civil Grand Jury requests for updates).

IV. Performance management audits of City departments and programs to assess whether the subject program is achieving economy, efficiency and effectiveness following generally accepted government auditing standards and the Board's Rules of Order 3.25. Make presentations and answer questions at each full Board, Committee and such other meetings as requested by the Board.

V. Generally

The Charter establishes the Board as the City's law-making body, and confers upon the Board the "Power of Inquiry and Review" regarding all matters affecting the conduct of any City department or office (Section 16.114). Charter Section 2.105 states that the Board acts by ordinance, resolution, or motion, and that ordinances and resolutions shall be referred to and reported upon by an appropriate committee of the Board. To assist the Board in performing these duties, Contractor must provide research, analysis and clear policy evaluations and options, whether written or oral, to the Board and its Committees in a manner that:

- Reflects institutional knowledge about the history and structure of the City,
- Is unbiased, accurate, objective and independent, and is done with integrity and a high degree of discretion,
- Demonstrates urban and fiscal policy expertise,
- Presents policy options in context and analyzes the policy implications of the legislation,
- Is concise and clear,
- Highlights topics that are important to policymakers, and
- To the extent possible, makes recommendations to the Board instead of stating that a matter is a policy decision for the Board.

Consistent with Charter Section 2.108, Contractor must serve the residents of San Francisco by having familiarity with laws governing the public's right of access to City records. It is essential for future researchers of the Board's actions that Contractor include in the research, analyses and recommendations provided to the Board information that documents and illuminates the intentions of the Board at the time the law is created. Additionally, Contractor should be responsive to the changing needs of the City as policy goals shift and complexity of legislative initiatives evolves.

Contractor must have the knowledge and expertise to use the best industry practices of other jurisdictions.

Contractor will primarily conduct research, analysis and provide policy evaluation and recommendations for the 11 members of the Board, who at times may have conflicting opinions and agendas. The Board expects Contractor to consistently provide unbiased and accurate analysis and recommendations regardless of the political expediency of such information.

Contractor will provide assistance, research and analysis to the Clerk of the Board as it pertains to City business on an as-needed basis.

Contractor must have the ability to work with City departments to obtain the information needed to perform its functions and to use the City's legislative and financial systems to review information.

The City's current legislative and financial systems consist of:

1. Legistar, the legislative management system;
2. PeopleSoft Financials and Procurement system;
3. FAMIS, the general ledger accounting system;
4. ADPICS, the purchasing system;
5. BPMS, the budget preparation system;
6. Oracle BI and Flex Reports, reporting and analytical tools for PeopleSoft Financials and Procurement system;
7. EIS, a reporting and analytical tool for FAMIS;
8. FAACS, a centralized fixed-asset database

The City will provide Contractor with training on the above-listed systems as needed.

2. Reports

Contractor shall submit written reports as requested by the Board of Supervisors. Format for the content of such reports shall be determined by the Board of Supervisors. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

3. Department Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the Board of Supervisors will be Angela Calvillo, Clerk of the Board.

**Appendix B-5
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC, Debra A. Newman, and Louie & Wong, LLP.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$188.96
Senior Analyst	\$144.18
Analyst	\$103.06

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City.

The City provides Contractor with City email accounts at actual cost, determined by the Department of Technology. It is Contractor's responsibility to notify the City of inactive email accounts to avoid unnecessary charges. Contractor shall subtract the annual email cost from its invoice each fiscal year.

Contractor may request a cost of living adjustment (COLA) increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$2,290,451 in FY 2018-19 and thereafter unless the Board of Supervisors adopts a motion enacting a COLA to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The table below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours
Principal Analyst	4,175
Senior Analyst	4,728
Analyst	7,957
Total	16,860

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	53.7%	64.0%
Debra A. Newman	22.4%	26.6%
Louie & Wong, LLP	7.9%	9.4%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 35% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, Joint Venture partner, subcontractor and staff classification.

City and County of San Francisco
Office of Contract Administration
Purchasing Division

Fourth Amendment to Agreement between the City and County of San Francisco
and
Budget and Legislative Analyst, Joint Venture

THIS AMENDMENT (this "Amendment") is made as of September 11, 2017, in San Francisco, California, by and between Budget and Legislative Analyst, Joint Venture ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration or the Director's designated agent.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, The term of the Agreement from January 1, 2014 to December 31, 2017 includes two options for the City to renew each for an additional two-year term by notifying the consultant by August 1, 2017 if the City intends to exercise the option to renew this contract until December 31, 2019 and by August 1, 2019 if the City intends to exercise the option to renew this contract until December 31, 2021; and

WHEREAS, The Agreement provides that City may, in its discretion, increase Contractor's compensation and the not-to-exceed amount of the Agreement if the City's Board of Supervisors adopts a motion to increase Contractor's hourly rate, provided that any such increase may be no more than the Cost of Living Adjustment (COLA) rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest; and

WHEREAS, On June 27, 2017, the Board of Supervisors adopted Resolution No. 266-17 exercising an option to extend the term through December 31, 2019 and enacting a two and one quarter percent (2.25%) COLA, to be effectuated no earlier than July 1, 2017, resulting in a \$48,933 increase to the contract in future fiscal years;

NOW, THEREFORE, Contractor and City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:

1a. **Agreement.** The term "Agreement" shall mean the Agreement dated December 19, 2013, between Contractor and City as amended by the:

First amendment, dated October 14, 2014, second amendment, dated October 19, 2015, and third amendment, dated August 18, 2016.

1b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **Section 2.** Section 2, Term of the Agreement, of the Agreement currently reads as follows:

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be from January 1, 2014 to December 31, 2017 with two options to renew each for an additional two-year term. The City and County will notify the consultant by August 1, 2017 if the City intends to exercise the option to renew this contract until December 31, 2019. The City and County will notify the consultant by August 1, 2019 if the City intends to exercise the option to renew this contract until December 31, 2021.

