

ANALYSIS OF RELATIONS BETWEEN RECREATION AND PARKS DEPARTMENT AND SAN FRANCISCO PARKS ALLIANCE

Policy Analysis Report to Supervisor Connie Chan

Presentation to:

GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

November 18, 2021

Overview & Scope: Recreation & Parks - SF Parks Alliance

Multi-year partnership history

- a. 2003 – present: SFPA operating, marketing, and fundraising for Conservatory of Flowers.
- b. Ongoing: 1) annual support, and 2) specific projects through cash and in-kind services.
- c. Partnership to plan and fund Golden Gate Park 150th anniversary celebration events.

Agreements reviewed:

- 1. Let's PlaySF! playground renovation umbrella MOU
- 2. Richmond Playground agreement
- 3. Golden Gate Park 150th anniversary celebration (*proposed use permit*)
- 4. SkyStar observation wheel operations
- 5. Conservatory of Flowers license agreement

SF Controller’s Preliminary Recommendations to Limit Risk from Gifts to Departments from Non-City Organizations

1	Prohibit non-elected department heads and employees from soliciting donations from “interested parties” of their department, unless authorized by Board of Supervisors.
2	SF Ethics Commission: expand definition of “interested party” to include city contractors.
3	Require departments and non-city organizations to formalize their relationships through memoranda of understanding that are posted to departmental websites.
4	Departments: comply with Admin. Code requirements for gifts greater than \$10,000 and explicit authorization for uses of funds for employee recognition and appreciation.
5	Require annual certification from department heads that all gifts of goods, services, and funds have been approved by the Board of Supervisors and reported on time.
6	Make it easier for departments to use City funds for employee recognition and appreciation events and provide explicit (line-item) appropriations for this purpose.
7	Annually audit (on a sample basis) organizations that both give gifts to the City and have a financial interest with the City, such as a contract.
8	Departments should not accept any donation through anonymous donors or for which they cannot identify the true source pursuant to the Sunshine Ordinance Section 67.29-6.
9	Amend the Sunshine Ordinance Section 67.29-6 to align with the City’s updated “interested party” definition that includes city contractors.
10	Review and strengthen consequences for non-compliance of reporting requirements.

Master MOU executed May 2021

- Pursuant to Controller's recommendations and Mayor's 2020 directive: City departments to formalize any relationship they have with non-City organizations that receives donations on behalf of the department.
- RPD & SFPA entered into new master MOU in May 2021, pursuant to Mayor's directive.
 - MOU addresses many deficiencies in prior agreements (budget requirements, anonymous donations, behested payments) but needs strengthening in:
 - conflict of interest provisions
 - prevailing wage requirements

Recreation and Parks Department Accepted Nearly \$2 Million from SFPA: FY 2016-17 - 2019-20

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total
Cash	\$26,236	\$292,100	\$1,118,431	\$284,999	\$1,721,766
In-Kind	\$84,574	\$8,500	\$4,453	\$121,852	\$219,379
Total	\$110,810	\$300,600	\$1,122,884	\$406,851	\$1,941,145

- During same period, 72 anonymous donors gave an estimated total of between \$1.5 million to \$3 million or more to SFPA.
- While only 3 to 7 percent of all contributions received by SFPA during this time, raising a conflict if anonymous donors also have business interests with RPD officials and employees or SFPA.

Agreement: Let's PlaySF! Initiative

Umbrella MOU for which SFPA agreed to contribute up to \$15 million to bolster City funding for improvements to 13 City playgrounds.

- No methods for resolving disputes between the two organizations concerning playground improvement projects funded by SFPA.
- **No conflict of interest prohibitions** or provisions.
- Prevailing wage requirements weaker than standard City requirements.
- No requirements governing **how SFPA selects its contractors** for in-kind services on projects, such as a request for qualification process to ensure value and reduce opportunities for conflicts of interest.

Agreement: Richmond Playground

Agreement for approximately \$2.6 million in funding and in-kind services from SFPA to be combined with \$485,000 in Department funding.

- **High level preliminary budget only:** no budget details in agreement such as total cost of in-kind contractor and construction contractor; which costs to be covered by City.
- Unclear which party has authority to address cost overruns.
- **No contractor selection process** requirements for firm retained by SFPA for in-kind design services.
- **No conflict of interest prohibitions or provisions.**
- No methods for resolving disputes between the two organizations.

Use permit: Golden Gate Park 150th Anniversary Celebration

Use permit (never issued) for community day event planned for April 4, 2020 and subsequent events to celebrate Golden Gate Park's 150th Anniversary.

- **No budget or allocation of costs between parties** presented to RPD Commission, or codified in an agreement. RPD identified itself as event partner and was contributing financially to the event (see observation wheel agreement).
- *The San Francisco Examiner*: cost of the Golden Gate Park 150th Anniversary Celebration = approximately \$1.9 million. Details on this budget were not disclosed in RPD documents.

Agreements: RPD and SkyStar for observation wheel

Use permits with SkyStar Wheel, LLC for installation and operation of an observation wheel (ferris wheel) in Golden Gate Park starting in March 2020.

- Vendor selected **sole source** for a one-year term; competitive bidding considered impractical and/or impossible by RPD, but difficult to assess whether financial deal good for the City and SFPA.
- Original use permit agreement: (we estimate \$300,000 to \$500,000) to be **directed to SFPA** for a portion of GGP150 costs; remainder retained by the vendor.
- No minimum guaranteed amount to RPD. Only 5-6% of ticket sales for SFPA/RPD.
- The agreement amended to limit the amount to SFPA to \$200,000; remainder to RPD up to \$900,000.

Agreement: Conservatory of Flowers

SFPA provides staff, fundraising, education, and marketing services for the facility.

- 2003 agreement, expired in 2012; on holdover status for last nine years.
- Many provisions outdated: conflict of interest provisions, vendor selection for concession.
- No minimum annual guarantee amount for RPD.
- RPD to cover costs if SFPA does not break even operating the facility.

Policy Options

1. **Disclose GGP150 financials: original and actual details.**
2. **Require great budget details in project budgets** beyond what is now required in the May 2021 master MOU in agreements with SFPA.
3. **Prohibit selection of contractors by the Parks Alliance for in-kind services to RPD based on contractor donations and/or personal relationships.**
4. **Amend master Memorandum of Understanding to strengthen prevailing wage requirements.**
5. **Require that SFPA solicit contractors for in-kind services through a Request for Qualifications process.**
6. **RPD report back to the Board of Supervisors on new agreement for operation of the Conservatory of Flowers.**

Questions and comments

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<https://sfbos.org/budget-legislative-analyst-reports>

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