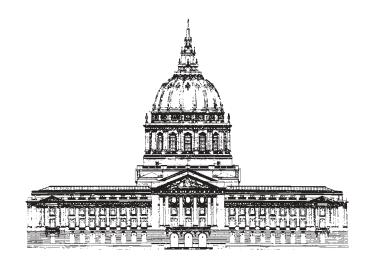
How To Do Business with the City and County of San Francisco



Office of Contract Administration/Purchasing
City and County of San Francisco

March 2006

FOREWORD

On behalf of the City and County of San Francisco, we are pleased to publish this booklet describing our procurement process. We hope this information will assist you in bidding on City contracts for goods and services. By describing the procurement process for potential vendors, the City benefits from having more bidders, more suppliers, a wider selection and lower prices. Vendors who understand the process can make better bids and increase their sales.

This booklet describes the organization of the City and County as it relates to various types of contracts:

- Procurement of equipment, supplies and general services is a function of the Office of Contract Administration, "OCA/ Purchasing," a division of the Department of Administrative Services. Individual departments may make their own purchases for some transactions up to \$10,000.
- Construction contracts, including professional services contracts for architects and engineers are decentralized. The following departments individually evaluate proposals and award contracts: San Francisco International Airport; Recreation and Park; Port; San Francisco Public Utilities Commission; Municipal Transportation Agency; and Department of Public Works.
- Professional services (e.g., consulting contracts) are bid, evaluated and recommended by the sixty individual City departments.
 OCA/Purchasing officially awards the contract (except where departments are otherwise authorized to award contracts).

We hope you find this booklet useful. If you have any suggestions to improve it, or if you have any questions, please call (415) 554-6743.

Naomi M. Kelly

Director and Purchaser

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1. OVERVIEW

This section is for quick reference. It is intended to give you a summary of the key facts you need to know so you can sell to the City and to indicate where, in this booklet, more detailed information is located.

This booklet contains a great deal of information, however, we do not want the reader to become discouraged by reading too much unrelated information while trying to find what is immediately relevant.

A. Why should I read this booklet?

This booklet has been published to familiarize businesses with how the City and County of San Francisco buys the products and services (including construction) it needs, and how you can make yourself known to the appropriate City department. With this information, you stand the best chance to become aware of what the City needs and of potential business opportunities. This booklet concentrates on the activities of the Office of Contract Administration/Purchasing.

For information on the City departments that contract for construction, see Chapter 4, "Construction, Architects and Engineers and Professional Services," p. 17, and Chapter 10, "City References," p. 34.

The Table of Contents is structured primarily around questions potential vendors frequently ask. You should think of the Table of Contents and this Overview section as roadmaps to the booklet.

B. What do I need to know?

1. Does the City buy what I sell?

We buy everything needed to run City departments, some of which include: general office supplies; medical and laboratory products; water and electrical distribution systems; wastewater treatment equipment; buses, streetcars, cable cars; and products used in the maintenance and construction of buildings, roads, parks and playgrounds.

See Chapter 2, p. 6 for a representative list of the major categories of products and services that the City buys. For more information on products and services, call OCA/ Purchasing's main number at (415) 554-6743.

2. What City departments use what I sell?

Under our City Charter and Administrative Code, several City departments have authority to sign contracts committing the City to a purchase. See Overview B.3 below for information on contacting these departments.

If you sell commodities or general services used by all City departments, it will be OCA/Purchasing that solicits competitive bids and awards the contract. For contracts under \$10,000, departments have the option to make purchases themselves.

If you are in construction or architecture and engineering services, the bidding or proposal processes are conducted by, and the contracts are signed by, the following departments: Airport (SFO); Department of Public Works (DPW); Port; Municipal Transportation Agency (MTA), which includes the Municipal Railway (MUNI); San Francisco Public Utilities Commission (SFPUC), which includes the Water Department and Hetch Hetchy; Recreation and Park Department (Rec & Park).

If you provide professional services, such as management consulting, legal or medical services or information technology consulting, the City department that will receive the services handles the purchase. The contract is signed by OCA/Purchasing, but the departments generally conduct a Request for Proposal (RFP) process to select potential contractors.

3. How do I make myself known to those departments and find out what goods or services are needed now or in the near future?

For Purchasing, call the office's main number at (415) 554-6743. For the following departments, call the numbers listed near the back of this booklet in Chapter 10, "City References": Airport; Department of Public Works (DPW); Port; Municipal Transportation Agency (MTA) which includes the Municipal Railway (MUNI); San Francisco Public Utilities Commission (SFPUC) which includes the Water Department and Hetch Hetchy; and Recreation and Park Department (Rec & Park).

For other City departments, call each department directly. There are two sources for departmental phone numbers. First, you may consult the Government Pages of the San Francisco telephone directory. Second, City government phone numbers are posted on the Internet. Go to the City's home page at **www.sfgov.org**, click on "Phone Book."

To learn about citywide procurement possibilities, check the "Bids and Contracts" database at **www.sfgov.org**. See Chapter 3, Sec. D.1, pp. 8-9 for more information. The database summarizes many upcoming purchases of products and services, as well as construction projects, architects and engineers, professional services and concessions, and leases. The database information is printed weekly in the "Bids and Contracts" newsletter.

4. How much of my product or service does the City buy?

It is important to know whether the City buys a lot of what you sell or only a little. Call OCA/Purchasing at (415) 554-6743 and talk to the buyer.

