

File No. 221182

Committee Item No. 1

Board Item No. 18

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee  
Board of Supervisors Meeting

Date March 22, 2023  
Date April 4, 2023

### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" 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                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

### OTHER (Use back side if additional space is needed)

- |                                     |                                     |                                     |
|-------------------------------------|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Original Agreement 5/17/2019</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Amendment No. 1 9/18/2022</u>    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                               |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                               |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                               |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                               |

Completed by: Brent Jalipa Date March 17, 2023

Completed by: Brent Jalipa Date March 22, 2023

1 [Contract Modification - Jefferies LLC - Litigation Consulting Services - Not to Exceed  
2 \$15,500,000]

3 **Resolution authorizing the second amendment to a contract between the Office of the**  
4 **City Attorney and Jefferies LLC for litigation consulting services to extend the contract**  
5 **term for four years and five months, from April 1, 2023, for a total contract term of May**  
6 **17, 2019, through September 17, 2027, and to increase the contract amount by**  
7 **\$5,501,000 for a new contract amount not to exceed \$15,500,000, pursuant to Charter,**  
8 **Section 9.118(b); and to authorize the City Attorney to enter into amendments or**  
9 **modifications to the contract that do not materially increase the obligations or**  
10 **liabilities to the City and are necessary to effectuate the purposes of the contract or**  
11 **this Resolution.**

12  
13 WHEREAS, On May 17, 2019, the Office of the City Attorney entered into a  
14 Professional Services Contract with Jefferies LLC for litigation consulting services in an  
15 amount not to exceed \$9,999,000, ending on September 17, 2022 (“Agreement”); and

16 WHEREAS, The Office of the City Attorney wishes to amend the contract to extend the  
17 term through September 17, 2027, and to increase the contract amount by \$5,501,000 for a  
18 new contract amount not to exceed \$15,500,000; and

19 WHEREAS, A copy of the draft Agreement is on file with the Clerk of the Board of  
20 Supervisors in File No. 221182, with redactions to protect against the disclosure of information  
21 that constitutes or reflects privileged and confidential attorney work product; and

22 WHEREAS, Charter, Section 6.102 vests the City Attorney with authority to represent  
23 San Francisco in legal proceedings and to retain consultants to assist with such  
24 representation; and

1           WHEREAS, San Francisco Charter, Section 9.118(b) provides that the agreements  
2 entered into by a department, board or commission requiring anticipated expenditures by the  
3 City and County of \$10,000,000, shall be subject to approval by the Board of Supervisors by  
4 Resolution; now, therefore, be it

5           RESOLVED, That the Board of Supervisors hereby approves the second amendment  
6 to the Agreement between the Office of the City Attorney and Jefferies LLC for litigation  
7 consulting services, in a form materially consistent with the draft Agreement on file with the  
8 Clerk of the Board of Supervisors, to extend the contract term through September 17, 2027,  
9 and to increase the contract by \$5,501,000 for a new contract amount not to exceed  
10 \$15,500,000; and, be it

11           FURTHER RESOLVED, That the Board of Supervisors authorizes the City Attorney to  
12 enter into any amendments or modifications to the Agreement that the City Attorney  
13 determines are in the best interest of the City, do not materially increase the obligations or  
14 liabilities of the City, are necessary or advisable to effectuate the purposes of the Agreement,  
15 and are in compliance with all applicable laws; and, be it

16           FURTHER RESOLVED, That within 30 days of the amendment being fully executed by  
17 all parties, the Office of the City Attorney shall provide a copy of the executed Agreement,  
18 redacted as necessary to avoid disclosure of privileged and confidential information, to the  
19 Clerk of the Board for inclusion into the official file.

<b>Item 1</b> <b>File 22-1182</b>	<b>Department:</b> City Attorney's Office (CAT)
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed resolution would approve the Second Amendment to the litigation consulting services contract between the City Attorney's Office and Jefferies LLC, extending the term by approximately four years and five months through September 17, 2027, and increasing the not-to-exceed amount by \$5,501,000, for a total not to exceed \$15,500,000.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The City has expressed interest in using the San Francisco Public Utilities Commission (SFPUC) to acquire Pacific Gas &amp; Electric Company (PG&amp;E) power assets. In January 2020, the Board of Supervisors conditionally authorized the issuance of \$3 billion in SFPUC Power Enterprise revenue bonds to finance the cost of acquiring PG&amp;E power assets.</li> <li>• After issuing a Request for Proposals (RFP) seeking a buy-side advisor to provide strategic financial and transactional advice to the City in its efforts to acquire PG&amp;E power assets, the City Attorney's Office executed a contract with Jefferies for a term of three years and four months, from May 17, 2019 through September 17, 2022, and an amount not to exceed \$9,999,000. Nearly the entire contract is redacted, and the City Attorney's Office declined to provide an unredacted version to the Budget and Legislative Analyst for review, citing attorney-client privilege.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The proposed Second Amendment would increase the not-to-exceed amount of the contract of the contract by \$5,501,000, for a total not to exceed \$15,500,000. The City Attorney's Office declined to provide additional budgetary information to the Budget and Legislative Analyst, such as billing rates and expenditures to date, citing attorney-client privilege. The contract is funded by SFPUC power revenues.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed resolution is a policy matter for the Board of Supervisors.</li> <li>• Obtain additional information about the contract from the City Attorney's Office in closed session, through a confidential memorandum, or in confidential individual briefings, including: (a) How potential bidders were selected to receive the RFP; (b) The evaluation criteria used to evaluate bidders and the scores against those criteria for each proposal; (c) The name, title, and affiliation of each member of the RFP evaluation panel; (d) A budget detailing the proposed \$15,500,000 spending; (e) Documentation of contract deliverables provided; (f) Documentation of contractor performance evaluations or an assessment of how performance is evaluated; and (g) Analysis of contractor billing rates and an assessment of whether they are market rate.</li> </ul>	

**MANDATE STATEMENT**

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

**BACKGROUND**

City Charter Section 16.101 states that it is City policy to purchase utilities when the Board of Supervisors deems doing so is in the public interest or necessity. In April 2019, the Board of Supervisors approved a resolution determining that it is in the public interest and necessity to change the electric service provided in San Francisco, and requesting a report from the San Francisco Public Utilities Commission (SFPUC) on options for improving electric service, including the purchase of Pacific Gas & Electric Company (PG&E) assets (File 19-0367). In September 2019, the Board of Supervisors approved a resolution in support of Mayor London Breed's September 2019 letter to PG&E proposing to purchase its power assets for \$2.5 billion (File 19-0938). In January 2020, the Board of Supervisors conditionally authorized the issuance of \$3 billion in SFPUC Power Enterprise revenue bonds to finance the cost of acquiring PG&E power assets (File 20-0029) – though the final acquisition and debt issuance are still subject to Board of Supervisors' approval.

According to Theresa Mueller, Deputy City Attorney, the City Attorney's Office issued a Request for Proposals (RFP) in January 2019 seeking a buy-side advisor to provide strategic financial and transactional advice to the City in its efforts to acquire PG&E power assets.<sup>1</sup> The City Attorney's Office and SFPUC evaluated the responses and in May 2019, the City Attorney's Office executed a contract with Jefferies, LLC for a term of three years and four months, from May 17, 2019 through September 17, 2022, and an amount not to exceed \$9,999,000, or \$1,000 below the threshold for Board of Supervisors' approval. In September 2022, the City Attorney's Office executed the First Amendment to the contract, extending the term by approximately six months through May 31, 2023, with no change to the not-to-exceed amount. The City Attorney's Office declined to provide the RFP document or any additional information about the selection process to the Budget and Legislative Analyst, citing attorney-client privilege under the California Government Code Sections 6254(k) and 6276.04, as well as California Code of Civil Procedure Sections 2018.020 and 2018.030.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would approve the Second Amendment to the litigation consulting services contract between the City Attorney's Office and Jefferies, extending the term by approximately four years and five months through September 17, 2027, and increasing the not-to-exceed amount by \$5,501,000, for a total not to exceed \$15,500,000.

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<sup>1</sup> According to Deputy City Attorney Mueller, the City Attorney's Office compiled a list of qualified firms and confidentially sent them the RFP.

Nearly the entire contract is redacted, and the City Attorney's Office declined to provide an unredacted version to the Budget and Legislative Analyst for review, citing attorney-client privilege. According to Deputy City Attorney Mueller, the contract is for legal consulting services related to the PG&E bankruptcy and potential SFPUC purchase of power assets. The Budget and Legislative Analyst is unable to evaluate the contract and therefore recommends that members of the Board of Supervisors seek additional information from the City Attorney's Office in closed session, through a confidential memorandum, or in confidential individual briefings, including:

- How potential bidders were selected to receive the RFP;
- The evaluation criteria used to evaluate bidders and the scores against those criteria for each proposal;
- The name, title, and affiliation of each member of the RFP evaluation panel;
- A budget detailing the proposed \$15,500,000 spending;
- Documentation of contract deliverables provided;
- Documentation of contractor performance evaluations or an assessment of how performance is evaluated; and
- Analysis of contractor billing rates and an assessment of whether they are market rate.

#### **FISCAL IMPACT**

The proposed Second Amendment would increase the not-to-exceed amount of the contract of the contract by \$5,501,000, for a total not to exceed \$15,500,000. The City Attorney's Office declined to provide additional budgetary information to the Budget and Legislative Analyst, such as billing rates and expenditures to date, citing attorney-client privilege. The contract is funded by SFPUC power revenues.

#### **RECOMMENDATIONS**

1. Approval of the proposed resolution is a policy matter for the Board of Supervisors.
2. Obtain additional information about the contract from the City Attorney's Office in closed session, through a confidential memorandum, or in confidential individual briefings, including: (a) How potential bidders were selected to receive the RFP; (b) The evaluation criteria used to evaluate bidders and the scores against those criteria for each proposal; (c) The name, title, and affiliation of each member of the RFP evaluation panel; (d) A budget detailing the proposed \$15,500,000 spending; (e) Documentation of contract deliverables provided; (f) Documentation of contractor performance evaluations or an assessment of how performance is evaluated; and (g) Analysis of contractor billing rates and an assessment of whether they are market rate.

PRIVILEGED AND CONFIDENTIAL CONTRACT

**City and County of San Francisco  
Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685**

**SECOND AMENDMENT TO THE AGREEMENT BETWEEN  
CITY AND COUNTY OF SAN FRANCISCO**

**and**

**JEFFERIES LLC**

THIS AMENDMENT is made as of \_\_\_\_\_, in San Francisco, California, by and between **Jefferies LLC**, a Delaware limited liability company (“Jefferies”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Office of the City Attorney (“City Attorney”).

This Amendment is made with reference to the following facts and circumstances:

Jefferies and the City entered into an Agreement dated May 17, 2019, and the parties want to modify the Agreement on the terms and conditions set forth herein [REDACTED]

[REDACTED]

Upon execution of this Amendment, the parties will continue performance of the Agreement under the revised terms contained herein.

**NOW, THEREFORE**, Jefferies and the City agree as follows:

**Article 1 Definitions**

The following definitions shall apply to this Amendment:

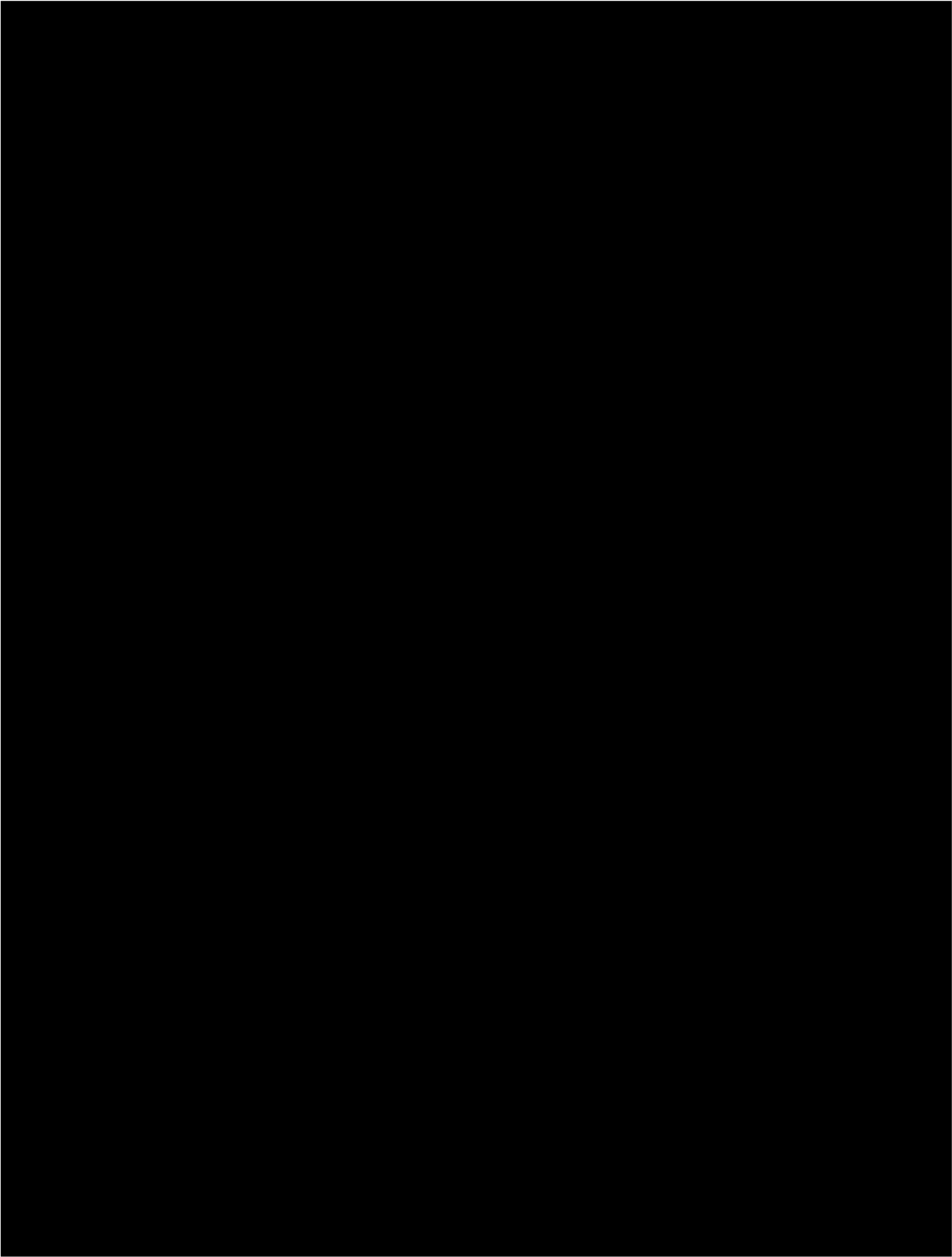
**1.1 Agreement.** The term “Agreement” shall mean the Agreement dated May 17, 2019.

[REDACTED]

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

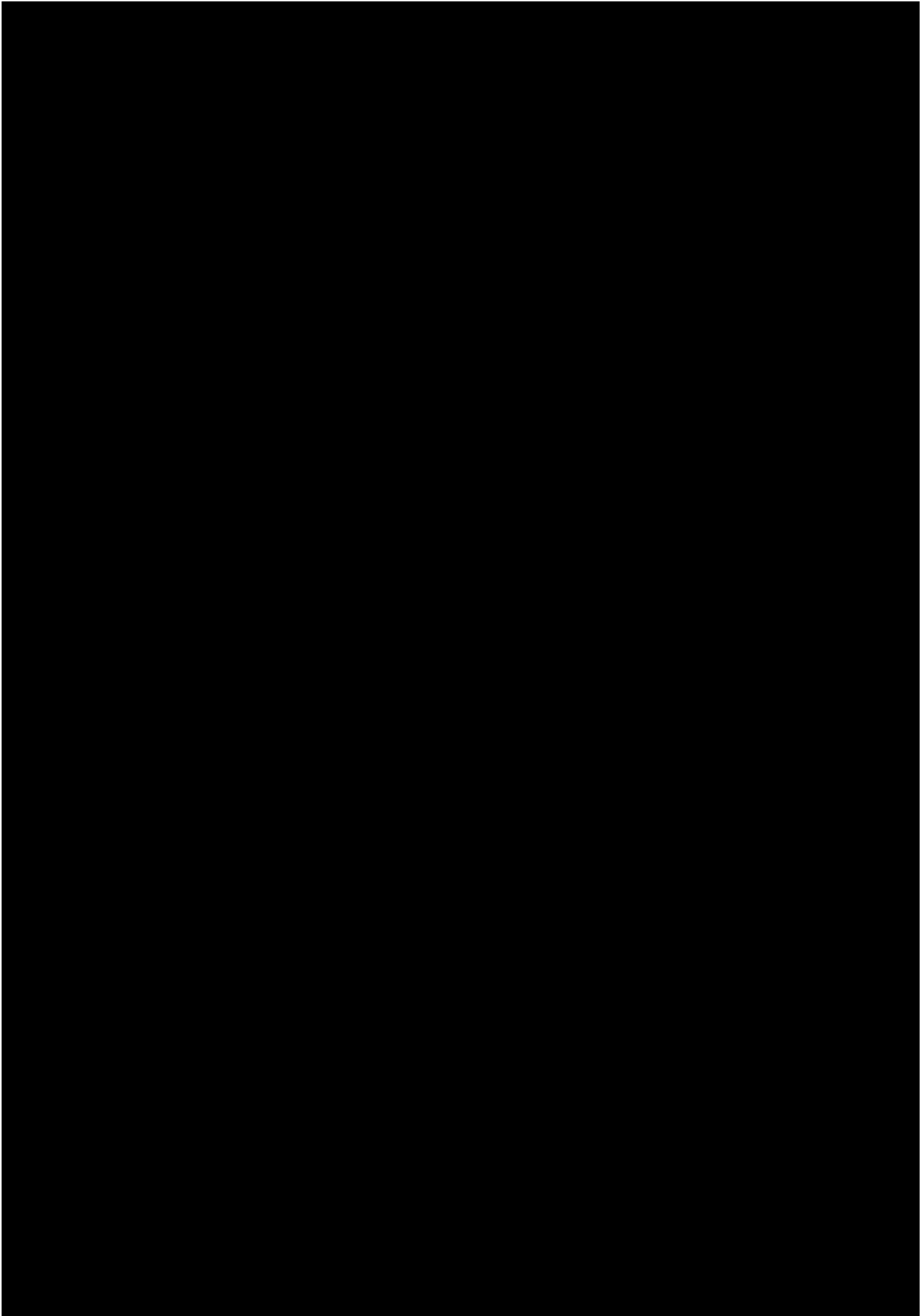
[REDACTED]

