



Selling One-time Goods and Services Fast through Prop Q

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Government Operations Team | City Administrator's Office

CITY CONTRACTING 101: A SMALL BUSINESS WORKSHOP
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Welcome!

Hi! I'm Anh

- Self-professed public sector nerd working in City Administrator's Office
- Cares deeply about making sure government works for people
- Is very shy but somehow always find herself in public speaking roles

Session Objectives

1. Understand the City's approach to so-called "Prop Q" purchases
2. Begin assessing whether the City's purchasing needs represent a business opportunity for you
3. Know how to position yourself for success when City staff reach out for a purchase

Agenda

- How does the City buy things?
- What is “Prop Q” and why should I care?
- What does the City buy through Prop Q?
- How can I set my business up to be Prop Q-ready?
 - Tips and Tricks
 - Things to know after you’ve been selected
- Key Takeaways

How does the City buy things? (1 of 2)

As a public institution, the City has strict laws and processes that departments and City staff must follow when purchasing things. **Why?**

1

Responsibility to taxpayers



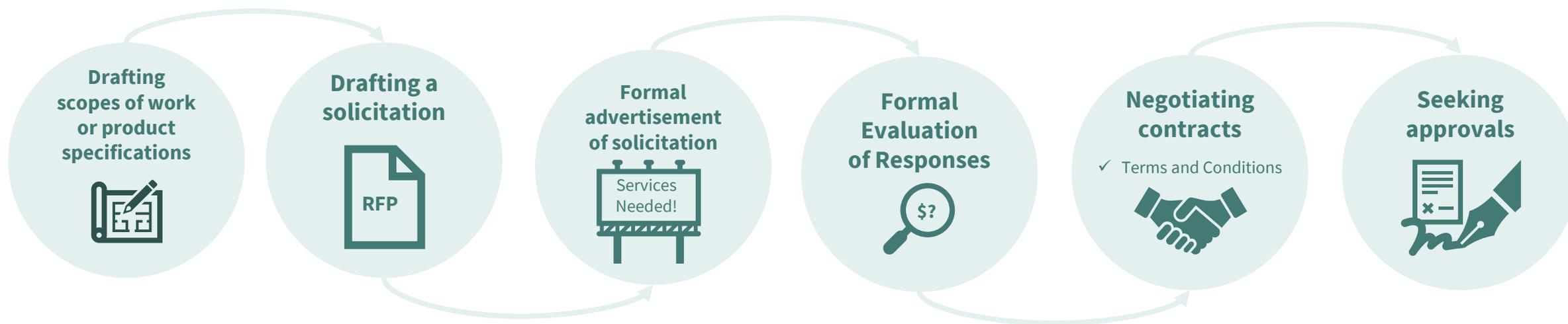
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Purchasing power →
community investments



How does the City buy things? (2 of 2)

For most purchases*, City staff and departments must go through a competitive solicitation and contracting process to ensure fairness and competitive pricing. This includes...



...all this takes time! 🕒

*This competitive process applies to most purchases above \$20,000.

What is Prop Q and why should you care? (1 of 2)

- Because it would be impractical to conduct a rigorous, resource-intensive procurement and contracting process for *every single purchase*, voters approved “**Prop Q**” in 1993.
- Prop Q allows City departments to buy low-risk, non-recurring goods and services valued at **up to \$20,000** and are necessary for maintaining government operations and services through a **simplified purchase ordering process** rather than through a full-length contracting process.
- This means ***City departments may reach out to you directly*** to purchase goods and services.

Special note: There have been different “Prop Q”s over the years, but if you hear City staff talking about “Prop Q,” it’s most likely this they’re talking about!

What is Prop Q and why should you care? (2 of 2)

Rather than....



City departments can....

- 1 Identify goods and services needed, determine selection criteria.
- 2 Request quotes from businesses.*
- 3 Select supplier(s) and issue purchase order(s), pursuant to any applicable City laws and ethics requirements.

