

File No. 130540

Committee Item No. 13

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 06/17/2013

06/21/2013

Board of Supervisors Meeting

Date: \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report *(The BLA report will be attached when it becomes available) |
| <input type="checkbox"/>            | <input type="checkbox"/> | 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 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 type="checkbox"/>            | <input 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)

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Completed by: Victor Young

Date June 13, 2013

Completed by: Victor Young

Date \_\_\_\_\_

1 [Administrative Code - Surety Bonds and Bid Securities]

2  
3 **Ordinance amending the Administrative Code to authorize the Controller to delegate to**  
4 **the Risk Manager authority to make certain decisions regarding the amount of surety**  
5 **bonds and the sufficiency and qualifications of sureties.**

6 NOTE: Additions are single-underline italics Times New Roman;  
7 deletions are ~~strike-through italics Times New Roman~~.  
8 Board amendment additions are double-underlined;  
9 Board amendment deletions are ~~strikethrough-normal~~.

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

11 Section 1. The San Francisco Administrative Code is hereby amended by amending  
12 Sections 21.11 and 21.12, to read as follows:

13 **SEC. 21.11. BID SECURITY.**

14 If required by the Contracting Officer in the Solicitation, an Offer shall be accompanied  
15 by a deposit in the form of a certified or cashier's check on a solvent bank, or money order, or  
16 bid bond, payable on sight to the City in the amount fixed in the Solicitation, which amount  
17 shall not exceed 10 percent of the estimated cost of the Commodities or Services to be  
18 furnished. However, any regular or continual offeror may, in lieu of the deposit above  
19 mentioned, file a corporate surety bond in an amount to be fixed by the Controller to serve as  
20 security for a period of at least one year that the Offeror will enter into the contract, and during  
21 the contract period, furnish any required performance bond for any and all contracts awarded  
22 to that Offeror, with provision for forfeiture under the surety bond in any case of failure,  
23 neglect, or refusal to do so. The Controller may delegate to the Risk Manager the authority to fix  
24 the amount of corporate surety bonds for such types of Commodities or Services contracts and in such  
25 amounts as the Controller deems appropriate.

1  
2 **SEC. 21.12. APPROVAL OF SURETIES.**


3 The Controller shall approve the sufficiency of assets and qualifications of all sureties  
4 submitting any bond or security which is required under the provisions of Section 21.10 and  
5 21.11 of this Chapter. The Controller may delegate to the Risk Manager the authority to approve the  
6 sufficiency of assets and qualifications of sureties for such types or classes of agreements requiring  
7 surety or security bonds and in such amounts as the Controller deems appropriate.

8  
9 Section 2. Effective Date. This ordinance shall become effective 30 days from the  
10 date of passage.

11  
12 Section 3. This section is uncodified. In enacting this Ordinance, the Board intends to  
13 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,  
14 punctuation, charts, diagrams, or any other constituent part of the Administrative Code that  
15 are explicitly shown in this legislation as additions, deletions, Board amendment additions,  
16 and Board amendment deletions in accordance with the "Note" that appears under the official  
17 title of the legislation.

18  
19 APPROVED AS TO FORM:  
20 DENNIS J. HERRERA, City Attorney

21  
22 By:

  
THOMAS J. OWEN  
Deputy City Attorney

23  
24 n:\govern\as2013\1300345\00849057.doc

**LEGISLATIVE DIGEST**

[Administrative Code - Surety Bonds; Bid Securities]

**Ordinance amending the Administrative Code to authorize the Controller to delegate to the Risk Manager authority to make certain decisions regarding the amount of surety bonds and the sufficiency and qualifications of sureties.**

Existing Law

City law allows departments soliciting bids on a contract for the purchase of commodities or services to require a bidder to include a deposit with its bid to secure the bid. Regular bidders may, in place of individual deposits on individual bids, file a corporate surety bond in an amount to be fixed by the Controller.

The Controller must also determine whether a person or company submitting a bond or other security for a bid has sufficient assets to be relied upon and is otherwise qualified for these purposes.

Amendments to Current Law

The proposal is an ordinance that would amend the Administrative Code to authorize the Controller to delegate to the Risk Manager the authority to fix the amount of corporate surety bonds for such types of commodities or services contracts, and in such amounts, as the Controller deems appropriate.

The proposal would also authorize the Controller to delegate to the Risk Manager the authority to approve the sufficiency of assets and qualifications of sureties for such types or classes of agreements requiring surety or security bonds and in such amounts as the Controller deems appropriate.

**The Budget and Legislative Analyst's Report is located in Board of Supervisor's File No. 130535 and at the following website:**

<http://www.sfbos.org/index.aspx?page=14753>

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**The following documents related to the FYs 2013-2014 and 2014-2015 Budget of the City and County of San Francisco are available in the reference file and online at the following websites:**

- **The City and County of San Francisco Proposed Budget and Appropriation Ordinance as of May 31, 2013 (BOS File No. 130535)**

<http://www.sfcontroller.org/Modules/ShowDocument.aspx?documentid=4337>

- **The City and County of San Francisco Proposed Salary Ordinance as of May 31, 2013 (BOS File No. 130536)**

<http://www.sfcontroller.org/Modules/ShowDocument.aspx?documentid=4335>

- **Mayor's 2013-2014 and 2014-2015 Proposed Budget (BOS File No. 130536)**

<http://www.sfmayor.org/Modules/ShowDocument.aspx?documentID=266>

OFFICE OF THE MAYOR  
SAN FRANCISCO



130 D40

EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *for* Mayor Edwin M. Lee *EL*  
RE: Administrative Code - Surety Bonds; Bid Securities  
DATE: May 31, 2013

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Attached for introduction to the Board of Supervisors is the ordinance amending the Administrative Code to authorize the Controller to delegate to the Risk Manager authority to make certain decisions regarding the amount of surety bonds and the sufficiency and qualifications of sureties.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

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