

Be it enacted by the people of the City and County of San Francisco:

NOTE: **Unchanged Charter text and uncodified text** are in plain font.
 Additions are single-underline italics Times New Roman font.
 Deletions are ~~strike-through italics Times New Roman font~~.

Section 1. Title

This measure shall be known as the “Modernizing City Contracting” Initiative Act.

Section 2. Findings and Declarations

- (a) San Francisco’s contracting system has become overly complex, politicized, and inefficient.
Over \$5 billion in annual contracts are governed by a maze of rules scattered across more than 100 sections of code.
- (b) The result is a system so complicated that the City often has to create waivers just to allow essential purchases to move forward.
- (c) It costs roughly \$25,000 to conduct a single procurement process, many contracts take six to 12 months to complete, and more than 14 departments can be involved in approving a single contract.
- (d) This fragmentation also extends to technology purchasing, where departments operate redundant systems—five separate Microsoft contracts, 20 training systems, and 14 document management platforms, driving up costs and weakening efficiency.

Section 3. Purpose and Intent

It is the intent of the people of the City and County of San Francisco to do all of the following with this Initiative:

- (a) Professionalize and centralize contracting oversight within the City Administrator, while preserving appropriate safeguards by giving the City Administrator sole authority to propose and modernize purchasing standards and requirements, subject to rejection by the Mayor and Board of Supervisors.

- (b) Provide the City Administrator with authority to set citywide standards and requirements to ensure consistency across departments, resulting in strengthened centralized authority over technology and multi-department capital projects to reduce duplication and inefficiency.
- (c) Increase the Board approval threshold for contracts to reflect inflation and reduce unnecessary delays.
- (d) Extend the City Administrator's term to provide the stability needed to implement long-term operational and contracting reforms.
- (e) Together, these changes will restore professionalism to contracting and ensure taxpayer dollars are spent efficiently and transparently.

Section 4. Article II, Sections 2.105 and 2.106, Article III, Section 3.104, Article IV, Sections 4.112, 4.115, and 4.126, Article V, Section 5.101, Article VIIIA, Sections 8A.100, 8A.101, 8A.102, and 8A.107, Article VIIIB, Sections 8B.120 and 8B.121, Article IX, Section 9.118, and Appendix B, Section B3.581 of the Charter of the City and County of San Francisco are hereby amended; Article IXA, consisting of Sections 9A.100, 9A.101, and 9A.102 of the Charter is hereby added; and Article IV, Section 4.129 of the Charter is hereby deleted, to read as follows:

ARTICLE II: LEGISLATIVE BRANCH

SEC. 2.105. ORDINANCES AND RESOLUTIONS.

The Board of Supervisors shall meet and transact its business according to rules which it shall adopt.

The Board of Supervisors shall act only by written ordinance or resolution, except that it may act by motion on matters over which the Board of Supervisors has exclusive jurisdiction. All legislative acts shall be by ordinance. An ordinance or resolution may be introduced before the Board of Supervisors by a member of the Board, a committee of the Board, the Mayor, ~~or~~ the Commission Streamlining Task Force subject to the limitations set

forth in Section 4.100.1, or the City Administrator subject to the limitations set forth in Section 9A.102(a), and shall be referred to and reported upon by an appropriate committee of the Board. An ordinance or resolution may be prepared in committee and reported out to the full Board for action, consistent with the public notice laws of the City, except as otherwise provided in this Charter. ~~Except as otherwise provided in this Charter, p~~Passage of an ordinance or a resolution shall require the affirmative vote of a majority of the members of the Board, except as otherwise provided in this Charter.

An ordinance shall deal with only one subject matter, except that appropriations ordinances may cover appropriations with respect to any number of subjects. The title of each ordinance shall clearly reflect the content of the ordinance.

Except as otherwise provided in Sections 2.107 and 9A.102(a), passage of an ordinance shall require two readings at separate meetings of the Board of Supervisors, which shall be held at least five days apart. If an ordinance is amended at its second reading, the ordinance shall require a further reading prior to final passage. Resolutions shall require only one reading and may be adopted upon introduction without reference to committee by unanimous affirmative vote of the members of the Board of Supervisors who are present, but in no event less than a quorum.

All ordinances shall take effect no sooner than 30 days following the date of passage except for ordinances not subject to referendum and those authorizing bonded indebtedness and lease financings, which shall take effect immediately. Ordinances granting franchises shall take effect no sooner than 60 days after passage. No ordinance granting a franchise may be passed within 90 days of its introduction. Resolutions may take effect immediately upon passage, or at such other time as shall be specified in the resolutions.

SEC. 2.106. VETO OVERRIDE.

The Board of Supervisors may enact an ordinance or resolution which has been vetoed by the Mayor pursuant to Section 3.103 if, within 30 days after such veto, not less than two-

thirds of the Board of Supervisors shall vote in favor of such measure, except as provided in Sections 9.104 and 9A.102. If a larger vote is required for the adoption of the measure by provisions of this Charter, such larger vote shall be required to overcome the veto of the Mayor.

ARTICLE III: EXECUTIVE BRANCH – OFFICE OF MAYOR

SEC. 3.104. CITY ADMINISTRATOR.

(a) The Mayor shall appoint or reappoint a City Administrator, subject to confirmation by the Board of Supervisors. The appointee shall have at least ten years' governmental management or finance experience with at least five years at the City, County, or City and County level. The City Administrator shall have a term of office of ~~five~~ten years, and may only be removed by the Mayor with the concurrence of ~~subject to approval by~~ the Board of Supervisors.

(b) Except as otherwise provided in the Charter or in state or federal law, The City Administrator shall have authority to do the following~~responsibility for~~:

(1) Appoint and remove department heads under the direct oversight of the City Administrator subject to approval of the Mayor, except as provided in Section 4.102.

(2) Direct and supervise the City's information technology, including establishing and implementing citywide policy, standards, practices, and systems for technology uses that are standard across departments, or that impact cross-departmental systems' security, resilience, compatibility, or functionality.

(3) In multi-departmental capital improvement and construction projects, promote coordination and alignment of departments and mediate inter-departmental disputes as necessary to ensure successful and timely completion of the project.

(4) Introduce ordinances and adopt rules and regulations governing Procurement, as specified in Article IXA.