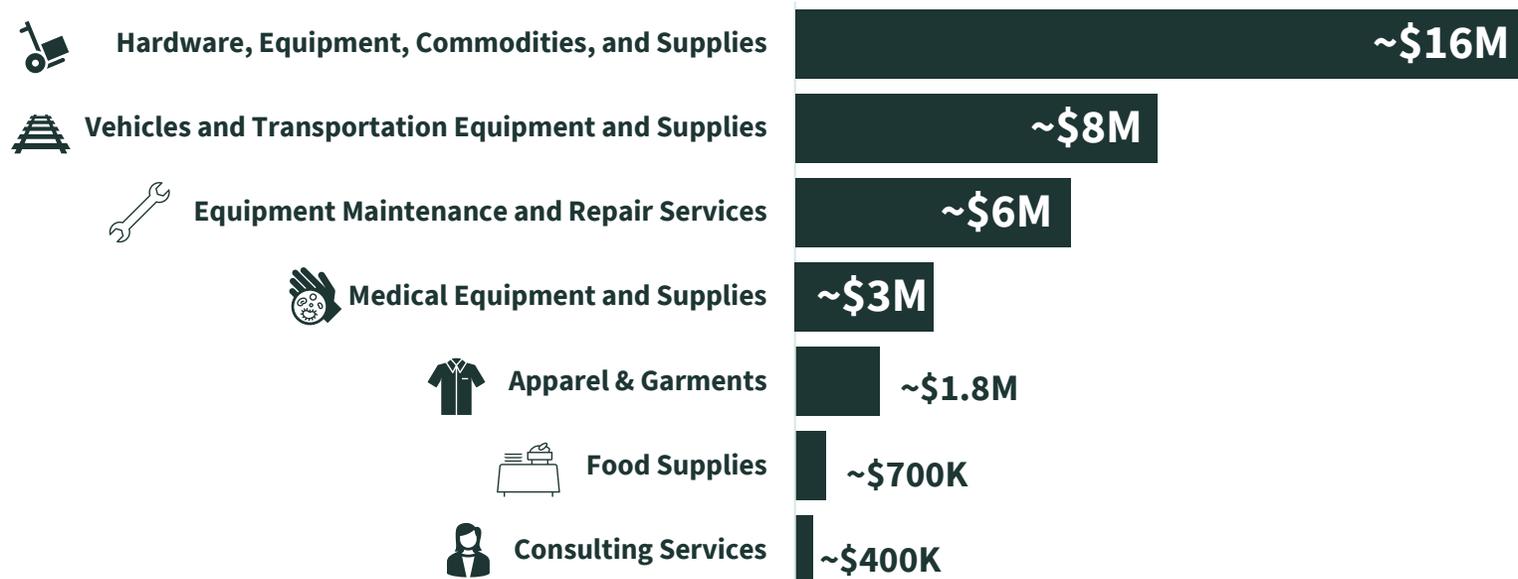
*Requesting quotes is optional under justifiable conditions.

What does the City buy through Prop Q? (1 of 2)

The City purchases between **~\$50-\$60 million** worth of goods and services through the Prop Q process each year.

For example, in FY 23 – 24:

Examples of how much the City spent through Prop Q in selected categories:



In FY 23 – 24:

