

1 [Administrative Code - Cooperative Purchasing For City Construction Projects]

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3 **Ordinance amending the Administrative Code to provide direct purchasing authority to**
 4 **City departments that are completing City public work projects to rely on cooperative**
 5 **purchasing when procuring commodities or services for said projects, so long as the**
 6 **costs of the commodities or services do not exceed \$5,000,000; and to eliminate the**
 7 **condition that the City may contract with cooperative purchasing entities only if they**
 8 **are non-profit organizations.**

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10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 13 **Board amendment additions** are in double-underlined Arial font.
 14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 15 **Asterisks (* * * *)** indicate the omission of unchanged Code
 16 subsections or parts of tables.

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18 Be it ordained by the People of the City and County of San Francisco:

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20 Section 1. Chapter 6, Article IV, of the Administrative Code is hereby amended by
 21 adding Section 6.77, to read as follows:

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23 **SEC. 6.77. USE OF PURCHASING AGREEMENTS.**

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25 (a) **Eligible Contracts.** For purposes of this Section 6.77, "Eligible Contract" shall mean a
Contract for a Public Work or Improvement with an estimated cost that does not exceed \$5,000,000.

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Starting as of January 1, 2030, the Controller shall adjust this limit in the same manner as the

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Controller adjusts the Threshold Amount for Public Works Contracts under Section 6.1 of this Code.

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29 (b) **Cooperative Purchasing.** Notwithstanding any other provision of the Municipal Code,
Department Heads are authorized to enter into Eligible Contracts for Public Works or Improvements

1 by utilizing the competitive procurement process of any other public agency or private entity comprised
2 of multiple public agencies, under the terms established in that agency's or entity's competitive
3 procurement process and as agreed upon by the City and the procuring agency, upon the Department
4 Head making a written determination that (i) the procurement is for an Eligible Contract, (ii) the other
5 agency's or entity's procurement process was competitive or the result of a sole source award, and (iii)
6 the use of the other agency's or entity's procurement process would be in the City's best interests. If the
7 Award of the Eligible Contract requires approval of a board or commission, then the foregoing written
8 determination of the Department Head shall also be subject to the board or commission's approval.

9 (c) **Contract Terms.** Except as provided in subsection (b), Contracts awarded under this
10 Section 6.77 shall conform to the requirements of this Chapter 6, Administrative Code Chapter 14B,
11 and Labor and Employment Code Division II, as applicable.

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13 Section 2. Chapter 21 of the Administrative Code is hereby amended by revising
14 Sections 21.04 and 21.16, to read as follows:

15 **SEC. 21.04. DIRECT PURCHASING AUTHORITY OF DEPARTMENTS.**

16 (a) Department heads shall be authorized to purchase Commodities or Services
17 directly and without the approval of purchasing, as provided in the Charter or Municipal Code
18 of San Francisco, or in the following circumstances:

19 * * * *

20 (9) A department may directly enter into a contract for Commodities or Services utilizing
21 the competitive procurement process of another public agency or a private entity comprised of multiple
22 public agencies under the terms established in that agency's or entity's competitive procurement
23 process and as agreed upon by the City and the procuring agency, provided that (A) the estimated cost
24 of the contract will not exceed the limit set forth in Administrative Code Section 6.77(a); (B) the
25 department has obtained a written determination regarding the procurement process as set forth in

1 Administrative Code Section 6.77(b); and (C) the department head certifies that the department will use
2 the Commodities or Services to complete a Public Work or Improvement as defined in Administrative
3 Code Section 6.1.

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6 **SEC. 21.16. USE OF PURCHASING AGREEMENTS OF AND RECIPROCAL**
7 **AGREEMENTS WITH OTHER ~~PUBLIC AND NON-PROFIT~~ AGENCIES; SOLICITATIONS**
8 **FOR MULTIPLE DEPARTMENTS.**

9 (a) Notwithstanding any other provisions of the ~~is~~ Municipal Code, in cases where the
10 Purchaser deems that it is in the City's best interests to do so, the Purchaser is authorized,
11 subject to the Board of Supervisors' approval by Resolution, to sell to, acquire from,
12 participate in, sponsor, conduct or administer cooperative purchasing agreements with or
13 made available by any public agency or ~~private entity non-profit~~ made up of multiple public
14 agencies in California or elsewhere, and may enter into reciprocal agreements with such
15 agencies or entities for the cooperative use of Commodities or Services or the common use or
16 lease of facilities, under the terms agreed upon between the parties.

17 (b) Notwithstanding any other provisions ~~of the in this~~ Municipal Code, the Purchaser
18 may utilize the competitive procurement process of any other public agency or ~~non-profit~~
19 ~~private entity comprised~~ made up of multiple public agencies to make purchases of Commodities
20 or Services for the use of the City under the terms established in that agency's or entity's
21 competitive procurement process and as agreed upon by the City and the procuring agency,
22 upon making a determination that (i) the other agency's or entity's procurement process was
23 competitive or the result of a sole source award, and (ii) the use of the other agency's or
24 entity's procurement would be in the City's best interests.

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