(5) Procure commodities and services required by the City, subject to Controller's certification of funds, or delegate to any department the authority to procure commodities and services required by that department, subject to the Controller's certification of funds.

(6) Procure and execute contracts without interference from the Mayor or Board of Supervisors.

(7) Exchange, sell, and otherwise dispose of the City's personal property, or delegate to any department the authority to exchange, sell, and otherwise dispose of such property.

(8) Conduct long-term capital planning and prepare and recommend General Obligation bond measures for consideration by the Mayor and Board of Supervisors.

~~— 1. Administrative services within the executive branch, as assigned by the Mayor or by ordinance;~~

~~— 2. Administering policies and procedures regarding bonded or other long-term indebtedness, procurement, contracts and building and occupancy permits, and for assuring that all contracts and permits are issued in a fair and impartial manner and that any inspections involved with the issuance of permits shall be carried out in a like manner;~~

~~— 3. Coordinating all capital improvement and construction projects except projects solely under the Airport, Port, Public Utilities and Public Transportation Commissions;~~

~~— 4. Preparing and recommending bond measures for consideration by the Mayor and Board of Supervisors; and~~

~~— 5. Administering, budgeting and control of publicity and advertising expenditures.~~

~~— The City Administrator shall have power to:~~

~~6.—With the concurrence of the Mayor, appoint and remove the directors of the Departments of Administrative Services, Solid Waste, and Public Guardian/Administrator, and such other department heads which are placed under the City Administrator's direction;~~

~~7.—Propose rules governing procurement and contracts to the Board of Supervisors for consideration;~~

~~8.—Award contracts without interference from the Mayor or Board of Supervisors;
and~~

~~9.—Coordinate the issuance of bonds and notes for capital improvements, equipment and cash flow borrowings, except for projects solely under the Airport, Port, Public Utilities and Public Transportation Commissions.~~

~~In those instances where contract awards are not subject to Board of Supervisors' review, the City Administrator shall award contracts in full compliance with applicable laws and this Charter. The City Administrator's decision in such cases shall be final.~~

(c) In furtherance of the City Administrator's authority described in this Section, the City Administrator may require departments to provide periodic or special reports of operations, contracts, revenues, and expenditures.

(d) Transition provision. The term of the City Administrator in office on January 1, 2027, shall be automatically extended such that the term is ten years in total.

ARTICLE IV: EXECUTIVE BRANCH – BOARDS, COMMISSIONS, AND DEPARTMENTS

SEC. 4.112. PUBLIC UTILITIES COMMISSION.

(a) The Public Utilities Commission shall consist of five members appointed by the Mayor, subject to confirmation by a majority of the Board of Supervisors. Each of the members shall serve for a term of four years. Members may be removed by the Mayor only pursuant to Section 15.105.

(b) Seat 1 on the Commission shall be a member with experience in environmental policy and an understanding of environmental justice issues. Seat 2 shall be a member with experience in ratepayer or consumer advocacy. Seat 3 shall be a member with experience in project finance. Seat 4 shall be a member with expertise in water systems, power systems, or public utility management, and Seat 5 shall be an at-large member.

(c) The respective terms of office of members of the Public Utilities Commission who old office on August 1, 2008 shall expire at noon on that date, and the members appointed pursuant to the amendments to this Section approved at the June 2008 election shall succeed to said office at that time. In order to provide for staggered terms, the members appointed to Seats 2 and 4 shall serve for an initial term of two years from August 1, 2008. The remaining three members appointed to Seats 1, 3, and 5 shall serve for an initial term of four years from August 1, 2008, and thereafter the terms of all members shall be four years.

(d) The Commission shall have charge of the construction, management, supervision, maintenance, extension, operation, use and control of all water and energy supplies and utilities of the City as well as the real, personal and financial assets, which are under the Commission's jurisdiction on the operative date of this Charter, or assigned pursuant to Section 4.132, as further specified in Article VIIIB.

SEC. 4.115. AIRPORT COMMISSION.

The Airport Commission shall consist of five members appointed by the Mayor, pursuant to Section 3.100, for four-year terms. Members may be removed by the Mayor only pursuant to Section 15.105.

The Commission shall provide the Mayor with at least three qualified candidates for Director of Airports, related on the basis of executive, administrative and technical qualifications.

The Commission shall have charge of the construction, management, supervision, maintenance, extension, operation, use and control of all property, as well as the real,

personal and financial assets which are under the Commission's jurisdiction._

Notwithstanding the Commission's authority described in this Section 4.115, the Commission shall be subject to the City Administrator's authority under Sections 3.104(b) and (c).

Subject to the approval, amendment or rejection of the Board of Supervisors of each issue, the Commission shall have exclusive authority to plan and issue revenue bonds for airport-related purposes.

SEC. 4.126. DEPARTMENTS – GENERAL PROVISIONS.

Except as otherwise provided by this Charter, the responsibilities of each department within the executive branch shall be prescribed by ordinance.

The administration and management of each department within the executive branch shall be the responsibility of the department head. Such officials may:

1. Appoint qualified individuals to fill all positions within their departments which are exempt from the Civil Service provisions of this Charter;
2. Adopt rules and regulations governing matters within the jurisdiction of their respective departments, subject, if applicable, to Section 4.102; and
3. With the approval of the City Administrator, reorganize their respective departments.

No person serving on a board or commission created by state law to discharge a state function specifically within the City and County may be employed as a paid staff member to a board or commission created by this Charter.

~~SEC. 4.129. DEPARTMENT OF ADMINISTRATIVE SERVICES.~~

~~The director of the Department of Administrative Services shall purchase all supplies, equipment and contractual services required by the several departments and offices of the City and County, except as otherwise provided in the Administrative Code.~~

~~Except in cases of emergency, the director shall not enter into any contract or issue any purchase order unless the Controller shall certify thereon that sufficient unencumbered balances are available in the proper fund to meet the payments under such purchase order or contract as these become due. The director shall have charge of the central warehouses, central storerooms, central garage and shop.~~

~~The director shall by rules and regulations approved by the Controller, designate and authorize appropriate personnel within the Department of Administrative Services to exercise the director's signature powers for purchase orders and contract.~~

~~The director shall have authority to exchange used materials, supplies and equipment to the advantage of the City and County, advertise for bids, and to sell and otherwise dispose of personal property belonging to the City and County. The director shall have authority to require the transfer of surplus property in any department to stores or to other departments.~~

~~The director shall manage all public buildings, facilities and real estate of the City and County, unless otherwise provided for in this Charter.~~

~~Additional duties and functions of the Department of Administrative Services shall be assigned the City Administrator, by ordinance or pursuant to Section 4.132.~~

ARTICLE V:

EXECUTIVE BRANCH – ARTS AND CULTURE

SEC. 5.101. CHARITABLE TRUST DEPARTMENTS.