Section 5. Section 5, Compensation, of the Agreement currently reads as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-16 (ending June 30, 2016), \$2,174,806 in Fiscal Year 2016-17 (ending June 30, 2017) and shall not exceed \$2,174,806 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA). The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-1, "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Board of Supervisors Department as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be from January 1, 2014 to December 31, 2019 with one final option to renew for an additional two-year term.

The City and County will notify the consultant by August 1, 2019 if the City intends to exercise the option to renew this contract until December 31, 2021.

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-2016 (ending June 30, 2016), \$2,174,806 in Fiscal Year 2016-17 (ending June 30, 2017), \$2,223,740 in Fiscal Year 2017-18 (ending June 30, 2018) and shall not exceed \$2,223,740 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA) to increase that amount. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-4, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Clerk of the Board of Supervisors as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

2b. Appendix A-1. Appendix A "Services to be provided by Contractor" is replaced in its entirety by Appendix A-1, which is hereby attached and incorporated as though fully set forth herein.

2c. Appendix B-4. Appendix B-3 "Calculation of Charges" is replaced in its entirety by Appendix B-4, which is hereby attached and incorporated as though fully set forth herein.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after July 1, 2017.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

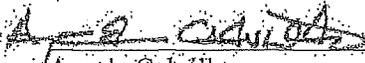
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first mentioned above.

CITY

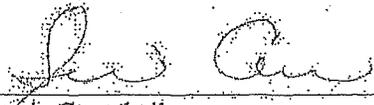
CONTRACTOR

Recommended by:

Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture



Angela Calvillo
Clerk of the Board
Board of Supervisors

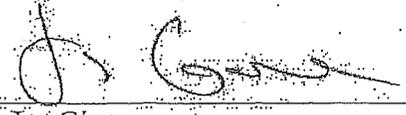


Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1150
San Francisco, CA 94102

Approved as to Form:

Dennis J. Herrera
City Attorney

By:



Jon Givner
Deputy City Attorney

Approved:



Jaci Fong
Director of the Office of Contract
Administration and
Purchaser

Appendix

- A-1: Services to be provided by Contractor
- B-4: Calculation of Charges

Appendix A-1
Services to be provided by Contractor

1. Description of Services

Contractor agrees to perform the following services:

I. Detailed review of the Annual Appropriation and Salary Ordinances (the City and County's budget) from a financial and policy perspective. The Board seeks analysis that would provide tools to understand the explicit and implicit assumptions in the Mayor's proposed budget, recommend cost savings and revenue enhancements, identify areas of duplication, evaluate Board policy priorities for adequate funding, and recommend modifications that most effectively allocate resources among competing priorities.

II. Evaluation of legislation pending before Board Committees and the Board, including supplemental appropriation requests, leases, contract agreements, Municipal Code changes, and Charter Amendments. To ensure the Board produces the highest quality legislation, evaluation would include review of:

- a. fiscal impact to the City,
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- h. assignments which may be requested by a committee of the Board, or by the full Board when approved by motion, concerning legislation pending before it.

III. Provide policy analysis and evaluation of options for legislative initiatives that are of interest to the majority of the Board and may be requested by motion. Additionally, provide policy analyses and follow up support to the Government Audit and Oversight (GAO) Committee regarding the Civil Grand Jury Reports. Support would include:

- a. prior to the hearing, work with the Committee Clerk to ensure the GAO Committee understands the Civil Grand Jury process and expectations for each publicly released Civil Grand Jury report ensuring that set date(s) work with both the Committee Clerk and the GAO Committee,
- b. compose draft resolutions outlining the Board's response to the findings and recommendations that require the Board's reply in a timely manner before the initial and follow-up response is set to be heard,
- c. during the hearing, explain the Committee's duty to consider and take positions on each finding and recommendation that require the Board's response and record with regard to each finding whether the Committee "agrees" or "disagrees" (wholly, or partially with, and/or

September 20, 2017

specify the portion of the disputed finding) and the reasons required under the law, and record with regard to each recommendation whether the recommendation has been implemented, has not been implemented, will not be implemented or requires further analysis, with reasons and timelines required under the law,

- d. track all reports, findings, recommendations, and responses,
- e. work with the Committee Clerk to prepare a proposed resolution for the Board's consideration that accurately reflects the GAO Committee's responses to each finding and recommendation for adoption by the full Board in a timely manner,
- f. for each report for which the Board indicates a follow up response is needed (e.g., "Requires Further Analysis" or "Will Be Implemented"), work with the Committee Clerk to schedule a Hearing to ascertain the status of responses to findings or recommendations for report back to the Civil Grand Jury or Controller's Office,
- g. consider each finding and recommendation that requires a follow up response and, if necessary, prepare a draft motion to be introduced by the Committee directing the Clerk of the Board on the Committee's desired action,
- h. work with the Committee Clerk to update the annual Controller's report on all Civil Grand Jury matters requiring a Board response,
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IV. Performance management audits of City departments and programs to assess whether the subject program is achieving economy, efficiency and effectiveness following generally accepted government auditing standards and the Board's Rules of Order 3.25. Make presentations and answer questions at each full Board, Committee and such other meetings as requested by the Board.

V. Generally

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September 20, 2017

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The City's current financial systems consist of:

1. PeopleSoft Financials and Procurement system;
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The City will provide Contractor with training on the above-listed systems as needed.

2. Reports

Contractor shall submit written reports as requested by the Board of Supervisors. Format for the content of such reports shall be determined by the Board of Supervisors. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

3. Department Liaison

September 20, 2017

In performing the services provided for in this Agreement, Contractor's liaison with the Board of Supervisors will be Angela Calvillo, Clerk of the Board.

September 20, 2017

**Appendix B-4
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC, Debra A. Newman, and Louie & Wong, LLP.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$183.46
Senior Analyst	\$138.98
Analyst	\$100.06

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City.

