File No.	150243	Committee Item No		
		Board Item No		

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee:	Land Use & Transportation	Date <u>June 1, 2015</u>			
Board of Supervisors Meeting Date					
Cmte Boa	rd				
	Motion Resolution Ordinance Legislative Digest Budget and Legislative Analyst Report Youth Commission Report Introduction Form Department/Agency Cover Letter and/or Report MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Commission Award Letter Application Public Correspondence				
OTHER (Use back side if additional space is needed)		space is needed)			
Completed by: Andrea Ausberry Date May 28, 2015 Completed by: Date					

SUBSTITUTE 5/19/2015 ORDINANCE NO.

FILE NO. 150243

1 2	Grantees from Selling or Distributing Sugar-Sweetened Beverages]						
3	Ordinance amending the Administrative Code to bar City departments from using City						
4	funds to purchase sugar-sweetened beverages and to bar the sale or distribution of						
5	sugar-sweetened beverages under City contracts and grants.						
6							
7	NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font.						
8	Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in double-underlined Arial font.						
9	Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code						
0	subsections or parts of tables.						
11							
12	Be it ordained by the People of the City and County of San Francisco:						
13							
14	Section 1. The Administrative Code is hereby amended by adding Chapter 101,						
15	Sections 101.1 through 101.7, to read as follows:						
16	CHAPTER 101. RESTRICTING THE PURCHASE, SALE, OR DISTRIBUTION						
17	OF SUGAR-SWEETENED BEVERAGES BY OR FOR THE CITY.						
18	Section 101.1. Title.						
19	Section 101.2. Definitions.						
20	Section 101.3. Barring City Departments From Using City Funds To Purchase						
21	Sugar-Sweetened Beverages.						
22	Section 101.4. Barring the Sale, Provision, or Distribution of Sugar-Sweetened Beverages						
23	Under a City Contract or Grant.						
24	Section 101.5. Waivers and Exclusions.						
25	Section 101.6. Enforcement and Penalties.						

1

Section 101.7. Administrative Regulations.

SEC. 101.1. TITLE.

The title of this Chapter 101 shall be the Sugar-Sweetened Beverage Funding Ban Ordinance.

SEC. 101.2. DEFINITIONS.

For purposes of this Chapter 101,

"Base Product" means the same as Powder.

"Beverage Dispensing Machine" means an automated device that mixes Concentrate with one or more other ingredients and dispenses the resulting mixture into an open container as a ready-to-drink beverage.

"Caloric Substance" means a substance that adds calories to the diet of a person who consumes that substance.

"Caloric Sweetener" means any Caloric Substance suitable for human consumption that humans perceive as sweet and includes, but is not limited to, sucrose, fructose, high fructose corn syrup, glucose and other sugars.

"City" means the City and County of San Francisco.

"Concentrate" means a Syrup, Powder, or Base Product that is used for mixing, compounding, or making Sugar-Sweetened Beverages in a Beverage Dispensing Machine. Notwithstanding the foregoing sentence, "Concentrate" does not include the following:

- (a) Any product that is designed to be used primarily to prepare coffee or tea.
- (b) Any product that is sold and is intended to be used for the purpose of an individual consumer mixing, compounding, or making a Sugar-Sweetened Beverage.
- (c) Any product sold for consumption by infants, which is commonly referred to as "infant formula," or any product whose purpose is infant rehydration.

(d) Medical Food.

(e) Any product designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals.

"Contract" means any agreement between the City and a person to provide or procure labor, materials, equipment, supplies, or services to, for, or on behalf of the City for a price to be paid out of monies deposited in the City Treasury or out of trust monies under the control of or collected by the City, but excluding agreements for a cumulative amount of \$5,000 or less per vendor in each fiscal year.

"Grant" means any agreement between the City and a nonprofit entity to provide services to the public or a portion of the public, whether the agreement is funded by the City or by Federal or State grant funds.

"Medical Food" means medical food as defined in Section 109971 of the California Health and Safety Code, including amendments to that Section.

"Milk" means natural liquid milk, natural milk concentrate, or dehydrated natural milk

(whether or not reconstituted), regardless of animal source or butterfat content. For purposes of this

definition, "Milk" includes flavored milk containing no more than 40 grams of total sugar

(naturally-occurring and from added Caloric Sweetener) per 12 ounces.