C. What is in this booklet, and what is not?

This booklet generally covers purchases of:

- products
- professional and other services
- construction
- architectural and engineering services

This booklet does not cover:

- Lease or rental of City property; call the Real Estate Department at (415) 554-9850.
- Concessions located on City property; call the department that manages the property.
- Disbursement of City grant funds

This booklet does not cover purchases by the following entities:

- San Francisco Redevelopment Agency (415) 749-2400
- San Francisco Housing Authority (415) 554-1200
- San Francisco Unified School District (415) 355-6963

D. What should I be careful of?

1. Promises of an award

Because the City relies heavily on competitive bidding, no department knows which bidder will receive an award until sealed bids are opened, and the evaluation is completed. This means that no one can give assurances that a vendor will receive a particular order. City government is also subject to California law regarding conflict of interest, including the

receipt of gifts. In many circumstances, gifts are illegal or, at the very least, may be reported by City officials on state mandated forms.

2. Do not start work without an authorized contract or Purchase Order

In general, no service should be provided, and no goods should be delivered before you receive a written contract from the City. Until the contract purchase order or blanket purchase order is executed by the City, the City has no legal obligation to pay for the order. If you begin work without legal authorization and certification of funds by the Controller, your options may include taking back your merchandise or filing a claim with the City. (Some exceptions apply to Departmental Purchase Orders. See Chapter 7, Emergency Order p. 27-28)

E. Where is OCA/Purchasing?

OCA/Purchasing's main office is in Room 430 in City Hall, 1 Dr. Carlton B. Goodlett Place, between Grove and McAllister Streets. To get here, you can take BART to the Civic Center Station and go west, or the Municipal Railway (MUNI) to the Van Ness station and go north. Pay parking is available at numerous lots in the area. The closest is Civic Center Plaza Garage, across the street from City Hall, under Civic Center Plaza, also known as Joseph Alioto Piazza.

2. WHAT THE CITY BUYS

The following are examples of the types of products the City purchases. This is not a complete list.

- vehicles: cars, trucks, vans
- petroleum: fuel, lubricants
- office supplies
- printed forms, paper
- computer hardware and software
- food and food services, for hospitals and jails
- animal feed and supplies
- medical equipment and supplies, pharmaceuticals
- laboratory equipment and supplies
- castings
- chemicals
- institutional clothing and laundry service
- electrical supplies, lamps
- glass
- pipe, fittings, valves
- hardware, tools, locks, shovels, rakes, lumber

The following are examples of general services the City buys:

- janitorial
- security guard
- pest control
- landscaping

The following are examples of construction services for which the City contracts:

- building
- street repair
- park and playground improvement
- utility systems and repair

The following are examples of professional services for which the City contracts:

- management consulting
- accounting and auditing
- medical
- legal
- computer software design and consulting
- architecture and engineering
- facilities management

3. COMPETITIVE BIDDING FOR PRODUCTS AND GENERAL SERVICES

A. How do I get started?

After you have done the necessary research to determine that the City buys what you sell, and that it is worthwhile for you to become aware of upcoming bids, you need to get your company into the City's vendor database. To do this, you must complete OCA/Purchasing's "Vendor Profile Application Package," which contains forms that request information on you and the goods or services you provide. To receive this package, visit or call OCA/Purchasing at (415) 554-6743. You may also download the Application Package from OCA/Purchasing's website at **www.sfgov.org**.

Once you have submitted the Vendor Profile Application, your firm's name will be on the City's vendor file and available to departments seeking what you provide. However, you cannot depend on departments to notify you every time they need what you sell. It is important to check the "Bids and Contracts" database periodically to keep informed. See Chapter 5 on how to get "Bids and Contracts" newsletter.

Please note that completing the Vendor Profile Application is not the same as getting certified as a Disadvantaged Business Enterprise (DBE). You must submit a separate DBE certification application to the Human Rights Commission (HRC). See Chapter 6, "DBE Ordinance," pp. 22-26.

B. I would like to contact someone in OCA/Purchasing

If you sell products or general services, your first stop should be OCA/Purchasing. Call the main number at (415) 554-6743 to find out which buyer is responsible for your category of products or services. Then speak to the buyer to arrange an appointment to discuss your products or services. OCA/Purchasing's regular office hours are 8 a.m. to 5 p.m. Please complete the Vendor Profile Application beforehand, and bring it with you to your appointment.

We want to make your time as productive as possible. To help us do so, when you meet with the buyer, be sure to bring your company's literature, references, telephone contacts, names of people authorized to sign contracts on your company's behalf, and information regarding any contracts you have with the federal, state or other municipal governments.

C. How does OCA/Purchasing request bids?

After your first visit to OCA/Purchasing, your next encounter with the process could be when you receive a bid request. Except for emergency or urgent needs, OCA/Purchasing sends out written requests for bids. These requests are generally of two types:

- For bids over \$50,000, OCA/Purchasing sends the formal "Invitation to Bid" (ITB) to potential bidders and advertises the bids in the City's official newspaper. (See next section.)
- For bids under \$50,000, OCA/Purchasing sends out informal bids, called "Quotations." The quotations are not advertised but are sent to a minimum of three prospective bidders.