For the purposes of this Article, the Asian Art Museum of San Francisco, The Fine Arts Museums of San Francisco and the War Memorial and Performing Arts Center are referred to as the “charitable trust departments.”

Nothing in this Article shall be construed to limit or change the powers and responsibilities of the governing boards of the charitable trust departments insofar as they

involve administration of the charitable trusts, gifts and contracts for which they are responsible.

The charitable trust departments shall have exclusive charge of the trusts and all other assets under their jurisdiction, which may be acquired by loan, purchase, gift, devise, bequest or otherwise, including any land or buildings set aside for their use. They shall have authority to maintain, operate, manage, repair or reconstruct existing buildings and construct new buildings, and to make and enter into contracts relating thereto, subject, insofar as City funds are to be used, to the budgetary and fiscal provisions of this Charter.

Notwithstanding the authority described in this Section 5.101, charitable trust departments shall be subject to the City Administrator's authority under Sections 3.104(b) and (c), to the extent not inconsistent with their trust obligations.

ARTICLE VIIIA: THE MUNICIPAL TRANSPORTATION AGENCY

SEC. 8A.100. PREAMBLE.

(a) An effective, efficient, and safe transportation system is vital for San Francisco to achieve its goals for quality of life, environmental sustainability, public health, social justice, and economic growth. The Municipal Transportation Agency must manage San Francisco's transportation system which includes automobile, freight, transit, bicycle, and pedestrian networks to help the City meet those goals. Through this measure, the voters seek to provide the Municipal Transportation Agency with improved resources and expanded independence and authority in order to create a transportation system that is among the best in the world.

(b) This article requires the Municipal Transportation Agency to develop clear, meaningful and quantifiable measures of its performance and goals and to regularly publicize those standards. This article also recognizes that the workers of the Municipal Transportation Agency are vital to the success of the Agency and to achieving the improvements voters seek.

Therefore, it authorizes incentives for excellence and requires accountability for both managers and employees.

(c) Specifically, San Francisco residents require:

1. Reliable, safe, timely, frequent, and convenient transit service to all neighborhoods;
2. A reduction in breakdowns, delays, over-crowding, preventable accidents;
3. Clean and comfortable transit vehicles and stations, operated by competent, courteous, and well trained employees;
4. Support and accommodation of the special transportation needs of the elderly and the disabled;
5. Protection from crime and inappropriate passenger behavior on the Municipal Railway;
6. Responsive, efficient, and accountable management;
7. Roads that are not gridlocked with congestion;
8. A safe and comprehensive network of bicycle lanes;
9. A safe and inviting environment for pedestrians;
10. Efficient movement of goods and deliveries;
11. A transportation sector that promotes environmental sustainability and does not contribute to global warming; and
12. A well-managed and well-coordinated transportation system that contributes to a livable urban environment.

Through this measure, the voters seek to provide the transportation system with the resources, independence and focus necessary to achieve these goals.

(d) The voters find that one of the impediments to achieving these goals in the past has been that responsibility for transportation has been diffused throughout City government. Accordingly, this Article places within the Municipal Transportation Agency the powers and duties relating to transit now vested in other departments, boards, and commissions of the City

and County. This Article further requires that, to the extent other City and County agencies provide services to the Municipal Transportation Agency, those departments must give the highest priority to the delivery of such services.

(e) At the same time, this Article is intended to ensure sufficient oversight of the Municipal Transportation Agency by, among other things, preserving the role of the City's Controller as to financial matters, the City Attorney as to legal matters, ~~and~~ the Civil Service Commission, as to merit system issues, and the City Administrator as to matters covered under Sections 3.104(b) and (c). In addition, this Article requires that outside audits be performed to ensure that required service levels are obtained with a minimum of waste.

(f) Finally, this Article is intended to strengthen the Municipal Transportation Agency's authority to: 1) manage its employees; 2) establish efficient and economical work rules and work practices that maximize the Agency's responsiveness to public needs; and 3) protect the Agency's right to select, train, promote, demote, discipline, layoff and terminate employees, managers, and supervisors based upon the highest standards of customer service, efficiency and competency.

(g) The effective management of traffic flow and parking are vital to the operation of the Municipal Railway. Congestion on city streets causes delays in transit operations. Therefore, the Municipal Transportation Agency must manage parking and traffic flow to ensure that transit vehicles move through City streets safely and efficiently.

(h) In addition, the residents of San Francisco require that the Agency: 1) value and protect the safety of pedestrians and bicyclists; 2) reduce congestion and air pollution through efficient use of the streets; and 3) protect the City's economic health by giving priority to commercial deliveries and access to local businesses.

(i) The voters find that reducing the carbon emissions from San Francisco's transit sector is fundamental to the City's health and wellbeing and shall be among the Agency's policy priorities. Because the Agency has significant influence on San Francisco's transportation sector, which is responsible for fully half of the carbon emissions produced within the City, the voters direct the Agency to develop and

implement strategies for substantially reducing those emissions. The voters further affirm the goals of the City's Climate Action Plan.

(j) This Article shall be interpreted and applied in conformance with the above goals.

SEC. 8A.101. MUNICIPAL TRANSPORTATION AGENCY.

(a) There shall be a Municipal Transportation Agency. The Agency shall include a Board of Directors and a Director of Transportation. The Agency shall include the Municipal Railway and the former Department of Parking and Traffic, as well as any other departments, bureaus or operating divisions hereafter created or placed under the Agency. There shall also be a Citizens Advisory Committee to assist the Agency.