"Natural Fruit Juice" means the original liquid resulting from the pressing of fruit, the liquid resulting from the complete reconstitution of natural fruit juice concentrate, or the liquid resulting from the complete restoration of water to dehydrated natural fruit juice.

"Natural Vegetable Juice" means the original liquid resulting from the pressing of vegetables, the liquid resulting from the complete reconstitution of natural vegetable juice concentrate, or the liquid resulting from the complete restoration of water to dehydrated natural vegetable juice.

"Nonalcoholic Beverage" means any beverage that is not subject to tax under Part 14 (commencing with Section 32001) of the California Revenue and Taxation Code.

"Person" means any natural person, corporation, sole proprietorship, partnership, association, joint venture, limited liability company, or other legal entity.

"Powder" means a solid or liquid mixture of ingredients with added Caloric Sweetener used in making, mixing, or compounding Sugar-Sweetened Beverages by mixing the Powder with any one or more other ingredients, including, without limitation, water, ice, Syrup, Simple Syrup, fruits, vegetables, fruit juice, vegetable juice, or carbonation or other gas.

"Simple Syrup" means a mixture of sugar and water.

"Sugar-Sweetened Beverage" means any Nonalcoholic Beverage sold for human consumption that has one or more added Caloric Sweeteners and contains more than 25 calories per 12 ounces of beverage. Notwithstanding the foregoing sentence, "Sugar-Sweetened Beverage" does not include any of the following:

- (a) Milk.
- (b) Milk alternatives, including but not limited to non-dairy creamers or beverages

 primarily consisting of plant-based ingredients (such as soy, rice, or almond milk products), regardless
 of sugar content.
- (c) Any beverage that contains solely 100 percent Natural Fruit Juice, Natural Vegetable Juice, or combined Natural Fruit Juice and Natural Vegetable Juice.
- (d) Any product sold for consumption by infants, which is commonly referred to as "infant formula," or any product whose purpose is infant rehydration.
 - (e) Medical Food.
- (f) Any product designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals.
- (g) Any product sold in liquid form designed for use as an oral nutritional therapy for persons who may have a limited ability to absorb or metabolize dietary nutrients from traditional food or beverages.

(h) Any product sold in liquid form designed for use for weight reduction.

"Syrup" means the liquid mixture of ingredients used in making, mixing, or compounding

Sugar-Sweetened Beverages using one or more ingredients, including, without limitation, water, ice, a

Base Product, Powder, Simple Syrup, fruits, vegetables, fruit juice, vegetable juice, or carbonation or

other gas.

SEC. 101.3. BARRING CITY DEPARTMENTS FROM USING CITY FUNDS TO PURCHASE SUGAR-SWEETENED BEVERAGES.

No City officer, department, or agency (collectively, "department") shall use City funds to purchase Sugar-Sweetened Beverages in any form, except as specifically exempted from or allowed under this Chapter 101.

SEC. 101.4. BARRING THE SALE, PROVISION, OR DISTRIBUTION OF SUGAR-

SWEETENED BEVERAGES UNDER A CITY CONTRACT OR GRANT.

No person shall sell, provide, or otherwise distribute Sugar-Sweetened Beverages, in any form, as part of its performance of a City Contract or Grant.

SEC. 101.5. WAIVERS AND EXCLUSIONS.

- (a) A City officer, department, or agency (collectively, "department"), with the approval of the Purchaser, may waive the requirements of Sections 101.3 and 101.4 in full or in part if the department determines that strict application of the requirement would not be feasible, would create an undue hardship or practical difficulty, or that similar circumstances otherwise warrant granting of the waiver. The department's decision to grant a waiver shall be in writing.
- (b) The provisions of Sections 101.3, 101.4, or both, shall not apply where the department makes a written finding that the application or inclusion of such provisions would violate or be

inconsistent with the terms or conditions of a grant, subvention or contract with an agency of the State of California or the United States or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or contract.

- (c) The provisions of Sections 101.3 shall not apply to the purchase by the Department of Public Health of Sugar-Sweetened Beverages for its patients, to be used in cases where a medical professional has determined that providing such beverages is part of the appropriate course of treatment for the patient. The provisions of Sections 101.4 shall not apply to the sale, provision, or other distribution of Sugar-Sweetened Beverages to patients as part of the performance of a Contract with or a Grant from the Department of Public Health in cases where a medical professional has determined that supplying such beverages is part of the appropriate course of treatment for the patient.
- (d) Nothing in this Chapter 101 shall be construed to impair a contract, lease, management agreement or other agreement to which the City is a party on the effective date of this Chapter.
- (e) Departments shall annually report all waivers granted under subsection (a) and determinations of non-applicability made under subsections (b) and (c) to the City Administrator, and include the reason for each waiver.

SEC. 101.6. ENFORCEMENT AND PENALTIES.

- (a) Any person that sells, provides, or otherwise distributes Sugar-Sweetened Beverages in violation of Section 101.4 may be subject to administrative fines imposed by the City Administrator in the amount of:
 - (1) Up to \$500 for the first violation;
 - (2) Up to \$750 for a second violation within a twelve-month period; and,
 - (3) Up to \$1,000 for a third and subsequent violations within a twelve-month period.
- (b) Except as provided in subsection (a), setting forth the amount of administrative fines,

 Administrative Code Chapter 100, "Procedures Governing the Imposition of Administrative Fines," as

may be amended from time to time, is hereby incorporated in its entirety and shall govern the imposition, enforcement, collection, and review of administrative citations issued by the Director to enforce this Chapter 101 or any administrative regulation adopted under this Chapter.

(c) Any person that sells, provides, or otherwise distributes Sugar-Sweetened Beverages in violation of Section 101.4 shall be deemed to have committed a material breach of the Contract or Grant and, after a noticed hearing, the person or entity may be barred for two years from receiving any City contract, grant agreement, or loan agreement.

SEC. 101.7. ADMINISTRATIVE REGULATIONS.

The City Administrator, or at the City Administrator's discretion, the Purchaser, may adopt rules, regulations, or guidelines for the implementation of this Chapter 101.

Section 2. Effective and Operative Dates. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance. The operative date of this ordinance shall be September 1, 2015.

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

By:

THOMAS J. OWEN

Deputy City Attorney

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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.

BOARD OF SUPERVISORS Page 1

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 <u>any</u> City contract <u>or grant</u>.

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

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1415-RBM-15

(415) 554-6446 (415) 554-6140 FAX www.sfgov.org/youth_commission

Youth Commission City Hall ~ Room 345 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4532



YOUTH COMMISSION MEMORANDUM

TO:

Derek Evans, Public Safety and Neighborhood Services Committee Clerk

FROM:

Youth Commission

DATE:

Wednesday April 7, 2015

RE:

Referral response to BOS Files Numbers: 150241, 150243, 150245, 150252

At our regular meeting of **Monday, April 6, 2015** the Youth Commission voted unanimously to support the following four motions:

To support BOS File No. 150241 – Administrative Code - Prohibiting Advertisements for Sugar-Sweetened Beverages on City Property

To support BOS File No. 150243 – Administrative Code - Barring City Departments from Purchasing and City Contractors from Selling or Distributing Sugar-Sweetened Beverages

To support BOS File No. 150245 – Health Code - Sugar-Sweetened Beverage Warning for Advertisements

To support BOS File No. 150252 – Resolution Supporting California Senate Bill 203 (Monning) - Sugar-Sweetened Beverage Safety Warning Act

Youth commissioners support for these pieces of legislation follows on their previous support of efforts to curb sugary drink consumption to improve public health outcomes for young people, including their 2014 support of the proposed soda tax legislation and their participation in the Open Truth social media campaign.

Youth Commissioners thank the Board of Supervisors for their attention to this issue. If you have any questions about these recommendations, please do not hesitate to contact our office at (415) 554-6446, or your Youth Commissioner.

Chair, Michel Li

Adopted on April 6, 2015

2014-2015 San Francisco Youth Commission

A nonpartisan, nonprofit organization established by the Northern and Southern California Public Health Associations



Telephone 530.297.6000 Fax 530.297-6200 www.PublicHealthAdvocacy.org

Post Office Box 2309

Davis, California 95617

May 28, 2015

Jane Kim San Francisco Board of Supervisors San Francisco City Hall 1 Dr. Carlton B. Goodlett Place **Room 244**

Re: Sugar-Sweetened Beverage Advertising and Purchasing Legislation

Dear Supervisor Jane Kim:

The California Center for Public Health Advocacy (CCPHA) supports the legislation put forth by San Francisco Supervisors Malia Cohen, Eric Mar and Scott Wiener to address the epidemic of type two diabetes, obesity and other diseases related to the consumption of sugar-sweetened beverages. Their legislation will ban sugar-sweetened beverage advertisements on public property, require health warnings on all posted sugar-sweetened beverage advertisements, and ban city spending on sugar-sweetened beverages. These important policies will send a clear message that San Francisco understands the impact the consumption of these beverages has on its residents, will improve the health of people living in San Francisco, and will serve as a model for the rest of the country to follow.

CCPHA is a nonpartisan, nonprofit organization that tackles the underlying factors that perpetuate childhood obesity and diabetes. We advocate for policy change simultaneously at state and local levels, we network local efforts together for statewide impact, and we support our work with grassroots organizing, strategic research, media advocacy, and direct lobbying. We successfully helped establish nutrition standards for foods in schools and helped California become the first state to require menu labeling. We also have a history of working toward requiring health warning labels on sugar-sweetened beverages at the state level.

The facts related to the consumption of sugar-sweetened beverages are clear, One-third of today's youth—and one-half of African-American and Hispanic youth—will become diabetic if actions aren't taken. Drinking just one 12 ounce can of soda a day can increase your chance of getting type 2 diabetes by 25%. This is a public health crisis, and local policy leaders must take the lead to put forth innovative solutions to address the consumption of these drinks.

Please join supervisors Cohen, Mar and Wiener in their efforts to improve the health of San Francisco by voting to support these important measures. These are vital policies to the future health of San Francisco and the rest of the country.

Sincerely,

Harold Goldstein **Executive Director**

California Center for Public Health Advocacy

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May 28, 2015

Norman Yee San Francisco Board of Supervisors San Francisco City Hall 1 Dr. Carlton B. Goodlett Place Room 244

Re: Sugar-Sweetened Beverage Advertising and Purchasing Legislation

Dear Supervisor Norman Yee:

The California Center for Public Health Advocacy (CCPHA) supports the legislation put forth by San Francisco Supervisors Malia Cohen, Eric Mar and Scott Wiener to address the epidemic of type two diabetes, obesity and other diseases related to the consumption of sugar-sweetened beverages. Their legislation will ban sugar-sweetened beverage advertisements on public property, require health warnings on all posted sugar-sweetened beverage advertisements, and ban city spending on sugar-sweetened beverages. These important policies will send a clear message that San Francisco understands the impact the consumption of these beverages has on its residents, will improve the health of people living in San Francisco, and will serve as a model for the rest of the country to follow.

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Sincerely,

Harold Goldstein Executive Director

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May 28, 2015

John Avalos San Francisco Board of Supervisors San Francisco City Hall 1 Dr. Carlton B. Goodlett Place Room 244

Re: Sugar-Sweetened Beverage Advertising and Purchasing Legislation

Dear Supervisor John Avalos:

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Sincerely,

Harold Goldstein Executive Director

California Center for Public Health Advocacy

Honor M horom

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

REVO

(1) BOORD

8:19

Time stamp

I hereby submit the following item for introduction (select only one):
1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
2. Request for next printed agenda Without Reference to Committee.
☐ 3. Request for hearing on a subject matter at Committee.
☐ 4. Request for letter beginning "Supervisor inquires"
☐ 5. City Attorney request.
☐ 6. Call File No. from Committee.
7. Budget Analyst request (attach written motion).
8. Substitute Legislation File No. 150243
9. Reactivate File No.
☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on
Please check the appropriate boxes. The proposed legislation should be forwarded to the following: Small Business Commission Planning Commission Building Inspection Commission Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form. Sponsor(s):
Mar, Wiener, Cohen
Subject:
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.
The text is listed below or attached:
See attached.
Signature of Sponsoring Supervisor:
For Clerk's Use Only:

v				
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