Bids or quotations of \$10,000 and above are listed in the "Bids and Contracts" database, described in the next paragraph. For urgently needed items, OCA/Purchasing requests quotations by telephone or fax

D. How do I learn about bids?

1. Check the "Bids and Contracts" database on the website.

All City bids are posted on the City's website at **www.sfgov. org** (click on "Bids & RFPs"). Notices are added throughout the day. The database contains the following categories:

- Equipment, supplies and general services managed by OCA/Purchasing; in this category, the complete bid package for each bid is attached to the notice.
- Equipment, supplies and general services managed by other departments
- Architect and Engineering bids, solicited by construction departments
- Concessions and Leases solicited by departments that manage the property
- Construction bids solicited by construction departments
- Consulting and professional service contracts solicited by all City departments

See Chapter 5, "Internet Information," for a full description.

2. Read the weekly "Bids and Contracts" newsletter.

The database is transformed into a newsletter once a week. It is also available by paid subscription (currently \$72 per year) to all other vendors. To subscribe, obtain a subscription form by going to the OCA/Purchasing home page, and then to Subscription Form for "Bids and Contracts;" or call OCA/Purchasing at (415) 554-6743, and we will send you one.

3. Review OCA/Purchasing's list of pending bids.

OCA/Purchasing maintains a file of pending bids at the front counter of its main office at City Hall, Room 430. You may visit OCA/Purchasing during office hours to request a copy of a bid. Office hours are 8 a.m. to 5 p.m.

4. Check the advertisements in the official newspaper.

All bids of \$50,000 or more are advertised in the local official newspaper. The City's official newspapers are subject to change annually.

E. How do I get a copy of a bid?

The best way is to go to the bid database on the Internet and download the entire bid package. However, upon request, OCA/ Purchasing will send a bid package via U.S. mail.

To expedite receipt of a bid package, you may provide OCA/ Purchasing with your express delivery account number and you will receive the package by express mail.

F. How do I submit a bid?

Because of the structured nature of government contracting, the City has little flexibility if the bid you submit does not include everything required. So it is critical that you submit a bid that is correct the first (and perhaps only) time, or else we may not be able to consider your bid. Here are some things to keep in mind:

Be timely.

Submit your bid by the date and time specified. Late bids will be considered.

Read the bid conditions.

Each bid contains a number of bid conditions, some applicable to all City bids and some tailored to the particular bid. Prices must be firm for the period specified, from as short as ninety (90) days to as long as two (2) years. For a contract that could extend over several years, prices can change yearly.

Be responsive.

Bid on the items and in the quantities the bid requests. If you add any qualifications or reservations to your bid, the bid may be considered conditional or nonresponsive and can be rejected.

 Adhere to bid conditions; failure to do so may result in rejection of the bid.

G. May I be present when the bids are opened?

Yes. The bid request notes when bids will be opened. Formal proposals are opened publicly on Mondays and Fridays at 2 p.m. in City Hall, Room 430. Generally, OCA/Purchasing announces the names of firms and the submitting bids. Only summary pricing may be announced. Quotations are not opened publicly, but you can call the buyer any time after you submit your quotation to find out if the quotations have been opened yet.

H. How does the bid evaluation process work?

Depending on the complexity of the bid, it can take from several days to several weeks to evaluate all the bids submitted. OCA/Purchasing makes certain that bidders are bidding on the same items and in the same units and quantities. Sometimes a bid states "brand name or equal," which means that if you bid on an item other than the one specified, such as an Ajax widget, your item must perform as well as the specified item.

When bids have been evaluated, OCA/Purchasing sends a summary to the requesting department for review and recommendation.

OCA/Purchasing awards the contract to the lowest responsible and responsive bidder.

For a bid with many items, OCA/Purchasing, at its discretion, may award the entire contract to one bidder based on comparisons of the aggregate bids, or may make individual line item awards to the lowest bidders. This option will be stated in the bid package.

I. May I inspect the bids? How do I learn about bid results?

After a contract is awarded, all bids become part of the public record and may be inspected.

Because of the number of bids and bidders, OCA/Purchasing is unable to notify unsuccessful bidders in writing of the bid results. After the award is made, you may come to the office and inspect the bid tabulation, or we can send copies to you for a copy fee. To find out if the bid has been tabulated and award made, call OCA/Purchasing at (415) 554-6743 seven to ten days after the bid opening date. You will be informed whether the bid tabulation is available at OCA/Purchasing's front counter, or of the charge for a copy.

J. Are there forms to fill out?

Yes. Some forms are mandatory and some are optional.

1. Administrative Code Chapter 14A, the DBE Ordinance

The DBE Ordinance Compliance Declaration (HRC Form 3) must be signed by vendors bidding on City contracts to the extent Administrative Code Chapter 14A applies.

2. We need your Federal Employer ID Number or Social Security Number.

The City needs each vendor's taxpayer ID number. If we do not already have it, then complete IRS form W-9. You can find it on the IRS website at **www.irs.gov**.

3. Administrative Code Chapter 12B, Nondiscrimination in Contracts and Benefits

The Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits (form HRC-12B-101) is mandatory. With this form, you tell the City whether your personnel policies meet the City's requirements for nondiscrimination against protected classes of people, and in the provision of benefits between employees with spouses and employees with domestic partners. Your submission will not be considered complete if it does not include the additional documentation asked for on the form.

Depending on your answers on the Chapter 12B Declaration, you may need to fill out one or two other forms. The first is the Reasonable Measures Application (form HRC-12B-102). If you have taken all reasonable measures to end discrimination in benefits, have been unable to do so, and plan to offer your employees a cash equivalent, you should use this form to request HRC approval to comply in this way.