(b) The Board of Supervisors shall have the power, by ordinance, to abolish the Taxi Commission created in Section 4.133, and to transfer the powers and duties of that commission to the Agency under the direction of the Director of Transportation or his or her designee. In order to fully integrate taxi-related functions into the Agency should such a transfer occur, the Agency shall have the same exclusive authority over taxi-related functions and taxi-related fares, fees, charges, budgets, and personnel that it has over the Municipal Railway and parking and traffic fares, fees, charges, budgets, and personnel. Once adopted, Agency regulations shall thereafter supercede all previously-adopted ordinances governing motor vehicles for hire that conflict with or duplicate such regulations.

(c) Any transfer of functions occurring as a result of the above provisions shall not adversely affect the status, position, compensation, or pension or retirement rights and privileges of any civil service employees who engaged in the performance of a function or duty transferred to another office, agency, or department pursuant to this measure.

(d) Except as expressly provided in this Article, the Agency shall comply with all of the restrictions and requirements imposed by the ordinances of general application of the City and County, including ordinances prohibiting discrimination of any kind in employment and contracting, such as Administrative Code Chapters 12B et seq., as amended from time to time. The Agency shall be solely responsible for the administration

and enforcement of such requirements, subject to the City Administrator's authority under Sections 3.104(b) and (c).

(e) The Agency may contract with existing City and County departments to carry out any of its powers and duties. Any such contract shall establish performance standards for the department providing the services to the Agency, including measurable standards for the quality, timeliness, and cost of the services provided. All City and County departments must give the highest priority to the delivery of such services to the Agency.

(f) The Agency may not exercise any powers and duties of the Controller or the City Attorney and shall ~~contract~~ enter into memoranda of understanding with the Controller and the City Attorney for the exercise of such powers and duties.

SEC. 8A.102. GOVERNANCE AND DUTIES.

(a) The Agency shall be governed by a board of seven directors appointed by the Mayor and confirmed after public hearing by the Board of Supervisors. All initial appointments must be made by the Mayor and submitted to the Board of Supervisors for confirmation no later than February 1, 2000. The Board of Supervisors shall act on those initial appointments no later than March, 1, 2000 or those appointments shall be deemed confirmed.

At least four of the directors must be regular riders of the Municipal Railway, and must continue to be regular riders during their terms. The directors must possess significant knowledge of, or professional experience in, one or more of the fields of government, finance, or labor relations. At least two of the directors must possess significant knowledge of, or professional experience in, the field of public transportation. During their terms, all directors shall be required to ride the Municipal Railway on the average once a week.

Directors shall serve four-year terms, provided, however, that two of the initial appointees shall serve for terms ending March 1, 2004, two for terms ending March 1, 2003, two for terms ending March 1, 2002, and one for a term ending March 1, 2001. Initial terms shall be designated by the Mayor. No person may serve more than three terms as a director. A director

may be removed only for cause pursuant to Article XV. The directors shall annually elect a chair. The chair shall serve as chair at the pleasure of the directors. Directors shall receive reasonable compensation for attending meetings of the Agency which shall not exceed the average of the two highest compensations paid to the members of any board or commission with authority over a transit system in the nine Bay Area counties.

(b) The Agency shall:

1. Have exclusive authority over the acquisition, construction, management, supervision, maintenance, extension, operation, use, and control of all property, as well as the real, personal, and financial assets of the Agency, subject to the City Administrator's authority under Sections 3.104(b) and (c); and have exclusive authority over contracting, leasing, and purchasing by the Agency, subject to the City Administrator's authority under Sections 3.104(b) and (c), and provided that any Agency contract for outside services shall be subject to ~~Charter~~ Sections 10.104(12) and 10.104(15) and that the Agency may not transfer ownership of any of the real property of the City and County without approval from the Board of Directors and the Board of Supervisors;

2. Have exclusive authority to enter into such arrangements and agreements for the joint, coordinated, or common use with any other public entity owning or having jurisdiction over rights-of-way, tracks, structures, subways, tunnels, stations, terminals, depots, maintenance facilities, and transit electrical power facilities;

3. Have exclusive authority to make such arrangements as it deems proper to provide for the exchange of transfer privileges, and through-ticketing arrangements, and such arrangements shall not constitute a fare change subject to the requirements of Sections 8A.106 and 8A.108;

4. Notwithstanding any restrictions on contracting authority set forth in the Administrative Code, have exclusive authority to enter into agreements for the distribution of transit fare media and media for the use of parking meters or other individual parking services, subject to the City Administrator's authority under Sections 3.104(b) and (c);

5. Have exclusive authority to arrange with other transit agencies for bulk fare purchases, provided that if passenger fares increase as a result of such purchases, the increase shall be subject to review by the Board of Supervisors pursuant to Sections 8A.106 and 8A.108;

6. Notwithstanding Section 2.109, and except as provided in Sections 8A.106 and 8A.108, have exclusive authority to fix the fares charged by the Municipal Railway, rates for off-street and on-street parking, and all other, rates, fees, fines, penalties and charges for services provided or functions performed by the Agency;

7. Notwithstanding any provision of the San Francisco Municipal Code (except requirements administered by the Department of Public Works governing excavation, street design and official grade) have exclusive authority to adopt regulations that control the flow and direction of motor vehicle, bicycle and pedestrian traffic, including regulations that limit the use of certain streets or traffic lanes to categories of vehicles and that limit the speed of traffic; and to design, select, locate, install, operate, maintain and remove all official traffic control devices, signs, roadway features and pavement markings that control the flow of traffic with respect to streets and highways within City jurisdiction, provided that:

(i) Notwithstanding the authority established in subsection 7, the Board of Supervisors may by ordinance establish procedures by which the public may seek Board of Supervisors review of any Agency decision with regard to the installation or removal of a stop sign or the creation or elimination of a bicycle lane. In any such review, the Agency's decision shall stand unless the Board of Supervisors reverses the decision of the Agency not later than 60 days after submission of a request to the Board of Supervisors.

(ii) Nothing in this subsection 7 shall modify the authority of ISCOTT, or any successor body, over the temporary use or occupancy of public streets, or the authority of the Board of Supervisors to hear appeals regarding the temporary use or occupancy of public streets.

(iii) Nothing in subsection 7 shall modify the power of the Board of Supervisors to establish civil offenses, infractions and misdemeanors.

