

LEGISLATIVE DIGEST

(Substitute Legislation, dated 5/19/2015)

[Administrative Code - Barring City Departments from Purchasing and City Contractors or Grantees from Selling or Distributing Sugar-Sweetened Beverages]

Ordinance amending the Administrative Code to bar City departments from using City funds to purchase sugar-sweetened beverages and to bar the sale or distribution of sugar-sweetened beverages under City contracts and grants.

Existing Law

The City currently does not have any law regulating the purchase of Sugar-Sweetened Beverages by City departments. Nor does the City currently have any law regulating the sale or distribution of Sugar-Sweetened Beverages as part of a City contract or grant.

Amendments to Current Law

The proposal is an ordinance that would amend the Administrative Code. Starting September 1, 2015, no City department would be allowed to use City funds to purchase Sugar-Sweetened Beverages, as defined in the ordinance. And no person would be allowed to sell or provide Sugar-Sweetened Beverages, in any form, as part of its performance of a City contract or grant.

With the Purchaser's approval, a department could waive either prohibition if the department determined that strict application of the rule would not be feasible, would create an undue hardship or practical difficulty, or that similar circumstances otherwise warranted granting of the waiver. The prohibition would not apply to agreements where someone pays the City for the privilege of selling beverages, or to the Department of Public Health's use of Sugar-Sweetened Beverages to treat patients.

The City Administrator could impose administrative fines on City contractors or grantees who sold or distributed Sugar-Sweetened Beverages in violation of the ordinance. The fines could be up to \$500 for the first violation, up to \$750 for a second violation within a twelve-month period, and up to \$1,000 for a third and subsequent violations within a twelve-month period. And the violator could be barred from receiving other City contracts for two years.

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The substitute ordinance makes one significant change to the legislation. The legislation on file, dated 3/10/2015, provides that no contractor or grantee would be allowed to sell or provide Sugar-Sweetened Beverages, in any form, as part of its performance of a City food services contract. A “food services contract” is defined as an agreement funded by the City to sell, provide or otherwise distribute meals, snacks, or beverages for immediate consumption.

The proposed substitute legislation, dated 5/19/2015, would broaden the prohibition to provide that no person would be allowed to sell or provide Sugar-Sweetened Beverages, in any form, as part of its performance of any City contract or grant.

The substitute ordinance also moves the operative date of the legislation from July 1, 2015 to September 1, 2015.

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