The second optional form is the Substantial Compliance Authorization (form HRC-12B-103). If you intend to comply completely with Chapter 12B, but need additional time to do so due to certain specified reasons (such as, you could not change your benefits program in time for the most recent open enrollment period), you should complete this form to document the reasons why you cannot comply now. If HRC approves this form and related documentation, your company can be placed in compliance with Chapter 12B on a provisional basis, until you are able to complete the compliance process.

4. Do you owe Business Tax?

The Business Tax Declaration (form P-25) is mandatory. The City uses this form to determine if vendors must register with the Tax Collector, and if so, whether they have. All vendors must sign this form, even if they are not located in San Francisco. Please note that all businesses (sole proprietorships, partnerships, or corporations) that qualify as "doing business in San Francisco" must register with the Tax Collector's Office, Taxpayer Assistance, located in City Hall, Room 140. Or, you may call (415) 554-4400.

5. Minimum Compensation Ordinance (MCO)

The Minimum Compensation Ordinance (MCO) requires vendors providing services to the City to provide their employees working on City contracts with a specified wage, paid time off and unpaid time off. To show that you comply with the MCO, you can complete the Minimum Compensation Ordinance (MCO) Declaration, which is optional, or you can simply sign a City contract or accept a City purchase order that contains MCO provisions.

For more information on MCO, please visit the website: **www.sfgov.org/olse**.

6. Health Care Accountability Ordinance (HCAO)

The Health Care Accountability Ordinance (HCAO) requires vendors providing services to the City to: provide their employees working on City contracts with a health plan that meets the minimum standards prepared by the Health Director and approved by the Health Commission; pay to the Department of Public Health a certain amount for covered employees; or participate in a health benefits program. To show that you comply with the HCAO, you can complete the Health Care Accountability Ordinance (HCAO) Declaration,

which is optional, or you can simply sign a City contract or accept a City purchase order that contains HCAO provisions.

For more information on HCAO, please visit www.sfgov.org/olse.

7. Nondiscrimination and employment information

For leases, concessions, construction, general services and professional service contracts, there may be forms relating to compliance with the City's nondiscrimination regulations (see Chapter 6).

All contracts over \$50,000 must comply with local hiring and first source employment programs. If you have questions on this program, please contact the Mayor's Office of Economic and Workforce Development at (415) 401-4823.

8. How to become certified as a Disadvantaged Business Enterprise (DBE).

If you wish to claim the DBE bid discount, you must be certified by the Human Rights Commission (HRC) by the bid opening date (see Chapter 6). To do that, you must submit an HRC form, Schedule D: Disadvantaged Business Enterprise Application. It is on the web at **www.sf-hrc.org**.

K. How does a department process its own purchasing of products and general services up to \$10,000?

Most City departments can do their own purchasing of products and general services, up to a maximum order of \$10,000 (including tax and freight), subject to certain exceptions. For product purchases, competitive bids are not required under \$2,500. For over \$2,500, multiple written quotes must be obtained. For general services,

competitive bids are not required under \$10,000. City procedures encourage departments to solicit three bids for all orders. Items departments cannot purchase directly but instead must go through OCA/Purchasing include computer hardware and software; telecommunication equipment and wiring; video display terminals and related products; cars, trucks, and vehicles; and term contract items from a non-contract vendor. Departments may not split larger orders to come under the \$10,000 limit.

To place an order, departments create a Departmental Purchase Order and mail it directly to the vendor. (Some orders of \$200 or less might not involve a hardcopy purchase order unless a vendor requests one.) Except for developing the procedures for departments to follow, OCA/Purchasing is not involved in these types of orders.

To compete for these orders, vendors must make themselves known to departments, both directly and by making sure that they are in the City's vendor file, and comply with all of the City ordinances.

4. CONSTRUCTION, ARCHITECTS, ENGINEERS AND PROFESSIONAL SERVICES

A. How does the City contract for construction and architects and engineers?

If you are interested in opportunities for construction, architectural, engineering and related work, you should contact the following departments directly:

- San Francisco International Airport
- Port of San Francisco
- Municipal Transportation Agency, which includes the Municipal Railway
- San Francisco Public Utilities Commission, which includes the Water Department and Hetch Hetchy
- Public Works
- Recreation and Park

Their addresses and phone numbers are listed in Chapter 10, City References, Section B, pp. 36-38.

B. How does the City contract for professional services?

In the City, professional services include management consulting, accounting, data processing design or consulting, legal or medical services and other similar services. OCA/Purchasing approves contracts for professional services.

However, before such a contract arrives in OCA/Purchasing, the user department requiring services has already conducted a Request for Proposal (RFP) process, soliciting interest, qualifications, etc.

If you provide such services, you should contact the user department directly for information about contracting opportunities and procedures. Departments advertise their upcoming contracts in the "Bid and Contracts" website. See Chapter 3, Section D.1, pp. 8-9.

City departments are listed under "San Francisco, City and County of" in the Government section of the telephone directory. For departments with senior purchasers on site (see Chapter 10, City References, Section A, pp. 34-35 for a listing), contact the senior purchaser first. For other departments, ask for the Contract Administration office or Budget or Accounting office.