PRIVILEGED AND CONFIDENTIAL CONTRACT

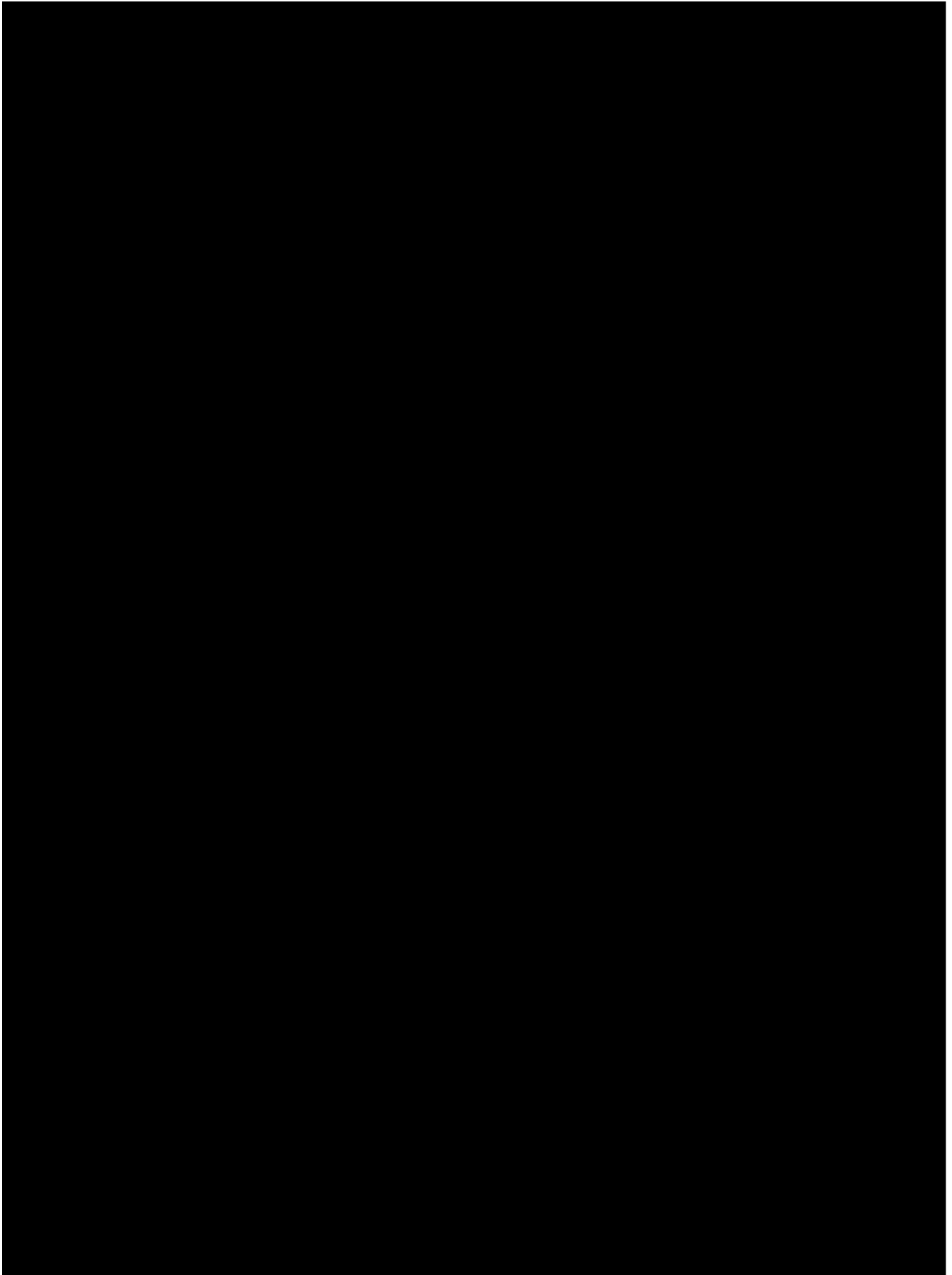




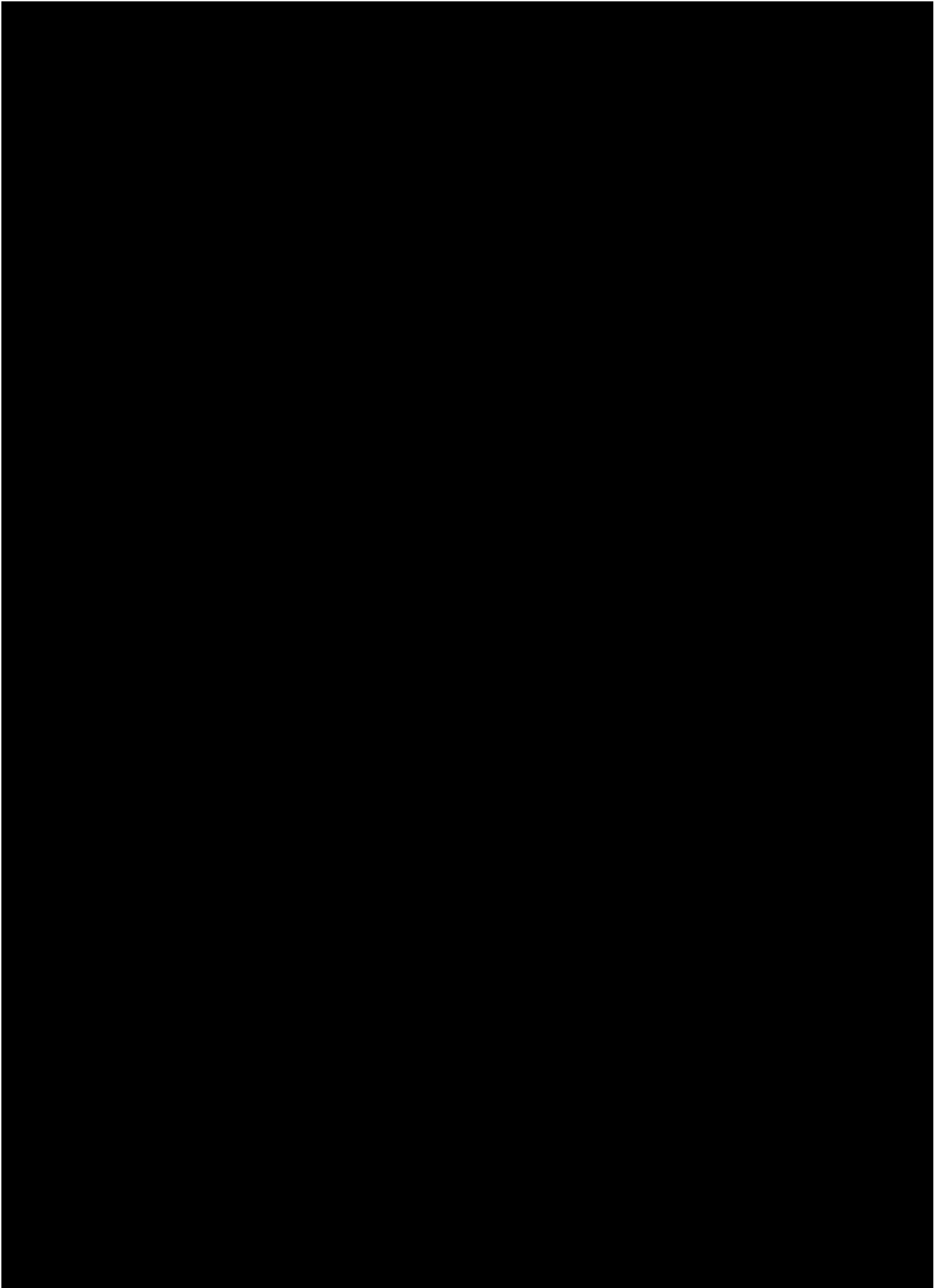
PRIVILEGED AND CONFIDENTIAL CONTRACT

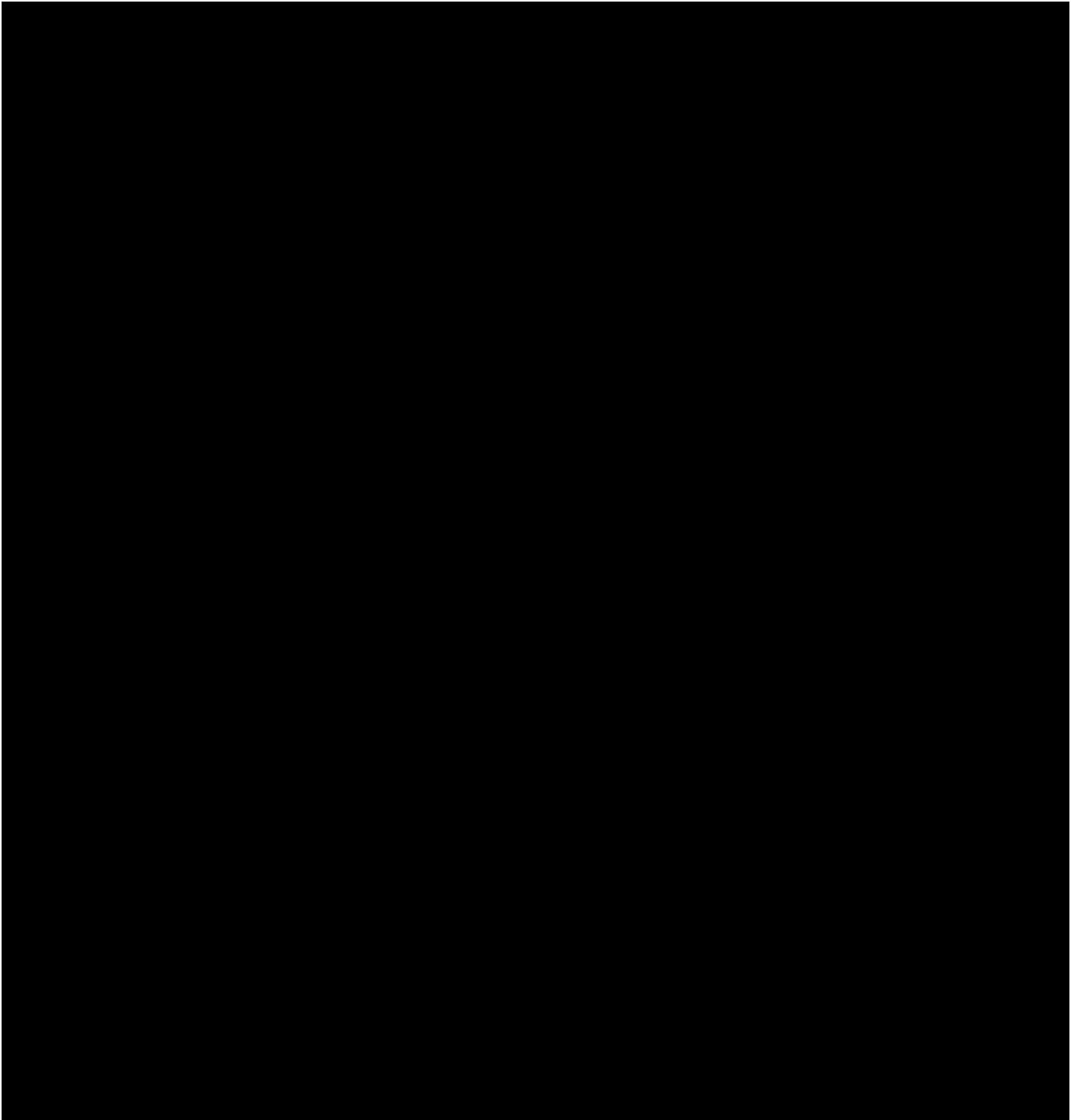


PRIVILEGED AND CONFIDENTIAL CONTRACT

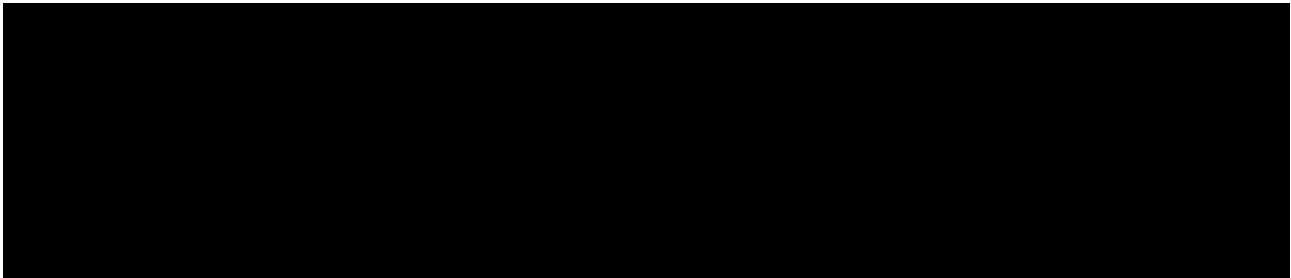


PRIVILEGED AND CONFIDENTIAL CONTRACT





**2.2 2 Term.** Section 2 Term currently reads:



PRIVILEGED AND CONFIDENTIAL CONTRACT

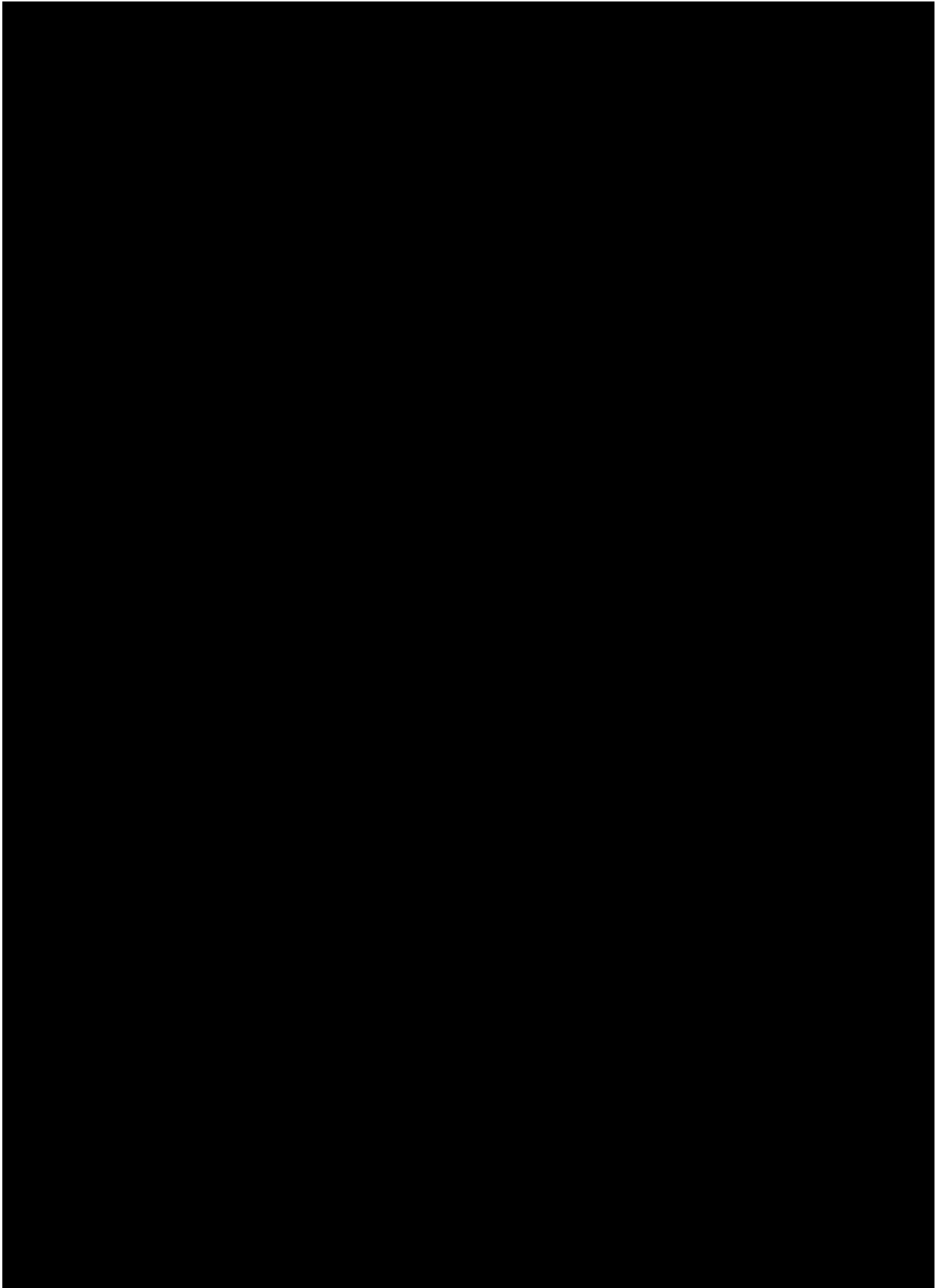
*Such section is hereby amended in its entirety to read as follows:*

**2 Term.** The term of this Agreement ("Term") shall commence upon the execution of this Agreement by both the City and Jefferies no later than May 17, 2019, and this Agreement will remain in full force and effect (and will not be deemed completed) until the earlier of (i) September 17, 2027, or (ii) the total fees and reimbursable amounts payable under this Agreement reach the maximum fee amount set forth on Appendix B, unless sooner terminated under Section 6 of this Agreement. [REDACTED]

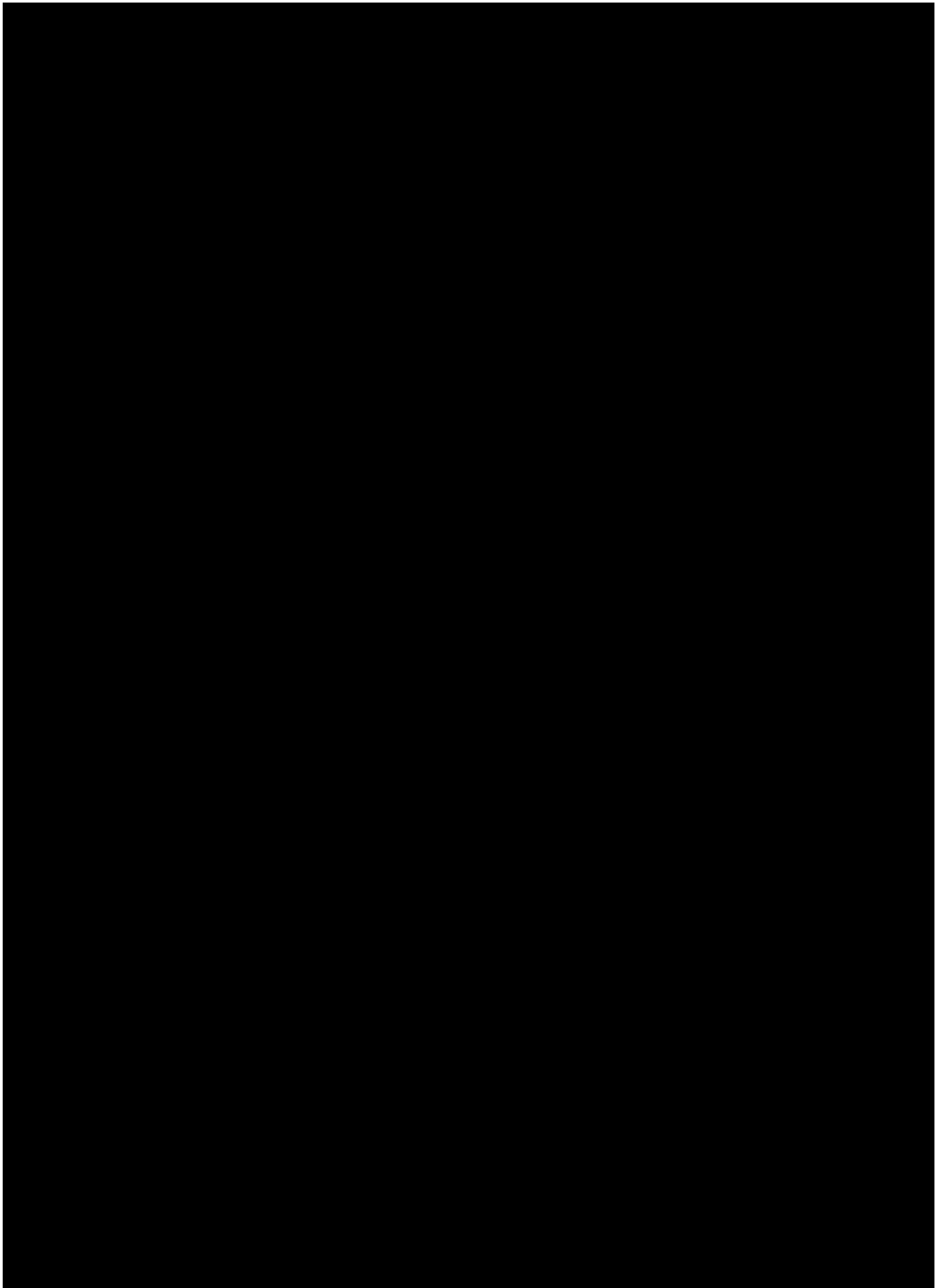
*Such section is hereby amended in its entirety to read as follows:*