2,000

Approx. # of suppliers who received a Prop Q purchase order

20,000

Approx. # of purchase orders issued through Prop Q

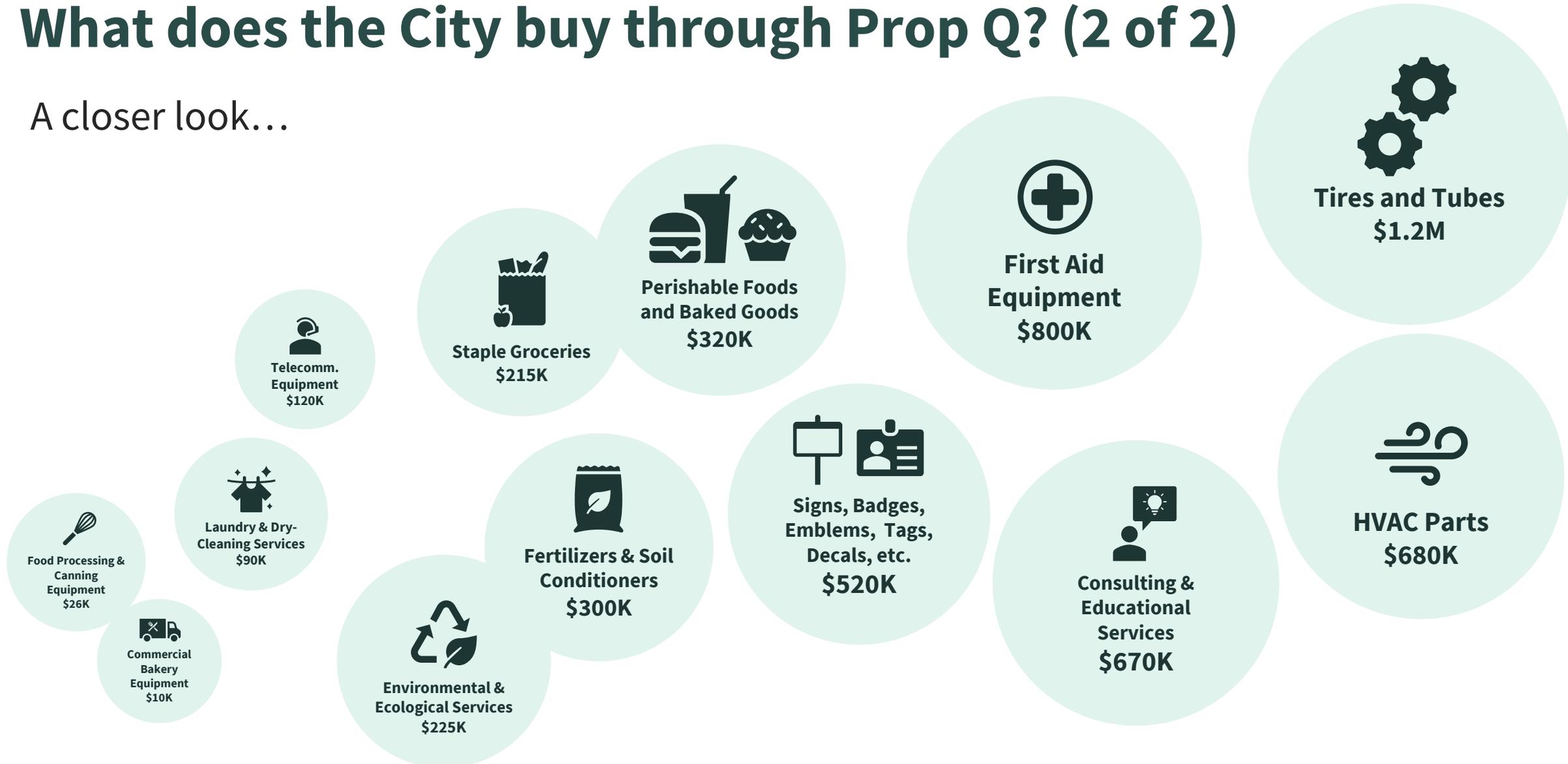
\$63.4 M

Approx. value of total goods and services purchased through Prop Q

Note: Categories are based on NIGP codes and have been summed and edited for clarity. Prop Q only; totals do not include items bought on contract.

What does the City buy through Prop Q? (2 of 2)

A closer look...



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How can I set my business up to be Prop Q-ready? (1 of 2)

How do I find Prop Q opportunities to sell my products and services to the City?



How can I set my business up to be Prop Q-ready? (2 of 2)

How do I find Prop Q opportunities to sell my products and services to the City?



Prop Q opportunities try to find you!



Through this process, the City acts more like a typical buyer in the marketplace. City staff actively search for and directly reach out to businesses for quotes, rather than issuing broad solicitations.

Tips & Tricks (1 of 4)

- 1 Consider registering as a bidder or supplier – the easiest way for City staff to find you is if you are part of our bidder/supplier directory.



This is a business decision. While there is no cost to registering as a bidder or supplier, there is still time and effort required, and registration does not guarantee future business.



Ask yourself: Does my business provide goods or services that could be relevant to maintaining government operations or public services?

- My business provides luxury wellness retreats targeted to tech executives. *Maybe not worth it to register...*
- My business offers organizational development consulting services for public institutions. *Could be worth it to register!*
- My business provides catering for different sized events and is committed to sustainable food handling practices. *Could be worth it to register!*



If it seems like a business opportunity may exist, you could register as a bidder for now so your business will at least show up in the City's bidder/supplier database. You can become a supplier at a later time.

Tips & Tricks (2 of 4)

- 2 If you register your business, check off ALL the categories that your business can provide goods or services for. Categories are the starting point that City staff use during searches.

BIDDER REGISTRATION
Step 5 - Set up Notifications

5/6

Please select the product/service categories that your organization provides to be notified of potential City business opportunities.