The City provides Contractor with City email accounts at actual cost, determined by the Department of Technology. It is Contractor's responsibility to notify the City of inactive email accounts to avoid unnecessary charges. Contractor shall subtract the annual email cost from its invoice each fiscal year.

Contractor may request a cost of living adjustment (COLA) increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$2,223,740 in FY 2017-18 and thereafter unless the Board of Supervisors adopts a motion enacting a COLA to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The table below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours
Principal Analyst	4,175
Senior Analyst	4,845
Analyst	7,840
Total	16,860

September 20, 2017

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	53.7%	64.0%
Debra A. Newman	22.4%	26.6%
Louie & Wong, LLP	7.9%	9.4%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 35% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, Joint Venture partner, subcontractor and staff classification.

City and County of San Francisco
Office of Contract Administration
Purchasing Division

Third Amendment to Agreement between the City and County of San Francisco
and
Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint
Venture

THIS AMENDMENT (this "Amendment") is made as of August 18, 2016, in San Francisco, California, by and between Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration or the Director's designated agent.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below);
and

WHEREAS, The Agreement provides that City may, in its discretion, increase Contractor's compensation and the not-to-exceed amount of the Agreement if the City's Board of Supervisors adopts a motion to increase Contractor's hourly rate, provided that any such increase may be no more than the Cost of Living Adjustment (COLA) rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest; and

WHEREAS, On July 19, 2016, the Board of Supervisors adopted Motion M16-096 enacting a two and one quarter percent (2.25%) COLA, to be effectuated no earlier than July 1, 2016, resulting in a \$47,856 increase to the contract in future fiscal years; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase Contractor's billing rates, update Appendix B-2, and update standard contractual clauses;

NOW, THEREFORE, Contractor and City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:

1a. **Agreement.** The term "Agreement" shall mean the Agreement dated December 19, 2013, between Contractor and City as amended by the:

First amendment, dated October 14, 2014 and second amendment, dated October 19, 2015

1b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **Section 5.** Section 5, Compensation, of the Agreement currently reads as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015) and shall not exceed \$2,060,000 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA). The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-1, "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Board of Supervisors Department as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-2016 (ending June 30, 2016), \$2,174,806 in Fiscal Year 2016-17 (ending June 30, 2017) and shall not exceed \$2,174,806 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA) to increase that amount. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly

rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-3, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Clerk of the Board of Supervisors as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

2b. Appendix B-3. Appendix B-2 "Calculation of Charges" is replaced in its entirety by Appendix B-3, which is hereby attached and incorporated as though fully set forth herein.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after July 1, 2016.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

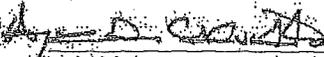
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture



Angela Calvillo
Clerk of the Board
Board of Supervisors

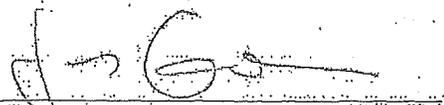


Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1025
San Francisco, CA 94102
City vendor number: 81834

Approved as to Form:

Dennis J. Herrera
City Attorney

By:



John Givner
Deputy City Attorney

Approved:



Jasi Fong
Director of the Office of Contract
Administration, and
Purchaser

Appendix

B-3: Calculation of Charges

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16 SEP 19 AM 10:09
PURCHASING DEPARTMENT
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PURCHASING DEPARTMENT

**Appendix B-3
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC, Debra A. Newman, and Louie & Wong, LLP.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$179.42
Senior Analyst	\$135.92
Analyst	\$97.86

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City. Contractor may request a cost of living adjustment (COLA) increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$2,174,806 in FY 2016-17 and thereafter unless the Board of Supervisors adopts a motion enacting a COLA to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The table below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours
Principal Analyst	4,175
Senior Analyst	4,845
Analyst	7,840
Total	16,860

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	53.7%	64.0%
Debra A. Newman	22.4%	26.6%
Louie & Wong, LLP	7.9%	9.4%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 35% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, Joint Venture partner, subcontractor and staff classification.

**City and County of San Francisco
Office of Contract Administration
Purchasing Division**

**Second Amendment to Agreement between the City and County of San Francisco
and
Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint
Venture**

THIS AMENDMENT (this "Amendment") is made as of October 19, 2015, in San Francisco, California, by and between Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration or the Director's designated agent.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below);
and

WHEREAS, The Agreement provides that City may, in its discretion, increase Contractor's compensation and the not-to-exceed amount of the Agreement if the City's Board of Supervisors adopts a motion to increase Contractor's hourly rate, provided that any such increase may be no more than the Cost of Living Adjustment (COLA) rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest; and

WHEREAS, On July 21, 2015, the Board of Supervisors adopted Motion M15-116 enacting a three and one quarter percent (3.25%) COLA, to be effectuated no earlier than October 1, 2015, resulting in a 2.44%, or \$50,264, increase to the contract in Fiscal Year 2015-2016 and a 3.25% increase in future fiscal years; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase Contractor's billing rates, update Appendix B-1, and update standard contractual clauses;

NOW, THEREFORE, Contractor and City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:

1a. **Agreement.** The term "Agreement" shall mean the Agreement dated December 19, 2013, between Contractor and City as amended by the:

First amendment, dated October 14, 2014

1b. Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

2a. Section 5. Section 5, Compensation, of the Agreement currently reads as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015) and shall not exceed \$2,060,000 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA). The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-1; "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Board of Supervisors Department as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-2016 (ending June 30, 2016), and shall not exceed \$2,126,950 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA) to increase that amount. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for

government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B-2, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Clerk of the Board of Supervisors as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

2b. Appendix B-2. Appendix B-1 "Calculation of Charges" is replaced in its entirety by Appendix B-2, which is hereby attached and incorporated as though fully set forth herein.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after October 1, 2015.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

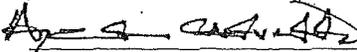
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture



Angela Calvillo
Clerk of the Board
Board of Supervisors



Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1025
San Francisco, CA 94102
City vendor number: 81834

Approved as to Form:

Dennis J. Herrera
City Attorney

By: 

Jon Givner
Deputy City Attorney

Approved:


for _____
Jaci Fong
Director of the Office of Contract Administration, and Purchaser

Appendix

B-2: Calculation of Charges

**Appendix B-2
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC, Debra A. Newman, and Louie & Wong, LLP.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$175.47
Senior Analyst	\$132.93
Analyst	\$95.71

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City. Contractor may request a cost of living adjustment (COLA) increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), \$2,110,264 in Fiscal Year 2015-16 (ending June 30, 2016), and shall not exceed \$2,126,950 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a COLA to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The table below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours
Principal Analyst	4,175
Senior Analyst	4,845
Analyst	7,840
Total	16,860

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	53.7%	64.0%
Debra A. Newman	22.4%	26.6%
Louie & Wong, LLP	7.9%	9.4%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 35% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, Joint Venture partner, subcontractor and staff classification.

**City and County of San Francisco
Office of Contract Administration
Purchasing Division**

**First Amendment to Agreement between the City and County of San Francisco
and
Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint
Venture**

THIS AMENDMENT (this "Amendment") is made as of October 14, 2014, in San Francisco, California, by and between Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration or the Director's designated agent.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below);
and

WHEREAS, The Agreement provides that City may, in its discretion, increase Contractor's compensation and the not-to-exceed amount of the Agreement if the City's Board of Supervisors adopts a motion to increase Contractor's hourly rate, provided that any such increase may be no more than the Cost of Living Adjustment (COLA) rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest; and

WHEREAS, On September 16, 2014, the Board of Supervisors adopted Motion M14-154, enacting a three percent COLA, to be effectuated no earlier than October 1, 2014, resulting in a 2.25 percent, or \$45,000, increase to the contract in Fiscal Year 2014-2015 and a 3.00 percent increase in future fiscal years; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase Contractor's billing rates, update Appendix B, and update standard contractual clauses;

NOW, THEREFORE, Contractor and City agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

1a. Agreement. The term "Agreement" shall mean the Agreement dated December 19, 2013, between Contractor and City.

1b. Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

2a. Section 5. Section 5, Compensation, of the Agreement currently reads as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$2,000,000 (two million dollars) per year unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA). The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Board of Supervisors Department as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

5. Compensation. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), and shall not exceed \$2,060,000 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA) to increase that amount. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this

Agreement appears in Appendix B-1, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Clerk of the Board of Supervisors as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

2b. Appendix B-1. Appendix B "Calculation of Charges" is replaced in its entirety by Appendix B-1, which is hereby attached and incorporated as though fully set forth herein.

2c. Replacing "Earned Income Credit (EIC) Forms" with "Consideration of Criminal History in Hiring and Employment Decisions" Section. Section 32 "Earned Income Credit (EIC) Form," is hereby replaced in its entirety to read as follows:

32. Consideration of Criminal History in Hiring and Employment Decisions.

a. Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Contractor's obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

b. The requirements of Chapter 12T shall only apply to Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

c. Contractor shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

d. Contractor or Subcontractor shall not inquire about, require disclosure of, or if such information is received, base an Adverse Action on an applicant's or potential applicant for employment's, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

e. Contractor or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 32 (d), above. Contractor or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

f. Contractor or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that Contractor or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

g. Contractor and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under Contractor or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

h. Contractor understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

3. **Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after October 1, 2014.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

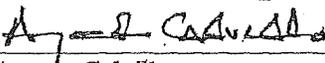
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first mentioned above.

CITY

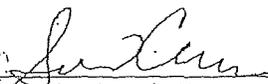
CONTRACTOR

Recommended by:

Harvey M. Rose Associates, LLC, Debra A.
Newman, Louie & Wong, LLP, A Joint
Venture



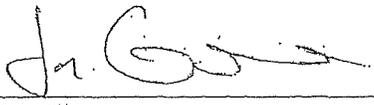
Angela Calvillo
Clerk of the Board
Board of Supervisors



Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1025
San Francisco, CA 94102
City vendor number: 81834

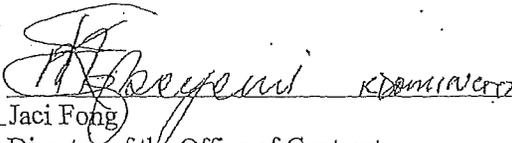
Approved as to Form:

Dennis J. Herrera
City Attorney

By: 

Jon Givner
Deputy City Attorney

Approved:



for Jaci Fong
Director of the Office of Contract
Administration, and
Purchaser

Appendix

B-1: Calculation of Charges

**Appendix B-1
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC, Debra A. Newman, and Louie & Wong, LLP.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$169.95
Senior Analyst	\$128.75
Analyst	\$92.70

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City. Contractor may request a cost of living adjustment (COLA) increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$1,000,000 in Fiscal Year 2013-2014 (ending June 30, 2014), \$2,045,000 in Fiscal Year 2014-2015 (ending June 30, 2015), and shall not exceed \$2,060,000 per Fiscal Year thereafter unless the Board of Supervisors adopts a motion enacting a COLA to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The schedule below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours
Principal Analyst	4,174
Senior Analyst	4,845
Analyst	7,840
Total	16,859

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	53.7%	64.0%
Debra A. Newman	22.4%	26.6%
Louie & Wong, LLP	7.9%	9.4%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 35% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, Joint Venture partner, subcontractor and staff classification.