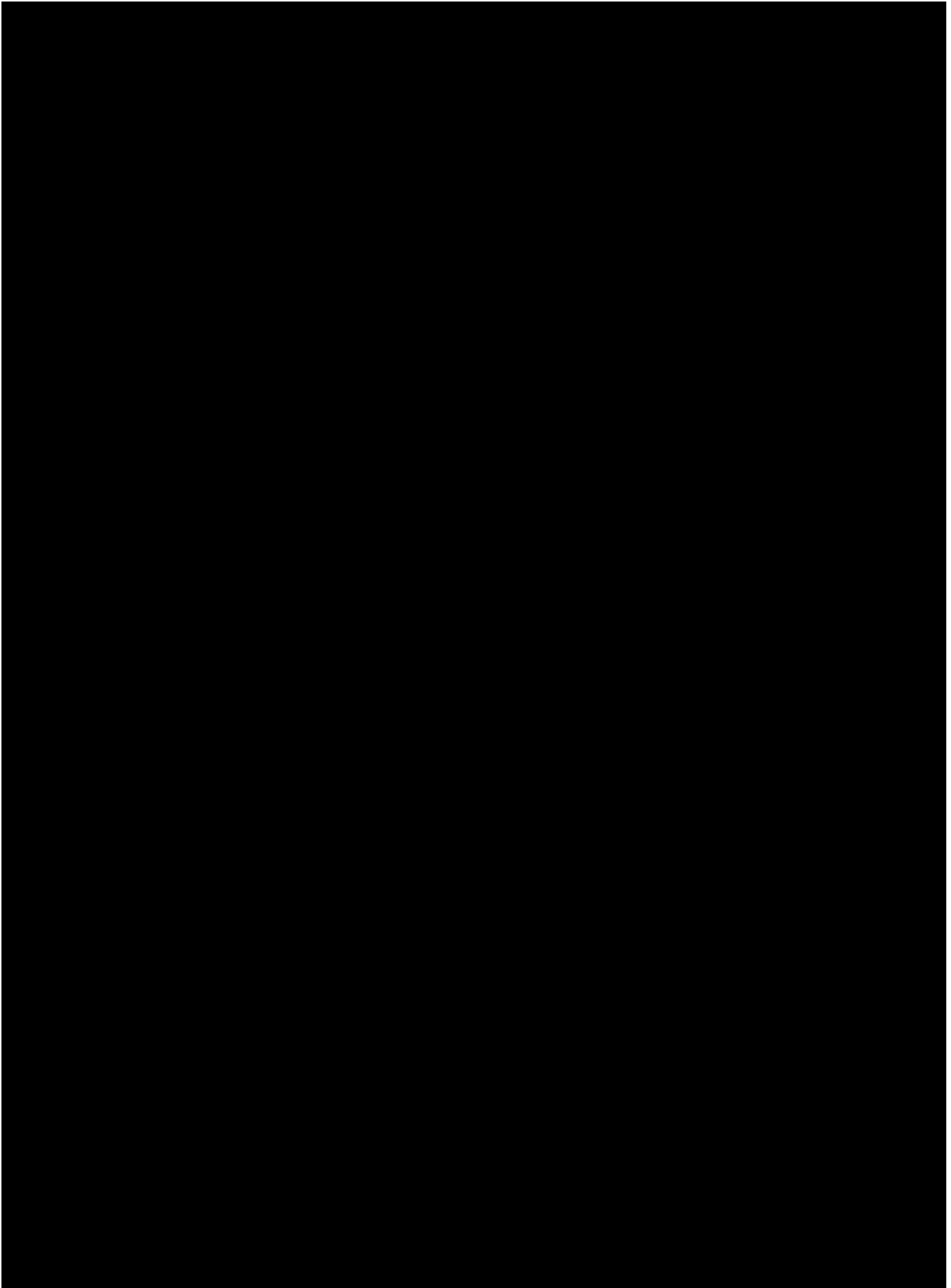
**4.2 Not to Exceed Contract Amount.** In no event shall the total fees and reimbursable amounts payable under this Agreement exceed the maximum fee amount set forth on Appendix B. The not to exceed amount may not be modified except by written instrument executed and approved in the same manner as this Agreement.

PRIVILEGED AND CONFIDENTIAL CONTRACT



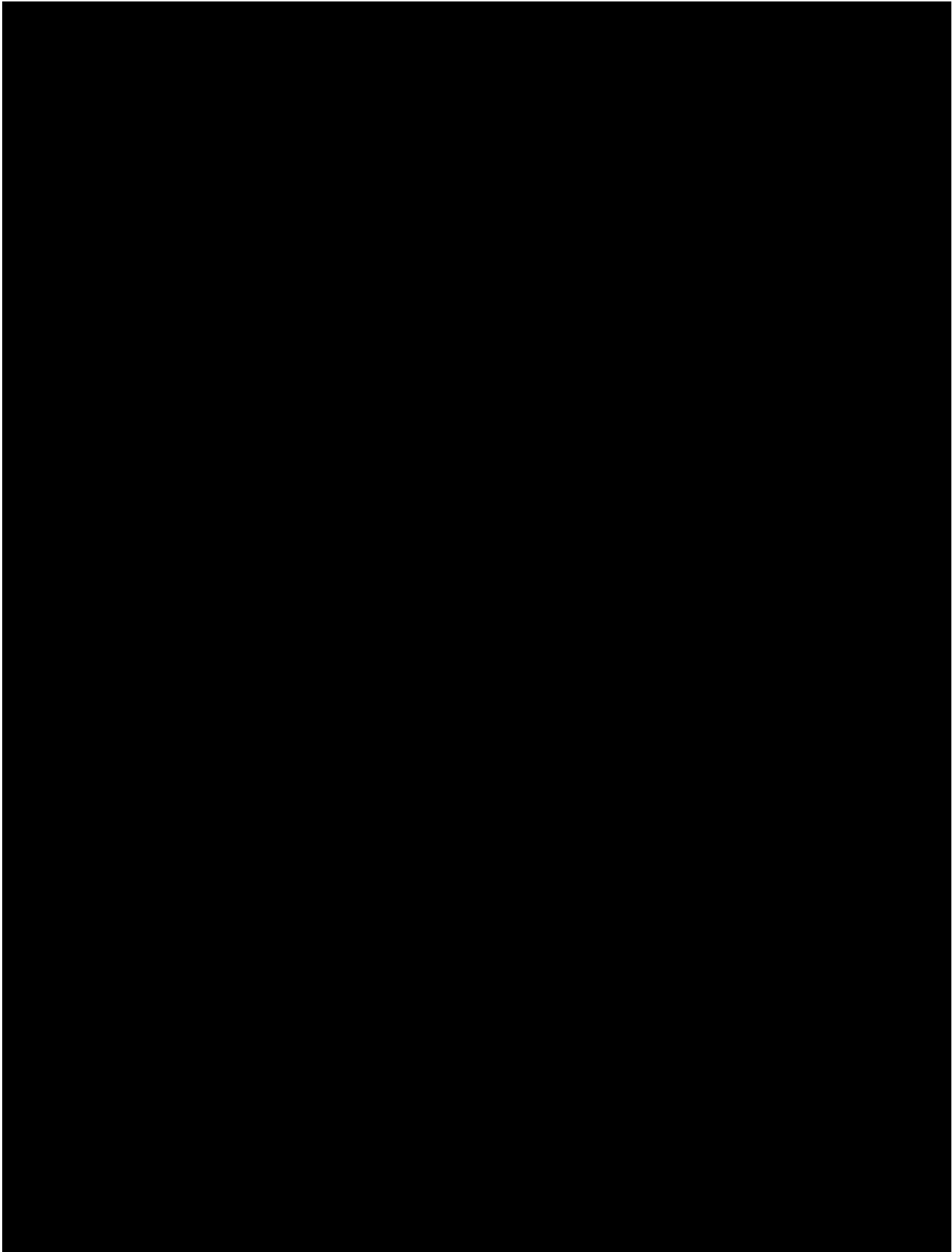
PRIVILEGED AND CONFIDENTIAL CONTRACT



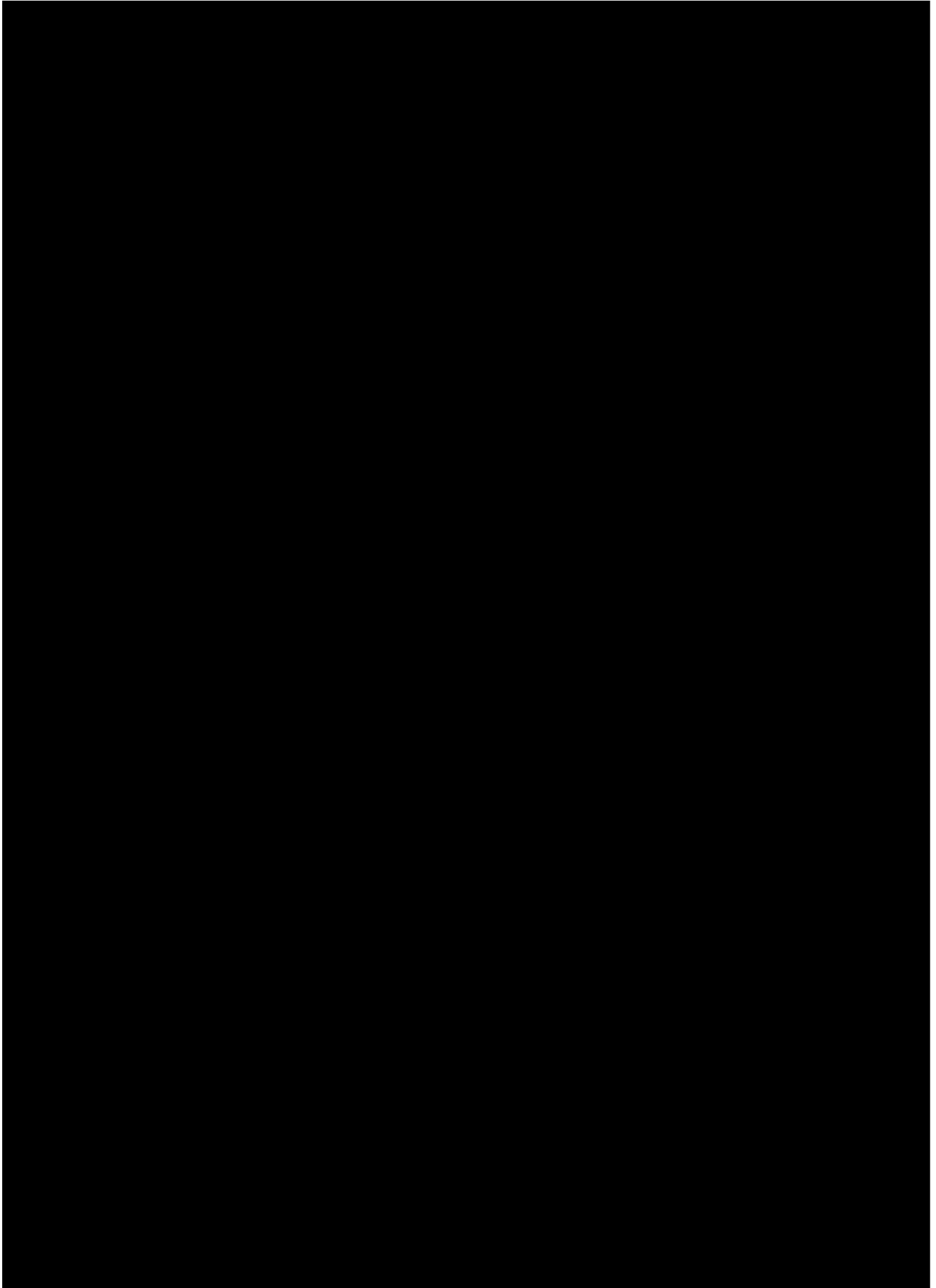


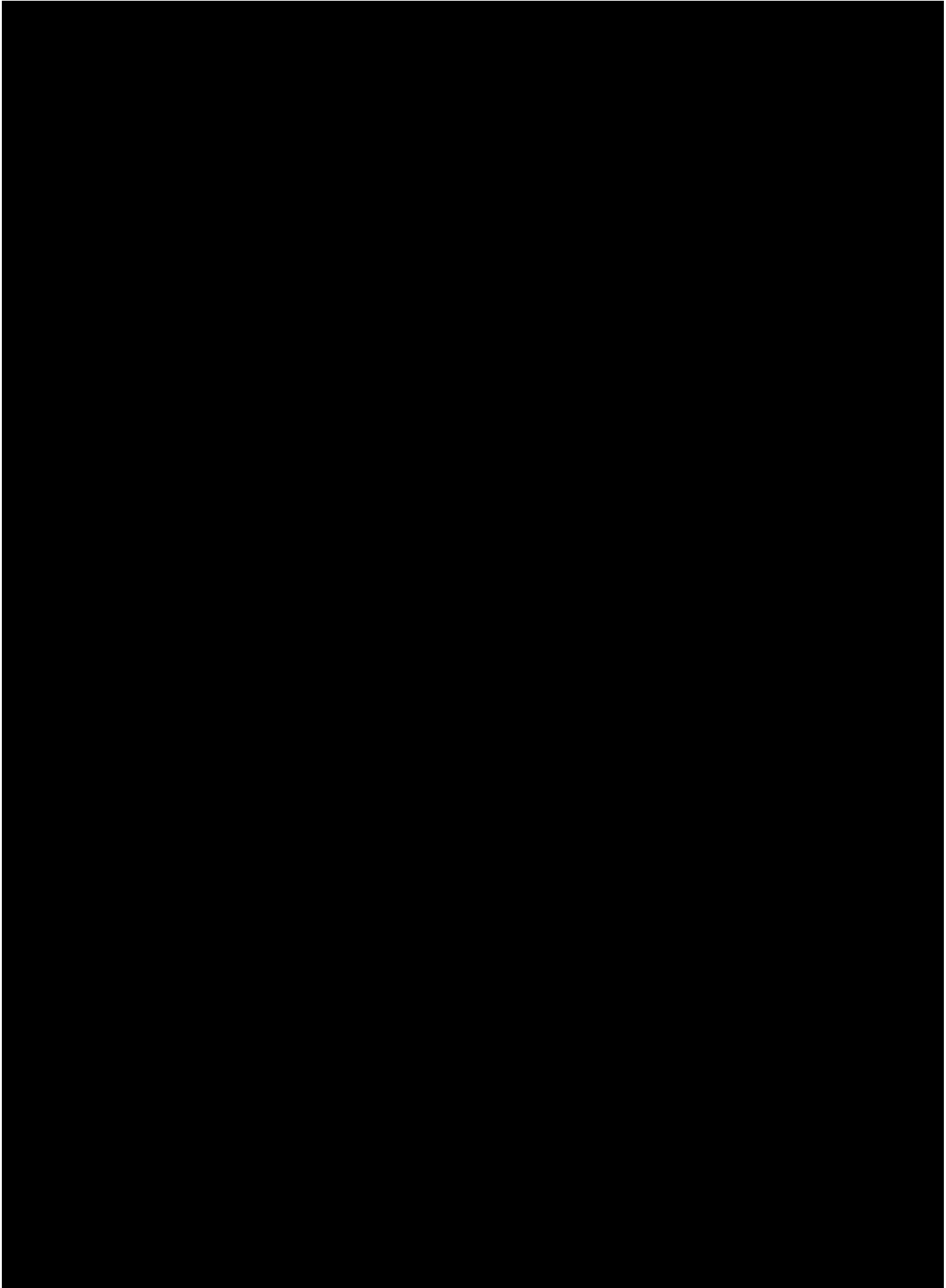


PRIVILEGED AND CONFIDENTIAL CONTRACT



PRIVILEGED AND CONFIDENTIAL CONTRACT





PRIVILEGED AND CONFIDENTIAL CONTRACT



PRIVILEGED AND CONFIDENTIAL CONTRACT

**Article 3      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 Agreement on the day first mentioned above.

**CITY AND COUNTY OF SAN FRANCISCO**

**DAVID CHIU**  
City Attorney

**JEFFERIES LLC**  
a Delaware limited liability company

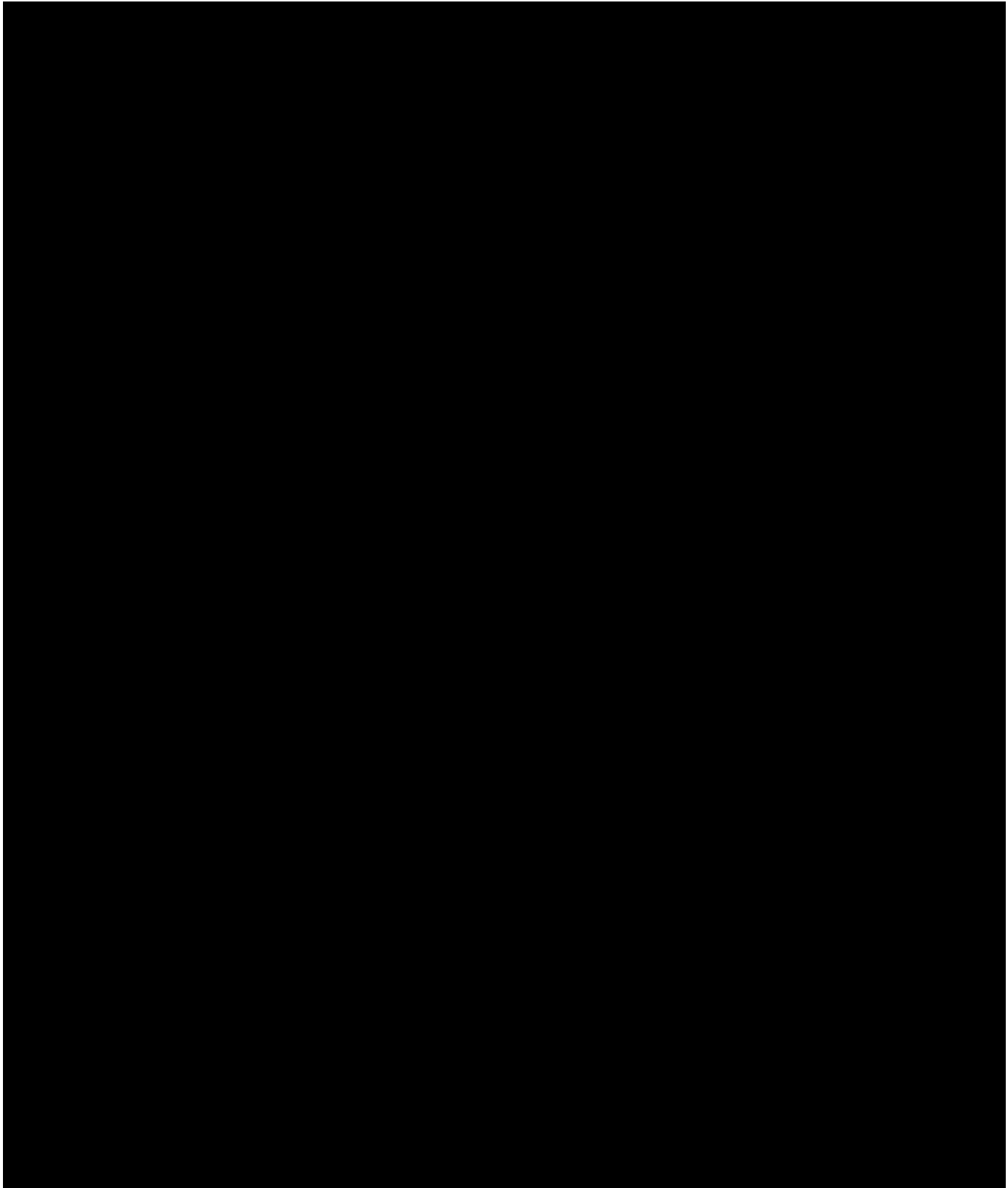
By: \_\_\_\_\_  
Katharine Hobin Porter  
Managing Attorney