5. INTERNET INFORMATION

A. Where is the "Bids and Contracts" database? How does it work?

City bids are posted on the Web in the Bids and Contracts database at: http://bids.sfgov.org

The categories of Bid requests are:

- Equipment, Supplies and General Services managed by the OCA/Purchasing
- Equipment, Supplies and General Services managed by all other City departments
- Architects and Engineers managed by City departments listed under "Construction" below
- Concession and Leases managed by Airport, Real Estate, Recreation and Park, and Port
- Construction managed by Airport, Port, Municipal Transportation Agency, San Francisco Public Utilities Commission, Public Works, Recreation and Park, School District, City College, Housing Authority, and Redevelopment Agency
- Consultants and Professional Services

In OCA/Purchasing's category, you will find the complete bid package is attached. In the other categories, some bids will have attached files, often letters to prospective bidders, instructions on how to purchase a bid package or even a complete Request for Proposals package. It is always a good idea to download and read the attached files before you call anyone with questions about the bid.

B. What is on the City's home page?

The City's Home Page, **www.sfgov.org**, has a wealth of information. Information ranges from something as specific as "how to start a business" to something general like the City's phone directory. Please visit the BizInfo link on the home page. It is a great

City business guide where you can find tax, licensing and permit information, business assistance programs and small business sources.

C. What is on OCA/Purchasing's home page?

Here is what you will see:

1. Bids and Contracts Database

It lists bids and contracts by categories of bid requests.

2. Bids and Contracts Newsletter Subscription Form

Use this form to subscribe to Bids and Contracts Newsletter published weekly. The fee is \$72/calendar year, prorated at \$6/month if joined in the middle of the year.

3. Bids and Contracts Database Information Form

Departments and nonprofit organizations use this form to inform OCA/Purchasing of their bids and contracts to be advertised on the OCA/Purchasing Bids and Contracts Database website.

4. List of buyers and how to contact them

This page lists each buyer, phone number and areas of responsibility. Some purchasers are located in the departments they serve. This page lists them with office location, telephone and e-mail address.

Chapter 14A – Disadvantaged Business Enterprise (DBE) Program

This chapter gives the City the ability to enter into contracts under a prime and subcontracting program for local DBEs. It also grants bid/rating discounts to certified DBEs.

6. Required vendor forms

It lists forms required from the vendor to do business with the City.

7. Additional forms for your particular bid

It lists additional forms required for particular bids such as Insurance Certificate, Performance Bond and Payment (Labor and Material) Bond.

8. Frequently asked questions

The information in this booklet is substantially based on the questions posed on OCA/Purchasing's website. For more detailed information, consult the Help System of the Bids and Contracts Database at www.sfgov.org/oca.

9. General business information

This section outlines the information contained in this booklet.

10. Rules and Regulations Pertaining to San Francisco Administrative Code, Chapter 21 – This document sets forth rules and regulations pursuant to Chapter 21.

11.Contact us

The "Contact Us" icon is at the bottom of the web page. You can request information or send your comments to OCA/ Purchasing by selecting Office of Contract Administration (Purchasing) from the drop down menu, write your comments or request, and enter "Submit" to send your message.

6. THE DISADVANTAGED BUSINESS ENTERPRISE (DBE)

A. What does the ordinance do and why?

San Francisco's DBE Ordinance (Chapter 14A of the Administrative Code) was enacted to: increase the opportunities for local disadvantaged businesses to compete and participate in the procurement activities of the City and County of San Francisco; partially compensate for the higher administrative costs of doing business in San Francisco.

To accomplish these goals, the ordinance grants bid discounts to DBEs that have been certified by the Human Rights Commission (HRC). If you need copies of the ordinance or its implementing Rules and Regulations, they are available on the web at **www.sf-hrc.org**, or by calling the Human Rights Commission at (415) 252-2500. The information in this section will be revised as necessary to reflect any amendments to the ordinance.

The ordinance also contains a subcontracting program that aims to increase the participation of DBEs as subcontractors on general services, construction projects, contracts for architects and engineers and other professional service contracts. See Section 6.F. below.

If you are a subcontractor interested in which potential prime bidders have requested bid documents on a specific contract, please check the Bids and Contracts database. Some construction bids have the planholders' list attached. For other bids, you should call the person listed as the Contact.

B. What is a certified business? What is a registered business?

The DBE Ordinance covers two broad categories of businesses: certified DBEs and registered DBEs.

Certified businesses may qualify for a bid discount. Registered

businesses do not qualify for a bid discount, but the DBE Ordinance requires that the City make good faith efforts to do business with DBEs.

1. Certified businesses

To be certified as a local business (DBE), you must be both:

- local i.e., having had a place of business in San Francisco for at least six months; and
- economically disadvantaged, which relates to type of business and average gross receipts for the last three years.

2. Registered businesses

To qualify as a registered DBE, you must be economically disadvantaged and either:

- located in San Francisco, but not economically disadvantaged, or
- located outside San Francisco, of any business size.

C. How does the bid discount work?

City applies bid discount on public works/construction, general services, architect/engineering and professional services contracts over \$10,000. For commodities, City applies bid discount on contracts over \$2,500.

The Ordinance grants 10% bid discount. For example, if a DBE and a non-certified bidder all submitted bids of \$100, the DBE's bid would be reduced by 10% and the non-certified bidder's bid would not be affected. The DBE would receive the award based on its adjusted bid of \$90. The DBE would invoice, and the City would pay \$100.

D. To which transactions does the bid discount apply?

Eligibility for the DBE bid discount is determined by HRC.

The bid discount is available for all certified DBE vendors of:

- commodities (except petroleum and related products)
- general services
- Public Works/construction contracts
- professional services
- legal
- architects/engineering
- computer consulting, design training, etc.
- management consulting
- medical services
- accounting, auditing, finance, miscellaneous professional services

The 10% discounts do not apply to contracts over \$10 million.

E. If I am not a DBE, can I form a joint venture with a DBE?

Yes. Bid discounts are also available for joint ventures of DBE's:

- DBE participation 35-39%5%
- DBE participation 40-99%7.5%
- DBE participation 100%10%

F. How does the subcontracting program work?

The ordinance has established a separate program to increase the opportunities for DBEs to become subcontractors on City construction and public works projects and in professional/ general service contracts. The program applies to prime contracts that the City anticipates will involve subcontracting.

Bidders seeking these types of prime contracts from the City must show the City in their bids what subcontracts they intend to award, which subcontractors are DBEs and demonstrate the good faith efforts they have made to meet any DBE subcontracting goals that have been established for the project.

For more information on subcontracting for construction and architects/engineering contracts, contact the departments that award construction contracts, listed on pp. 36-38: Airport, Port, MTA, SFPUC, DPW, and Rec & Park. Or call the Human Rights Commission at (415) 252-2500. For more information on subcontracting under professional and general service contracts, contact the department that may be managing a prime contract that might use your services as a subcontractor.

The subcontracting program is detailed in HRC bid attachments. Copies are available on the HRC website (**www.sf-hrc.org**) or by calling HRC at (415) 252-2500.

G. What about state or federally funded projects?

The standards may be different and there will be no bid discount. Ask the department whether state or federal funds are involved and, if so, for more information on the program.

H. How does the Prompt Payment Program work?

The City is committed to paying all invoices in a timely fashion. The ordinance sets forth a policy for paying DBE vendors' invoices within thirty (30) days. To help us fulfill these goals, it is important that you follow the guidelines for invoice processing in Chapter 9, "Paying the Invoice," page 31.

I. How does the Bonding Program work?

The Surety Bond Program assists HRC-certified DBEs in obtaining bonding and financing for City construction projects.

The program is free. For more information, contact:

Merriwether & Williams Insurance Services 415 Montgomery St., Suite 200 San Francisco 94104 (415) 986-3999 www.merriwether-williams.com

J. How can my firm qualify as a DBE?

You must be certified by the Human Rights Commission, and you must be certified by the bid due date. To do that, you must submit a certification application to the Human Rights Commission and certification must be granted by the bid due date. Because of the amount of information that must be verified, the certification process can be lengthy, especially if all the required information is not submitted initially. Try to submit the application well before your bid is due. If you do not become certified, the bid discounts will not apply.

If you are a potential prime contractor responding to a bid that has subcontracting goals, the DBEs you list in your bid must be certified by the bid due date.

K. Certification

To be certified as a DBE, you must submit Schedule D, "Disadvantaged Business Enterprise Application." To be registered, you must submit a "Registry Application." All forms are available from the Human Rights Commission on its website at www.sf-hrc.org; and from HRC at:

Human Rights Commission 25 Van Ness Ave., Suite 800 San Francisco, CA 94102-6059 (415) 252-2500 TDD: (415) 252-2550

7. TYPES OF AWARDS

When you receive an award, it will be one of several varieties:

A. Purchase Order:

A purchase order is used for a one time purchase of a definite quantity of goods.

B. Contract Purchase Order:

For construction, professional services and other transactions, the City prepares a Contract Purchase Order (signed by OCA/ Purchasing with the exception of construction) and a separate contract (approved by the department, the vendor, the City Attorney and OCA/Purchasing). The Contract Purchase Order verifies that funds have been encumbered and so performance can begin. The separate contract provides a detailed description of the duties and responsibilities of the vendor and the City.

C. Citywide Blanket Purchase Order:

A Citywide Blanket Purchase Order is awarded for a fixed term for an indefinite quantity of goods or services. Purchasing or other City departments may place orders throughout the year, using Purchase Order Releases from Blanket for items listed in the Citywide Blanket. All listed items the City needs will be purchased from the successful bidder, unless conditions in the bid state otherwise.

D. Departmental Blanket Purchase Order:

A Departmental Blanket enables a City department to order directly from the vendor in accordance with the Blanket's terms. The Departmental Blanket may cover: limited purchases of items not on a Citywide Blanket; monthly charges, such as for copier rental or maintenance.

E. Emergency Order:

If an emergency situation arises, OCA/Purchasing may give a department a purchase order number, and the department in turn would call a vendor directly, order what was needed and give the vendor the purchase order number (or OCA/Purchasing may call the vendor directly). A confirming purchase order would follow.

F. Departmental Purchase Order (DPO):

Under OCA/Purchasing's guidelines, departments may place their own orders for products up to \$10,000 (including tax and shipping). Departments are encouraged to solicit competitive bids.

A Departmental Purchase Order below \$200 could be verbal rather than written. For DPOs, the department will deal directly with the vendor, and OCA/Purchasing will not be involved.

8. DELIVERY AND ACCEPTANCE

A. Vendors work with the department receiving the product or service

After the City's order has been placed (whether by OCA/Purchasing or another department), you will be working with the department to which you will deliver the product or service. That department is responsible for receiving and accepting the product or service and initiating the process to pay the invoice.

B. Where and how to deliver

For most orders, the delivery point is sited in the requesting department where the item or service will be used. You should note carefully the Delivery Address in the City's bidding and order documents, including the room number if indicated.