(iv) Notwithstanding the authority established in subsection 7, to the extent state law contemplates that Agency action authorized by subsection 7 be effectuated by ordinance, such action shall be effectuated by resolution of the Board of Directors and shall be subject to referendum in accordance with Article 14, and, if a referendum petition contains the requisite number of signatures, the Board of Supervisors shall have the power to reconsider or repeal the action as provided in Article 14.

8. Have exclusive authority to adopt regulations limiting parking, stopping, standing or loading as provided by state law and to establish parking privileges and locations subject to such privileges for categories of people or vehicles as provided by state law; to establish parking meter zones, to set parking rates, and to select, install, locate and maintain systems and equipment for payment of parking fees, provided that:

(i) Notwithstanding the authority established in subsection 8, the Board of Supervisors may by ordinance establish procedures by which the public may seek Board of Supervisors review of any Agency decision with regard to the creation or elimination of any preferential parking zone, the creation or elimination of any parking meter zone, the adoption of any limitation on the time period for which a vehicle may be parked, or reservation of any parking space for persons with a disability that qualifies for parking privileges under state law. In any review of a decision of the Agency pursuant to this section, the Agency's decision shall stand unless the Board of Supervisors reverses the decision of the Agency not later than 60 days after submission of a request to the Board of Supervisors.

(ii) Nothing in subsection 8 shall modify the power of the Board of Supervisors to establish civil offenses, infractions and misdemeanors.

(iii) Notwithstanding the authority established in subsection 8, to the extent state law contemplates that any Agency action authorized by subsection 8 be effectuated by ordinance, such action shall be effectuated by resolution of the Board of Directors and, if a referendum petition contains the requisite number of signatures, shall be subject to referendum in

accordance with Article 14, and the Board of Supervisors shall have the power to reconsider or repeal the action as provided in Article 14.

9. Have exclusive authority to establish policies regarding and procure goods and services for the enforcement of regulations limiting parking, stopping, standing or loading and the collection of parking-related revenues, subject to the City Administrator's authority under Sections 3.104(b)(4), (b)(5), and (c); and, along with the Police Department, have authority to enforce parking, stopping, standing or loading regulations;

10. Be responsible for chairing the Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT) or any successor body;

11. Be responsible for cooperating with and assisting the Police Department in the promotion of traffic safety; studying and responding to complaints related to street design, traffic control devices, roadway features and pavement markings; collecting compiling and analyzing traffic data and traffic accident data and planning improvements to improve the safety of the City's roadways; and conducting traffic research and planning;

12. Have exclusive authority to apply for, accept, and expend state, federal, or other public or private grant funds for Agency purposes;

13. To the maximum extent permitted by law, with the concurrence of the Board of Supervisors, and notwithstanding the requirements and limitations of Sections 9.107, 9.108, and 9.109, have authority without further voter approval to incur debt for Agency purposes and to issue or cause to be issued bonds, notes, certificates of indebtedness, commercial paper, financing leases, certificates of participation or any other debt instruments. Upon recommendation from the Board of Directors, the Board of Supervisors may authorize the Agency to incur on behalf of the City such debt or other obligations provided: 1) the Controller first certifies that sufficient unencumbered balances are expected to be available in the proper fund to meet all payments under such obligations as they become due; and 2) any debt obligation, if secured, is secured by revenues or assets under the jurisdiction of the Agency.

14. Have the authority to conduct investigations into any matter within its jurisdiction through the power of inquiry, including the power to hold public hearings and take testimony, and to take such action as may be necessary to act upon its findings; and

15. Exercise such other powers and duties as shall be prescribed by ordinance of the Board of Supervisors.

(c) The Agency's Board of Directors shall:

1. Appoint a Director of Transportation, who shall serve at the pleasure of the Board. The Director of Transportation shall be employed pursuant to an individual contract. His or her compensation shall be comparable to the compensation of the chief executive officers of the public transportation systems in the United States which the Board of Directors, after an independent survey, determine most closely resemble the Agency in size, mission, and complexity. In addition, the Board of Directors shall provide an incentive compensation plan consistent with the requirements of Section 8A.104(k) under which a portion of the Director's compensation is based on achievement of service standards adopted by the Board of Directors.

2. Appoint an executive secretary who shall be responsible for administering the affairs of the Board of Directors and who shall serve at the pleasure of the Board.

3. In addition to any training that may be required by City, State or federal law, attend a minimum of four hours of training in each calendar year, provided by the City Attorney and the Controller regarding the legal and financial responsibilities of the Board and the Agency.

(d) The Director of Transportation shall appoint all subordinate personnel of the Agency, including deputy directors. The deputy directors shall serve at the pleasure of the Director of Transportation.

(e) Upon recommendation of the City Attorney and the approval of the Board of Directors, the City Attorney may compromise, settle, or dismiss any litigation, legal proceedings, claims, demands or grievances which may be pending for or on behalf of, or against the Agency relative to any matter or property solely under the Agency's jurisdiction. Unlitigated claims or demands against the Agency shall be handled as set forth in Charter Section 6.102. Any payment pursuant

to the compromise, settlement, or dismissal of such litigation, legal proceedings, claims, demands, or grievances, unless otherwise specified by the Board of Supervisors, shall be made from the Municipal Transportation Fund.

(f) The Agency's Board of Directors, and its individual members, shall deal with administrative matters solely through the Director of Transportation or his or her designees. Any dictation, suggestion, or interference by a director in the administrative affairs of the Agency, other than through the Director of Transportation or his or her designees, shall constitute official misconduct; provided, however, that nothing herein contained shall restrict the Board of Directors' powers of hearing and inquiry as provided in this Section.

(g) Notwithstanding any provision of Chapter 6 or 21 of the Administrative Code establishing any threshold amount for exercise of executive authority to execute contracts, or any successor provision of the San Francisco Municipal Code, the Agency's Board of Directors may adopt threshold amounts under which the Director of Transportation and his or her designees may approve contracts.

(h) Except provided in this Article, the Agency shall be subject to the provisions of this Charter applicable to boards, commissions, and departments of the City and County, including Sections 2.114, 3.105, 4.101, 4.103, 4.104, 4.113, 6.102, 9.118, 16.100, and A8.346. Sections 4.102, 4.126, and 4.132 shall not be applicable to the Agency.