By: \_\_\_\_\_  
Simon A. Wirecki  
Managing Director

**Attachments:**  
Appendix B

**APPENDIX B**

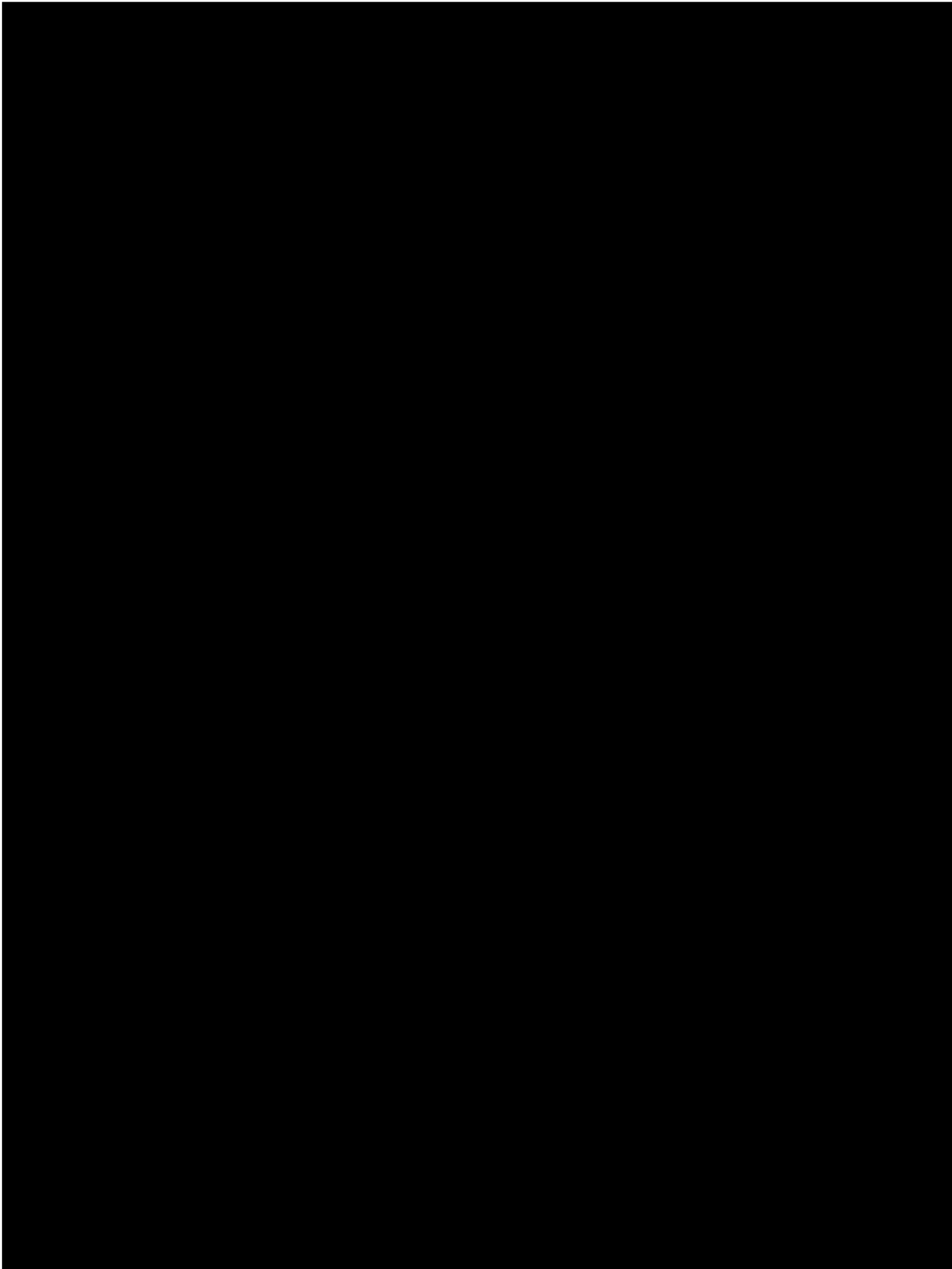
**FEEES AND EXPENSES**



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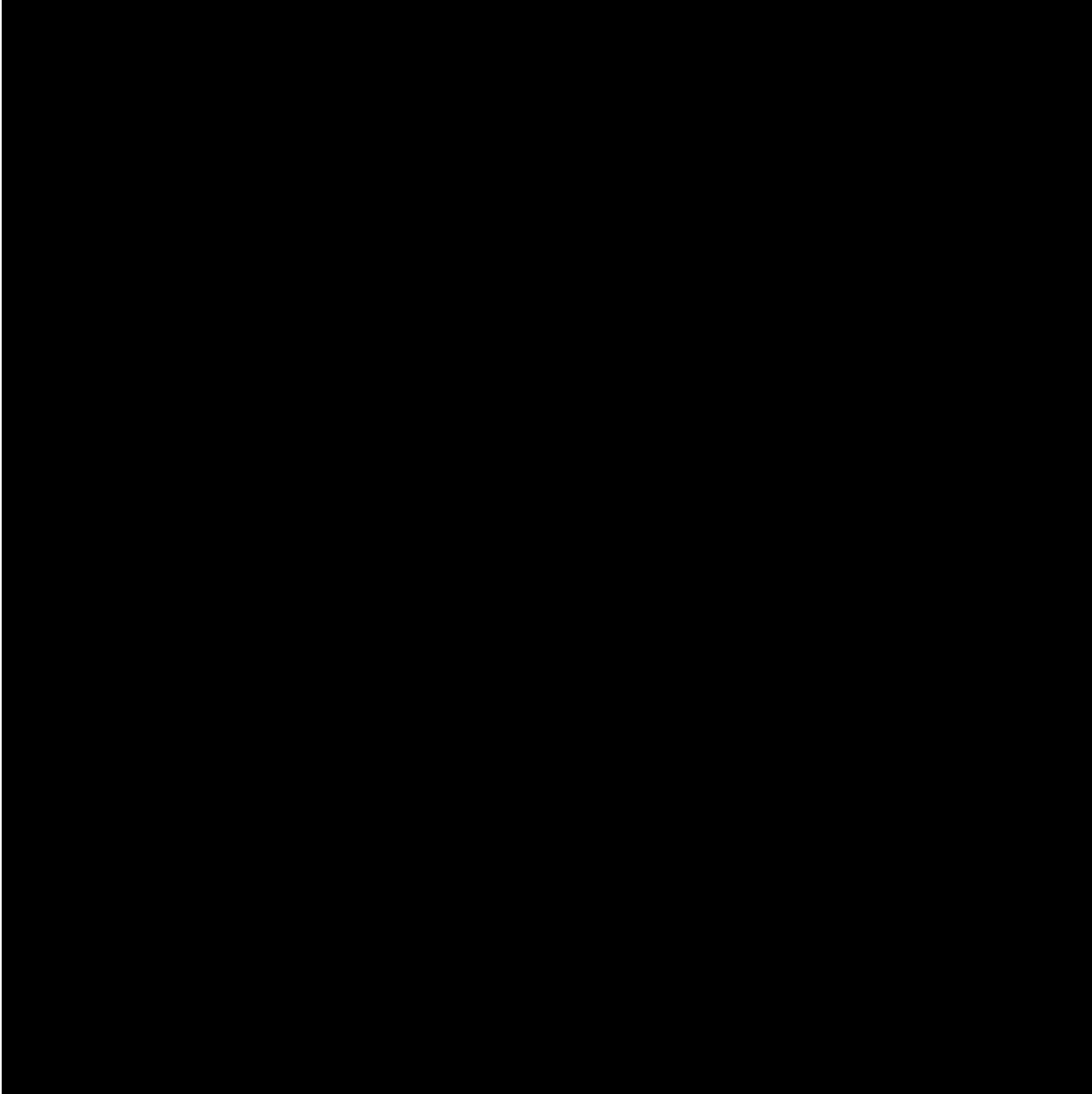


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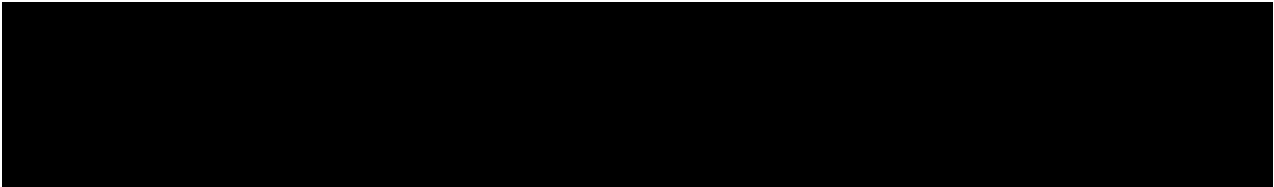




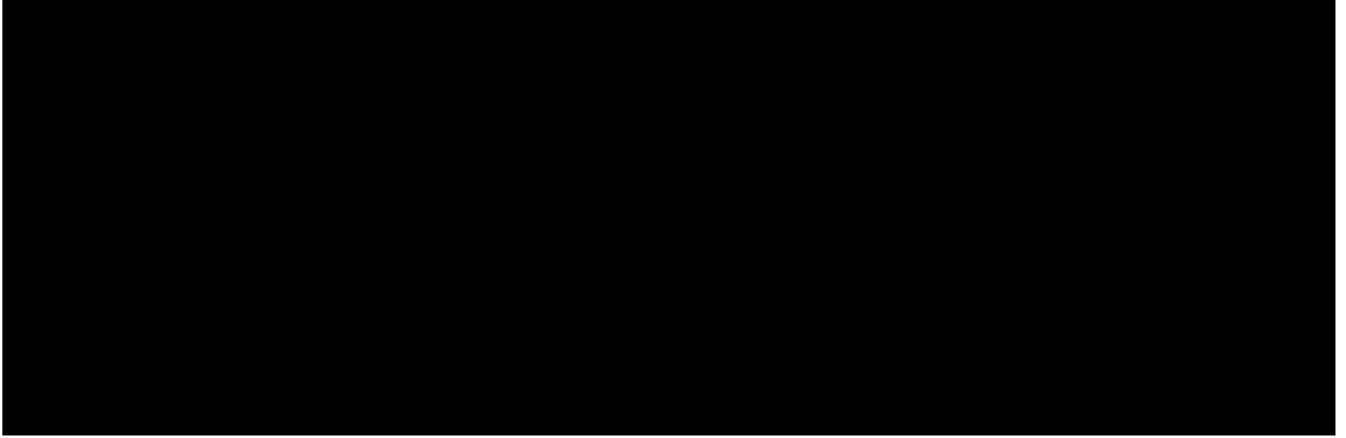
PRIVILEGED AND CONFIDENTIAL CONTRACT



(c) In no event shall the total fees and reimbursable amounts payable under this Agreement exceed Fifteen Million Five Hundred Thousand Dollars and no cents [\$15,500,000.00]. Jefferies will provide written notice to the City when the fee accumulation under this Agreement has reached Thirteen Million Dollars and no cents [\$13,000,000] (inclusive of the Deferred Monthly Fees).



PRIVILEGED AND CONFIDENTIAL CONTRACT



**City and County of San Francisco  
Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685**

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN  
CITY AND COUNTY OF SAN FRANCISCO**

**and**

**JEFFERIES LLC  
For Investment Banking Services**

THIS AMENDMENT (“First Amendment”) is made as of September 18, 2022, in San Francisco, California, by and between **Jefferies LLC**, a Delaware limited liability company (“Jefferies”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Office of the City Attorney (“City Attorney”).

This Agreement is made with reference to the following facts and circumstances:

Jefferies and the City have entered into an Agreement dated May 17, 2019, and the parties want to modify the Agreement to extend the term.

Upon execution of this First Amendment, the parties will continue performance of the agreement under the revised terms contained herein.

**NOW, THEREFORE**, Jefferies and the City agree as follows:

**Article 1      Definitions**

The following definitions shall apply to this Amendment:

- 1.1 Agreement.** The term “Agreement” shall mean the Agreement dated May 17, 2019.
- 1.2 Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**Article 2      Modification to the Term of the Agreement**

The Agreement is hereby modified as follows:

- 2.1 2 Term.** Section 2 Term currently reads:

**2 Term.** The term of this Agreement (“Term”) shall commence upon the execution of this Agreement by both the City and Jefferies no later than May 17, 2019, and this Agreement will remain in full force and effect (and will not be deemed completed) until the earlier of (i) September 17, 2022, or (ii) the total fees and reimbursable amounts payable under this

Agreement reach the maximum fee amount set forth on Appendix B, unless sooner terminated under Section 6 of this Agreement. This Agreement may be extended by mutual written agreement of the City Attorney and Jefferies as provided in Section 22.4 of this Agreement.

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

2 Term. The term of this Agreement ("Term") shall commence upon the execution of this Agreement by both the City and Jefferies no later than May 17, 2019, and this Agreement will remain in full force and effect until the earlier of (i) March 31, 2023, or (ii) the total fees and reimbursable amounts payable under this Agreement reach the maximum fee amount set forth on Appendix B, unless sooner terminated under Section 6 of this Agreement. This Agreement may be extended by mutual written agreement of the City Attorney and Jefferies as provided in Section 22.4 of this Agreement.

Article 3 Legal Effect

Except as expressly modified by this First 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 Agreement on the day first mentioned above.

CITY AND COUNTY OF  
SAN FRANCISCO

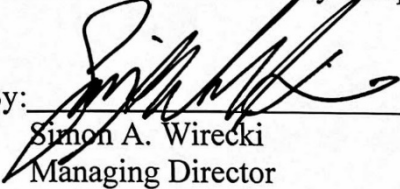
DAVID CHIU  
City Attorney

JEFFERIES LLC

a Delaware limited liability company

By: \_\_\_\_\_

Katharine Hobin Porter  
Managing Attorney

By:  \_\_\_\_\_  
Simon A. Wirecki  
Managing Director

**AGREEMENT BETWEEN  
CITY AND COUNTY OF SAN FRANCISCO**

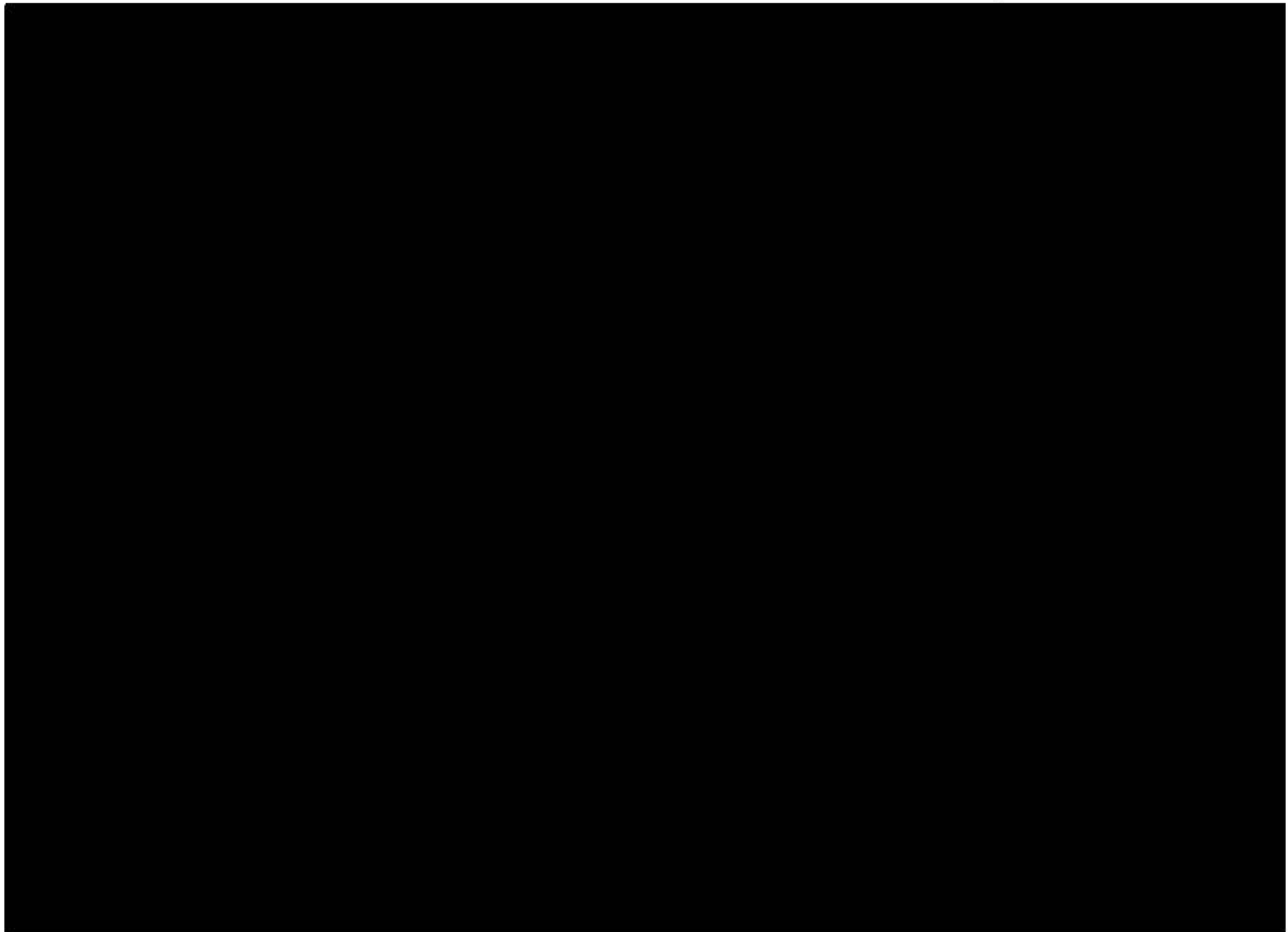
**and**

**Jefferies LLC  
For Investment Banking Services**

This Agreement, dated as of May 17, 2019, is made by and between the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Office of the City Attorney ("City Attorney"), and Jefferies LLC, a Delaware limited liability company ("Jefferies").

