

THIS PRINT COVERS CALENDAR ITEM NO.: 11A-11C

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Chief Strategy Officer

BRIEF DESCRIPTION:

Recommending that the SFMTA Board of Directors approve various SFMTA Policy and Procedure Reforms including: Amendments and Updates to the SFMTA Board of Directors Rules of Order; Amendments and Updates to the SFMTA Board of Directors Delegation of Authority Policy, and Amendments and Updates to the SFMTA Advertising Policy.

SUMMARY:

- The SFMTA consistently works on reviewing its government operations with the objective of a high performing and efficient transit agency and city department; regular reviews of policies and procedures results in efficiencies and operational cost savings.
- The *SFMTA Board of Directors Rules of Order* establishes the general governance guidelines for the SFMTA Board and is updated over time. This amendment changes the SFMTA Board's Order of Business to improve the ability of Board members to communicate to the Director; establishes a Policy for standing and select committees of the Board, sunsets prior committees of the SFMTA Board and effective June 2024 continues two select committees of the Board, the Vision Zero Committee and Train Control Upgrade Project (TCUP) Committee; adds the City's Parental Leave Policy for the Board; and streamlines the notice requirement for changes to fees, fares and fines consistent with the Charter and state law.
- The SFMTA Board adopted the most recent *SFMTA Contract Approval Delegation and Requirements Policy* (Delegation of Authority Policy) in 2019, which delegates to the Director of Transportation the authority to approve and execute expenditure and revenue contracts, contract amendments, and other agreements within certain limits consolidating prior delegations; the policy has gone through a thorough review and has been redrafted for clarity, organizational change, and operations of the SFMTA.
- The SFMTA Board adopted the SFMTA's original *Advertising Policy* in February 2004 which has been amended over time to revise the advertising standards to prohibit certain types of advertisements, updates are now proposed to be in line with recent court rulings and further clarify advertising allowances.
- On, May 21, 2024. a Public Hearing was held by the SFMTA Board of Directors on the proposed policy and procedural changes as an official notice, and to solicit feedback and direction from the SFMTA Board.

ENCLOSURES:

1. Board Resolutions
2. Staff Presentation

APPROVALS:

DIRECTOR  _____

SECRETARY  _____

DATE

May 30, 2024

May 30, 2024

ASSIGNED SFMTAB CALENDAR DATE: June 4, 2024

PURPOSE

The SFMTA consistently works on reviewing its government operations with the objective of a high performing and efficient transit agency and city department; regular reviews of policies and procedures results in efficiencies and operational cost savings. Recommending that the SFMTA Board of Directors approve various SFMTA Policy and Procedure Reforms including: Amendments and Updates to the SFMTA Board of Directors Rules of Order; Amendments and Updates to the SFMTA Delegation of Authority Policy, and Amendments and Updates to the SFMTA Advertising Policy.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item supports the implementation of the following items of SFMTA’s Strategic Plan, and by creating an efficient organization optimizes the ability of the SFMTA to implement the City’s Transit First Policy.

Goal 8: Deliver quality projects on-time and on-budget.

Deliver projects more efficiently and effectively to establish public trust in the agency.

Goal 9: Fix things before they break, and modernize systems and infrastructure.

Restore, maintain, and optimize infrastructure, fleets, facilities and street rights-of-way.

Goal 10: Position the agency for financial success.

Ensure that near-term resource allocation is efficient and secure reliable revenue to meet the city's long-term transportation vision.

DESCRIPTION

The SFMTA is dedicated to a continuous review process for its governmental operations. The SFMTA's commitment to ongoing policy review is a comprehensive approach that prioritizes efficiency, legal compliance, adaptability, and public trust. These elements are all fundamental pillars for a high-performing and successful transit agency and city department.