Budget & Legislative Analyst

Contract Term: January 1, 2014 to December 31, 2017

Calendar Year	Months	Fiscal Year	Contract Amount	Calendar Year Contract Amount	Fiscal Year Contract Amount
2014	January - June	FY 13/14	\$1,000,000	\$2,022,500	\$1,000,000
	July - December	FY 14/15	\$1,022,500		\$2,045,000
2015	January - June	FY 14/15	\$1,022,500	\$2,052,500	\$2,060,000
	July - December	FY 15/16	\$1,030,000		
2016	January - June	FY 15/16	\$1,030,000	\$2,060,000	\$2,060,000
	July - December	FY 16/17	\$1,030,000		
2017	January - June	FY 16/17	\$1,030,000	\$2,060,000	\$1,030,000
	July - December	FY 17/18	\$1,030,000		
TOTAL			\$8,195,000	\$8,195,000	\$8,195,000

City and County of San Francisco
Office of Contract Administration
Purchasing Division
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4685

Agreement between the City and County of San Francisco and

Harvey M. Rose Associates, LLC
Debra A. Newman
Louie & Wong, LLP
A Joint Venture

This Agreement is made this 19th day of December, 2013, in the City and County of San Francisco, State of California, by and between: Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture, 1390 Market Street, Suite 1150, San Francisco, CA 94102, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of the Office of Contract Administration or the Director's designated agent, hereinafter referred to as "Purchasing."

Recitals

WHEREAS, the Board of Supervisors ("Department") wishes to obtain budget and legislative analyst services; and,

WHEREAS, a Request for Proposal ("RFP") was issued on May 24, 2013, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

WHEREAS, on July 24, 2013, the Board of Supervisors adopted a resolution concurring in the Controller's determination that the services performed under this Agreement can be performed by a private contractor for a lower cost than similar work performed by City employees, pursuant to San Francisco Charter Section 10.104(15);

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation. This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions

are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. **Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from January 1, 2014 to December 31, 2017 with two options to renew each for an additional two-year term. The City and County will notify the consultant by August 1, 2017 if the City intends to exercise the option to renew this contract until December 31, 2019. The City and County will notify the consultant by August 1, 2019 if the City intends to exercise the option to renew this contract until December 31, 2021.

3. **Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. **Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. **Compensation.** Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Clerk of the Board, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. The amount of this Agreement shall not exceed \$2,000,000 (two million dollars) per year unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA). The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Board of Supervisors Department as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

6. **Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the

changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. **Payment; Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. **Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at [http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1). A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. **Left blank by the agreement of the parties. (Disallowance)**

10. **Taxes**

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement.

Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel. Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment. City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. **Independent Contractor.** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in

this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. **Payment of Taxes and Other Expenses.** Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

- 1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and
- 2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and
- 3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.
- 4) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

- 1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-; VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

k. Any of the terms of conditions of this Section 15 may be waived by the City's Risk Manager in writing, and attached to this Agreement as Appendix C. Such waiver is fully incorporated herein. The waiver shall waive only the requirements that are expressly identified and waived, and under such terms and conditions as stated in the waiver.

16. Indemnification. Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages. Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

18. Liability of City. CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages. By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of \$6,000 (six thousand dollars) per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that City will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. City may deduct a sum representing the liquidated damages from any money due to Contractor. Such

deductions shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to deliver to City within the time fixed or such extensions of time permitted in writing by Purchasing.

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- | | |
|---|---------------------------------------|
| 8. Submitting False Claims; Monetary Penalties. | 37. Drug-free workplace policy |
| 10. Taxes | 53. Compliance with laws |
| 15. Insurance | |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment | |

2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

- 1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.
- 2) Not placing any further orders or subcontracts for materials, services, equipment or other items.
- 3) Terminating all existing orders and subcontracts.
- 4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- 5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- 6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.
- 7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

- 1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.
- 2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services

and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

- | | |
|---|---|
| 8. Submitting false claims | 24. Proprietary or confidential information of City |
| | 26. Ownership of Results |
| 10. Taxes | 27. Works for Hire |
| 11. Payment does not imply acceptance of work | 28. Audit and Inspection of Records |
| 13. Responsibility for equipment | 48. Modification of Agreement. |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 49. Administrative Remedy for Agreement Interpretation. |
| 15. Insurance | 50. Agreement Made in California; Venue |
| 16. Indemnification | 51. Construction |
| 17. Incidental and Consequential Damages | 52. Entire Agreement |
| 18. Liability of City | 56. Severability |
| | 57. Protection of private information |

If the contract is to be terminated or will end, if requested by the Clerk of the Board, the consultant will provide services for a three (3) month period which would be dedicated to knowledge transfer to the new consultant, or in-house Budget and Legislative Analyst Office. The compensation terms in this contract would govern this three month period. Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

23. **Conflict of Interest.** Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

24. **Proprietary or Confidential Information of City.** Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. **Notices to the Parties.** Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: Angela Calvillo, Clerk of the Board
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Angela.Calvillo@sfgov.org

To Contractor: Budget and Legislative Analyst Joint Venture
c/o Harvey M. Rose Associates, LLC
Severin Campbell, Principal
1390 Market St., Suite 1190
San Francisco, CA 94102
SCampbell@harveyrose.com

Any notice of default must be sent by registered mail.

26. **Ownership of Results.** Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. **Works for Hire.** If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. **Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

29. **Subcontracting.** Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. **Assignment.** The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

31. **Non-Waiver of Rights.** The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. **Earned Income Credit (EIC) Forms.** Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these

forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. **The LBE Ordinance.** Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

1) **Enforcement.** If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to

Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

2) **Subcontracting Goals.** The LBE subcontracting participation goal for this contract is 16%. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice submitted to City for payment shall include the information required in the CMD Progress Payment Form and the CMD Payment Affidavit. Failure to provide the CMD Progress Payment Form and the CMD Payment Affidavit with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until the CMD Payment Form and the CMD Subcontractor Payment Affidavit are provided by Contractor. Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in the LBE Ordinance, for any purpose inconsistent with the provisions of the LBE Ordinance, its implementing rules and regulations, or this Section.