This Agreement is made with reference to the following facts and circumstances:

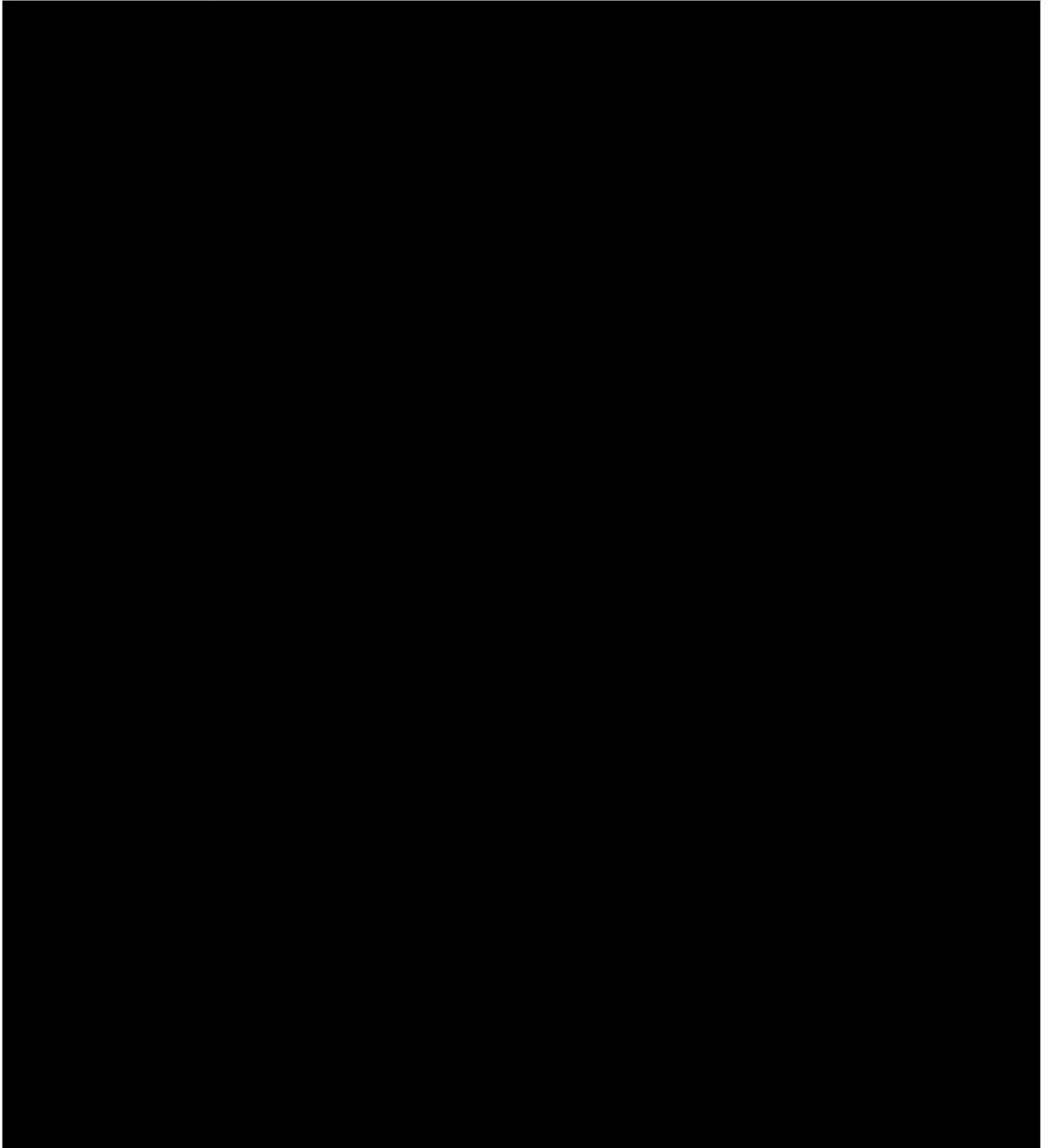
A. The San Francisco Charter vests the City Attorney with authority to represent the City in legal transactions and to retain consultants to assist him with such representation.

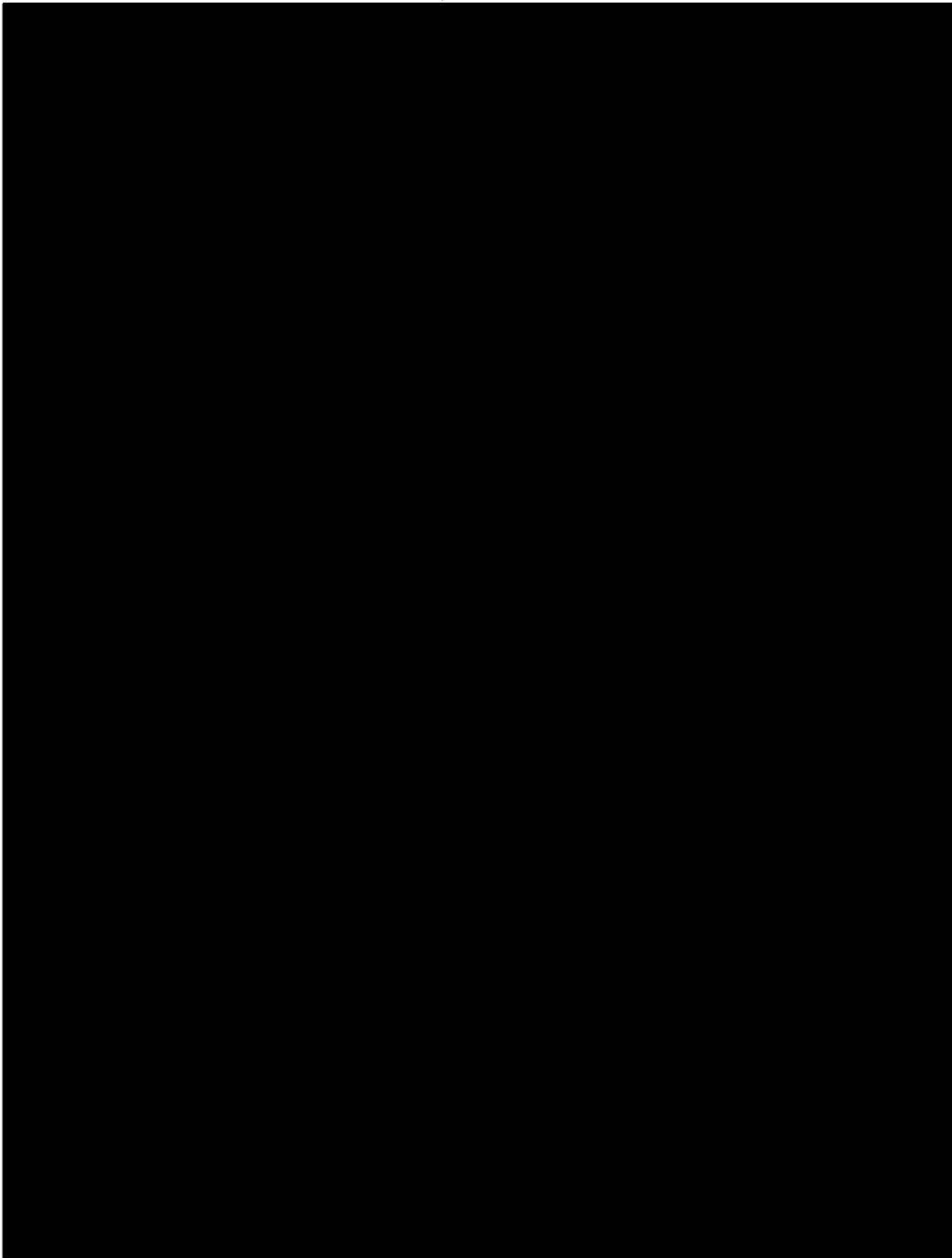


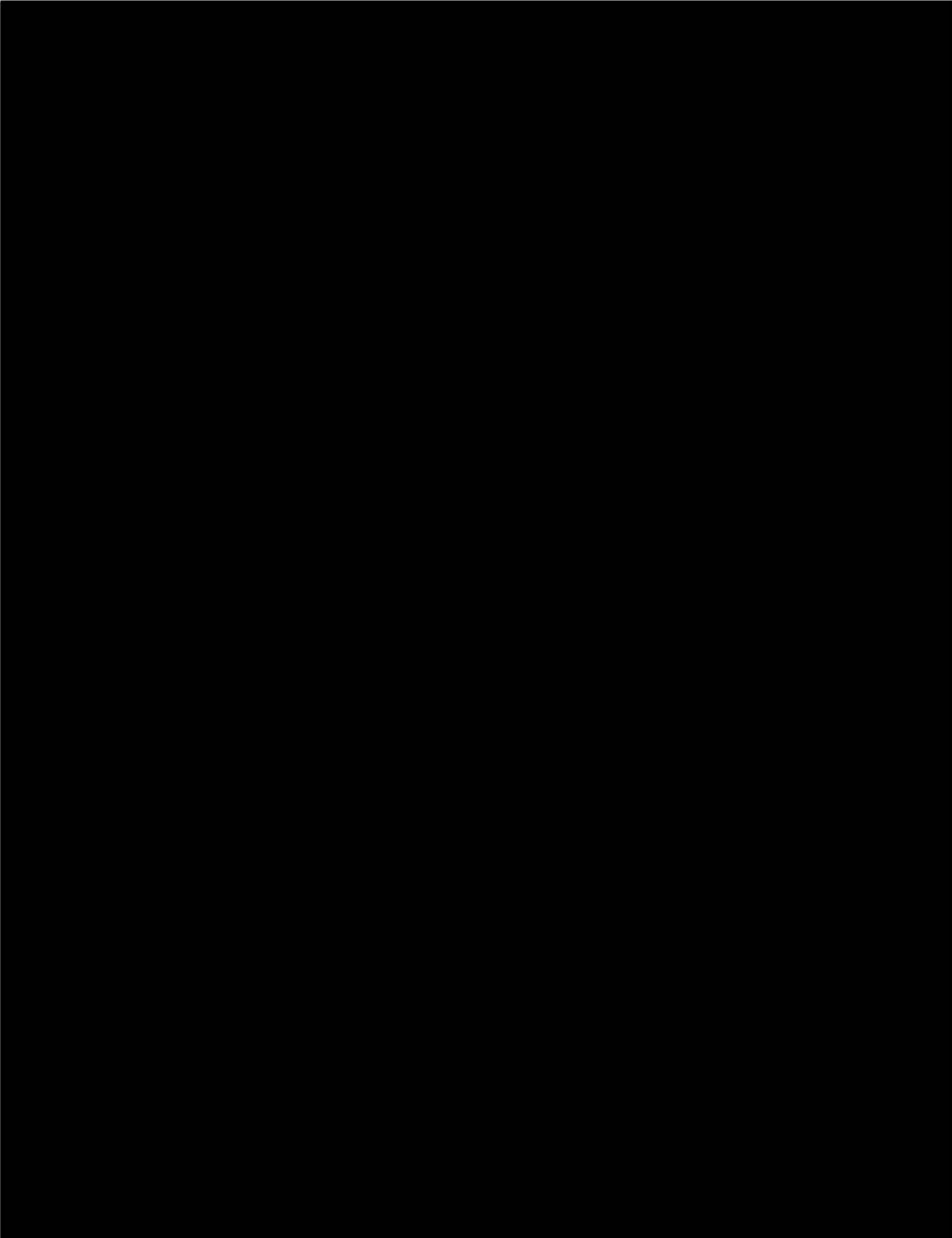
**NOW, THEREFORE,** the parties agree as follows:

**1. SCOPE OF SERVICES**


**1.1 Scope**











**1.3 Retention of Records.** Jefferies shall maintain records in accordance with Section 8.3 of the City Administrative Code, to the extent applicable (and such records shall be subject to examination and audit by authorized City personnel upon reasonable prior written notice pursuant to Section 21.34 of the City Administrative Code).

**1.4 Maintaining Attorney-Client Privilege and Work Product Protection.** Jefferies acknowledges that it has no authority to waive the attorney-client privilege or attorney-work product protection on behalf of City or City Attorney.

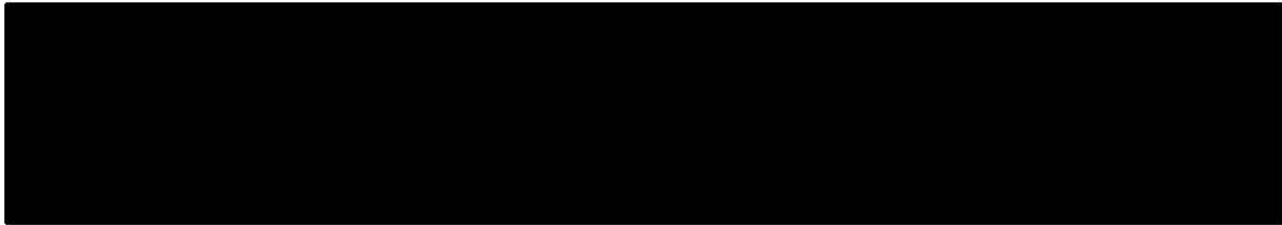
**2. TERM.** The term of this Agreement ("Term") shall commence upon the execution of this Agreement by both the City and Jefferies no later than May 17, 2019, and this Agreement will remain in full force and effect (and will not be deemed completed) until the earlier of (i) September 17, 2022, or (ii) the total fees and reimbursable amounts payable under this Agreement reach the maximum fee amount set forth on Appendix B and Appendix B-1, unless sooner terminated under Section 6 of this Agreement. This Agreement may be extended by mutual written agreement of the City Attorney and Jefferies as provided in Section 22.4 of this Agreement.

**3. EFFECTIVE DATE.** This Agreement shall become effective upon full execution and delivery of this Agreement by both parties.

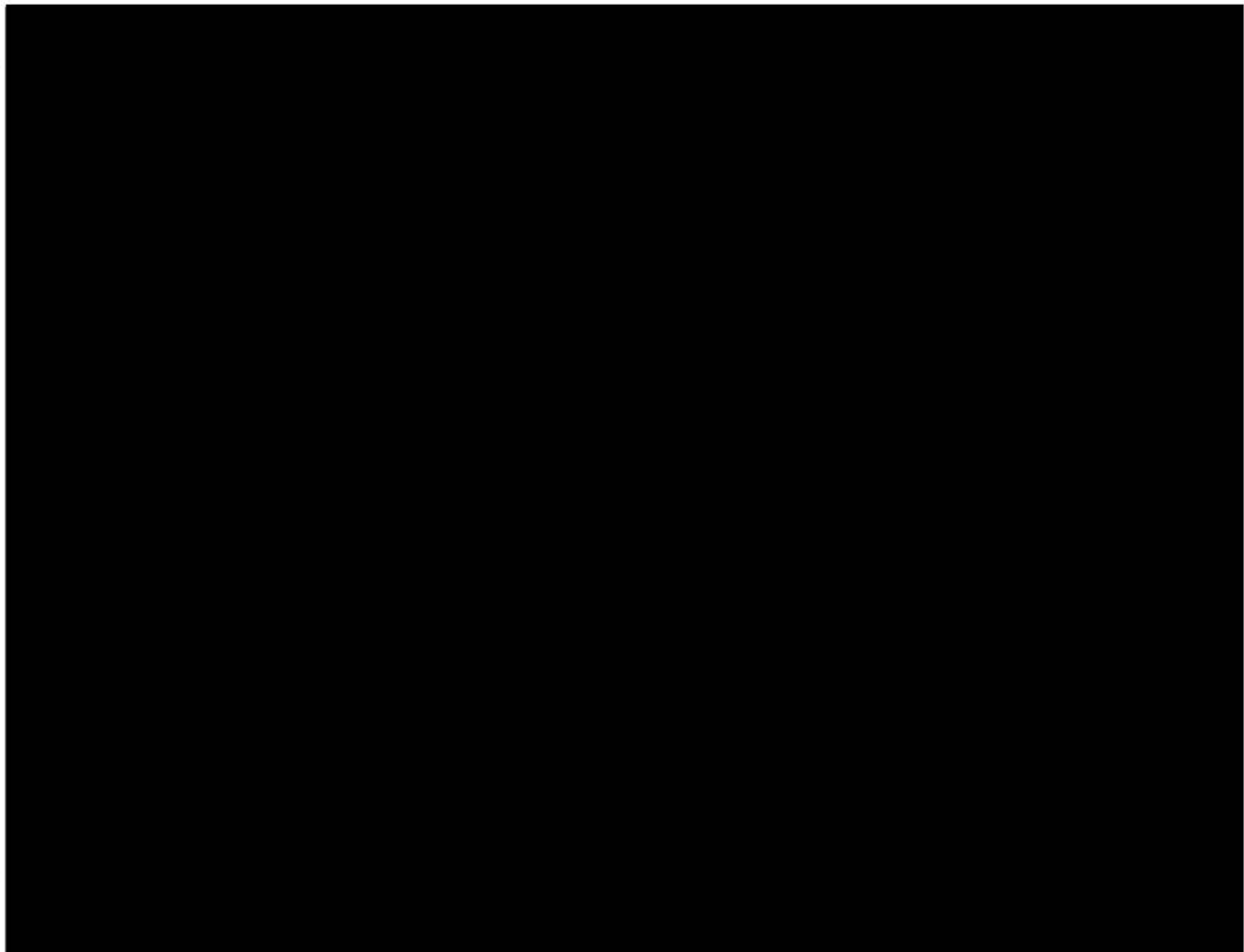
**4. COMPENSATION**

**4.1 Fee and Expense Schedule.** In consideration for the substantial efforts that Jefferies will undertake on behalf of the City, the City shall compensate Jefferies for all of the services rendered by Jefferies under this Agreement as set forth in the Fee and Expense Schedule attached as Appendix B and Appendix B-1, subject to the terms and conditions contained in this Agreement. Such compensation is the total compensation for all of the services to be rendered

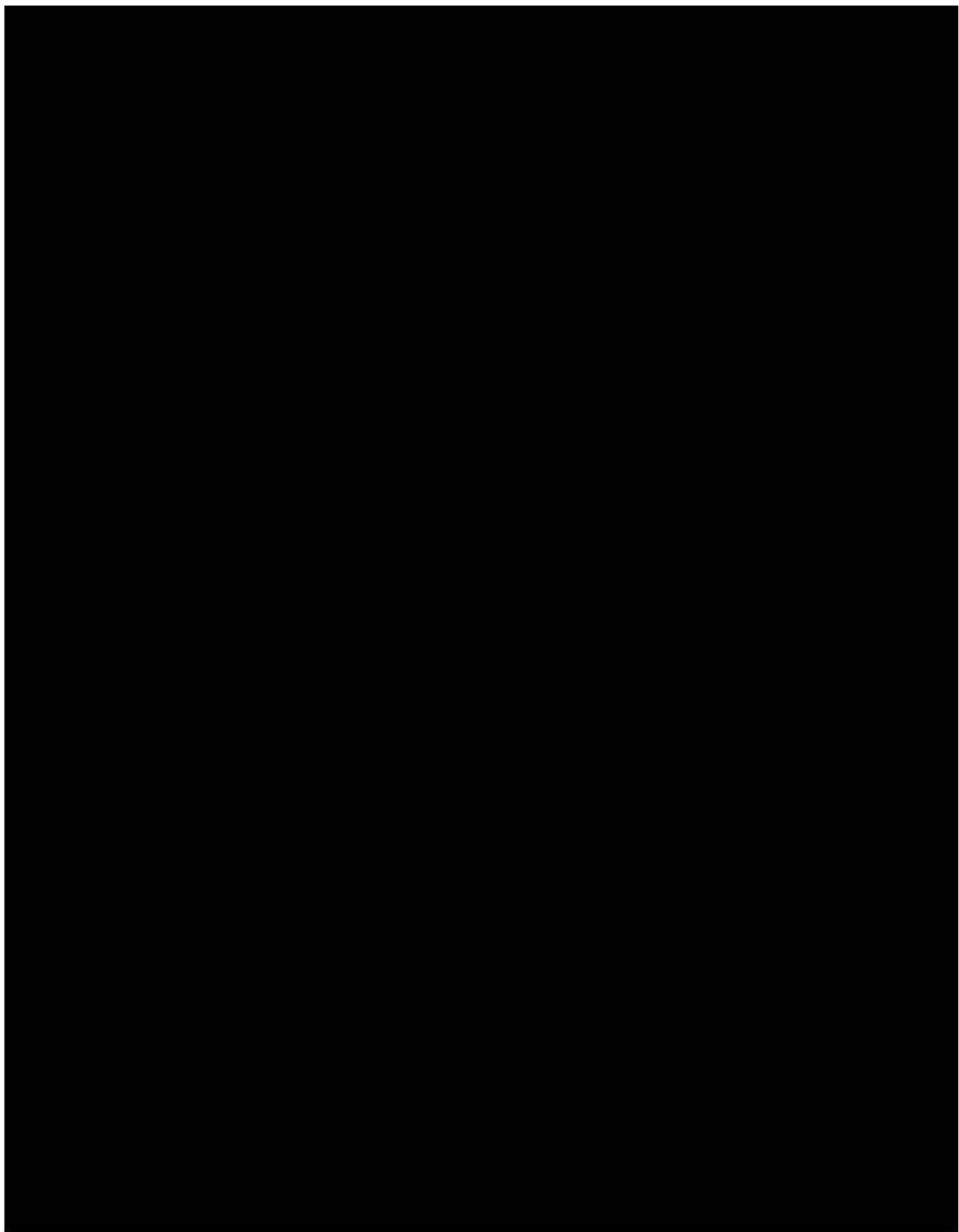
by Jefferies under the terms of this Agreement. The Fee and Expense Schedule may not be modified except by written instrument executed and approved in the same manner as this Agreement.

