

[Administrative Code - Benefit Corporation Discount]

Ordinance amending the San Francisco Administrative Code by adding Chapter 14C, Sections 14C.1 through 14C.3 to provide for a downward adjustment in price or upward adjustment in rating of a proposal or bid from a California Benefit Corporation for a competitively-solicited City contract.

NOTE: Additions are *single-underline italics Times New Roman*;
deletions are ~~*strike-through italics Times New Roman*~~.
Board amendment additions are double-underlined;
Board amendment deletions are ~~strike through normal~~.

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

Section 1. The San Francisco Administrative Code is hereby amended by adding Chapter 14C, Sections 14C.1 through 14C.3, to read as follows:

SEC. 14C.1. SHORT TITLE.

This Chapter shall be entitled "the California Benefit Corporation Discount Ordinance".

SEC. 14C.2. DEFINITIONS.

(a) "B Corporation" is defined as a California Benefit Corporation that is incorporated in California under California Corporations Code §§14600-14631, as amended, or any successor legislation, and is in good standing with the State of California.

(b) "B Corporation Discount" means the downward adjustment in price or upward adjustment in rating of a proposal or bid, whichever applies, that is made under Section 14C.3(c).

(c) "Contract" means any agreement that falls within the scope of Administrative Code Chapter 6 and Chapter 21.

1 (d) "Contractor" means any person or entity who contracts directly with the City.

2 (e) "Contract Awarding Authority" means any City officer, department head, commission, or
3 board authorized to enter into Contracts on behalf of the City.

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5 **SEC. 14C.3. B CORPORATION DISCOUNTS.**

6 (a) **Discount.** Notwithstanding any other provision of the Administrative Code, Contract
7 Awarding Authorities shall apply a B Corporation Discount as provided in this Chapter to bids or
8 proposals submitted by a B Corporation for purpose of determining the apparent highest ranked
9 proposal or the apparent low bid.

10 (b) **Contracts Subject to Discount.** The B Corporation Discount shall apply to all Contracts the
11 estimated cost of which exceeds the Threshold Amount in Chapter 6 or the Minimum Competitive
12 Amount in Chapter 21.

13 (c) **Amount of Discount.** Contract Awarding Authorities shall apply a B Corporation
14 Discount as follows:

15 (1) For bids and proposals from B Corporations that are ineligible for Administrative
16 Code Chapter 14B LBEs or SBA-LBE Discounts, Contract Awarding Authorities shall apply a Discount
17 in the amount of eight percent (8%), such that bids or proposals shall be increased or reduced, as
18 appropriate, by an amount equal to eight percent (8%) at each stage of the proposal selection process
19 for purposes of determining the apparent highest ranked proposal or the apparent low bid; and

20 (2) For bids and proposals from B Corporations that will receive Administrative Code
21 Chapter 14B LBE or SBA-LBE Discounts, Contract Awarding Authorities shall apply a Discount in the
22 amount of two percent (2%) in addition to the Administrative Code Chapter 14B Discount, such that
23 bids or proposals shall be increased or reduced, as appropriate, by no more than a total of twelve
24 percent (12%) at each stage of the proposal selection process for purposes of determining the apparent
25 highest ranked proposal or the apparent low bid; and

1 (3) The B Corporation Discount shall not apply to bids or proposals submitted by
2 Joint Ventures unless all Joint Venture Members would individually qualify for the B Corporation
3 Discount.

4 (d) **Verification of Status.** Contract Awarding Authorities shall provide for the B Corporation
5 Discount and shall verify current B Corporation status with the California Secretary of State. In
6 addition, B Corporations shall, when applying for a B Corporation Discount, submit copies of their
7 share certificates required under Division 1, Chapter 4 (beginning with Section 400) of the California
8 Corporations Code .

9 (e) **Exceptions.** This Chapter shall not apply where the Contracting Awarding Authority finds
10 that the requirements of this Chapter will violate or are inconsistent with the terms or conditions of a
11 grant, subvention or agreement with a public agency or other grant awarding entity or the instructions
12 of an authorized representative of any such agency with respect to any such grant, subvention or
13 agreement, provided that the Contracting Awarding Authority has made a good faith attempt to change
14 the terms or conditions of any such grant, subvention or agreement to authorize application of this
15 Chapter.

16 (f) **Severability.** If any section, clause, phrase, or portion of this Chapter is for any reason held
17 invalid or unconstitutional by any court or Federal or State agency of competent jurisdiction, such
18 portion shall be deemed a separate, distinct and independent provision and such holding shall not
19 affect the validity of the remaining portions thereof. To this end, the provisions of this ordinance shall
20 be deemed severable.

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22 Section 2. Effective Date. This ordinance shall become effective 30 days from the
23 date of passage.
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1 Section 3. This section is uncodified. In enacting this Ordinance, the Board intends to
2 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,
3 punctuation, charts, diagrams, or any other constituent part of the Administrative Code that
4 are explicitly shown in this legislation as additions, deletions, Board amendment additions,
5 and Board amendment deletions in accordance with the "Note" that appears under the official
6 title of the legislation.

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8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

10 By: _____
11 Alicia Cabrera
12 Deputy City Attorney
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