3) **Subcontract Language Requirements.** Contractor shall incorporate the LBE Ordinance into each subcontract made in the fulfillment of Contractor's obligations under this Agreement and require each subcontractor to agree and comply with provisions of the ordinance applicable to subcontractors. Contractor shall include in all subcontracts with LBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any LBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor does not fulfill its commitment to use the LBE subcontractor as specified in the bid or proposal, unless Contractor received advance approval from the Director of CMD and contract awarding authority to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction. Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination of this contract and to make such records available for audit and inspection by the Director of CMD or the Controller upon request.

4) **Payment of Subcontractors.** Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Director of CMD in writing within ten working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Director waives the three-day payment requirement, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount. Contractor further agrees, within ten working days following receipt of payment from the City, to file the CMD Payment Affidavit with the Controller, under penalty of perjury, that the Contractor has paid all subcontractors. The affidavit shall provide the names and addresses of all subcontractors and the amount paid to each. Failure to provide such affidavit may subject Contractor to enforcement procedure under Administrative Code §14B.17.

34. **Nondiscrimination; Penalties**

a. **Contractor Shall Not Discriminate.** In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits.** Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contracts Monitoring Division (formerly 'Human Rights Commission').

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. **MacBride Principles—Northern Ireland.** Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing

below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy. Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation. Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act. Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records. If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan

option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference.

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement.

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or

temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

6) Set the term of the requirements.

7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. **Hiring Decisions**

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. **Exceptions**

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. **Liquidated Damages.**

Contractor agrees:

1) To be liable to the City for liquidated damages as provided in this section;

2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

(a) The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

(b) In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. **Subcontracts.**

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic. Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

49. **Administrative Remedy for Agreement Interpretation.** Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. **Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. **Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. **Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

53. **Compliance with Laws.** Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. **Services Provided by Attorneys.** Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. **Left blank by agreement of the parties. (Supervision of Minors)** Contractor, and any subcontractors, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Contractor, or any subcontractor, in which he or she would have supervisory or disciplinary power over a minor under his or her care. If Contractor, or any subcontractor, is providing services at a City park, playground, recreational center or beach (separately and collectively, "Recreational Site"), Contractor shall not hire, and shall prevent its subcontractors from hiring, any person for employment or volunteer position to provide those services if that person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3). If Contractor, or any of its subcontractors, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Contractor shall comply, and cause its subcontractors to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Contractor shall provide, or cause its subcontractors to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian. Contractor shall expressly require any of its subcontractors with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subcontractor. Contractor acknowledges

and agrees that failure by Contractor or any of its subcontractors to comply with any provision of this section of the Agreement shall constitute an Event of Default. Contractor further acknowledges and agrees that such Event of Default shall be grounds for the City to terminate the Agreement, partially or in its entirety, to recover from Contractor any amounts paid under this Agreement, and to withhold any future payments to Contractor. The remedies provided in this Section shall not be limited to any other remedy available to the City hereunder, or in equity or law for an Event of Default, and each remedy may be exercised individually or in combination with any other available remedy. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

56. **Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. **Protection of Private Information.** Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. **Not Used.**

59. **Food Service Waste Reduction Requirements.** Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

60. **Slavery Era Disclosure**

a. Contractor acknowledges that this contract shall not be binding upon the City until the Director receives the affidavit required by the San Francisco Administrative Code's Chapter 12Y, "San Francisco Slavery Era Disclosure Ordinance."

b. In the event the Director of Administrative Services finds that Contractor has failed to file an affidavit as required by Section 12Y.4(a) and this Contract, or has willfully filed a false affidavit, the Contractor shall be liable for liquidated damages in an amount equal to the Contractor's net profit on the Contract, 10 percent of the total amount of the Contract, or \$1,000, whichever is greatest as determined by the Director of Administrative Services. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Contractor from any Contract with the City.

c. Contractor shall maintain records necessary for monitoring their compliance with this provision.

61. Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

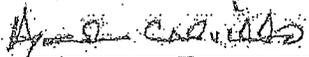
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

Harvey M. Rose Associates, LLC, Debra A. Newman, Louie & Wong, LLP, A Joint Venture



Angela Calvillo
Clerk of the Board
Board of Supervisors

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

Approved as to Form:

Dennis J. Herrera
City Attorney

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

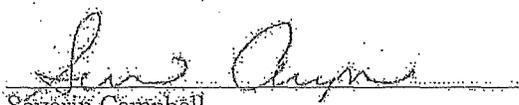


By: Jon Givner
Deputy City Attorney

Approved:



Jack Fong
Director of the Office of Contract Administration, and Purchaser



Severin Campbell
Joint Venture Partnership Manager
1390 Market Street, Suite 1025
San Francisco, CA 94102
City vendor number: 81824

Appendices

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Insurance Waiver

16 JUN 27 11:11:23
RECEIVED
CITY OF SAN FRANCISCO
OFFICE OF THE CITY ATTORNEY

RECEIVED
CITY OF SAN FRANCISCO
OFFICE OF THE CITY ATTORNEY
10/27/13 11:15:55

Appendix A
Services to be provided by Contractor

1. Description of Services

Contractor agrees to perform the following services:

I. Detailed review of the Annual Appropriation and Salary Ordinances (the City and County's budget) from a financial and policy perspective. The Board seeks analysis that would provide tools to understand the explicit and implicit assumptions in the Mayor's proposed budget, recommend cost savings and revenue enhancements, identify areas of duplication, evaluate Board policy priorities for adequate funding, and recommend modifications that most effectively allocate resources among competing priorities.

II. Evaluation of legislation pending before Board Committees and the Board, including supplemental appropriation requests, leases, contract agreements, Municipal Code changes, and Charter Amendments. To ensure the Board produces the highest quality legislation, evaluation would include review of:

- a. fiscal impact to the City,
- b. report on applicable City, State and Federal laws that relate to the legislation,
- c. policies, particularly urban policy, such as land use, including development agreements, energy policy, and other policy issues on an as-needed basis,
- d. policy consequences and articulation of policy options,
- e. ease of implementation,
- f. documents that contain information to be considered by the Board prior to the Board reaching its decision to enact a law to establish legislative intent,
- g. information necessary for legislative oversight and informational hearings,
- h. assignments which may be requested by a committee of the Board, or by the full Board when approved by motion, concerning legislation pending before it.