SEC. 8A.107. MUNICIPAL TRANSPORTATION QUALITY REVIEW.

(a) The Agency shall biennially contract with a nationally recognized management or transportation consulting firm with offices in the City and County for an independent review of the quality of its operations. The contract shall ~~be competitively bid and~~ comply with applicable contracting requirements in the Municipal Code and City rules and regulations and shall be approved by the Controller ~~and Board of Supervisors~~. The review shall contain:

1. A detailed analysis of the extent to which the Agency has met the goals, objectives, and performance standards it is required to adopt under Section 8A.103, and the

extent to which the Agency is expected to meet those goals, objectives, and performance standards in the two fiscal years for which the review is submitted, and independent verification of the Agency's reported performance under the performance measures adopted pursuant to Section 4 of this measure; and

2. Such recommendations for improvement in the operation of the Agency as the firm conducting the review deems appropriate.

(b) The results of the review shall be presented promptly to the Citizens' Advisory Council, the Agency, the Board of Supervisors, and the Mayor by the reviewing firm; and the Citizens' Advisory Council, the Agency, and the Board of Supervisors shall each promptly hold at least one public hearing thereon.

ARTICLE VIIIB: PUBLIC UTILITIES

SEC. 8B.120. PREAMBLE.

The Public Utilities Commission operates the Water, Clean Water and Power Utilities of the City and County of San Francisco. Hetch Hetchy Water and Power System is an irreplaceable asset of the people of the City and County of San Francisco. The system is fundamental to the economic vitality of San Francisco and the Bay Area. The voters of the City and County of San Francisco are committed to preserving and protecting the system as well as safeguarding the extraordinary quality of the water from Yosemite and local watersheds. The voters find that the protection, maintenance and repair of the system are among their highest priorities.

San Francisco faces an unprecedented challenge: to restore its aging water system to ensure a reliable Bay Area water supply through the next century. Repairs must be accomplished as quickly as possible to avoid system outages, which could be caused by natural disasters such as earthquake. In planning for its future needs and those of its wholesale customers, the City must promote water conservation and responsible stewardship of its natural resources. The effectiveness of the City's Public Utilities Commission, which has jurisdiction over the system, is essential to achieving these goals.

In addition, San Francisco must upgrade and repair its clean water system to meet changes in state and federal water quality requirements, and to ensure reliability of the system, parts of which are outdated, aged or seismically vulnerable. The voters find that the operation of the clean water system should not unnecessarily place a disproportionate environmental burden on any community.

This measure is intended to enhance public confidence in the City's stewardship of public utilities by:

1. Clarifying that the Public Utilities Commission has exclusive control of water, clean water and power assets owned or maintained by the City and County of San Francisco, subject to the City Administrator's authority under Sections 3.104(b) and (c) to the extent specified in this Article VIIIB;
2. Establishing rates sufficient to meet operation, maintenance and financial needs of the system based on costs and sound budgeting and auditing procedures to protect retail ratepayers and reduce interest paid on bonds and other indebtedness while ensuring public review;
3. Establishing the Public Utilities Commission as an independent revenue department not subject to undue financial pressures to contribute to the City's general fund;
4. Requiring the development of long term Capital, Financial and Strategic Plans to ensure that the utilities are operated efficiently in accordance with best public utility practice;
5. Authorizing the Public Utilities Commission to independently enter into certain contracts, subject to the City Administrator's authority under Sections 3.104(b) and (c);
6. Giving the Public Utilities Commission the ability to finance needed capital improvements through revenue bonds or other financing methods consistent with the powers of other major public utilities in California; and

7. Promoting labor stability to ensure that the Capital Improvement Plan is completed expeditiously and efficiently.

SEC. 8B.121. PUBLIC UTILITIES COMMISSION.

(a) Notwithstanding Charter section 4.112, the Public Utilities Commission shall have exclusive charge of the construction, management, supervision, maintenance, extension, expansion, operation, use and control of all water, clean water and energy supplies and utilities of the City as well as the real, personal and financial assets, that are under the Commission's jurisdiction or assigned to the Commission under Section 4.132, subject to the City Administrator's authority under Sections 3.104(b) and (c).

(b) The Public Utilities Commission may enter into Joint Powers Agreements with other public entities in furtherance of the responsibilities of the Commission.

(c) Except to the extent otherwise provided in this Article, the Public Utilities Commission shall be subject to the provisions of Charter sections 4.100 et seq. generally applicable to boards and commissions of the City and County.

(d) The General Manager shall have the authority to organize and reorganize the department. The General Manager shall adopt rules and regulations governing all matters within the jurisdiction of the department subject to section 4.102 as applicable.

(e) Ownership or control of any public utility or any part thereof under the jurisdiction of the Public Utilities Commission may not be transferred or conveyed absent approval by the Public Utilities Commission and approval by a vote of the electors of the City at the election next ensuing not less than 90 days after the adoption of such ordinance, which shall not go into effect until ratified by a majority of the voters voting thereon. Voter approval shall not be required for sales or transfers of real property declared surplus to the needs of any utility by the Public Utilities Commission or to leases or permits for the use of utility real property approved by the Public Utilities Commission.

ARTICLE IXA: PROCUREMENT

SEC. 9A.100. GENERAL PRINCIPLES.

All City legislation, rulemaking, and policy implementation regarding Procurement, as defined in Section 9A.101, shall serve the following objectives:

- 1. Maximizing the value, measured in terms of cost, quality, and timeliness, of the delivered commodity or service;*
- 2. Minimizing administrative operating burdens; and*
- 3. Conducting business with integrity, openness, and in a fair and impartial manner.*

SEC. 9A.101. DEFINITIONS.

For purposes of this Article IXA, "Procurement" and "Procure" mean the requirements for sourcing, selecting, and contracting for: 1) the purchase of commodities and services, 2) public works, and 3) grantmaking, including but not limited to contracts under Administrative Code Chapters 6, 21, and 21G, as those Chapters may be amended from time to time, and any successor or related provisions of the Municipal Code governing procurement of commodities, services, public works, or grants. Requirements include but are not limited to contract terms and conditions and process requirements. Procurement does not include the following: 1) the manner in which the City uses commodities and services after they have been procured; 2) collective bargaining agreements between labor unions and the City; 3) development agreements under Administrative Code Chapter 56, as it may be amended from time to time, or under state law; 4) grants or revenue contracts under which the City receives funds and does not pay funds; and 5) agreements for the acquisition, disposition, or lease of real property.