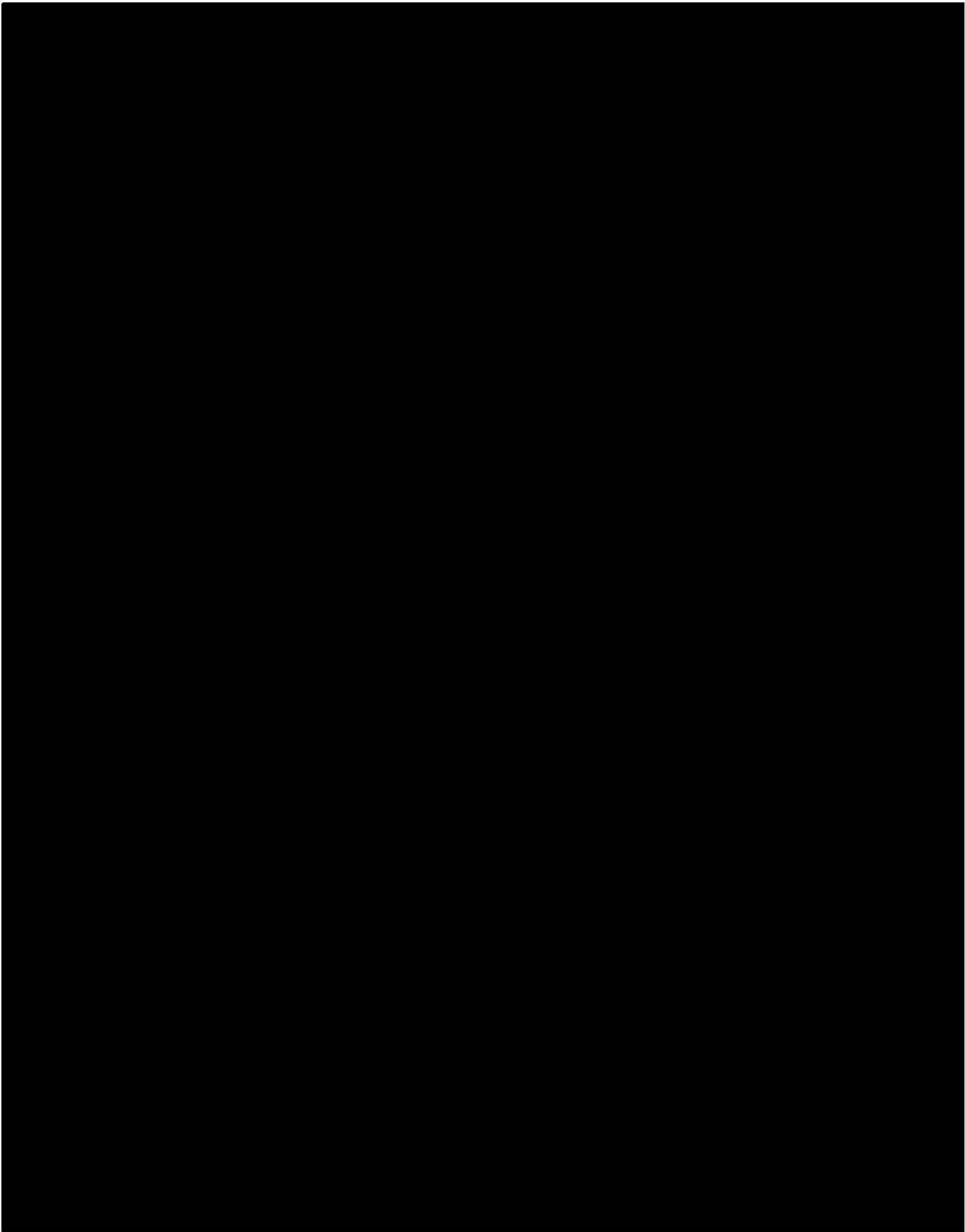


**4.2 Not to Exceed Contract Amount.** In no event shall the total fees and reimbursable amounts payable under this Agreement exceed the maximum fee amount set forth on Appendix B and Appendix B-1. The not to exceed amount may not be modified except by written instrument executed and approved in the same manner as this Agreement; provided however that any agreement to increase the maximum fee amount to a sum exceeding \$10 million or more or increase the term beyond ten (10) years shall be subject to approval by the Mayor and the Board of Supervisors, in their sole discretion.



**5. METHOD OF PAYMENT**

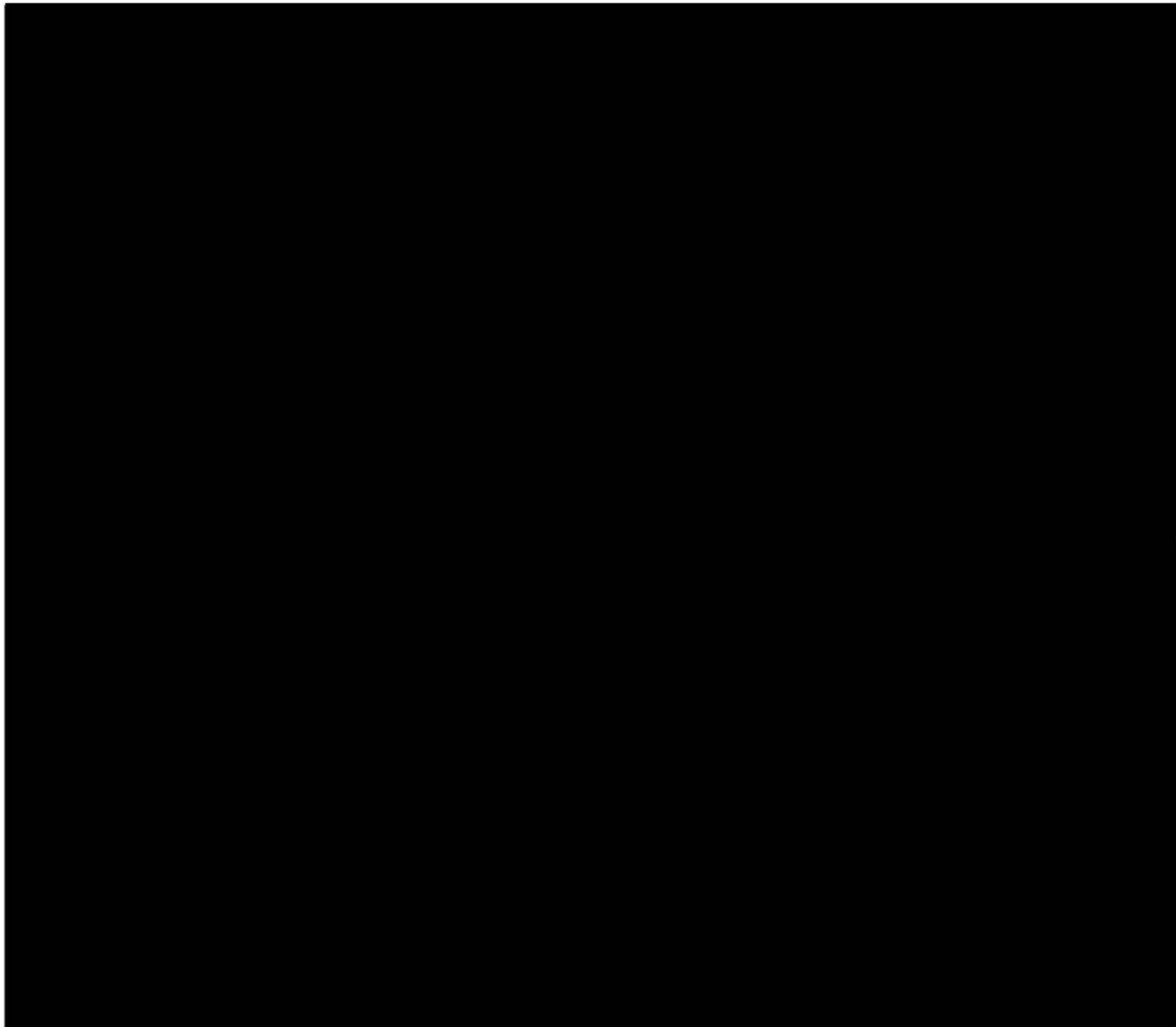






**8. INSURANCE**

**8.1 Required Coverage.** Without in any way limiting Jefferies's liability pursuant to the "Indemnification" section of this Agreement, and subject to approval by City's Risk Manager of the insurer and the policy forms, Jefferies shall procure and maintain throughout the Term of this Agreement, at Jefferies's sole expense, the following insurance:





**9. ASSIGNMENT AND SUBCONTRACTING**

**9.1 Limitations on Assignment.** Jefferies shall not, without written consent of the City Attorney, assign or transfer any interest in this Agreement, or delegate its performance of duties under this Agreement, in whole or in part; and no approval of any assignment, transfer, or delegation of duties shall constitute approval of any subsequent assignment, transfer or delegation of duties. Jefferies recognizes and agrees that the services to be performed under this Agreement are personal in nature, and the City Attorney may give, withhold or condition his consent in his sole and absolute discretion.

**9.2 Limitations on Subcontracting.** Jefferies shall be prohibited from subcontracting this Agreement or any part of it unless Jefferies first obtains the City Attorney's

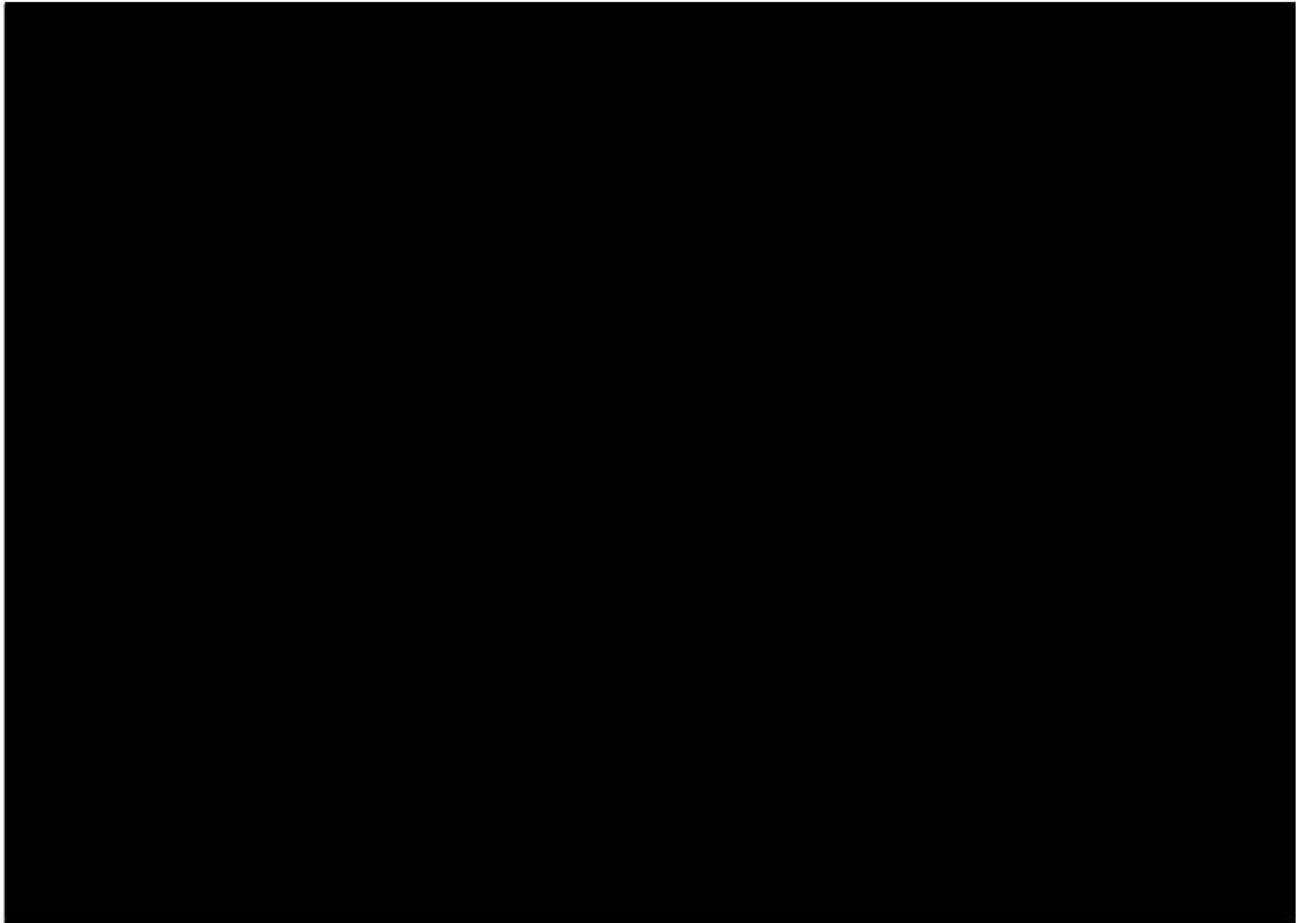
written approval of the subcontractor or subconsultant and the scope of services to be performed under any subcontract. Any such subcontracting will be subject to the approval of the City Attorney in his sole and absolute discretion. An agreement made in violation of this provision shall confer no rights on any other party and shall, at the City's sole option, be void.

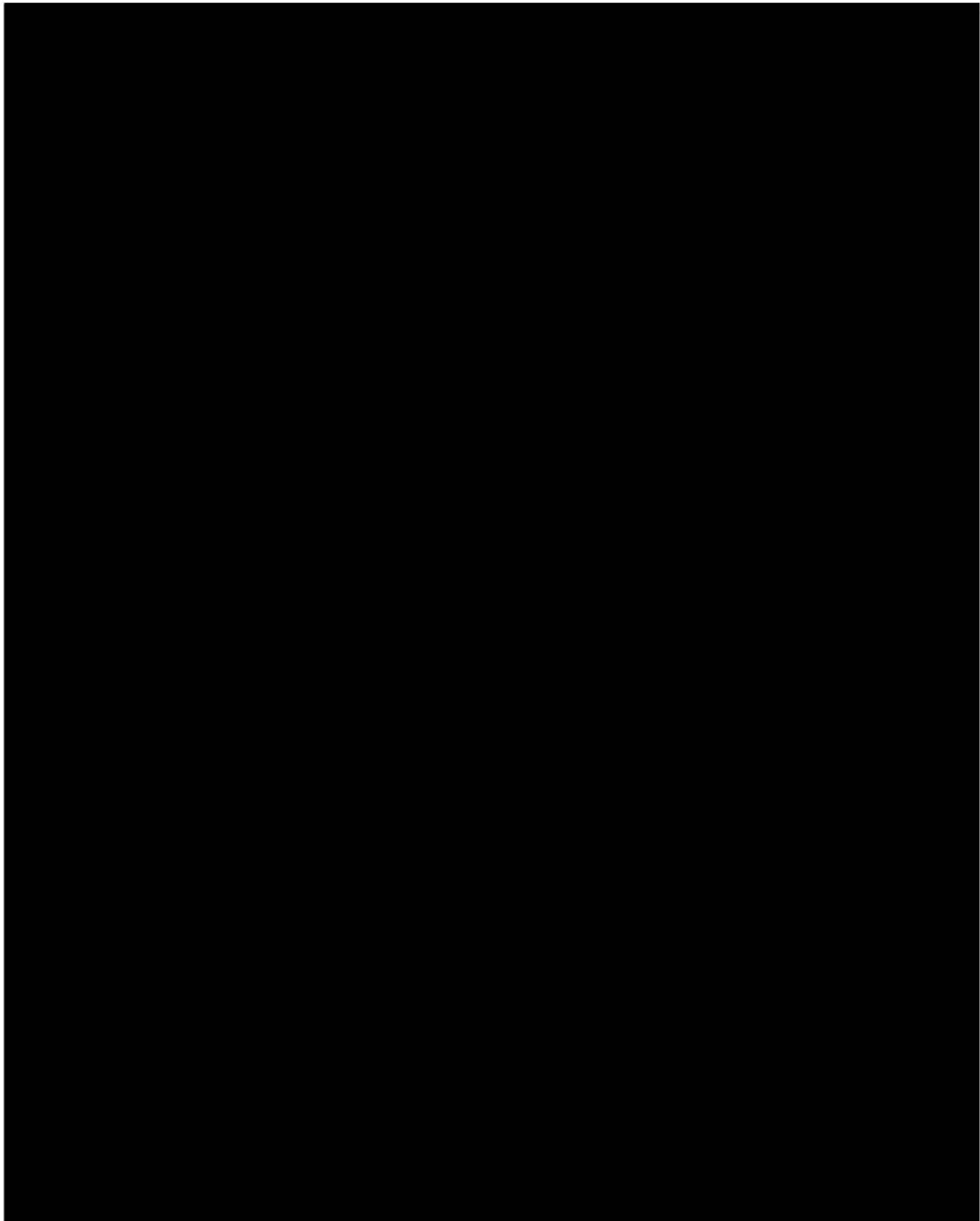
## **10. CONFLICTS OF INTEREST**

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

### **10.2 Disclosure of Any Conflicts.**

Jefferies has performed an internal conflicts check in accordance with its standard practices and confirms that it has not discovered any conflict of interest that would prevent it from providing the services under this Agreement to City Attorney. To the best of Jefferies' knowledge, no City employee, officer or agent has a financial interest in Jefferies in violation of Section 10.1 above.








**12. NONDISCRIMINATORY EMPLOYMENT AND BUSINESS OPPORTUNITIES PRACTICES**

**12.1 Jefferies Shall Not Discriminate.** In the performance of this Agreement, Jefferies agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, height, weight, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Jefferies, in any of Jefferies's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Jefferies.

**12.2 Subcontracts.** Jefferies shall incorporate by reference in all subcontracts, as may be permitted under this Agreement, 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 City Attorney) and shall require all subcontractors to comply with such provisions. Jefferies's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

**12.3 Non-Discrimination of Benefits.** Jefferies 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, or where any part of this Agreement is being performed for 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 or 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 registration.

