



Date: August 29, 2022
To: Contracting Officers
From: Sailaja Kurella, Director and Purchaser of the Office of Contract Administration/Purchasing
Subject: Updates to Prop Q Purchasing, 12X Reporting, and Admin. Code Ch. 21 Solicitation Templates

A handwritten signature in black ink, appearing to be "Sailaja Kurella".

Please see below for important updates and improvements to Prop Q Purchasing requirements, Administrative Code 12X reporting requirements, and Administrative Code Chapter 21 solicitation templates. In particular, departments are strongly encouraged to review and begin using the new solicitation templates as soon as possible, as they reflect the changes to the Administrative Code Chapter 14B Minimum Competitive Amounts and LBE Subcontracting Requirements, which became effective July 1, 2022.

A. Updates to Departments' Delegated Purchasing Authority ("Prop Q") Purchases

- 1) **Insurance Forms No Longer Required:** Effective 7/1/22, City departments are no longer required to collect insurance forms, including Certificates of Insurance and Endorsements, for Prop Q purchases. The Prop Q Checklist [CL-600 \(8-22\)](#) has been updated to reflect this change in policy.
- 2) **Additional Prop Q Updates Coming Soon:** Given the change in insurance requirements, OCA will begin identifying certain new categories of purchases which will no longer be eligible for Prop Q purchases, such as ammunition and other high-risk goods.

B. Updates Pertaining to Chapter 12X of the San Francisco Administrative Code

- 1) **Departments are No Longer Required to Generate Annual Reports on 12X Contracting Waivers.** Administrative Code Chapter 12X restricts City spending as it relates to contracting with entities headquartered in certain states ("Contracting Ban"), as well as traveling to those states ("Travel Ban"). On July 1, 2022, departments started submitting all 12X Contracting Ban waiver requests in ServiceNow. Because the data now resides in a central location, the City Administrator's Office (ADM) is able to generate a citywide report on all 12X contracting waivers purposes directly from ServiceNow. *As such, departments are no longer required to submit annual reports to ADM documenting their 12X Contracting Waivers.*
- 2) **Upcoming Updated 12X Guidance Memo.** Given the complexities in the application of 12X, ADM has developed a comprehensive guidance memo to assist Departments in administering 12X. ADM expects to release the guidance memo in the coming weeks.

C. Updates to OCA Solicitation Templates

In July 2022, OCA completed updating its solicitation templates. The primary changes to the templates are summarized below:

- 1) **Updated Chapter 14B LBE Program Requirements:** Effective July 1, 2022, the Chapter 14B LBE Program implemented several changes pertaining to its LBE Participation Requirements and Minimum Competitive Amount. The updated templates account for these changes and departments must ensure they review them.

- 2) **Updated Minimum Competitive Amounts:** The updated Minimum Competitive Amounts for Commodities, General Services and Professional Services went into effect July 1, 2022. The impact of this change on existing contracts and new contracts is summarized below:
 - a. **Impact on Contracts in Existence before July 1, 2022:** The new Minimum Competitive Amounts apply solely to contracts advertised or initiated on or after July 1, 2022. Therefore, all contracts in existence prior to July 1, 2022 shall continue to be subject to the Minimum Competitive Amounts in effect when the contract was initiated or advertised.
 - b. **Impact on New Contracts issued to Existing or Newly Created Prequalified Pools.** Regardless of when a Prequalified Pool was created, and assuming the Pool is currently valid, award of any contract from that pool is subject to the new Minimum Competitive Amounts that went into effect on July 1, 2022, so long as the award to the Pool was made on or after July 1, 2022.
- 3) **Request for Qualifications (RFQ) Template:** The RFQ template has been updated to provide additional guidance on how to create and choose from an RFQ pool. *Departments are strongly encouraged to review this guidance prior to creating new pools.*
- 4) **CMD Form 3 No Longer Required for All Transactions:** Effective July 14, 2022, CMD will no longer require CMD Form 3 in the following circumstances:
 - a) *Where a contract is exempt from the requirements of Chapter 14B (e.g., Contracts that are not subject to Chapter 21 or 6, Contracts that disallow local preferences such as those that are funded through federal or state grants, etc. See [exemption list](#)).*
 - b) *Where a contract is subject to Chapter 14B but does not have any LBE Participation Requirements (e.g., commodity contracts, services contracts for which LBE Participation Requirements have been waived, etc. See [exemption list](#)).*
 - c) *Contract amendments so long as the contractor has previously signed and submitted CMD Form 3.*
- 5) **Social Economic Policies (SEPs):**
 - a) The SEP sections within each template have been moved to the end of the template. This ensures Bidders and Proposers are able to find the main content of the solicitation more easily.
 - b) Each SEP section now includes links to additional information by which to determine if the transaction is subject to that SEP, exempt from it, or subject to it but eligible for a waiver.
- 6) **Where to Find the updated Templates:** Links to the templates can be found here: [Multi-Year Direct Contracting: Checklists & Templates | Office of Contract Administration \(sfgov.org\)](#). They are also provided below:
 - [P-690 Request for Proposals](#)
 - [P-695 Invitation for Bids](#)
 - [P-697 Request for Qualifications](#)