SEC 9A.102. CITY ADMINISTRATOR AUTHORITY OVER CITY

PROCUREMENT

*(a) **Exclusive Authority Over Procurement Legislation.** The City Administrator shall have exclusive authority to introduce ordinances at the Board of Supervisors governing Procurement, except for ordinances that primarily address contractor wage standards, benefits, or workplace health and safety standards; requirements for local business utilization; and project labor agreements. Ordinances introduced by the City Administrator under this Section 9A.102(a) shall be approved as follows:*

(1) The ordinance shall be deemed approved by the Board of Supervisors and Mayor 60 days after the date of introduction unless, before the expiration of the 60-day period, the Board of Supervisors by motion, or the Mayor by providing written notice to the City Administrator and the Clerk of the Board of Supervisors, disapproves the ordinance. The date of introduction shall be the date of the meeting of the Board of Supervisors when the ordinance is presented to the Board of Supervisors.

(2) Alternatively, the ordinance may be approved by a single vote of the Board of Supervisors together with written notice of approval provided by the Mayor to the Clerk of the Board of Supervisors. The Board of Supervisors may not amend the ordinance.

(3) Notwithstanding Section 3.103, the date of passage of the ordinance shall be the earlier of: (A) the date it is deemed approved as set forth in Section 9A.102(a)(1); or (B) the later of the date the Board of Supervisors votes to approve the ordinance as set forth in Section 9A.102(a)(2) or the date the Mayor provides written notice of approval to the Clerk of the Board of Supervisors as set forth in Section 9A.102(a)(2).

(b) **Authority Over Procurement Rulemaking.**

(1) The City Administrator shall have authority to adopt and amend rules and regulations that implement Municipal Code provisions governing Procurement.

(2) The City Administrator shall adopt or amend rules and regulations under this Section 9A.102(b) only after publishing the proposed rules and regulations in a location and

format easily accessible to the public and providing a minimum of 10 days for the public to submit comments on the proposed rules and regulations. After adoption, the rules and regulations shall be published in a location and format easily accessible to the public.

(3) Subject to the Municipal Code, rules and regulations adopted by the City Administrator under this Section 9A.102(b) shall supersede any conflicting rules or regulations adopted by departments.

(4) Departments shall coordinate with the City Administrator to ensure that Procurement and Procurement-related activities conducted by departments conform to standards established by the City Administrator.

ARTICLE IX: FINANCIAL PROVISIONS

SEC. 9.118. CONTRACT AND LEASE LIMITATIONS.

(a) Unless otherwise provided for in this Charter, contracts entered into by a department, board or commission having anticipated net revenue to the City and County of ~~\$4,500,000~~one million dollars or more, ~~or the termination of such contracts, and each Major Amendment the modification, amendment or termination of any such contracts which when entered into had anticipated revenue of one million dollars or more,~~ shall be subject to approval of the Board of Supervisors by resolution.

(b) Unless otherwise provided for in this Charter, and with the exception of construction contracts ~~entered into by the City and County~~, any ~~other~~ contracts or agreements entered into by a department, board, or commission having a term ~~in excess of~~ ten years or more, or requiring anticipated net expenditures by the City and County of ~~\$25,000,000~~ten million dollars or more, ~~and each Major Amendment of such contracts, or the modification or amendments to such contract or agreement having an impact of more than \$500,000~~ shall be subject to approval of the Board of Supervisors by resolution.

(c) Unless otherwise provided for in this Charter, any lease of real property for a period of ten ~~or more~~ years or more, including options to renew, or having anticipated net

revenue to the City and County of ~~\$4,500,000~~one million dollars or more; the ~~modification, amendment or~~ termination of any such lease; ~~each Major Amendment of such lease, which when entered into was for a period of ten or more years, including options to renew, or had anticipated revenue to the City and County of one million dollars or more;~~ and any sale or other transfer of real property owned by the City and County, shall first be approved by resolution of the Board of Supervisors. Leases of property under the jurisdiction of the Port Commission for maritime use shall be exempt from the requirements of this section.

(d) Beginning on July 1, 2032, the Controller shall adjust the monetary thresholds specified in subsections (a) through (c) to reflect any increase in the relevant consumer price index, as determined by the Controller, since July 1, 2027. The Controller shall perform a consumer price index adjustment of the monetary thresholds in subsections (a) through (c) every five years thereafter covering either the preceding five-year period or the period since the last adjustment if longer than five years. The monetary thresholds as recalculated by the Controller shall be rounded to the nearest \$500,000 and shall take effect by operation of law on July 1, 2032, and on July 1 every five years thereafter. The Controller shall publish the current thresholds in a location and format easily accessible to the public.

(e) For the purposes of this Section 9.118, a "Major Amendment" means each modification or amendment to a contract or lease that results in a cumulative increase of 50% or more of the original contract or lease amount over the amount last approved by the Board of Supervisors. As used in this definition, "amount" means monetary amount, not the length or term of a contract or lease.

(f) Transition provision. A contract executed prior to January 1, 2027, with a term of ten years that was not subject to approval by the Board of Supervisors at the time of execution, but as of January 1, 2027, would be subject to approval by the Board of Supervisors under 9.118(b) or (c), will be subject to first-time approval by the Board of Supervisors only if the contract is amended on or after January 1, 2027, to extend the term

beyond ten years, or to increase the amount of expenditures or revenue under the contract to equal or exceed the threshold amounts set forth above.

APPENDIX B: PORT AGREEMENTS

B3.581. POWERS AND DUTIES.