**12.4 Declaration.** As a condition to this Agreement, Jefferies shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD 12B-101) with supporting documentation.

### 13. NOTICES

All notices or other communications to either party by the other as may be required by this Agreement shall be made in writing and delivered in person or by next-day delivery using a nationally recognized overnight courier as follows:

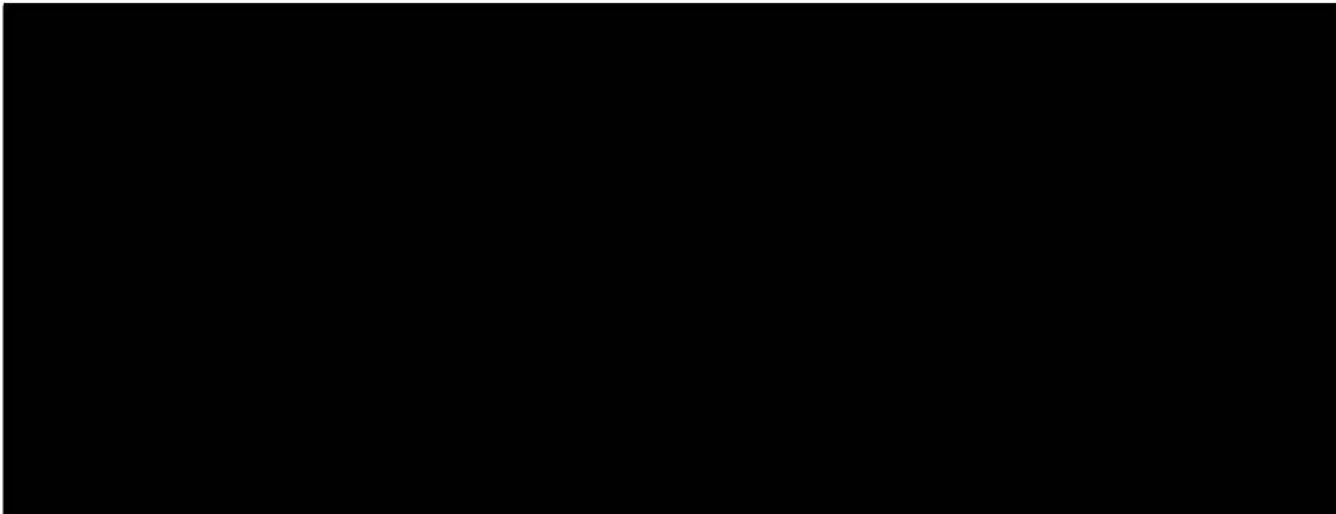
To City: San Francisco City Attorney's Office  
City and County of San Francisco

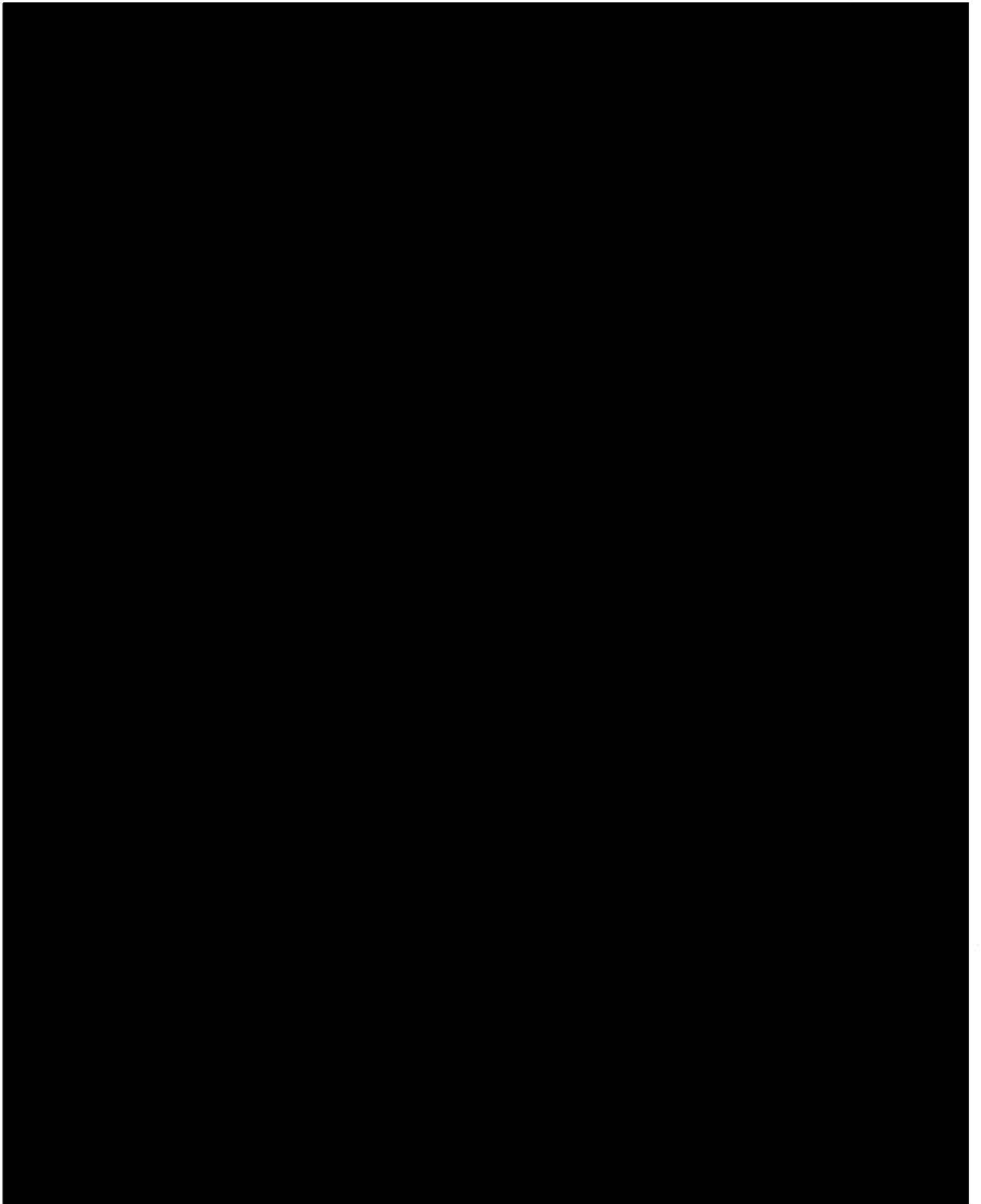
Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4682  
Direct: (415) 554-4700  
Fax: (415) 554-4755  
Email: [theresa.mueller@sfcityatty.org](mailto:theresa.mueller@sfcityatty.org),  
[mark.blake@sfcityatty.org](mailto:mark.blake@sfcityatty.org)

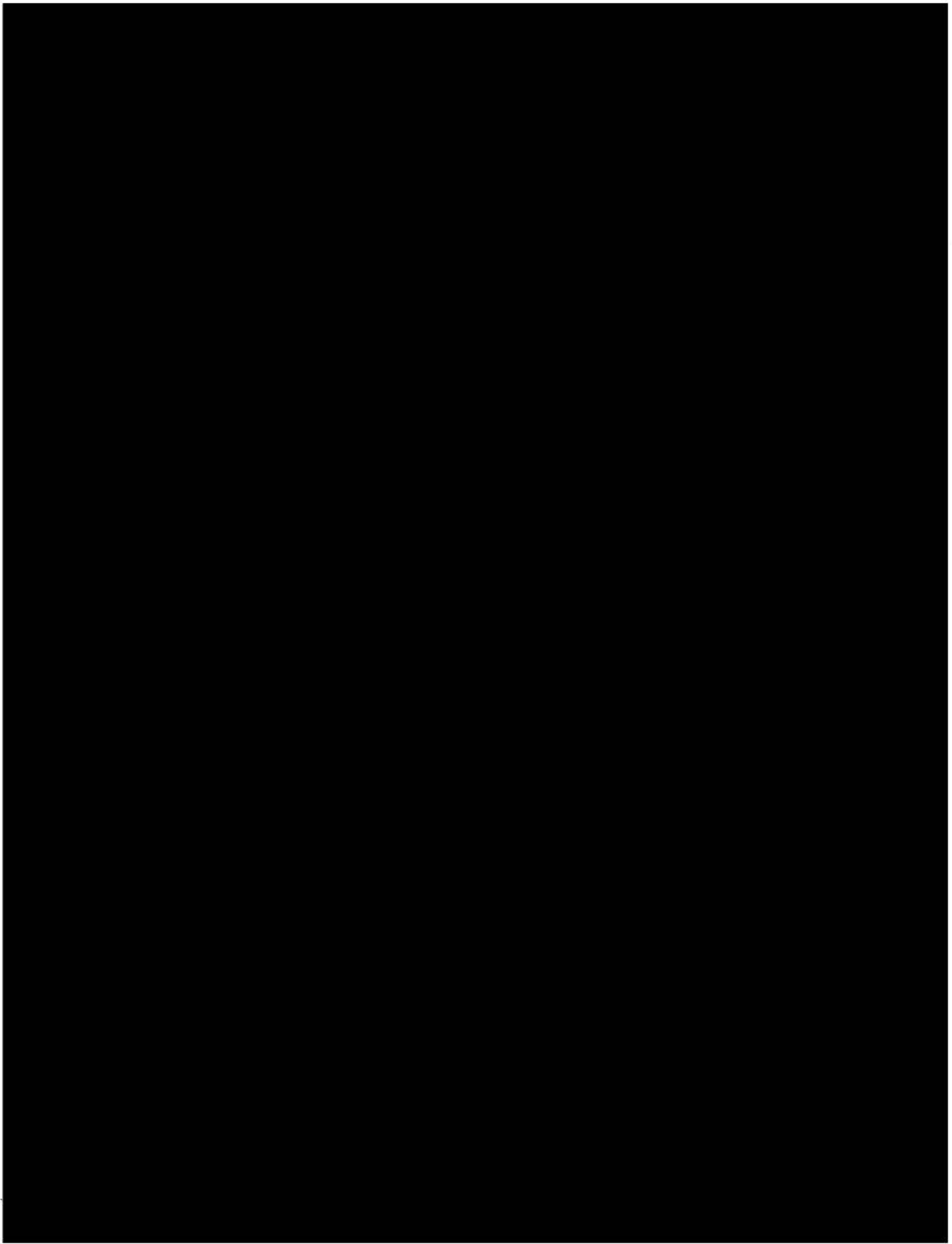
Attn: Theresa Mueller, Mark D. Blake,  
Deputy City Attorneys

To Jefferies: Jefferies LLC  
520 Madison Avenue  
New York, New York 10022  
(212) 284-2237  
Attention: General Counsel

Delivery may be made to such other address as either City or Jefferies may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section 13 at least ten (10) days prior to the effective date of such change.







**16.2 No Limitation.** All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available under this Agreement 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.

**17. OWNERSHIP OF RESULTS.** Any interest of Jefferies or its approved subconsultant or subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Jefferies or its subconsultants or subcontractors, in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to the City. Any such work product shall be attorney work product and subject to the attorney-client privilege of the City; provided however, that this paragraph shall not be read to cover any proprietary software or models or computer files owned by Jefferies prior to the Effective Date of this Agreement, and not prepared or created for purposes of providing the services under this Agreement.

**18. 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.

**19. TROPICAL HARDWOOD AND VIRGIN REDWOOD BAN.** Pursuant to §804(b) of the San Francisco Environment Code, the City urges Jefferies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**20. DRUG-FREE WORKPLACE POLICY.** Jefferies 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. Jefferies agrees that any violation of this prohibition by Jefferies, its employees, agents or assigns will be deemed a material breach of this Agreement.

**21. COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT.** Jefferies 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 Jefferies, must be accessible to the disabled public. Jefferies 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. Jefferies 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 Jefferies, its employees, agents or assigns will constitute a material breach of this Agreement.

**22. GENERAL CONDITIONS**

**22.1 Severability.** Any provision or portion of this Agreement prohibited as unlawful or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be ineffective without affecting other provisions of this Agreement. If the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement may be deemed to be a valid and binding Agreement enforceable in accordance with its terms.

**22.2 Governing Law.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. No claim shall be commenced, prosecuted or continued other than in the courts of the State of California located in the City and County of San Francisco, and Jefferies hereby submits to the jurisdiction of said courts. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**22.3 Compliance with Laws.** Jefferies shall keep itself fully informed of applicable City Charter, codes, ordinances and regulations of the City and of all applicable state and federal laws in any manner affecting the performance of this Agreement and understands its obligation to comply with such applicable codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

**22.4 Modifications to this Agreement.** Neither this Agreement nor any term or provisions hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by both parties or except as otherwise expressly provided in this Agreement.

**22.5 Approvals by City; Point of Contact.** All approvals or consents requested or required under this Agreement may be given by the City Attorney or his designee. All such approvals or consents may be given or withheld in the City Attorney's sole discretion, unless otherwise expressly provided. Silence shall not be considered approval of the City for any purposes hereof.

**22.6 Notification of Limitations on Contributions.** Through execution of this Agreement, Jefferies 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 a board 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. Jefferies 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 fifty thousand dollars (\$50,000) or more. Jefferies further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Jefferies board of directors; Jefferies's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Jefferies; any subcontractor or subconsultant listed in the bid or contract; and any committee that is sponsored or controlled by

Jefferies. Additionally, Jefferies acknowledges that Jefferies must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

**22.7 Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

**22.8 Requiring Minimum Compensation for Covered Employees.** Jefferies shall 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 Chapter 12P are incorporated 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](http://www.sfgov.org/olse/mco).

**22.9 Requiring Health Benefits for Covered Employees.** Jefferies shall 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 Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth in this Agreement. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse).

**22.10. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Jefferies 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. Jefferies agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by City's Controller. The terms and provisions of Chapter 12.G are incorporated into this Agreement by this reference. In the event Jefferies violates the provisions of this section, the City may, in addition to any other rights or remedies available under this Agreement, (i) terminate this Agreement, and (ii) prohibit Jefferies from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Jefferies use of profit as a violation of this section.

**22.11. Protection of Private Information.** If this Agreement requires the City to disclose "Private Information" to Jefferies within the meaning of San Francisco Administrative Code Chapter 12M, the terms and provisions of which are incorporated into this Agreement, Jefferies shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the services provided for under this Agreement. Any failure on the part of Jefferies to comply with the requirements of Chapter 12M will subject Jefferies to the enforcement and penalty provisions in Chapter 12M.

**22.12 Food Service Waste Reduction Requirements.** Jefferies shall 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 by reference and made a part of this Agreement as though fully set forth.

**22.13 Consideration of Criminal History in Hiring and Employment Decisions.**

Jefferies 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 in this Agreement. The text of the Chapter 12T is available on the web at <http://sfgov.org/olse/fco>.

**22.14 Interpretation of Agreement.** 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.

**23. MACBRIDE PRINCIPLES—NORTHERN IRELAND.** Pursuant to San Francisco Administrative Code §12F.5, the City 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 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 Jefferies acknowledges and agrees that he or she has read and understood this section.

**24. PATRIOT ACT.** Jefferies hereby notifies the City that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act. Pub. L. N 109-177 (Mar. 9, 2006) (“Patriot Act”), it is required to obtain, verify and record information that identifies the City in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

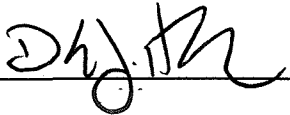


IN WITNESS WHEREOF, the parties have executed this Agreement on the day first mentioned above.

**CITY AND COUNTY OF  
SAN FRANCISCO**

**JEFFERIES LLC**  
a Delaware limited liability company

**BY: DENNIS J. HERRERA**  
City Attorney

By:  \_\_\_\_\_

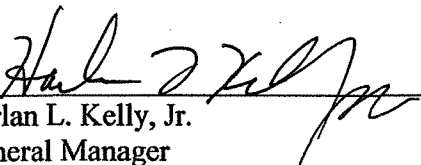
By: \_\_\_\_\_  
Simon A. Wirecki  
Senior Vice President

\_\_\_\_\_  
Federal Employer Number: 13-2615557

#### ACKNOWLEDGEMENT

As the General Manager of the San Francisco Public Utilities Commission ("SFPUC"), I hereby acknowledge that on this 17th day of May 2019, the City and County of San Francisco and Jefferies LLC are executing an agreement for investment banking advisory services ("Agreement") in connection with the proposed acquisition of PG&E distribution assets. The SFPUC acknowledges Section 4.3 of this Agreement and will take the necessary budgetary actions to ensure that funds are available when and as needed to make Monthly Advisory payments and Termination Payments, if any, to Jefferies in accordance with the schedules shown on Appendix B and B-1 to the Agreement.

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

By:  \_\_\_\_\_  
Harlan L. Kelly, Jr.  
General Manager

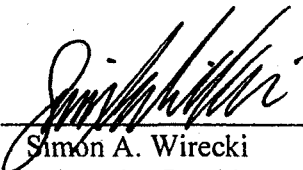
IN WITNESS WHEREOF, the parties have executed this Agreement on the day first mentioned above.

