



# ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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JOHN ST. CROIX  
EXECUTIVE DIRECTOR

Date: October 6, 2010  
To: Members, Ethics Commission  
From: John St. Croix, Executive Director  
Re: Executive Director's report and recommendations regarding Campaign and Governmental Conduct Code section 1.126

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The City's contractor contribution restriction, San Francisco Campaign and Governmental Conduct Code section 1.126, prohibits people seeking City contracts from making political contributions to City elective officers who must approve those contracts. At the Ethics Commission's February 2009 meeting, staff proposed legislation to amend section 1.126. The Commission considered the proposal but did not take any action. Since that time, I have discussed section 1.126 with a number of individuals, including Ethics Commission staff members, department heads and staff of other City departments, representatives of non-profit organizations that apply for grants from the City, and elected officials. Based on those conversations and staff's experience administering the law, I have reached the conclusion that although the purposes of section 1.126 are laudable and important, the ordinance in its current form is administratively burdensome for the Commission's staff and other City departments and causes unnecessary hardships for candidates, contributors and local nonprofit organizations. For these reasons, I recommend that five changes be made to section 1.126:

1. Section 1.126 should not apply to grants or contracts with nonprofit organizations and other governmental agencies or constitutional corporations.
2. Section 1.126 should only apply to local elected officials and their boards or commissions, not to State agencies consisting of members appointed by local elected officials.
3. Section 1.126 should only apply to contracts that are worth at least \$100,000, instead of \$50,000.
4. The reporting requirements should be streamlined so that all elected officials who must approve a contract are included on the same form.
5. Section 1.126 should require contractors to notify members of their board of directors and other affiliated persons about the contribution ban within ten

business days of entering contract negotiations with the City, not before negotiations commence.

To explain those conclusions, this memo reports on the history, purposes and consequences of section 1.126. This memo is divided into three main sections. The first section provides background information that may be useful for the Commission, including the legislative history of section 1.126, the past administrative enforcement of the law, and the types of contracts that are subject to section 1.126. The second section addresses several concerns about the law, including its impacts on City departments, candidates and nonprofit organizations, and its application to contracts where there is little real-world risk of pay-to-play corruption. As discussed in the third section of this memo, staff now proposes modest amendments to section 1.126 that I believe would address many of the law's shortcomings.

## **I. Background Regarding the Contractor Contribution Ban**

### **A. Legislative History of Section 1.126**

Section 1.126 has expanded in three stages: (1) initial adoption in 1995 and modest amendments over the following decade, (2) significant expansion by the Ethics Commission and the Board of Supervisors (the "Board") in 2005-2006, and (3) extension of the prohibition to City elective officers in 2008.

#### *1. Initial adoption and subsequent amendments (1995-2005)*

Until November 1995, local law did not prohibit people or entities seeking City contracts from making contributions to candidates for City elective office. On November 7, 1995, the City's voters approved Proposition N, which prohibited anyone seeking to contract with the City to render personal services, sell property, or furnish materials, supplies or equipment from making campaign contributions to any elective officer who would be required to approve the contract, or to any candidate for that office. The law prohibited contributions from the commencement of contract negotiations through the completion or termination of negotiations. Proposition N amended local law in a number of ways, so the ballot arguments in the Voter Information Pamphlet did not specifically address the contractor contribution ban, but the apparent purpose of the proposal was to prevent so-called "pay to play" contributions that created the appearance of *quid pro quo* favoritism in contracting.<sup>1</sup>

The City extended the ordinance in three subsequent amendments over the next decade. First, the voters amended the ban in Proposition O in 2000, applying it to leases and to property sales contracts *from* the City in addition to sales *to* the City. In 2003, the Board and Ethics Commission adopted legislation prohibiting contributions not just during contract negotiations but also for three months after the approval of the contract. And in 2004, the Board and Ethics Commission again amended the law to apply to contracts with the School District and Community College District.

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<sup>1</sup> The contractor contribution ban was initially codified in Administrative Code 16.510-2, and was later re-codified in Campaign and Governmental Conduct Code section 1.126.

## 2. Significant expansion of the prohibition (2006)

In 2006, the Board and Ethics Commission significantly expanded section 1.126. Before 2006, the contribution prohibition applied only to contractors themselves (not to their owners, directors or employees), the law applied only to contracts (not to grants or loans), and the law did not require any filings by City departments. The 2006 amendments changed the law in many respects, most notably:

- *Grants and Loans:* Section 1.126 previously applied only to contracts. The amendments extended it to grants and loans as well.
- *Expanded blackout period:* Section 1.126 previously prohibited contractors from making contributions during negotiations and for three months after the approval of a contract. The amendments extended that period to six months after the approval of the contract.
- *State agency appointees:* Section 1.126 previously applied only to contracts that had to be approved by elected officials and their boards. The amendments extended the prohibition to contracts approved by a State agency on whose board an *appointee* of the elected official sits, whether or not the elected official plays any role in approving the contract. (By regulation, the Ethics Commission later clarified that section 1.126 applied to contracts approved by the Health Authority, Housing Authority, Industrial Development Authority, Parking Authority, Redevelopment Agency, Relocation Appeals Board, Treasure Island Development Authority and Workforce Investment Board.)
- *Persons affiliated with City contractors:* Section 1.126 previously prohibited contributions only by parties to City contracts. The amendments extended the ban to a contractor's board of directors; its chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the contractor; any subcontractor listed in a bid or contract; and any political committee sponsored or controlled by the contractor. The amendments also required the contracting party to inform all those persons about the contribution ban before the commencement of contract negotiations.
- *Filing requirement:* To help the Ethics Commission, the public and candidates to monitor compliance with section 1.126, the amendments required that each elected official file a form with the Ethics Commission whenever the official or a covered State agency board approves a contract or grant worth \$50,000 or more. The Ethics Commission later promulgated Form SFEC-126 for those filings.

## 3. Extension of the prohibition to City officeholders (2008)

In June 2008, the voters approved Proposition H, which again expanded the scope of section 1.126. Section 1.126 previously had prohibited contractors from *making* contributions, but the law did not prohibit City elective officers or candidates from *soliciting or accepting* such contributions. After Proposition H, persons holding City elective office can no longer accept such contributions where the elective officer or a board on which the officer sits must approve the contract. Unlike the prohibition on contributing, the new prohibition on soliciting or accepting the contribution begins at the time the contract is submitted to the official's

department, not at the time the negotiations commence. An official who violates section 1.126 must forfeit the illegal contribution to the City and could face criminal, civil or administrative penalties as well.

## **B. The Ethics Commission's Enforcement of Section 1.126**

### *1. Enforcement of the filing requirement*

After 2006, Commission staff did not prioritize enforcement of the filing requirement. Perhaps because City officials were not aware of the filing requirement, only a few elected officials filed Form SFEC-126 to report contracts they approved in 2007 and 2008.

In a memo dated May 5, 2009, I informed all elected officials that they should begin to file Form SFEC-126 whenever they approved contracts or grants worth \$50,000 or more. Since distributing that memo, we have received several hundred filings from elected officials, primarily the Board and the Mayor.

### *2. Enforcement of the contribution ban*

In the 14 years since the voters first adopted section 1.126, the Commission has considered only three formal complaints alleging violations of the law. Those complaints were filed in 1995, 2005 and 2007, and the Commission dismissed all three because the facts of each did not support a finding of probable cause.

## **C. The City's Contracting Process**

Section 1.126 applies to any contract, grant, lease or loan worth \$50,000 or more that must be approved by a City elective officer, by a City board on which that officer sits, or by the board of a State agency on which one of the City officer's appointees sits. Section 1.126 applies to five types of contracts:

- *Contracts with the elective officer's department:* Several City elective officers – including the Mayor, City Attorney, Assessor, Treasurer, District Attorney, Public Defender and Sheriff – are the heads of City departments. As such, these officials sometimes approve contracts for their departments. For example, the City Attorney approves contracts with outside counsel hired by the City Attorney's Office. If those contracts are worth \$50,000 or more, they are subject to section 1.126.
- *Contracts approved by Board resolution:* Under Charter section 9.118, the Board must approve all City contracts that involve City expenditures of \$10 million or more, involve City revenues of \$1 million or more, or have a term of ten years or longer. The Board also must approve significant amendments to those contracts. When the Board approves contracts by resolution, the Mayor must approve or disapprove those contracts within ten days of Board approval.

Most contracts considered by the Board and the Mayor under Charter section 9.118 are subject to the City's competitive contractor selection process. This procedure generally begins with a department or commission issuing a Request for Proposals or Request for Qualifications for a proposed contract. Potential contractors submit bids or proposals,

and the City – often acting through a department head, commission or appointed panel – determines either the lowest responsive bidder or best qualified proposal. At the end of this process, the department or commission submits the contract to the Board for legislative approval.

- *Grants approved by Board resolution:* The Board also approves by resolution a large number of City-issued grants to nonprofit organizations. These resolutions are also forwarded to the Mayor for approval or disapproval. The Board and Mayor often consider grants in large groups – as many as 150 in a single resolution. Some of these grants are worth less than \$50,000, but any grant awards worth more than \$50,000 are subject to section 1.126.
- *Contracts and grants approved by City boards on which elected officials sit:* Members of the Board and other elected officials hold seats on certain City boards. For instance, members of the Board of Supervisors serve on the City’s Retirement Board and Health Service Board. Because elected officials are members of those bodies, contracts and grants approved by these bodies are subject to section 1.126 if they are worth \$50,000 or more. The contracting parties cannot contribute to the elected official who sits on the body or to any candidates seeking election to that official’s position.
- *Contracts and grants approved by certain State agencies:* As discussed above, the Mayor and the Board appoint members to the boards of eight State agencies that are subject to section 1.126. No City elected officials sit on these boards, and their contracts generally do not require approval by the Board or any other City department. In discussions with staff at several of these agencies, I have learned that City officials have no involvement in these agencies’ contracting decisions. Even though the Mayor and the Board usually do not even know about these agencies’ contracts, section 1.126 prohibits the contracting parties from making contributions to candidates for those City offices.

## **II. Concerns About Section 1.126**

The expansion of section 1.126, particularly the 2006 amendment, has had a number of unforeseen practical consequences. Those consequences – including impacts on local nonprofit organizations, City departments, enforcement staff, candidates and contributors – overshadow and undermine the important policy goals that the contribution ban serves. Moreover, despite these burdens, the law sometimes prohibits contributions by contractors where there is little practical risk of pay-to-play corruption. Below, I summarize some of my concerns based on staff’s experience in administering section 1.126 in the past few years.

### **A. Burdens for local nonprofit organizations**

The 2006 amendments to section 1.126 have had a profound effect on local nonprofit organizations and their officers. As described above, legislation in 2006 extended section 1.126 to City grants and extended the prohibition on campaign contributions to members of the boards of directors of organizations receiving those grants. Until I directed City agencies to begin filing Form SFEC-126 in May 2009, we did not realize exactly how many San Francisco residents are covered by the contribution ban.

In the first seven months of this year alone, more than 67 percent of the contracts and grants (452 contracts/grants out of 665 between 1/1/10 and 8/9/10) reported on Form SFEC-126 have been grant agreements with nonprofit organizations approved by the Board and the Mayor. Each organization has a number of board members – usually 15-30 individuals but sometimes more than 60, based on an informal canvass – as well as executive officers. Considering that the Board and the Mayor approve grants to hundreds of organizations each year, section 1.126 prohibits political contributions from thousands of San Francisco residents because of their affiliation with charitable groups that receive City funding.

For many of these individuals, the contribution ban applies for more than just six months. Section 1.126 prohibits campaign contributions during the negotiation of the grant or contract and for six months after its approval. But many of the City's grants, including about 200 Community Development Block Grants ("CDBG"), run in 12-month cycles, which often require an organization to apply for next year's grant within six months of receiving this year's funding. So a nonprofit board member whose organization receives CDBG funding cannot contribute to any candidate for Mayor or the Board during the six-month application process, during the six-month window following the grant approval, during the next six-month application process, and so on. This perpetual application process effectively creates a permanent contribution ban for members of those nonprofit boards.

I understand that staff and officers of some local nonprofits are very concerned about the effect of section 1.126 on their board memberships. At a time when the City is relying more heavily on local non-governmental organizations to provide services to residents, some in the nonprofit community are worried that section 1.126 will hinder their ability to recruit board members to help with fundraising and oversight.

**B. Unnecessary application of the contribution ban where there is little pay-to-play risk**

The goal of section 1.126 is to prevent the appearance that prospective City contractors can buy influence by making contributions to elected officials who will approve their contracts. And the law generally is tailored to serve that goal. But I have discovered that the contribution ban is too broad in practice in two respects. First, the appearance of pay-to-play corruption is not as great when the Board and the Mayor approve batches of dozens of grants at a time to community organizations, so the contribution ban is not well tailored to those situations. Second, based on my observations, section 1.126 does not actually address a serious risk of pay-to-play arrangements – or even the appearance of pay-to-play – in State agencies like the Redevelopment Agency or the Health Authority. Although City elective officers appoint some members of those bodies, City officials rarely have any involvement with those agencies' contracts. Prohibiting the contracting parties from making contributions to City elective officers does not practically serve the City's anti-corruption goal.

**C. Burdens on the Ethics Commission and other City departments**

The filing requirements in section 1.126 also have proven to be a severe burden on the Ethics Commission and other City departments. In the first seven months of 2010, 329 reports were

filed, reporting 665 contracts, grants or loans. The Commission's staff has spent scores of hours reviewing and organizing these reports and providing brief summaries (including the date, amount of the contract and name of the contractor) on the Commission's website. We also regularly are called on to answer questions from departments about the filing requirements and the meaning and application of the law.

Based on my personal observations and conversations, I am also certain that other City departments have spent large amounts of time – hundreds of hours at least – preparing these forms, ensuring that they understand the reporting requirements, and collecting the required information for compliance with section 1.126. The Clerk of the Board of Supervisors and the Mayor have requested that each City department that submits a contract or grant worth \$50,000 for their approval provide them the necessary information for completion of the SFEC-126 form. So staff in dozens of City departments have been tasked with understanding section 1.126 and gathering information to comply with the form-filing requirement.

Ironically, despite all this effort to ensure that forms are completed, filed and organized for public consumption, the public rarely reviews the filings. Staff estimates that less than one person per quarter visits the Ethics Commission's office to review the SFEC-126 filings.<sup>2</sup>

#### **D. Challenges with monitoring and enforcement**

The breadth of section 1.126 not only makes compliance with the filing requirement burdensome for City departments, but it also makes enforcement and monitoring of the contribution ban much more difficult for staff and the public. With approximately 50 filings per month – most with information about 10-30 people who cannot make contributions to certain candidates – the amount of information is overwhelming. I am reluctant to ask my auditors or enforcement staff to review SFEC-126 filings and compare them against campaign filings because the sheer amount of data will make the search wasteful and likely fruitless.

The filing requirement in section 1.126 should allow candidates and the public to track City contracts and comply with the law. But the number of transactions that must be reported is so large that the filing requirement does not serve its purpose. As discussed in section III of this memo, I propose that the Commission consider tailoring section 1.126 so that fewer filings will be necessary.

#### **E. Difficulty of compliance for candidates and contributors**

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<sup>2</sup> A review of the actual filings is the only way a member of the public could obtain all the information that is submitted on the form. While the Commission posts a list of contractors doing business with the City on its Web site, the list contains only the names of the City elective officer who approved the contract, the name of the City agency or board that approved the contract, the name of the contractor, the date of contract approval, and the contract amount. The list does not include information on the names of the members of the contractor's board of directors, or the CEO, CFO or COO who are barred from making campaign contributions under section 1.126. From September 8, 2009, when the Commission began posting the list, until now, staff estimates that there have been approximately 720 views of the list, of which staff estimates roughly 20 percent were made by staff in order to update the list. Thus, there have been approximately 560 views. The contracts page has been easily accessible from multiple locations on the Web site including a link from the home page. By way of comparison, the pages on laws and advice, forms, and public financing, which receive equal exposure on the site, have each received more than 2500 views in the same or shorter time period.

I am similarly concerned that the scope of section 1.126 makes compliance difficult for candidates and contributors alike. Because so many people are covered by the law and so many SFEC-126 forms are filed with the Ethics Commission, it is difficult for campaign committees to keep track of when or from whom they can accept contributions. In light of the consequences of a violation, section 1.126 could be a trap for the unwary campaign or contributor. With thousands of people prohibited from contributing, each with his or her own contribution blackout period, campaigns undoubtedly will make mistakes. Grassroots campaigns without professional staff could be particularly vulnerable.

### **III. Proposed Amendments to Section 1.126**

As I have discussed, I believe that section 1.126 is now too extensive to accomplish its important purposes. Because of the number of filings and the number of contributors subject to the prohibition, the law is onerous for the Ethics Commission, for other City departments, for nonprofits, for candidates, and for contributors to campaigns. The law is also difficult to police, leaving the Ethics Commission as a repository for filings rather than an effective watchdog. To address some of these concerns, I propose that the Commission consider modest amendments to section 1.126. The proposal, which is attached to this memo, would make five changes to the law:

1. *Section 1.126 would no longer apply to nonprofit organizations.*

The law would explicitly exclude grants and contracts between nonprofit organizations and the City, School District or Community College District. This would address many of the concerns about the law's effects on nonprofit organizations and their officers and would lighten the administrative burden by eliminating hundreds of SFEC-126 filings each year. The legislation would also amend the ordinance to conform to the Commission's current interpretation of the law by expressly stating that section 1.126 does not apply to contracts between the City and other governmental entities, including constitutional corporations such as the University of California.

#### **Decision Point 1a:**

Shall the Commission approve changes to CFRO section 1.126(a)(2)(D) to exclude grants and contracts between nonprofit organizations and the City, School District or Community College District from coverage under section 1.126, as set forth in the additions on page 2, lines 11-13 of the draft amendments?

#### **Decision Point 1b:**

Shall the Commission approve changes to CFRO section 1.126(a)(2)(D) to exclude grants and contracts between a federal, state or local government entity and the City, School District or Community College District from coverage under section 1.126, as set forth in the additions on page 2, lines 11-13 of the draft amendments?

2. *Section 1.126 would no longer apply to contracts approved by State agencies.*

Because there is little if any risk or perception of pay-to-play arrangements between City officers and those seeking contracts with agencies that are separate from the City, section 1.126 would no longer apply to those contracts.

**Decision Point 2:**

Shall the Commission approve changes to CFRO section 1.126 to delete the phrase “a state agency on whose board an appointee of a City elective officer serves,” wherever it appears, specifically on page 2, lines 4-5, 17, and 21-22; and page 3, lines 21-22 of the draft amendments?

3. *Section 1.126 would no longer apply to contracts worth less than \$100,000.*

The Board of Supervisors normally is required to approve contracts worth \$10 million or more or with terms of ten years or longer. Contracts worth under \$100,000 rarely require approval by elected officials. And given the scale of other decisions that these officials make, the risk of *quid pro quo* corruption involving small-value contracts is relatively small. In light of administrative burdens discussed above, the threshold for the application of section 1.126 filings should be increased from \$50,000 to \$100,000.

**Decision Point 3:**

Shall the Commission approve changes to CFRO section 1.126 to change the contract coverage threshold from \$50,000 to \$100,000, as set forth in the deletion of “\$50,000” and the addition of “\$100,000” in section 1.126(b)(2) on page 3, lines 2-3 of the draft amendments?

4. *Section 1.126 would allow elected officials to file consolidated reports.*

This is a technical amendment that would streamline the filing requirement to allow the Board and the Mayor to file a single SFEC-126 form whenever the Board approves a contract by resolution. Currently, the Board and the Mayor must file separate forms for each contract approved by resolution. This amendment would fix that problem, thereby lessening the filing burden. The amendment would also allow an elected official to authorize a staff member to file on the official’s behalf, which will similarly lighten the burden on filers. Currently, the law authorizes commission and board clerks to file the forms on behalf of their commissions or boards, but it does not allow individual elected officials to designate a staff member to file the forms on their behalf.

**Decision Point 4a:**

Shall the Commission approve changes to CFRO section 1.126(e)(2) so that for contracts approved by the Board of Supervisors by resolution, members of the Board and the Mayor may notify the Ethics Commission jointly within five business days of the Mayor’s approval, the Board’s override of the Mayor’s veto, or the expiration of the period for the Mayor to veto the resolution under Charter section 3.103, as set forth on page 4, lines 8-12 of the draft amendments?

**Decision Point 4b:**

Shall the Commission approve changes to CFRO section 1.126(e)(2) to allow a City elective officer to authorize another person to file the notification form with the Ethics Commission, as set forth on page 4, lines 12-15 of the draft amendments?

5. *Section 1.126 would provide a ten-day notice requirement for parties seeking a contract.*

Currently, contractors must inform their affiliated parties (board of directors, CEO, CFO, etc.) about the restrictions in section 1.126 *before* initiating contract negotiations with the City. Staff believes this is an unrealistic and unnecessary requirement. The amendment would instead require contractors to provide the notice within ten business days of initiating contract negotiations.

**Decision Point 5:**

Shall the Commission approve changes to CFRO section 1.126(e)(1) so that any prospective party to a contract must notify each “person who contracts with,” identified in CFRO section 1.126(a)(1), within 10 business days of the commencement of negotiations for a contract, as set forth on page 3, line 20 through page 4, line 2 of the draft amendments?

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1 [Amending prohibition on political contributions by City contractors]

2

3 **Ordinance amending Chapter 1 of Article I of the Campaign and Governmental Conduct**  
4 **Code by amending section 1.126 to allow political contributions to local elected**  
5 **officials by individuals affiliated with non-profit organizations that contract with local**  
6 **agencies; to allow such contributions from parties that contract with State agencies**  
7 **whose board members are appointed by local elected officials; to increase the**  
8 **threshold so that the contractor contribution prohibition applies only to contracts or**  
9 **combinations of contracts worth \$100,000 or more; and to amend related filing and**  
10 **disclosure deadlines.**

11 Note: Additions are single-underline italics Times New Roman;  
12 deletions are ~~strikethrough italics Times New Roman~~.  
13 Board amendment additions are double underlined.  
14 Board amendment deletions are ~~strikethrough normal~~.

14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. The San Francisco Campaign and Governmental Conduct Code is hereby  
16 amended by amending Section 1.126 to read as follows:

17 Sec. 1.126 - CONTRIBUTION LIMITS--CONTRACTORS DOING BUSINESS WITH  
18 THE CITY.

19 (a) Definitions. For purposes of this Section, the following words and phrases shall  
20 mean:

21 (1) "Person who contracts with" ~~includes~~ means any party or prospective party to a  
22 contract, as well any member of that party's board of directors, its chairperson, chief executive  
23 officer, chief financial officer, chief operating officer, any person with an ownership interest of  
24 more than 20 percent in the party, any subcontractor listed in a bid or contract, and any  
25 committee, as defined by this Chapter that is sponsored or controlled by the party, provided

1 that the provisions of Section 1.114 of this Chapter governing aggregation of affiliated entity  
2 contributions shall apply only to the party or prospective party to the contract.

3 (2) "Contract" means any agreement or contract, including any amendment or  
4 modification to an agreement or contract, with the City and County of San Francisco, ~~a state~~  
5 ~~agency on whose board an appointee of a City elective officer serves,~~ the San Francisco Unified  
6 School District, or the San Francisco Community College District for:

- 7 (A) the rendition of personal services,
- 8 (B) the furnishing of any material, supplies or equipment,
- 9 (C) the sale or lease of any land or building, or
- 10 (D) ~~a grant,~~ loan or loan guarantee.

11 "Contract" shall not include an agreement or contract between the City and County of San  
12 Francisco, the San Francisco Unified School District, or the San Francisco Community College  
13 District and a non-profit organization or a federal, state or local government entity.

14 (3) "Board on which an individual serves" means the board to which the officer was  
15 elected and any other board on which the elected officer serves.

16 (b) Prohibition on contribution. No person who contracts with the City and County of  
17 San Francisco, ~~a state agency on whose board an appointee of a City elective officer serves,~~ the San  
18 Francisco Unified School District or the San Francisco Community College District,

19 (1) Shall make any contribution to:

20 (A) An individual holding a City elective office if the contract must be approved by  
21 such individual, or the board on which that individual serves ~~or a state agency on whose board an~~  
22 ~~appointee of that individual serves;~~

23 (B) A candidate for the office held by such individual; or

24 (C) A committee controlled by such individual or candidate

25

\*\*Name of Supervisor/Committee/Department\*\*

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1 (2) Whenever the agreement or contract has a total anticipated or actual value of  
2 ~~\$50,000.00~~ \$100,000 or more, or a combination or series of such agreements or contracts  
3 approved by that same individual or board have a value of ~~\$50,000.00~~ \$100,000 or more in a  
4 fiscal year of the City and County

5 (3) At any time from the commencement of negotiations for such contract until-

6 (A) The termination of negotiations for such contract; or

7 (B) Six months have elapsed from the date the contract is approved.

8 (c) Prohibition on receipt of contribution. No individual holding City elective office or  
9 committee controlled by such an individual shall solicit or accept any contribution prohibited by  
10 subsection (b) at any time from the formal submission of the contract to the individual until the  
11 termination of negotiations for the contract or six months have elapsed from the date the  
12 contract is approved. For the purpose of this subsection, a contract is formally submitted to  
13 the Board of Supervisors at the time of the introduction of a resolution to approve the contract.

14 (d) Forfeiture of contribution. In addition to any other penalty, each committee that  
15 receives a contribution prohibited by subsection (c) shall pay promptly the amount received or  
16 deposited to the City and County of San Francisco and deliver the payment to the Ethics  
17 Commission for deposit in the General Fund of the City and County; provided that the  
18 Commission may provide for the waiver or reduction of the forfeiture.

19 (e) Notification.

20 (1) Prospective Parties to Contracts. Any prospective party to a contract with the City  
21 and County of San Francisco, ~~a state agency on whose board an appointee of a City elective officer~~  
22 ~~serves,~~ the San Francisco Unified School District or the San Francisco Community College  
23 District shall inform each person described in Subsection (a)(1) of the prohibition in  
24  
25

\*\*Name of Supervisor/Committee/Department\*\*

**BOARD OF SUPERVISORS**

1 Subsection (b) ~~by~~ within ten business days of the commencement of negotiations for such  
2 contract.

3 (2) Individuals Who Hold City Elective Office. Every individual who holds a City  
4 elective office shall, within five business days of the approval of a contract by the individual  
5 ~~officer, or~~ a board on which the individual serves ~~officer sits or a board of a state agency on which~~  
6 ~~an appointee of the officer sits~~, notify the Ethics Commission, on a form adopted by the  
7 Commission, of each contract approved by the individual, ~~or~~ the board on which the individual  
8 ~~serves or the board of a state agency on which an appointee of the officer sits.~~ For contracts approved  
9 by the Board of Supervisors by resolution, members of the Board of Supervisors and the Mayor may  
10 notify the Ethics Commission jointly within five business days of the Mayor's approval, the Board of  
11 Supervisors' override of the Mayor's veto, or the expiration of the period for the Mayor to veto the  
12 resolution under Charter section 3.103. An individual who holds a City elective office need not  
13 file the form required by this subsection if the Clerk or Secretary of a ~~B~~board on which the  
14 individual serves ~~or a person authorized by the individual~~ ~~a Board of a State agency on which an~~  
15 ~~appointee of the officer serves~~ has filed the form on behalf of the board or the individual.

16  
17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

19 By: \_\_\_\_\_  
20 JONATHAN GIVNER  
21 Deputy City Attorney  
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23  
24  
25