The Port Commission shall have all the powers and duties given to boards and Commissions by Section ~~3.500~~4.102 of the Charter and shall have the power to establish such departments and bureaus as may be necessary or convenient for the conduct of its affairs. Subject to the terms and conditions of the transfer and any supplemental agreements relating thereto, the Port Commission shall have the control and management of all real and personal property transferred under the Statutes 1968, ch. 1333, or otherwise acquired or purchased with funds under its control or acquired or purchased by it within the scope of its authority, or otherwise placed under its management, supervision and control. The property under the control and management of the Commission shall be known as the port area. The Port Commission shall have the power and duty to use, conduct, operate, maintain, manage, regulate, and control the port area of San Francisco and to do all things it deems necessary in connection with the use, conduct, operation, management, maintenance, regulation, improvement and control of said port area, or which may further the interests of the port in world trade, including, without limiting the generality of the foregoing, the exclusive power to perform or accomplish the following:

- (a) The improvement, operation and conduct of the harbor, and any and all improvements or facilities located thereon;
- (b) The construction, reconstruction, repair, operation and use of all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of commerce and navigation, or located within the port area;
- (c) The establishment, improvement and conduct of railroad and aviation facilities and all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and conduct of air commerce and navigation and railroad transportation;

(d) The construction, reconstruction, repair, maintenance and operation of public buildings, parks, playgrounds, public educational and recreation facilities and all works, buildings, facilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of any such uses;

(e) The preservation or restoration of marine resources consistent with the primary mission of the Harbor of San Francisco;

(f) The grant of franchises thereof for limited periods not exceeding 66 years for wharves and other public uses and purposes and the lease of said lands, facilities, or any part thereof for limited periods not exceeding 66 years, and the collection and retention of rents and other revenues from such leases, franchises, permits, licenses and privileges. Such lease or leases, franchises, permits, licenses, and privileges shall be for purposes consistent with the trusts upon which the lands are held by the State and with the requirements of commerce and navigation, or if the Port Commission of the City and County of San Francisco determines that any portion of the transferred lands is not required for the foregoing uses described in this section, such lease or leases, franchises, permits, licenses, and privileges, may be for the purposes of such development and use as the Commission finds will yield maximum profits to be used by the Commission in the furtherance of commerce and navigation;

(g) Leases and franchises granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission;

(h) The power to nominate for appointment a Port Director who shall be the chief executive of the Port Commission and who shall have the management of all the affairs and activities placed under the jurisdiction of the Commission. The Mayor shall appoint a Port Director. ~~He~~The Director shall devote ~~his~~their entire time to the duties of ~~his~~the office and ~~his~~their salary shall be fixed by the Commission. ~~He~~The Director shall ~~hold his office~~serve at the pleasure of the Commission and shall have the management of said harbor and of all of the facilities and equipment thereof and all bureaus and departments established for the operation of said harbor or for the operation of any equipment or facility thereof. Subject to the approval of the Commission, the Director ~~he~~ shall appoint and remove any and all heads of departments or bureaus, who may not be subject to the civil service provisions of the Charter. ~~He~~The Director

shall possess the ~~necessary~~ administrative, executive and technical qualifications necessary to ~~enable him to~~ perform the duties of ~~his~~the office. ~~His~~The Director's compensation shall not exceed prevailing salaries paid those holding similar positions in comparable maritime employment. The Commission may confer on ~~him~~the Director such additional powers and authority as it may see fit;

(i) To regulate the berthing, anchoring, towing, loading and unloading and mooring of vessels within the port;

(j) To issue receipts, negotiable or otherwise, for property or merchandise in its charge or possession;

(k) To fix all rates, dockage, rentals, tolls, wharfage, and charges, for the use and occupation of the public facilities or appliances of the port, and for services rendered by the Port Commission, and to provide for the collection thereof;

(l) To enter into contracts, agreements, or stipulations germane to the scope of its powers and duties;

(m) To give such bonds or assurances as may be required by the United States in the operations permitted hereunder;

(n) To provide and equip offices within or without the port, within other states, or in foreign countries, and through such employees and agencies as it may deem expedient;

(o) To contract for and operate foreign trade zones within the port area or auxiliary to the port area, or such zones or sub-zones as have been operated by the San Francisco Port Authority. Agreement may be made with the Public Utilities Commission for operation of future zones or sub-zones in other areas;

(p) Members and officers of the Port Commission shall be exempt from the provisions of the City Charter relating to absences from the State, but shall advise the Mayor and the Board of Supervisors in advance of such absences;

(q) May promote the maritime and commercial interests of the harbor by advertising its advantages and facilities and by the solicitation of business. The advertising and solicitation may be conducted within or without this State and through such agencies, mediums, employees and agents as are

determined by the Commission. The Commission may, in its discretion, publish and distribute a magazine, pamphlets, booklets and other printed and advertising matter for the purpose of developing traffic and promoting and maintaining the commerce and prestige of the port, and may use any moneys of the harbor fund for the special purposes authorized by this provision. Members and employees of the Commission in attending conventions of port authorities and meetings of transportation clubs, trade associations and business organizations that may advance the interests of the port shall be allowed their actual necessary expenses in the performance of such services as may from time to time be deemed desirable by the Commission and shall be allowed hospitality expenses necessarily incurred in furthering the interests of the port;

(r) To issue revenue bonds as provided in Section 7.305;

(s) To expend all funds necessary to the carrying out of the powers and duties herein expressed;

(t) This section does hereby vest in the Port Commission all of the powers set forth in Section 3 and Section 5 of the Statutes of 1968, Chapter 1333, which provisions are hereby incorporated in the Charter by this reference.

Notwithstanding the Port Commission's authority described in Sections B3.581 and B3.582, the Port Commission shall be subject to the City Administrator's authority under Sections 3.104(b) and (c), to the extent consistent with the Burton Act and Transfer Agreement.

Section 5. In enacting this Charter amendment, the qualified voters of the City and County intend to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, or any other constituent parts of the Charter that are explicitly shown in this Charter amendment as additions or deletions in accordance with the "Note" that appears above the official title of the Charter amendment.

Section 6. Severability. If any section, subsection, sentence, clause, phrase, or word of this Charter amendment, or any application thereof to any person or circumstance, is held to be

invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the Charter amendment. The qualified voters of the City and County of San Francisco hereby declare that they would have voted in favor of this Charter amendment, and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Charter amendment or application thereof would be subsequently declared invalid or unconstitutional.

Section 7. Liberal Construction

This measure shall be liberally construed and applied in order to fully promote its underlying purposes.