

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst 
SUBJECT: January 31, 2024 Budget and Finance Committee Meeting

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Item 4 File 23-1250	Departments: Office of Contract Administration (OCA)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution authorizes the Office of Contract Administration (OCA) to enter into an eighth contract modification with Buckles-Smith Electric Co. for the purchase of electrical materials, supplies, and fixtures for City departments. The resolution increases the contract amount by \$2,053,132 for a total not to exceed amount of \$19,500,000. There is no change to the approximately seven-year term from July 5, 2017 through June 30, 2024. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The City contracts with Buckles-Smith, a supplier of electrical fixtures and related goods. In November 2022, the Board of Supervisors approved the sixth modification to the contract for the purchase of electrical supplies and fixtures for City departments, increasing the contract amount by \$3,000,000 for a total not to exceed amount of \$16,946,868 (File 22-1057). In March 2023, OCA approved the seventh modification to the contract under Administrative Code Section 21.24, which granted City Departments short-term contract extension authority, including beyond the six-year term advertised in the solicitation, extending the contract term to June 30, 2024, and increasing the amount to \$17,446,868. Specific products provided include electrical market abrasive belts and systems, electrical bonding, cables, and wires, electrical corrosion and fire protection, electrical industrial products, safety products, lighting, conduits, and other electrical products. The contract allows all City departments to purchase electrical supplies and fixtures. Depending on the product, the contract provides discounts ranging from 15 percent to more than 90 percent from catalog prices. OCA plans to issue a new solicitation in early 2024 and award new contracts by June 2024. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The proposed eighth amendment increases the not to exceed amount of the contract with the vendor by \$2,053,132 to a total of \$19,500,000. Although the current contract term ends on June 30, 2024, OCA reports that the \$17,446,868 contract amount was fully spent in October 2023. The requested increase is therefore intended to provide contract spending authority from October 2023 to June 30, 2024. Contract funding sources vary depending on the department making the purchase. According to data provided by OCA, 64.3 percent of spending through September 2023 has been funded by the Public Utilities Commission. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

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

The City contracts with Buckles-Smith, a supplier of electrical fixtures and related goods.

Selection Process

The Office of Contract Administration (OCA) issued a request for proposal (RFP) in May 2017 for electrical supplies and fixtures for City departments for a contract period of three years, with the possibility of extension for a period or periods of one year up to a maximum contract duration of six years. OCA determined that Buckles-Smith Electric Co. provided the lowest cost bid and was awarded a \$5 million contract with a three-year term from July 5, 2017 through June 30, 2020.

Contract History

The original contract and the subsequent five modifications did not require Board of Supervisors approval because the term did not exceed ten years and the total not to exceed amount was less than \$10 million. In November 2022, the Board of Supervisors approved the sixth modification to the contract between the Office of Contract Administration (OCA) and Buckles-Smith Electric Co. for the purchase of electrical supplies and fixtures for City departments, increasing the contract amount by \$3,000,000 for a total not to exceed amount of \$16,946,868 (File 22-1057). There was no change to the six-year contract term of July 5, 2017 through June 30, 2023. In March 2023, OCA approved the seventh modification to the contract under Administrative Code Section 21.24,¹ which granted City Departments short-term contract extension authority, including beyond the six-year term advertised in the solicitation, extending the contract term to June 30, 2024 and increasing the amount to \$17,446,868.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes OCA to enter an eighth contract modification with Buckles-Smith Electric Co. for the purchase of electrical materials, supplies, and fixtures for City departments. The resolution increases the contract amount by \$2,053,132 for a total not to exceed amount of \$19,500,000. There is no change to the contract term, which is approximately seven years from July 5, 2017 through June 30, 2024.

¹ Administrative Code Section 21.24 states the following: “For agreements that expire on or before July 1, 2023, and for which no remaining purchasing authority exists, Departments are authorized to extend agreements for a period of 12 months and to increase the not-to-exceed amount of the agreement as necessary given the extension duration, in accordance with any applicable Charter requirements, but without complying with the competitive solicitation and procurement procedures in Chapter 21.” (File 22-0392). This authority expired on July 1, 2023.