This means that if the delivery address is 1234 Main St., Room 605, the final delivery point is that room, and it is probably on the sixth floor of the building. For bids for heavy items, the City will use best efforts to indicate the delivery point's floor and whether an elevator is present. But even if this detail is not present, you are responsible for delivering to the final destination specified in the order.

Deliveries to City departments typically are made by common carrier, by the vendor's trucks or through the U.S. Postal Service.

Do not send the order to the buyer in OCA/Purchasing whose name may be on the transaction. See below under "Problems."

C. Include the order number on the outside of the package

You must include the Department contact name and Purchase Order number, Departmental Blanket Purchase Order number, Citywide Blanket Purchase Order Release number or Contract Purchase Order number on the outside of the package. This will enable the City to identify the correct department or individual as the recipient in case there are any problems.

D. Inspection and acceptance by the department

All goods and services are considered received by the City only after the requesting department inspects to be certain all items are received and in good condition, or that the service has been performed satisfactorily. After inspection and any necessary tests have been performed, the department will approve the invoice.

E. Problems

Circumstances that may interfere with the City's acceptance and payment for an order include:

- Short shipment, backorders: generally, the City pays for an order only after all items have been received. Partial payments are discouraged because of the abovementioned burden and cost of multiple payments. Exceptions are large-volume, high-dollar orders. If you have made several shipments to fill an order, and mailed the invoice for the entire order before all shipments were received, you can expect payment only after the City receives the complete order.
- Wrong delivery address: the shipment was sent to OCA/ Purchasing. Occasionally, vendors send orders to OCA/ Purchasing instead of the requesting department. This causes delays as OCA/Purchasing determines the ultimate recipient and forwards the order. If no purchase order number appears on the outside of the container, OCA/Purchasing may be unable to identify the correct department and thus be forced to return the shipment.
- No purchase order number on the package: if there is a problem with the delivery address, knowing the order number can be a significant help to the City in identifying the ultimate recipient.

9. PAYING THE INVOICE

Receiving departments initiate the process to pay the invoice. If you have questions about an invoice, call the receiving department first. If the department is unable to assist you, then call OCA/Purchasing. Always have the City's purchase order number when you call.

This information is applicable to purchase orders, contract purchase orders and blanket purchase orders signed by OCA/Purchasing. For payment information on construction, you should contact the particular City department involved. See Chapter 10, "City References," for names, addresses and phone numbers.

As the City implements its new accounting system, more and more departments will be processing their orders and invoices online. This section notes the differences between what online departments do and offline departments do.

A. Where do I send the invoice?

Send your invoice to the "Bill To" address specified in the order. This will speed payment. For all types of orders, the billing address is that of the City department receiving the good or service. Include the Purchase Order, Contract Purchase Order or Blanket Order Release number on the invoice. This will help us match the invoice to the correct order.

B. What does the user department have to do?

1. General

The City must verify that the order was received complete and in good condition. The invoice is matched with the original order and any receiving document so the City can determine that what was delivered is what was ordered.

2. Online departments

The online department enters the invoice information into the system and approves payment if everything is in order. The transaction is then posted to the Controller. No paper is sent between City offices.

3. Offline departments

The offline department completes a form indicating receipt of the complete order and requesting payment, and then sends the form along with a copy of the invoice to the Controller.

C. What happens before the check is written?

The Controller's Office reviews the invoice and upon receiving information (either online or as documents), prepares the warrant and mails it to the vendor.

D. What if I have questions about an invoice?

Call the City department to which you have mailed the invoice. Have the purchase order number or other identifying City transaction number handy.

E. What can I do to help the payment process proceed more quickly?

If you observe the following tips, things should go smoothly:

- Make sure you send the shipment to the correct City address.
 In general, do not send the shipment to OCA/Purchasing.

 Note carefully the "Deliver To" address on the City's Purchase Order, Contract Purchase Order, Blanket Order Release, or Departmental Purchase Order.
- Include the order number on the outside of the package.

- Send an invoice for the complete order, not a partial one, and
 do this only after the full order has been shipped. In general,
 the City does not pay partial invoices. Invoices sent too early
 may become difficult to locate once the shipment arrives.
- Send the invoice to the correct City address. Pay close attention to the Purchase Order, Contract Order or Blanket Purchase Order which shows the "Bill To" address.
- Include the correct Purchase Order number, Blanket Order Release number, Contract Order number or Departmental Purchase Order number on the invoice. The City needs that identifying number to match the shipment or services with the procurement document.

10. CITY REFERENCES

For information on payments, call the department that received, or will receive, the product or service.

A. Office of Contract Administration/Purchasing

Main Office:

City Hall, Room 430 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4685

Phone: (415) 554-6743 Fax: (415) 554-6717

E-mail: purchasing@sfgov.org
Home page: www.sfgov.org/oca

OCA/Purchasing's satellite offices:

Department of Public Health

S.F. General Hospital 1001 Potrero Ave., Room GP-1 San Francisco 94110-3594 Phone: (415) 206-6955

Fax: (415) 206-6956

For information on payments: (415) 206-8444

S.F. International Airport

Terminal 2 P.O. Box 8097

San Francisco, CA 94128

Phone: (650) 821-2848 Fax: (650) 821-2820

For information on payments: (650) 821-2843

• San Francisco Public Utilities Commission (SFPUC)

Water Department and Hetch Hetchy 1155 Market St., 5th Fl. San Francisco, CA 94103

Phone: (415) 487-5267 Fax: (415) 487-5237

For information on payments: (415) 487-5295

Municipal Transportation Agency (MTA)

Municipal Railway One South Van Ness Ave., Room 3097 San Francisco, CA 94103-1267

Phone: (415) 701-4705 Fax: (415) 701-4729

For information on payments:

Materials Management: (415) 701-4700 Finance and Administration: (415) 701-4660

Department of Public Works (DPW)

Bureaus of Building Repair, Street and Sewer Repair, Street Environmental Services 2323 Cesar Chavez St., Bldg. A San Francisco, CA 94124 1091

Phone: (415) 695-2124 Fax: (415) 695-2127

For information on payments: (415) 695-2074

B. Construction Departments

Public Works

For information on upcoming contracts:

- Chief, Bureau of Engineering (BOE) (415) 558-4000
- Chief, Bureau of Architecture (BOA) (415) 557-4700
- Superintendent, Bureau of Building Repair (BBR) (415) 695-2014

For information on payments:

 Accounting Division, DPW (415) 554-6410

For information on contract processing:

 Contract Administration Division, DPW (415) 554-6229

Port of San Francisco Commission

For information on upcoming construction and professional service contracts, payments and contract processing:

 Engineering Division, Manager, Special Services Section (415) 274-0554

Municipal Transportation Agency

For information on MUNI payments:

• Finance (415) 554-7610 (415) 554-7945

For information on Construction and Professional Service Contracts:

• Construction Division (415) 554-0721

San Francisco Public Utilities Commission

Construction and professional services contracts:

 Contract Administration (415) 551-4603

Upcoming contracts, other payments and contract processing:

 Contract Administration (415) 551-4603

San Francisco International Airport

Construction and professional service contracts:

- Facilities Operations and Maintenance Division (650) 821-7777
- Planning, Design and Construction (650) 821-7799
- Leases and professional service contracts: Contract Administration Division (650) 821-7777
- Invoice and payment processing: Accounting (650) 821-2861

Recreation and Park Department

- Construction, planning and design contracts: (415) 831-2779
- Invoice and payment processing: (415) 831-2723
- Leases, concessions and permits: (415) 831-2771
- Miscellaneous professional services contracts and contract administration: (415) 831-2712

C. DBE Ordinance

For more information on the Ordinance, please contact:

• Human Rights Commission

25 Van Ness Ave., Suite 800 San Francisco, CA 94102 6059 (415) 252 2500 TDD (415) 252-2550 a mail: hrc into@stage.org

e-mail: hrc.info@sfgov.org Home page: www.sf-hrc.org

OCA/Purchasing

City Hall, Room 430 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4685 Phone: (415) 554 6743

Phone: (415) 554 6/43 Fax: (415) 554-6717

E-Mail: purchasing@sfgov.org Home page: www.sfgov.org/oca

D. Other contract administration offices

Two other City departments administer a significant number of professional service contracts:

Department of Public Health

Office of Contract Management and Compliance 101 Grove St., Room 307 San Francisco, CA 94102 (415) 554-2607

Department of Human Services

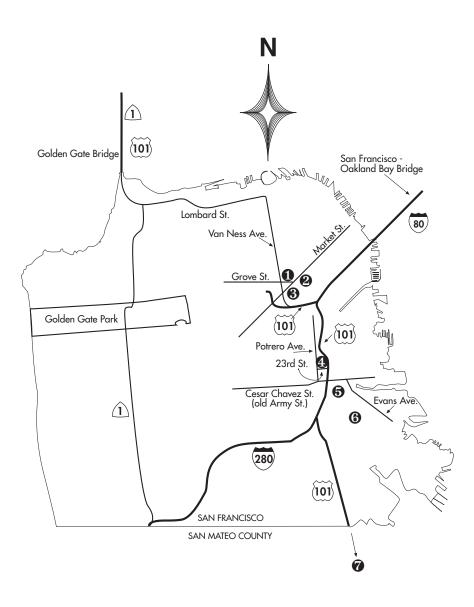
Office of Contract Compliance 170 Otis Street, 8th Floor San Francisco, CA 94103 (415) 557-5581

E. Small Business Commission: Starting a Business in San Francisco

If you are considering starting a business in San Francisco, or establishing an office here of an existing business, City government can help. The Small Business Commission has published "Getting a Business Started—A Guide to Doing Business in San Francisco." This booklet will tell you about the local, state and federal requirements which apply to businesses.

For more information or for a copy of the booklet, call the Small Business Commission at (415) 554-6134.

11. MAP—PURCHASING DEPARTMENT: MAIN OFFICE AND SATELLITE LOCATIONS



KEY TO LOCATIONS

- 1 Purchasing
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
- Public Utilities Commission Water Dept. and Hetch Hetchy 1155 Market St., 5th Floor
- Municipal Transportation Agency Municipal Railway One South Van Ness Ave., Room 3097
- 4 San Francisco General Hospital 1001 Potrero Ave., Room GP-1
- 5 Department of Public Works 2323 Cesar Chavez St. (old Army St.), Room 3
- 6 Central Shops (Department of Administrative Services) 1800 Jerrold Ave.
- 7 San Francisco International Airport
 Terminal 2
 P.O. Box 8097
 San Francisco, CA 94128



Office of Contract Administration

City Hall, Room 430 1 Dr. Carlton B. Goodlett Place San Francisco 94102-4685

Phone: (415) 554-6743

E-mail: purchasing@sfgov.org
Home Page: www.sfgov.org/oca
Bid Database: http://bids.sfgov.org