Find Category

[Download the full category listing](#)

Search:

Results - Showing 15 of 15

- 05000 **Art Equipment And Supplies**
 - Block Printing Supplies
 - Casters, Drying Racks
 - Coatings, Protective (For Artwork)
 - Cloth (For Application Of Designs And Transfers): Burlap, Linen, Etc.
 - Drawing And Painting Supplies: Brushes, Canvas, Chalk, Colors (Acrylic, Oil, Water, Etc.), Crayons, Palettes, Paper And Pads, Staples, Etc.
 - Glue, Paste, Etc., Art
 - Letter Cutting Machine
 - Engraving, Etching, And Lithography Equipment And Supplies (Burins, Etc.)
 - Paper, Art, Various Types
 - Picture Frames And Framing Supplies: Mat Cutters, Mats, Molding, Stretcher Strips, Etc.
 - Racks, Drying (Portable And Stationary)
 - Recycled Art Equipment And Supplies
 - Sculpturing Equipment And Supplies: Carving Boards, Casting Materials, Modeling Clay, Sculptor's Tools, Etc.
 - Shapes, Strings, Tapes, Twists, Etc. (Decorative Art Items)
 - Silk Screen Process Supplies
 - Stained Glass Supplies
- 20800 **Computer Software For Microcomputers (Preprogrammed)**
- 20900 **Computer Software For Mini And Mainframe Computers (Preprogrammed)**

Selected Categories

Use the search to find and add categories.

You can look up the full list of categories available or search.

Each category expands, so you can see what's included in it.



But also: only select things that are *relevant* to your business – otherwise, you might get a lot of notifications that are irrelevant and miss important opportunities.

Tips & Tricks (3 of 4)

3 Consider registering as a “Local Business Enterprise” (LBE) if you are headquartered in San Francisco.



The City has a law known as 14B, which encourages City departments to work with local business enterprises when possible. Certified LBEs also appear on the City’s LBE directory and may be eligible for “bid discounts” for certain purchases.

4 Please keep your business information up-to-date, even if you choose not to register as a bidder or a supplier! Make it easy for people to know what you sell and contact you.



As needed, City staff do try to conduct open searches for businesses to contact when they’re looking for goods and services. If your phone number, website, or email are out of date, we can’t reach you! If you have a contact form, try to include an email where someone can directly reach out to you too.

Tips & Tricks (4 of 4)

5 Respond to quote requests with full information – including any tax, fees, shipping costs, and a timeframe for how long the price on the quote is valid for.



Full information is important for at least two reasons:

1. City staff are often trying to compare the costs charged by different suppliers. If you don't give the actual costs, they can't do the comparison.
2. The information on the quote becomes the basis of the purchase order, which then allows you to submit an invoice for payment. If there's any differences between the purchase order and the invoice, there could be delays in processing payments.
3. Even though Prop Q purchases are significantly faster than full-blown contracts, they must still go through an approval process. If you're selling something with high price volatility, be explicit about how long the price is valid for.

6 Have a process in place for accepting purchase orders and preparing invoices.



The City's accounting policies typically do NOT allow for City departments to order directly from businesses (e.g. submitting an order on your website). All purchases must be preceded by a purchase order, and suppliers can then submit an invoice for payment.

Things to know after you've been selected

If you've been selected for a purchase, congrats! 

There may be different laws that apply, depending on the value and nature of the purchase. The City staff purchasing from you should help you navigate which apply. Examples include:



Equal Benefits Ordinance (Labor and Employment Code Articles 131 and 132)



Packaged Water Prohibition (Environment Code Chapter 24)



Sugar Sweetened Beverages Prohibition (Admin Code Chapter 101)



Recycled Paper (Environment Code Chapter 5)



Food Packaging and Waste Reduction (Environment Code Chapter 16)

Key Takeaways

- The City's Prop Q purchases cumulatively add up to significant business opportunities.
- Prop Q is for non-recurring purchases under \$20,000.
- Though Prop Q opportunities aren't formally advertised, you can prepare your business for these opportunities by:
 1. Registering as a bidder and/or supplier if your line of business aligns with City needs
 2. Selecting all the categories of goods and services you can provide if you decide to register
 3. Getting LBE certification if you're San Francisco-based
 4. Keeping your business information up-to-date and making it easy for City staff to find you
 5. Being ready to respond to requests for quotes
 6. Having a purchase order and invoicing process in place



THANK YOU!

Contact: GovOps@sfgov.org