III. Provide policy analysis and evaluation of options for legislative initiatives that are of interest to the majority of the Board and may be requested by motion. Additionally, provide policy analyses and follow up support to the Government Audit and Oversight (GAO) Committee regarding the Civil Grand Jury Reports. Support would include:

- a. prior to the hearing, work with the Committee Clerk to ensure the GAO Committee understands the Civil Grand Jury process and expectations for each publicly released Civil Grand Jury report,
- b. compose draft resolutions outlining the Board's response to the findings and recommendations that require the Board's reply,
- c. during the hearing, explain the Committee's duty to consider and take positions on each finding and recommendation that require the Board's response and record with regard to each finding whether the Committee "agrees" or "disagrees" (wholly, or partially with, and/or specify the portion of the disputed finding) and the reasons required under the law,

and record with regard to each recommendation whether the recommendation has been implemented, has not been implemented, will not be implemented or requires further analysis, with reasons and timelines required under the law,

- d. track all reports, findings, recommendations, and responses,
- e. work with the Committee Clerk to prepare a proposed resolution for the Board's consideration that accurately reflects the GAO Committee's responses to each finding and recommendation for adoption by the full Board,
- f. for each report for which the Board indicates a follow up response is needed (e.g., "Requires Further Analysis" or "Will Be Implemented"), work with the Committee Clerk to schedule a Hearing to ascertain the status of responses to findings or recommendations for report back to the Civil Grand Jury or Controller's Office,
- g. to consider each finding and recommendation that requires a follow up response and, if necessary, prepare a draft motion to be introduced by the Committee directing the Clerk of the Board on the Committee's desired action,
- h. work with the Committee Clerk to update the annual Controller's report on all Civil Grand Jury matters requiring a Board response,
- i. work with the Committee Clerk on any other responses or follow up information requested (e.g., Civil Grand Jury requests for updates).

IV. Performance management audits of City departments and programs to assess whether the subject program is achieving economy, efficiency and effectiveness following generally accepted government auditing standards and the Board's Rules of Order 3.25. Make presentations and answer questions at each full Board, Committee and such other meetings as requested by the Board.

V. Generally

The Charter establishes the Board as the City's law-making body, and confers upon the Board the "Power of Inquiry and Review" regarding all matters affecting the conduct of any City department or office (Section 16.114). Charter Section 2.105 states that all legislative acts shall be by ordinance or resolution and shall be referred to and reported upon by an appropriate committee of the Board. To assist the Board in performing these duties, Contractor must provide research, analysis and clear policy evaluations and options, whether written or oral, to the Board and its Committees in a manner that:

- Reflects institutional knowledge about the history and structure of the City,
- Is unbiased, accurate, objective and independent, and is done with integrity and a high degree of discretion,
- Demonstrates urban and fiscal policy expertise,
- Presents policy options in context and analyzes the policy implications of the legislation,
- Is concise and clear,
- Highlights topics that are important to policymakers, and
- To the extent possible, makes recommendations to the Board instead of stating that a matter is a policy decision for the Board

Consistent with Charter Section 2.108, Contractor must serve the residents of San Francisco by having familiarity with laws governing the public's right of access to City records. It is essential for future researchers of the Board's actions that Contractor include in the research, analyses and recommendations provided to the Board information that documents and illuminates the intentions of the Board at the time the law is created. Additionally, Contractor should be responsive to the changing needs of the City as policy goals shift and complexity of legislative initiatives evolves.

Contractor must have the knowledge and expertise to use the best industry practices of other jurisdictions.

Contractor will primarily conduct research, analysis and provide policy evaluation and recommendations for the 11 members of the Board, who at times may have conflicting opinions and agendas. The Board expects Contractor to consistently provide unbiased and accurate analysis and recommendations regardless of the political expediency of such information.

Contractor will provide assistance, research and analysis to the Clerk of the Board as it pertains to City business on an as-needed basis.

The consultant must have the ability to work with City departments to obtain the information needed to perform its functions and to use the City's financial systems to review information.

The City's current financial systems consist of:

1. FAMIS, the general ledger accounting system;
2. ADPICS, the purchasing system;
3. BPMS, the budget preparation system that uploads budget data to FAMIS;
4. EIS, a reporting and analytical tool for FAMIS;
5. Powerplay and Impromptu, reporting tools linked to FAMIS and EIS; and,
6. FAACS, a centralized fixed-asset database

The City will provide Contractor with training on the above-listed systems as needed.

2. Reports

Contractor shall submit written reports as requested by the Board of Supervisors. Format for the content of such reports shall be determined by the Board of Supervisors. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

3. Department Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the Board of Supervisors will be Angela Calvillo, Clerk of the Board.

**Appendix B
Calculation of Charges**

The following hourly rates, annual hours allocation and fee schedules will apply to the Budget and Legislative Analyst Joint Venture, which consists of Harvey M. Rose Associates, LLC, Debra A. Newman, and Louie & Wong, LLP.

Hourly Rates

Staff Level	Rate
Principal Analyst	\$165.00
Senior Analyst	\$125.00
Analyst	\$90.00

These hourly rates are all inclusive, meaning that no additional amounts will be charged to the City for expenses, including administrative support, travel, office expense, telephone or other items required to perform the services described in Appendix A. All fees will be charged in arrears, based on actual hours worked during the preceding month, unless a different methodology is required by the City. Contractor may request an increase in billing rates at least 60 days in advance of each January 1 anniversary date of the contract. The City, in its sole discretion, shall determine whether to grant the increase. Any increase shall be subject to approval by the Board of Supervisors. The amount of this Agreement shall not exceed \$2,000,000 (two million dollars) per year unless the Board of Supervisors adopts a motion enacting a cost of living adjustment (COLA) to the billing rates. The Board of Supervisors may adopt such a motion a maximum of one time per calendar year. Any such motion could increase Contractor's hourly rate by no more than the COLA rate set by statute or ordinance for government employees by the City, the State, or the Federal Government, whichever is highest.