Such regular reviews of the policies and procedures that govern the agency have multiple purposes including:

- **Maintaining Legal Compliance:** The legal and regulatory frameworks governing the SFMTA are subject to change. Regular policy reviews ensure the SFMTA remains in compliance with current statutes and caselaw, thereby mitigating potential legal challenges and associated financial penalties.
- **Optimizing Efficiency and Cost Savings:** As highlighted, policy and procedure review allow for the identification of areas inclined to improvement. Streamlining procedures can lead to enhanced workflow efficiency, potentially resulting in significant cost savings for the agency. These savings directly translate to a more efficient allocation of the agency’s staffing and financial resources.
- **Enhancing Adaptability:** Transportation demands are constantly evolving. Regular policy assessments ensure the SFMTA remains responsive to these evolving needs, including changing

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ridership patterns, advancements in technology, and the evolving priorities of the community it serves. This adaptability allows the agency to consistently deliver relevant and effective services.

- Promoting Transparency and Fostering Public Trust: A commitment to ongoing policy review fosters transparency in the agency's operations. The public can be assured that the SFMTA operates ethically and prioritizes their best interests. This fosters trust and strengthens the relationship between the agency and the community it serves.

SFMTA Board Rules of Order

The SFMTA Board of Directors Rules of Order are intended to provide for the orderly conduct of Board meetings and appropriate authority in those procedural matters. They are reviewed by the Board and amended over time to improve the efficiency of meetings and improve the ability of the Board to deliver on its mandate.

The Board Secretary, staff, and the City Attorney's Office recommend several amendments for clarification and clean up. Some specific amendments include:

- Order of Business: An amendment to Article 4 Section 6 changing the SFMTA Board's Order of Business will shift the time for New and Unfinished Items for Board Members to after the Director's Report and CAC report. This proposed change is meant to provide members of the Board the opportunity to request actions or updates from the Director of Transportation after hearing the Director's Report or information from the SFMTA Citizens Advisory Council. These items will be regularly reported and logged by the Board Secretary and staff will follow up and report on these items on a regular basis.
- Notice: An amendment to Section 10 Meetings for the Revision of Rates, Charges, Fares, Fees and Fines simplifies the newspaper noticing requirements so they are consistent with applicable State Law and City Charter, but less costly and less onerous to the Agency.
- Committees. Addition of Article 9 Committees to establish a Policy for standing and select committees of the Board, sunsets prior committees of the SFMTA Board and effective June 2024 continues two standing committees of the Board, the Vision Zero Committee and Train Control Upgrade Project (TCUP) Committee.
- Parental Leave. Addition of Article 10 Parental Leave to reflect the City policy for parental leave for City commissioners, including SFMTA Board Members, consistent with the City and County of San Francisco's Administrative Code.

Beginning in September 2024, the SFMTA Board will also have new staff reports, which will accompany all items to the SFMTA Board, whether informational or related to action. This is meant to provide the SFMTA Board with the information required for decision making on legislative items or the background necessary to provide feedback on informational items that require no legislative action, such a policy guidance, direction to the Director of Transportation or staff, or informational report back.

SFMTA Contract Approval Delegation and Requirements Policy (Delegation of Authority Policy)

In 2010, the SFMTA Board delegated contracting authority to the Director of Transportation to reduce administrative paperwork and streamline processing of low-dollar value contracts. In 2019, the

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SFMTA Board adopted the current Delegation of Authority Policy which consolidated and superseded previous delegations. The prices of the goods and services obtained under those contracts have increased since then, increasing the number of routine contracts that require SFMTA Board approval, and reducing the efficiencies gained by prior delegations. It may be appropriate, therefore, to consider policy adjustments to maintain efficient administration of contracts and projects. In the absence of delegated approval authority to the Director, staff must present routine and relatively low-value agreements and amendments to the SFMTA Board for approval, which can add weeks to the contracting process, delay project implementation or progress, and delay payments to contractors and vendors.

The purpose of the Delegation of Authority Policy was to reduce administrative paperwork and streamline the approval process for various expenditure contracts, leases, licenses, revenue contracts, miscellaneous agreements, contract amendments, and grant agreements, with limits prescribed in the Delegation of Authority Policy.

The City Attorney's Office redrafted the Delegation of Authority Policy to more clearly organize delegated authorities around: Expenditure Contracts, Revenue Contracts, Real Property Contracts, Grant Agreements and Gifts, and Miscellaneous Agreements. The new draft includes associated City Charter language as well as specific definitions. These enhancements clarify the document and make it a working document for reference by the Board and staff.

Staff recommends new threshold delegated amounts for efficiencies and inflationary adjustments. The largest increases are in the non-construction expenditure contracts category in which the Director's authority is recommended to increase from \$1 to \$2 million. In some cases, the term extension delegation is increasing from 10% to 25%. This is largely recommended for adjustments for lower term contracts with a 1 – 2-year period.

In addition to providing additional clarity, the revised Delegation Policy adds items that were inadvertently omitted from the prior policy or are new:

- Real Property Contracts, including leases, license agreements, pole license agreements, and “eye-bolt” license agreements: authorizes the Director of Transportation to approve these types of contracts, subject to the limitations of Charter Section 9.118, which requires Board of Supervisors approval for such agreements that are longer than 10 years or having revenue of greater than \$1 million.
- Litigated claims: Under the Administrative Code the Board of Supervisors has delegated to the City Attorney's Office the authority to settle litigated and unlitigated claims of \$25,000 or less, provided the Department Head with jurisdiction over the matter approves. Under Prop A amending the Charter in 2007, that policy was likely inadvertently limited in the SFMTA context to unlitigated claims. The City Attorney's Office suggests the SFMTA Board may want to extend this delegation to litigated claims because it aligns SFMTA Board policy with the practice of the rest of the City and would reduce the time and paperwork to resolve lower-value litigated matters. This delegation includes the ability to make offers of compromise under Civil Code Section 998 for amounts that do not exceed \$25,000.00. The City Attorney's Office will report monthly to the SFMTA Board on cases settled under this provision.

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For transparency purposes and Board oversight, reporting language is included in the new Delegation of Authority Policy:

- **Quarterly Reporting Requirements.** Every 90 days, the Director shall provide a written report to the SFMTA Board identifying all contracts and Amendments approved by the Director or a redelegated authority in the preceding 90 days, including the name of the contractor, the contract amount and term, and a summary description of the work to be performed.

SFMTA Advertising Policy

In 2004, the Board approved the original version of the SFMTA Advertising Policy. At that time, the Board declared that it was in the best interests of the SFMTA to adopt an official policy. The SFMTA currently authorizes advertising on SFMTA property, including transit vehicles and shelters, under contracts with Clear Channel Outdoor and Intersection which generate revenue to support SFMTA operations. However, such advertising is not intended to interfere with the SFMTA's primary mission of delivering public transit or performing other duties to maintain the City's transportation network.

Over time the Advertising Policy has been amended to clarify certain aspects and provide additional requirements, including a disclaimer statement and prior SFMTA approval of pilot programs or experimental advertising; to add a purpose statement and findings in support of the Advertising Policy; and to prohibit advertisements that are reasonably likely to be harmful or disruptive to the SFMTA's transit system, encourage or depict unsafe transit behavior, or are adverse to the interests of the SFMTA.

The proposed amendments to the Advertising Policy are meant to clarify the language regarding advertising limitations to establish consistent and enforceable standards. Previously vague restrictions are being removed or are being clarified. The revised policy also aims to comply with recent court rulings related to the First Amendment.

STAKEHOLDER ENGAGEMENT

This item concerns policy issues under the jurisdiction of the SFMTA Board of Directors. The SFMTA Board held a public hearing on May 21, 2024, which also served as the required 10-day public notice of potential changes to the SFMTA Board Rules of Order. At that Board meeting, SFMTA Board members asked several questions of process, and requested updates on how many proposed contracts would be potentially changed to approved via the proposed Delegation Policy. In addition, the SFMTA Board requested greater transparency around the release of Request for Proposals (RFPs) in the proposed Delegation Policy.

In reviewing the current quarterly update, provided to the SFMTA Board on April 11, 2024, the report showed that a total of 147 active contracts. Of those contracts, 64 or 43.5% of them were currently under \$1 million, 83 of the contracts of 56.4% were over \$1 million. The total number of contracts that were in the range of \$1 million to \$2 million were 13 or 8.8% of total active contracts.

On the request of greater transparency on the release of Request for Proposals (RFPs) the Delegation Policy has been amended in Section F.4:

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“For each authorized Request for Proposals or Invitation for Bids, the Director will notify the SFMTA Board of Directors by issuing a Notification of Contracting Activity that informs the Board of the date of advertisement, a brief description, the funding allocation and source, and Local Business Enterprise Opportunities, as well as notifying the Directors that the Board of Director’s Communications Policy related to contact with prospective bidders or their representatives, approved by SFMTA Board Resolution No. 07-006, has gone into effect.”

This will be implemented via the quarterly contracts report to the MTA Board to be effective in the first quarter of fiscal year 2025.

ALTERNATIVES CONSIDERED

This item is a policy matter for Board, the purpose of the public hearing on May 21, 2024, was to receive direction from the Board on the proposal and any potential alternatives or have the Board select to take no action, retaining the status quo for all existing policies.

As part of that public hearing, the MTA Board requested that additional language be included regarding transparency of release of Request for Proposals (RFPs), which has been included and attached to the resolution for approval of the Delegation Policy.

FUNDING IMPACT

There are no funding impacts with this item, it is a policy matter for the Board.

ENVIRONMENTAL REVIEW

On May 16, 2024, the SFMTA, under authority delegated by the Planning Department, determined that various SFMTA Policy and Procedure Reforms including: Amendments and Updates to the SFMTA Board of Directors Rules of Order; Amendments and Updates to the SFMTA Contract Approval Delegation and Requirements Policy, and Amendments and Updates to the SFMTA Advertising Policy is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney’s Office has reviewed this calendar item.

RECOMMENDATION

Staff is recommending that the SFMTA Board approve various policy and procedural amendments including: Amendments and Updates to the SFMTA Board of Directors Rules of Order; Amendments and Updates to the SFMTA Delegation of Authority Policy, and Amendments and Updates to the SFMTA Advertising Policy.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The SFMTA Board of Directors Rules of Order (Rules of Order) are intended to provide for the orderly conduct of Board meetings and appropriate authority in those procedural matters; and,

WHEREAS, The Rules of Order are reviewed by the SFMTA Board of Directors and amended over time to improve the efficiency of meetings and improve the ability of the Board to deliver on its mandate; and,

WHEREAS, The Rules of Order (Article 7, Section 4) provide: “An amendment to the Rules of Order may, after ten days’ notice, be adopted by the affirmative vote of a majority of the members of the board,” and,

WHEREAS, The Rules of Order should be amended to adjust the Board's Order of Business to allow Board members to request follow-up actions directly related to the Director's Report and report from the SFMTA Citizens Advisory Council (CAC); and,

WHEREAS, The existing Rules of Order should be amended to streamline noticing requirements for fare and fee changes which will result in reduced costs for the SFMTA while adhering to legal requirements; and,

WHEREAS, The Rules of Order through the addition of Article 9 Committees should set clear policy governing standing and select committees of the Board improve efficiency; and,

WHEREAS, The Rules of Order through the addition of Article 10 Parental Leave will reflect the City policy for parental leave for City commissioners, including SFMTA Board Members, consistent with the City and County of San Francisco’s Administrative Code; and

WHEREAS, On May 16, 2024, the SFMTA, under authority delegated by the Planning Department, determined that the various SFMTA Policy and Procedure Reforms including: Amendments and Updates to the SFMTA Board of Directors Rules of Order; is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; and therefore, be it,

RESOLVED, The SFMTA Board of Directors amends and approves its rules of order, which shall take effect on June 5, 2024; and be it further

RESOLVED, The Vision Zero Committee and Train Control Update Committee are established as of June 5, 2024 as select committees of the SFMTA Board, consistent with Article 9 of the Rules of Order; and be it further

RESOLVED, All other committees of the SFMTA Board in existence prior to June 5, 2024 will sunset on June 5, 2024.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 4, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Rules of Order

**Board of Directors - Municipal Transportation Agency
City and County of San Francisco
Authorized by Resolution No. _____
May 2024**



ARTICLE 1 - NAME

Section 1 Name. The name of this Board shall be the "Municipal Transportation Agency Board of Directors."

ARTICLE 2 - OFFICERS AND APPOINTMENTS

Section 1. Officers. The officers of this Board shall be a Chair and a Vice-Chair. At the first regular meeting of the Board after the 15th day of January each year, the members of the Board shall elect from among their number a Chair and a Vice-Chair of the Board.

Section 2. Director of Transportation. The Board of Directors shall appoint a Director of Transportation who shall serve at the pleasure of the Board. The Director shall be employed pursuant to an individual contract with the Director's compensation being comparable to the compensation of the chief executive officers of U.S. transportation agencies, which most closely resembles the Municipal Transportation Agency in size, mission and complexity.

Section 3. Board Secretary. The Board shall appoint a Board Secretary to manage the affairs of the Directors and who shall serve at the pleasure of the Board. The Board Secretary shall affix the Secretary's signature to each contract, lease or permit approved by the Board attesting and certifying to approval by the Board.

ARTICLE 3 - POWERS AND DUTIES OF OFFICERS

Section 1. Chair. The Chair shall preside at all meetings of the Board, shall preserve order and decorum, shall decide all questions of order subject to appeal to the Board by any member, and shall appoint any and all committees of the Board. The Chair shall have the right to participate in the proceedings of the Board, including the right to make and second any resolution or other motion, and may speak to points of order in preference to the other members.

Section 2. Vice-Chair. In the absence of the Chair, the Vice-Chair shall preside. In the absence of both the Chair and the Vice-Chair, the members shall select by motion a member to preside over the meeting.

Section 3. Requests Regarding Parking Citations. Members of the Board shall not attempt to influence or interfere with the procedures for issuing or disposing of particular parking citations by communicating with employees of the Municipal Transportation Agency regarding such citations. The members of the Board and the Secretary shall respond to any written or oral requests to members of the Board regarding particular parking citations by referring to the prohibition contained in this Section. The Secretary shall not forward such requests to members of the Board.

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**Board of Directors - Municipal Transportation Agency
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ARTICLE 4 - MEETINGS

Section 1. Regular Meetings. The Board shall hold a regular meeting in the chambers of the Municipal Transportation Agency Board of Directors in City Hall at 1:00 pm every first and third Tuesday of the month.

Section 2. Special Meetings of the Board. Special meetings of the Board may be called at any time by the Chair or by a majority of the members of the Board by delivering written notice to each member of the Board and to the local media who have requested such notice in writing.

Such notice must be delivered at least 72 hours before the time of such meeting as specified in the notice.

The call and notice shall specify, the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meetings by the Board.

Each special meeting shall be held at the regular meeting place of the Board except that the Board may designate an alternate meeting place provided that such alternate location is specified in the notice of the special meeting; further provided that the notice of the special meeting shall be given at least 15 days prior to the special meeting being held at an alternate location. This provision shall not apply where the alternative meeting location is located within the same building as the regular meeting place.

Section 3. Open and Public Meetings. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting of the Board.

Section 4. Closed Sessions. The Board may, with appropriate notice, meet in closed session to consider and act upon matters authorized by the Ralph M. Brown Act and the San Francisco Sunshine Ordinance. The Secretary shall record any decisions made in the closed session. Any action taken in closed session shall be announced as required by law. After every closed session, the Board must by motion and vote in open session elect either to disclose no information or to disclose part or all of the information discussed in the closed session.

Section 5. Quorum. A quorum for the transaction of official business shall consist of a majority of all the members of the Municipal Transportation Agency Board, or four members. In the absence of a quorum, the Board may adjourn or may reschedule the meeting to a specific date and time.

Section 6. Order of Business. The order of business shall be as follows:

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Board of Directors - Municipal Transportation Agency City and County of San Francisco

Authorized by Resolution No. _____

May 2024



SFMTA

1. Call to Order
2. Roll Call
3. Announcement of Prohibition of Sound Producing Devices
4. Approval of Minutes
5. Communications
6. Director's Report
7. Citizen's Advisory Council Report
8. Board of Directors New and Unfinished Business
9. Public Comment
10. Calendar Matters
11. Adjournment

Section 7. Public Comment. Every calendar for regular and special meetings shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board.

Section 8. Cancellation of meetings. If a recommendation is made by the Director of Transportation or Board Secretary that a meeting be canceled or changed, the Chair, may cancel the meeting. In the event of a meeting cancellation, the Board Secretary shall inform the Board and shall post a notice of cancellation. The Board may also cancel a meeting by resolution adopted by a majority of the Board.

Section 9. Temporary Meeting Place-Emergency. In case of emergency, the Board shall designate some other appropriate place as its temporary meeting place.

Section 10. Meetings for the Revision of Rates, Charges, Fares, Fees and Fines. In adopting or revising any schedule of rates, charges, fares fees or fines, the Board shall comply with all applicable notice requirements, including under the Charter and State law.

Section 11. Adjournment of Meetings. The Board may adjourn any regular or special meeting to a time and place specified in the order of adjournment.

Section 12. Minutes of Proceedings. The Secretary of the Board shall record each regular and special meeting. The Secretary must record the vote on all resolutions, minutes and on all other questions and a draft of the minutes must be available for inspection and copying no later than ten working days after the meeting. The officially adopted minutes must be available for inspection and copying no later than ten working days after the meeting at which the minutes are adopted.

Section 13. Attendance at Meetings. Except in the event of a notified absence, all members of the Board shall attend each regular, special or recessed meeting of the Board and shall attend on

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time. A member's absence shall constitute a "notified absence" when the member, in advance of the meeting, informs the Board Secretary that the member will be absent. An absence due to unforeseen circumstances such as illness or emergency shall also qualify as a notified absence where the member reports such absence to the Board Secretary as soon as reasonably possible. The Board Secretary shall maintain a record of members' attendance including notified and non-notified absences. The Board Secretary shall report all instances of non-notified absences as well as any instance of three consecutive absences of a member at regular meetings in a fiscal year to the member's appointing authority. At the end of each fiscal year, the Board Secretary shall submit a written report to the MTA Board of Directors and then to the appointing authority detailing each Board member's attendance at all meetings of the Board for that fiscal year.

ARTICLE 5 - VOTING

Section 1. Vote Required. The affirmative vote of a majority of the members shall be required for the approval of any matter, except that the Commission may act by the affirmative vote of a majority of the members present for matters of procedure.

Section 2. Excused from Voting. Each member present at a meeting of this board when a question is put shall vote for or against it, unless the member is excused from voting by a motion adopted by a majority of the members present.

Section 3. Voting. A roll call shall not be interrupted, but a member may, prior to the calling of the roll, explain his or her vote, or file in writing an explanation thereof after the result of the roll call has been announced and recorded.

ARTICLE 6 - PARLIAMENTARY PROCEDURE

Section 1. Rules of Debate. When a member desires to address the board, the member shall seek recognition, by addressing the presiding officer, and when recognized, shall proceed to speak, confining comments, to the question before the board. No discussion shall take place until a resolution or a calendared item has been introduced.

Section 2. Privilege of Floor and Public Participation. The privilege of the floor shall be granted to any member of the public or officers of the city and county of San Francisco, or their duly authorized representatives for the purpose of commenting on any question before the board.

Each person wishing to speak on an item at a regular or special meeting shall be permitted to be heard once per item for up to three minutes. The presiding officer shall be the judge of the pertinence of such comments, and have the power to limit this privilege if in the presiding officer's opinion the comments are not pertinent to the question before the board.

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Section 3. Agenda Changes or Continuances. Any agenda change or continuance shall be announced at the beginning of the Board meeting, or as soon thereafter as the change or continuance becomes known to the presiding officer.