Under the contract, specific products provided include electrical market abrasive belts and systems, electrical bonding, cables, and wires, electrical corrosion and fire protection, electrical industrial products, safety products, lighting, conduits, and other electrical products. The contract allows all City departments to purchase electrical supplies and fixtures. Depending on the product, the contract provides discounts that range from 15 percent to more than 90 percent from catalog prices.

According to OCA, the proposed modification is needed due to a delay in completing a new solicitation caused by staffing shortages at OCA and challenges in accessing and analyzing usage data of City departments. OCA plans to issue a new solicitation in early 2024 and award new contracts by June 2024.

Performance Monitoring

While the contract does not include specific performance measures, it includes several contract terms and conditions to hold the vendor accountable for product availability, delivery timeframes, environmental specifications, the condition of products, and the inspection of products.

According to OCA staff, ordering departments will notify OCA if the vendor does not meet delivery requirements or other required contract specifications. In addition, OCA staff meet with the vendor quarterly to discuss any contract matters. OCA states that the new solicitation will include improved performance measures and outcomes to be tracked, including establishing timelines for the vendor to reply to the City's requests for quotes and to deliver goods.

Department Encumbrances

OCA staff report encumbering \$17,242,301 of the total current contract amount of \$17,446,868, as shown in Exhibit 1 below.

Exhibit 1: Department Spending for Buckles-Smith Contract

Department	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24*	Total
ADM	\$33,579	\$28,218	\$25,211	\$8,458	\$5,037	\$239,591		\$340,094
AIR	\$84,109	\$211,588	\$263,695	\$163,121	\$555,388	\$646,019	\$170,893	\$2,094,813
DPH	\$36,162	\$28,409	\$42,650	\$35,000	\$34,426	\$75,453	\$35,000	\$287,100
DPW	\$220,592	\$283,275	\$135,581	\$128,791	\$132,745	\$119,701	\$5,418	\$1,026,103
TIS		\$95,517	\$69,017	\$82,193	\$95,926	\$243,752	\$1,688	\$588,093
ENV	\$270,600							\$270,600
JUV				\$452	\$3,104	\$9,578		\$13,134
LIB	\$65,146	\$105,690	\$47,927	\$29,569	\$18,293	\$109,053	\$9,206	\$384,884
MTA	\$34,437	\$201,455	\$118,835	\$62,129	\$156,990	\$85,726	\$54,523	\$714,095
PRT		\$34,359	\$69,297	\$7,152	\$13,891	\$40,187	\$5,911	\$170,797
PUC	\$1,061,613	\$1,253,971	\$1,137,557	\$1,685,608	\$2,513,644	\$3,119,959	\$309,308	\$11,081,660
REC	\$38,677	\$86,132	\$7,045	\$54,695	\$19,348	\$51,507	\$13,524	\$270,928
Total Amount	\$1,844,915	\$2,328,614	\$1,916,815	\$2,257,168	\$3,548,792	\$4,740,526	\$605,471	\$17,242,301

Source: OCA

*FY 2023-24 shows spending and purchase orders open as of September 27, 2023.

The majority of total contract funds encumbered to date—64.3 percent, or approximately \$11.1 million—has been made by the Public Utilities Commission, as shown above. Items most

frequently purchased under this contract include electrical hardware, wire, batteries, and connectors.

FISCAL IMPACT

Not to Exceed Amount

The proposed eighth amendment increases the not to exceed amount of the contract with the vendor by \$2,053,132 to a total of \$19,500,000. Although the current contract term ends on June 30, 2024, OCA reports that the \$17,446,868 contract amount was fully spent in October 2023. The requested increase is therefore intended to provide contract spending authority from October 2023 to June 30, 2024.

Projected spending is shown in Exhibit 2 below.

Exhibit 2: Projected Spending

Spending through September 2023	\$17,242,301
Projected Remaining Spending	2,309,763
Projected Spending	\$19,552,064
Proposed Not To Exceed Amount (Rounded Down)	\$19,500,000

Source: OCA

Funding Source

Contract funding sources vary depending on the department making the purchase. As noted above, 64.3 percent of spending through September 2023 has been funded by the Public Utilities Commission.

RECOMMENDATION

Approve the proposed resolution.