The schedule below provides an initial allocation of professional staff hours by Joint Venture and subcontractors.

Staff Level	Proposed Contract Hours	Contract Amount
Principal Analyst	4,174	\$688,775
Senior Analyst	4,845	\$605,625
Analyst	7,840	\$705,600
Total	16,859	\$2,000,000

The allocation of professional staff hours would result in the following allocation of professional fees, by Joint Venture partner firm and subcontractors.

Fee Allocation by Joint Venture Partner/LBE Contractor

Organization	Percent of Fees	Percent of Joint Venture
Harvey M. Rose Associates, LLC	53.7%	64.0%
Debra A. Newman	22.4%	26.6%
Louie & Wong, LLP	7.9%	9.4%
Rodriguez, Perez, Delgado & Company	11.7%	N/A
Hampton Smith	4.4%	N/A
Total	100%	100%

The allocation of professional staff hours presented here is for planning purposes. Actual hours may vary by Joint Venture partner, subcontractor, and classification, based on Contractor's assessment of the Board of Supervisors' service requirements. In no event will payments to the LBE subcontractors drop below the 16% threshold established by the City. In addition, Joint Venture partners that are also certified LBE will receive 35% of net contract proceeds after payment to the subcontractors. Contractor will provide reports to the Clerk of the Board of Supervisors each month showing actual hours of service for the quarter and year-to-date and a forecast for the balance of the year, by service area, joint venture partner, subcontractor and staff classification.

Appendix C
Insurance Waiver

Landis, Deborah

From: Hansen, Matt
Sent: Monday, December 02, 2013 4:40 PM
To: Newman, Debra
Cc: Cayillo, Angela; Landis, Deborah; Campbell, Severin; Brousseau, Fred; Fitzgerald, Elizabeth
Subject: Re: Followup re budget and legislative analyst contract

Waiver granted. Let me know if anyone has further questions.

Best
Matt

On Dec 2, 2013, at 4:27 PM, "Newman, Debra" <debra.newman@sf.gov> wrote:

Hi Angela, Deborah and Matt,

As we previously discussed, attached is my request for a waiver of professional liability insurance under the new Budget and Legislative Analyst contract.

Thanks,

Debra Newman
Budget and Legislative Analyst
1300 Market Street, Suite 1150
San Francisco, CA 94102
(415) 553-4531

<Request for waiver, 2013.pdf>

Debra A Newman
Budget and Legislative Analyst
1390 Market Street, Suite 1150
San Francisco, CA 94102

December 2, 2013

Angela Calvillo
Clerk of the Board
San Francisco Board of Supervisors
City Hall
San Francisco, CA 94102

Dear Angela,

This letter is in response to our meeting last week to negotiate continued Budget and Legislative Analyst services under contract commencing January 1, 2014. Under this contract, we will continue to provide budget, legislative and policy analysis services for the Board of Supervisors, as we have for the past 25 years. These services are both formal and informal, in the form of annual budget reports, short analysis memos on legislation proposed by the Board of Supervisors, policy papers and performance audits which contain recommendations for various City departments or programs as well as discussions and briefings with individual Supervisors.

It is important to note that there is no State or Federal licensing requirement to be a budget, legislative or policy analyst. In addition, our office does not prepare financial audits; rather our audits address efficiency, effectiveness and process issues. Furthermore, our recommendations do not have the force of law. Rather, it is completely discretionary whether the Board of Supervisors approves or adopts our recommendations.

Prior to our current contract, we were not required to provide professional liability coverage. Under the existing contract, my firm was granted a waiver from the professional liability insurance requirement by the City's Risk Manager. Based on a telephone discussion with Ms. Deborah Landis of your office last week and Mr. Matt Hansen, the City's Risk Manager today, I am requesting a waiver of this requirement to obtain professional liability coverage as this coverage is not applicable to the Budget and Legislative Analyst's professional requirements or the scope of work.

Please note that in accordance with the proposed contract, I will provide workers' compensation, commercial general liability, and commercial automobile liability insurance, as specified.

Thank you.
Warmest Regards,



Debra A Newman

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on : []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Clerk of the Board

Subject:

Contract Amendment - Budget and Legislative Analyst Services - Not to Exceed \$17,906,114

The text is listed:

Resolution authorizing the Clerk of the Board to amend the Budget and Legislative Analyst Services contract to enact a 3.2% cost-of-living adjustment (COLA) effective July 1, 2019, and to exercise a final option to extend the term for two years through December 31, 2021, increasing the total contract amount by \$5,016,694 including the estimated future COLA for a total amount not to exceed \$17,906,114 for the period of January 1, 2014, through December 31, 2021.

Signature of Sponsoring Supervisor: []

For Clerk's Use Only

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Budget and Legislative Analyst Joint Venture Partnership, consisting of Harvey M. Rose Associates, LLC and Debra A. Newman.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
1. Harvey M. Rose Associates LLC principals are Severin Campbell, Fred Brousseau, Dan Goncher, and Cheryl Solov. Debra Newman is a sole owner of Debra A. Newman.	
2. N/A	
3. Harvey M. Rose Associates LLC and Debra A. Newman	
4. Subcontractors are Rodriguez, Perez, Delgado & Co. and Hampton Smith	
5. N/A	
Contractor address: 1390 Market Street, Suite 1150, San Francisco, CA 94102	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: \$ 17,906,114
Describe the nature of the contract that was approved: Budget and legislative analyst services to the Board of Supervisors	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed