



City and County of San Francisco
Meeting Minutes
Government Audit and Oversight Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Gordon Mar, Aaron Peskin, Matt Haney

Clerk: John Carroll (415) 554-4445

Thursday, October 1, 2020

10:00 AM

Regular Meeting

Present: 3 - Gordon Mar, Aaron Peskin, and Matt Haney

The Government Audit and Oversight Committee met in regular session through videoconferencing, and provided public comment through teleconferencing, on Thursday, October 1, 2020, with Chair Gordon Mar presiding. Chair Mar called the meeting to order at 10:01 a.m.

Remote Access to Information and Participation

In accordance with Governor Newsom's Executive Order No. N-33-20 declaring a State of Emergency regarding the COVID-19 outbreak and Mayor London N. Breed's Proclamation declaring a Local Emergency issued on February 25, 2020, including the guidance for gatherings issued by the San Francisco Department of Public Health Officer, aggressive directives were issued to reduce the spread of COVID-19. On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand.

Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>. Members of the public may participate by phone or may submit their comments by email to: john.carroll@sfgov.org; all comments received will be made a part of the official record. Regularly-scheduled Government Audit and Oversight Committee Meetings begin at 10:00 a.m. on the first and third Thursdays of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Mar, Vice Chair Peskin, and Member Haney were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

200518 [Administrative Code - Rent Control at Midtown Park Apartments]

Sponsors: Preston; Mar, Haney and Peskin

Ordinance amending the Administrative Code to subject dwelling units at Midtown Park Apartments, a residential development owned by the City and County of San Francisco, to the Residential Rent Stabilization and Arbitration Ordinance; and making findings pursuant to as required by the California Tenant Protection Act of 2019.

(Fiscal Impact)

05/19/20; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 6/18/2020.

06/30/20; TRANSFERRED to Government Audit and Oversight Committee. President Yee transferred this matter from Land Use and Transportation Committee to the Government Audit and Oversight Committee.

07/01/20; REFERRED TO DEPARTMENT. Referred to the Residential Rent Arbitration and Stabilization Board and the Mayor's Office of Housing and Community Development for informational purposes.

09/17/20; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Supervisor Dean Preston (Board of Supervisors); Nick Menard (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Tess Wellborn (D5 Action); Eric Brooks (Our City San Francisco); Renee Curran; Speaker; Ross Mirkarimi; Nelson Beltrand; Patricia Smith; Laurie Leiderman; David Woo; Speaker; Anastasia Yovanopoulos; Lorraine Petty (Senior and Disability Action); Carolyn Hatch; Speaker; Mary Ann Mackelberg; Heidi Peterson; Simone Manganelli; Speaker; Natalia; Jane; Betty Traynor (Senior and Disability Action); Alice; Emily; Rufust Watkins; Mr. Wyatt; spoke in support of the hearing matter.

Supervisors Mar, Haney, and Peskin requested to be added as co-sponsors.

09/17/20; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Supervisor Dean Preston (Board of Supervisors); presented information and answered questions raised throughout the discussion. Arthur Raquel; Mary Larkins; Magik Altman; Renee Curran; Speaker; Marianne Maeckelbergh; Speaker; Donald Griggs; Speaker; Anastasia Youvanopolous; Curtis Trout; Speaker; spoke in support of the hearing matter.

Supervisor Preston requested that File No. 200518 be DUPLICATED.

DUPLICATED

Ordinance amending the Administrative Code to adopt rent increase limitations for dwelling units at Midtown Park Apartments, a residential development owned by the City and County of San Francisco; and expanding the Rent Board fee to cover those dwelling units.
(Fiscal Impact)

See Duplicated File No. 201145.

Chair Mar moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 7, Lines 7-8, by inserting 'MOHCD shall determine the base rents, applicable rent increases, and shall credit any excess amounts, by no later than February 1, 2021'; and making other conforming and clerical changes. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

(Fiscal Impact)

Chair Mar moved that this Ordinance be RECOMMENDED AS AMENDED AS A COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

201145 [Administrative Code - Rent Control at Midtown Park Apartments]

Sponsors: Preston; Mar, Haney and Peskin

Ordinance amending the Administrative Code to adopt rent increase limitations for dwelling units at Midtown Park Apartments, a residential development owned by the City and County of San Francisco; and expanding the Rent Board fee to cover those dwelling units.

(Fiscal Impact)

Duplicated from File No. 200518.

Chair Mar moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200787 [Administrative Code - Selection of Contractors From a Pre-Qualified List and Under As-Needed Public Works Professional Services Contract Reform]**Sponsors: Stefani; Safai, Haney, Peskin and Mar**

Ordinance amending the Administrative Code to require notification to prequalified contractors and written documentation of contractor selection from pre-qualified lists, and written documentation of contractor selection for work assigned under as-needed Public Works professional services contracts; and to require the Controller to audit such selection documentation.

07/21/20; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 8/20/2020.

07/29/20; REFERRED TO DEPARTMENT. Referred to Public Works, the Office of the Controller, the City Administrator, the Office of Contract Administration, and the Municipal Transportation Agency for informational purposes.

09/03/20; CONTINUED. Heard in Committee. Speakers: None.

09/17/20; CONTINUED. Heard in Committee. Speaker: Supervisor Catherine Stefani (Board of Supervisors); presented information and answered questions raised throughout the discussion.

Heard in Committee. Speakers: Supervisor Catherine Stefani (Board of Supervisors); Sailaja Kurella (Office of Contract Administration); presented information and answered questions raised throughout the discussion. Anastasia Yovanopolous; spoke on various concerns relating to the hearing matter.

Supervisors Haney, Peskin, and Mar requested to be added as co-sponsors.

Chair Mar moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 2, Line 15, through Page 3, Line 4, to read '(d) Prequalified Lists. The Purchaser may maintain City-wide lists of prequalified contractors for Commodities and Services as follows: (1) Except as provided in subsection (2) below, Prequalification may be for the following purposes: (A) maintaining a list of prequalified entities from which Contracting Officers may issue a further Solicitation for future contracts as needed by the City, or (B) the selection of the highest available ranked Contractor(s) based on ranking of responses to an RFQ. (2) For Contracts less than or equal to the Minimum Competitive Amount, selection of a Contractor(s) for a particular contract may be made without the use of a further Solicitation provided that the department selecting from the prequalified list shall notify other prequalified list members for that contract and document the selection process.'; on Page 3, Lines 11-12, by striking 'The department shall submit the selection documentation along with the contract to the Purchaser.' on Page 3, Line 15, through Page 4, Line 2, to read 'Except as provided below, prequalification shall be valid for not more than two years following the date of initial prequalification. Prequalification may be valid for not more than four years so long as both the following two conditions are met:'; on Page 4, Lines 7-8, by striking 'The City may not proceed under this subsection (cd)(2) if it does not use the same RFQ and the same scoring panel.'; and making other conforming and clerical changes. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

Chair Mar moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200686 [Budget and Legislative Analyst Performance Audit - Operational Overlap on Sewer Repair Between Public Works and the Public Utilities Commission]**Sponsor: Ronen**

Motion directing the Budget and Legislative Analyst to conduct a limited scope performance audit of sewer repair to determine if savings could be achieved through a restructuring of sewer repair work orders between Public Works and the Public Utilities Commission.

06/23/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/01/20; REFERRED TO DEPARTMENT. Referred to the Budget and Legislative Analyst, Public Works, and the Public Utilities Commission for informational purposes.

Heard in Committee. Speakers: None.

Vice Chair Peskin moved that this Motion be TABLED. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200949 [Administrative Code - Mayor's Selection of Designees in Matters Regarding Contracting and Other Matters]**Sponsors: Haney; Mar, Ronen, Stefani and Peskin**

Ordinance amending the Administrative Code to prohibit the Mayor from designating the department head as the Mayor's designee regarding contracting decisions and other matters in which the Mayor has discretion to delegate a designee to review a department head's proposals.

08/18/20; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 9/17/2020.

08/26/20; REFERRED TO DEPARTMENT. Referred to the City Administrator and the Office of Contract Administration for informational purposes.

Heard in Committee. Speakers: None.

Supervisors Stefani and Peskin requested to be added as co-sponsors.

Member Haney moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200279 [Hearing - Investigations Into Public Corruption]**Sponsors: Mar; Haney and Preston**

Hearing on the progress and findings of investigations into public corruption; and requesting the Controller and City Attorney to report.

03/10/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

03/18/20; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the City Attorney for informational purposes.

06/29/20; RESPONSE RECEIVED. Received a report prepared by the Office of the Controller entitled 'Preliminary Assessment: San Francisco Public Works Contracting.'

07/02/20; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Todd Rydstrom, Deputy Controller, and Mark de la Rosa (Office of the Controller); Andrew Shen, and Anne Pearson (Office of the City Attorney); presented information and answered questions raised throughout the discussion. Francisco da Costa; Speaker; Speaker; Linda Chapman; Speaker; spoke on various concerns relating to the hearing matter.

09/24/20; RESPONSE RECEIVED. Received a report prepared by the Office of the Controller entitled 'Preliminary Assessment: Gifts to Departments Through Non-City Organizations Lack Transparency and Create "Pay-to-Play" Risk.'

Heard in Committee. Speakers: Mark de la Rosa (Office of the Controller); presented information and answered questions raised throughout the discussion. Anastasia Yovanopolous; spoke on various concerns relating to the hearing matter.

Chair Mar moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

LITIGATION

Conference with City Attorney

[Convene in Closed Session - Existing Litigation - City as Plaintiff and/or Defendant]

Motion that the Government Audit and Oversight Committee of the Board of Supervisors convene in closed session with the City Attorney for the purpose of conferring with, or receiving advice from, the City Attorney regarding the following existing litigation and anticipated litigation. Administrative Code Section 67.10(d) permit this closed session. Discussion in open session concerning these matters would likely and unavoidably prejudice the position of the City in the pending lawsuits and claims listed below.

Vice Chair Peskin moved to hold the Litigation items in open session; no motion was entertained to convene in closed session, nor to disclose closed session deliberations.

Chair Mar requested that File Nos. 201023 and 201028 be heard together.

Heard in Committee. Speakers: None.

201023 **[Settlement of Lawsuit - Federal Insurance Company, as Subrogee of CCT Enterprises LLC - \$90,000]**

Ordinance authorizing settlement of the lawsuit filed by Federal Insurance Company, as subrogee of CCT Enterprises LLC against the City and County of San Francisco for \$90,000; the lawsuit was filed on September 12, 2019, in San Francisco Superior Court, Case No. CGC-19-579231; entitled Federal Insurance Company, as subrogee of CCT Enterprises LLC v. City and County of San Francisco, et al.; the lawsuit involves alleged property damage due to a ruptured water service lateral. (City Attorney)

09/10/20; RECEIVED FROM DEPARTMENT.

09/22/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Vice Chair Peskin moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

201028 **[Settlement of Lawsuit - Federal Insurance Company, as Subrogee of GSFC LLC, GSMT LLC, SKS Survivor LLC - \$375,000]**

Ordinance authorizing settlement of the lawsuit filed by Federal Insurance Company, as subrogee of GSFC LLC, GSMT LLC, SKS Survivor LLC against the City and County of San Francisco for \$375,000; the lawsuit was filed on September 12, 2019, in San Francisco Superior Court, Case No. CGC-19-579235; entitled Federal Insurance Company, as subrogee of GSFC LLC, et al. v. City and County of San Francisco, et al.; the lawsuit involves alleged property damage due to a ruptured water service lateral. (City Attorney)

09/10/20; RECEIVED FROM DEPARTMENT.

09/22/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Vice Chair Peskin moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 11:53 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Government Audit and Oversight Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.