**CITY AND COUNTY OF  
SAN FRANCISCO**

**JEFFERIES LLC**  
a Delaware limited liability company

**BY: DENNIS J. HERRERA**  
City Attorney

By: \_\_\_\_\_

By:   
\_\_\_\_\_  
Simon A. Wirecki  
Senior Vice President

\_\_\_\_\_  
Federal Employer Number: 13-2615557

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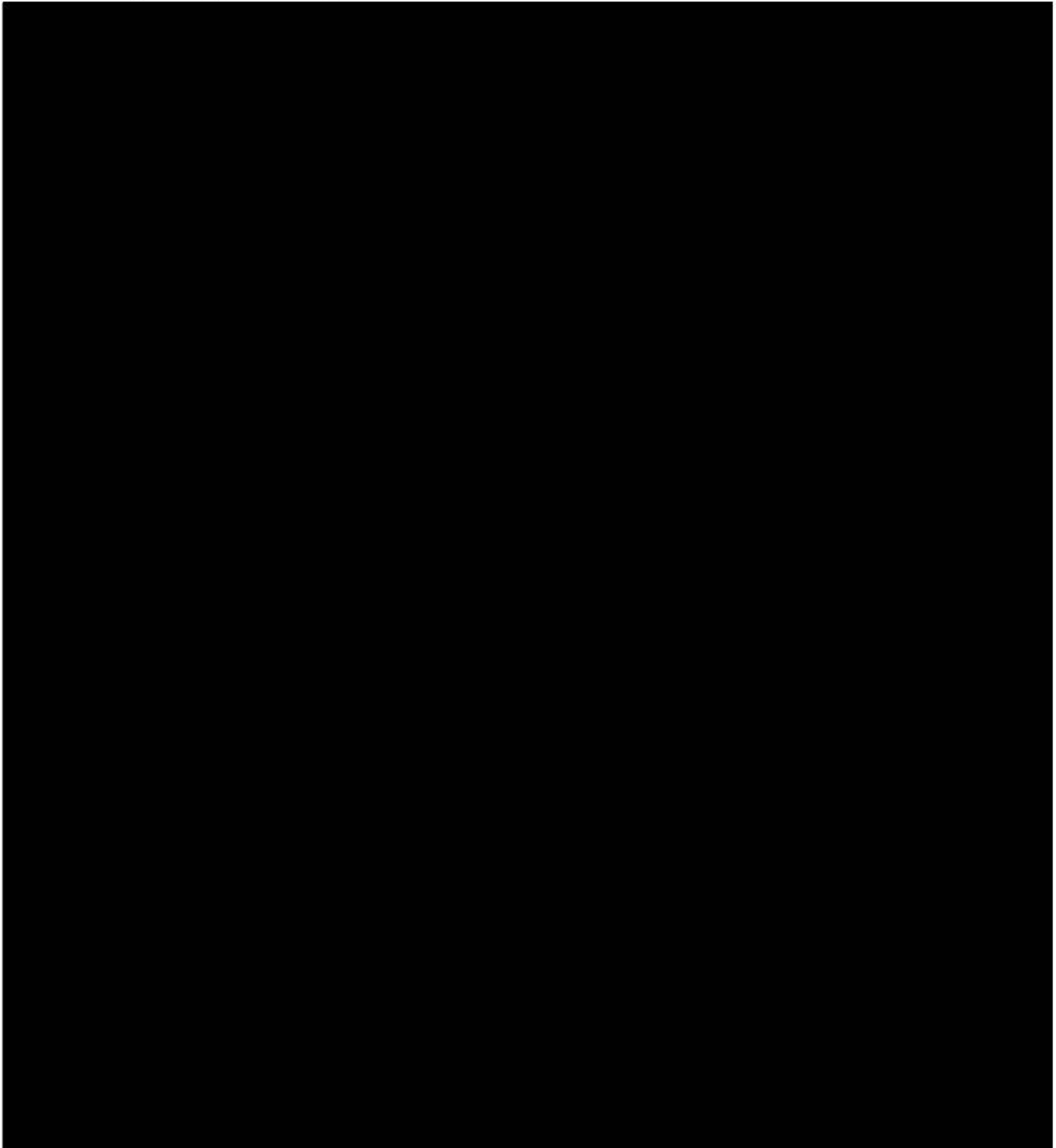
#### SAN FRANCISCO PUBLIC UTILITIES COMMISSION

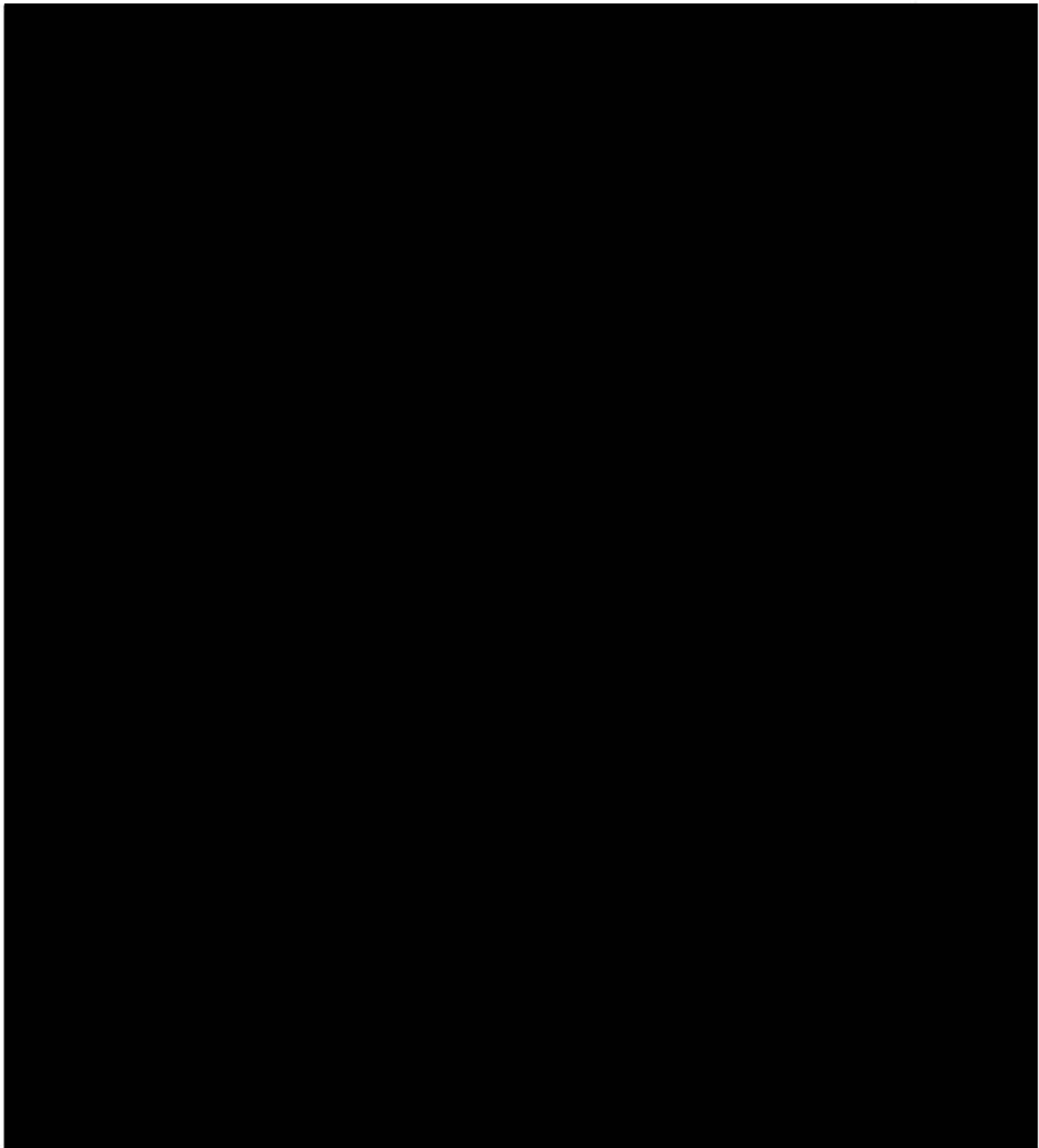
By: \_\_\_\_\_  
Harlan L. Kelly, Jr.  
General Manager

## **APPENDIX A**

### **SCOPE OF SERVICES**

In connection with this engagement, Jefferies will provide the following services, as customary and appropriate, and as may be reasonably requested and directed by the City Attorney, including, among other things:

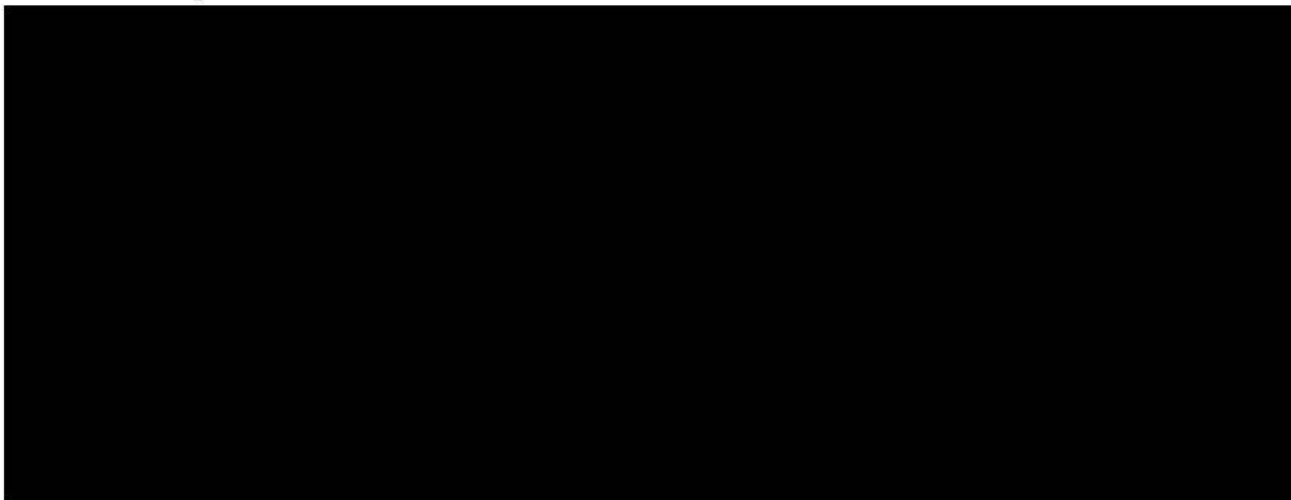




## APPENDIX B

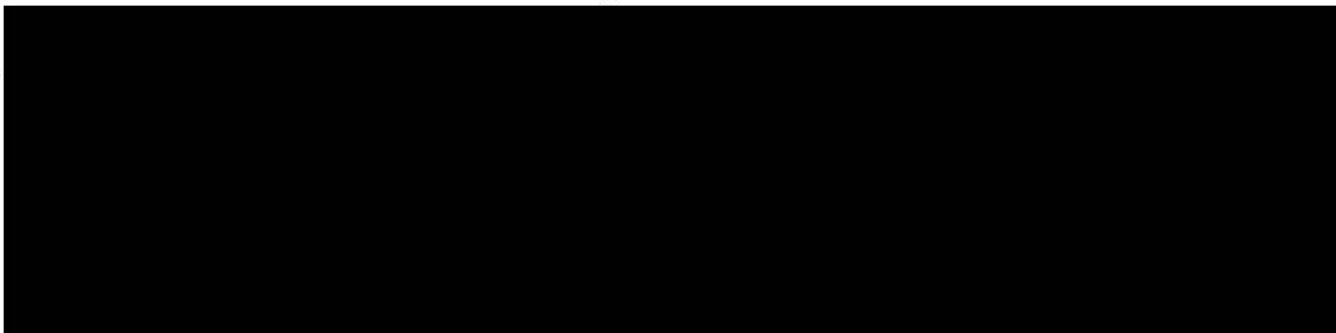
### FEES AND EXPENSES

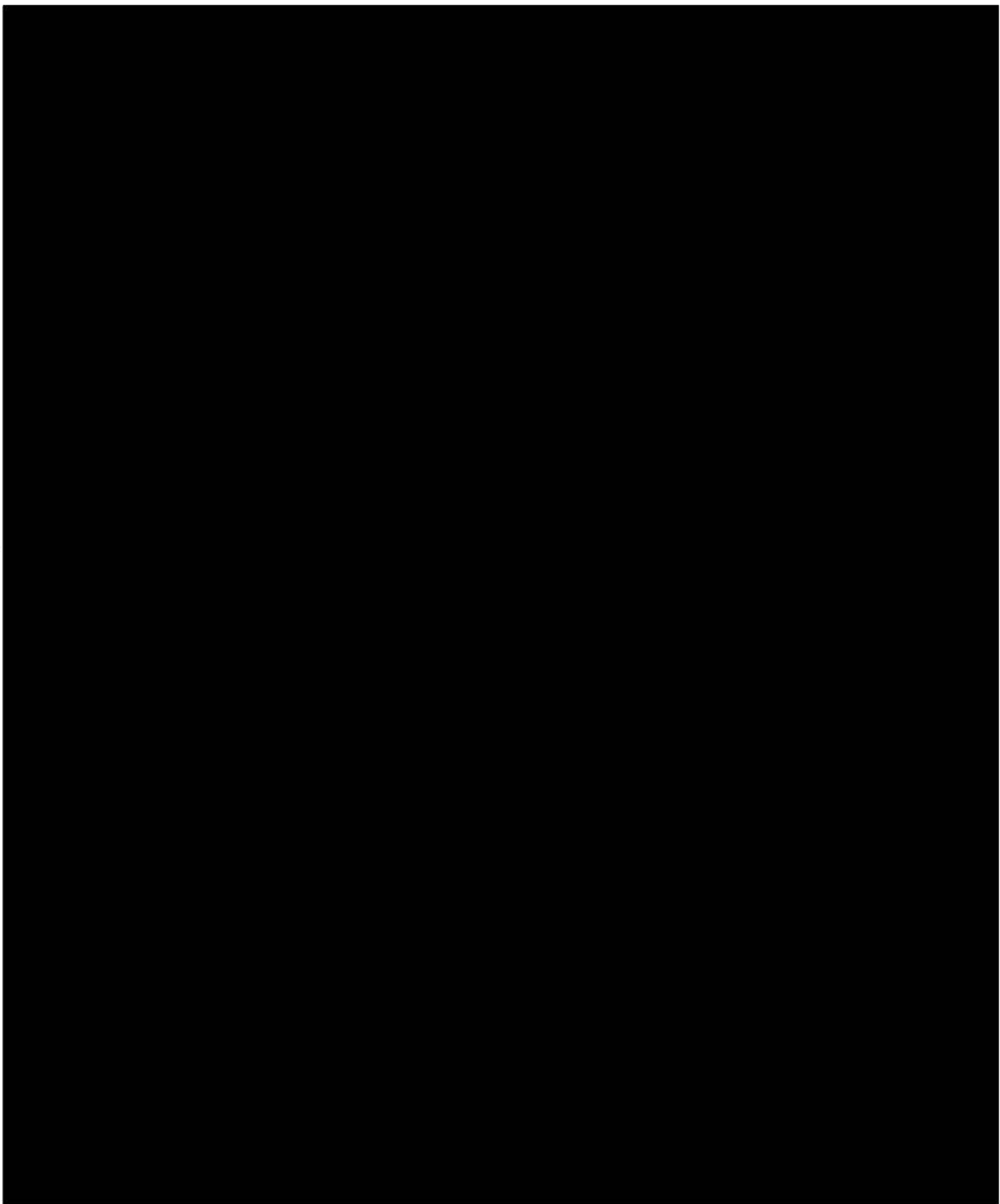
Jefferies will be compensated for its services under this Agreement in accordance with the fee schedule provided below.

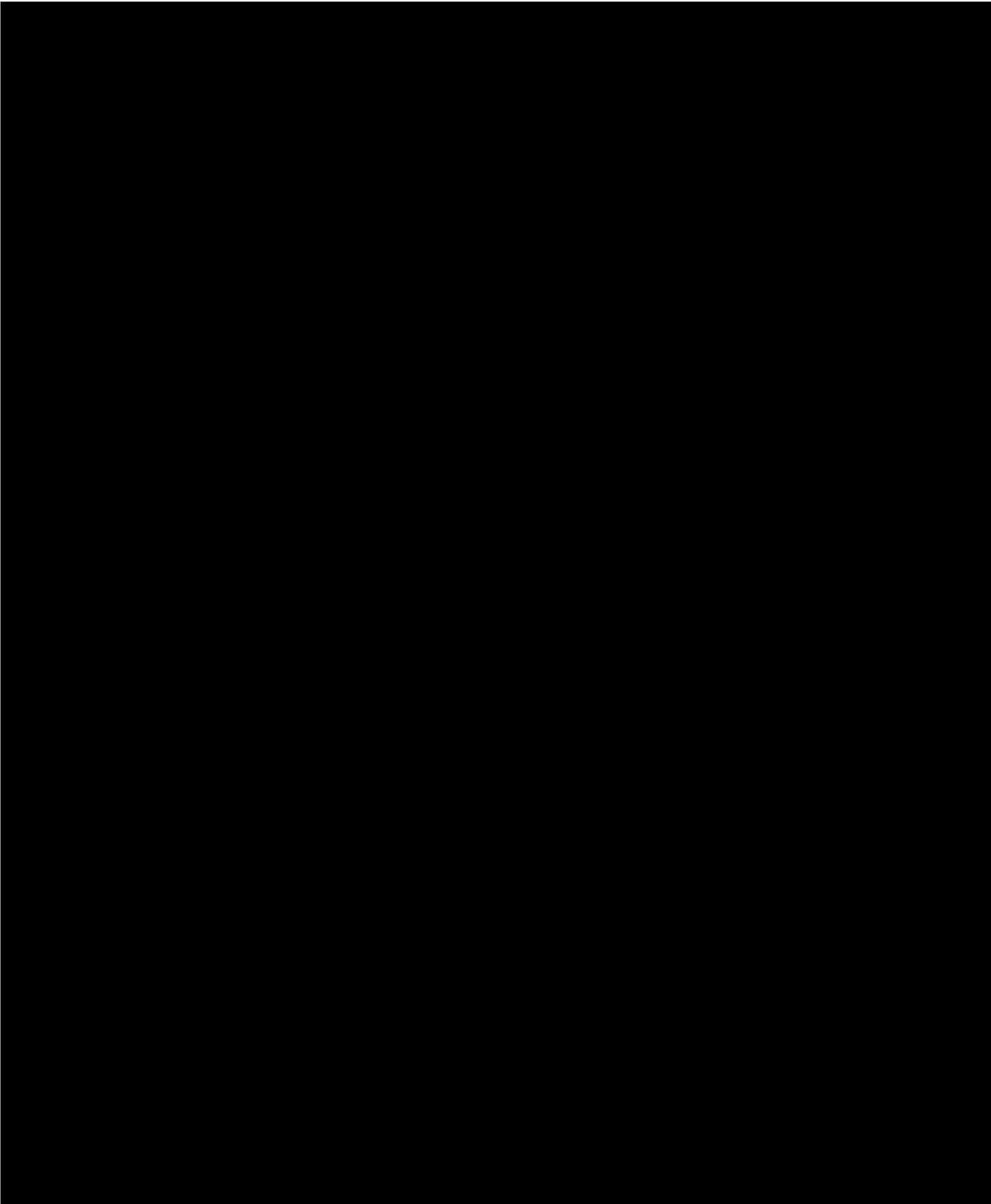


(b) At the closing of the Transaction, a fee of \$9,999,000 ("Transaction Fee"), subject to the credit set forth in subsection (a) above, and the credit for the payment of expenses as set forth in subsection (d) below.

(c) In the event that the City has paid Jefferies \$9,999,000 (inclusive of the Transaction Fee and the payment of any out of pocket disbursements to Jefferies) in Monthly Advisory Fees (including any Termination Payment) prior to the closing of the Transaction, the City agrees to promptly negotiate in good faith with Jefferies appropriate additional fees for Jefferies' ongoing services under this Agreement (including a new Transaction Fee); provided however the parties to this Agreement acknowledge and agree that any increased compensation payable to Jefferies will be subject to approval by the Board of Supervisors of the City, in their sole and absolute discretion. Jefferies will provide written notice to the City when the fee accumulation under this Agreement has reached \$9,500,000. The parties to this Agreement further acknowledge that nothing set forth in this Agreement shall obligate the City to extend the term of this Agreement, or otherwise agree to increase the compensation payable to Jefferies beyond a maximum of \$9,999,000 under any circumstances.











**From:** [Mueller, Theresa \(CAT\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [FERNANDEZ, PAULA \(CAT\)](#); [PEARSON, ANNE \(CAT\)](#)  
**Subject:** Resolution for introduction + attachments for file  
**Date:** Friday, November 18, 2022 5:00:58 PM  
**Attachments:** [2nd AMENDMENT JEFFERIES 11-18-22 Redacted.pdf](#)  
[Jefferies LLC 0519 Redacted Final 11-18-22.pdf](#)  
[JEFFERIES Resolution - CL 01640515 \(002\).DOCX](#)

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Please let us know if you have questions or need anything else.

Note: Please use my email address or cell phone to reach me: 415-602-0831. Thank you.

Theresa L. Mueller (she/her)  
Deputy City Attorney  
Office of City Attorney David Chiu  
Room 234, City Hall  
San Francisco, CA 94102  
(415) 554-4640  
[theresa.mueller@sfcityatty.org](mailto:theresa.mueller@sfcityatty.org)

This communication and its contents may contain confidential or legally privileged information, including protected attorney-client communications and attorney work product. It is solely for the use of the intended recipient(s). Unauthorized interception, review, use, or disclosure is prohibited and may violate applicable laws, including the Electronic Communications Privacy Act. If you are not the intended recipient, please contact the sender and destroy all copies of the communication. Thank you.