ARTICLE 7 - RULES OF ORDER

Section 1. Adoption of Rules of Order. The adoption of the Rules of Order shall be by motion and shall require an affirmative recorded vote of a majority of the members of the board. When adopted, such Rules of Order shall remain in effect, unless suspended or amended as provided herein.

Section 2. Parking Authority Rules of Order. The rules of the Board also shall serve as the Rules of Order of the Parking Authority Commission, provided that such rules are consistent with the provisions of Chapter 17 of the San Francisco Administrative Code.

Section 3. Suspension of the Rules of Order. Except for this rule and such other of these Rules of Order as are restatements of provisions of the charter, ordinances or resolutions of the Board of Supervisors, or other provisions of law, any of these rules of order may be suspended by the affirmative vote of the majority of the members of the board, provided that such suspension is entered upon the minutes of the Board.

A motion to suspend the rules is debatable.

Section 4. Amendments to Rules of Order. An amendment to the Rules of Order may, after ten days' notice, be adopted by the affirmative vote of a majority of the members of the board.

ARTICLE 8 – LEGISLATIVE PROCESS

Section 1. Effective Date. Resolutions that adopt provisions of the City's Transportation Code relating to parking, traffic, and taxi service shall go into effect at the beginning of the 31st day after approval if no referendum petition is filed. The foregoing rule shall not affect actions of the board to approve contracts, budgets, departmental policies and other matters that do not amend the San Francisco Transportation Code.

ARTICLE 9 – COMMITTEES

Section 1. Appointments. Consistent with Article 3 Section 1 of these Rules of Order, the Chair shall make appointments to committees of the Board.

Section 2. Establishment. The Chair or a majority of the Board may establish either standing committees or select committees of the Board. Standing Committees are considered permanent

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committees of the Board. Select Committees are temporary committees established for a special purpose with a limited duration.

Section 3. General Rules. Once a committee has been established, the Board Secretary shall schedule the first meeting. Once confirmed, the Board Secretary shall notify the Committee Members, the Director of Transportation or designee and the City Attorney of the meeting details. A regular meeting calendar will be established and adopted by the committee.

A Board member who is not a member of committee may attend a committee meeting, provided the member attends only as an observer, does not testify or otherwise participate in any discussion, and sits amongst the public.

Section 4. Dissolution. A standing committee can only be dissolved by a majority vote of the Board. Select Committees will be dissolved after one year after its first meeting date, unless extended by a majority vote of the Board. The Board Secretary shall inform the Board of any committees to be dissolved.

ARTICLE 10 – PARENTAL LEAVE

Section 1. Administrative Code Chapter 67B authorizes members of the SFMTA Board of Directors to take parental leave in certain circumstances. The terms of the parental leave policy are set forth in Administrative Code Section 67B.1. That section is incorporated by reference into these Rules.

Section 2. The Board Secretary shall provide a copy of Administrative Code Section 67B.1 to each member of the Board when the member assumes office.

Section 3. Any member who intends to take parental leave under this policy must inform the Board Secretary and the Chair in writing. To the extent feasible, the member's written notice shall state the beginning and end dates of the leave and whether the member intends to participate in Board meetings remotely during the leave. The notice is not binding on the member and does not limit the member's rights under the parental leave policy, but rather is intended to aid the Board Secretary and the Chair in planning the work and the meetings of the SFMTA Board of Directors while the member is on parental leave.

ADOPTED: March 7, 2000

AMENDED: July 2, 2002

AMENDED: April 19, 2005

AMENDED: November 21, 2006

AMENDED: January 6, 2009

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Board of Directors - Municipal Transportation Agency
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- AMENDED: April 20, 2010
- AMENDED: October 19, 2010
- AMENDED: August 21, 2018
- AMENDED: February 5, 2019
- AMENDED: June 4, 2024

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION NO. _____

WHEREAS, On November 2, 1999, the voters passed Proposition E, which enacted Chapter 8A of the Charter to create the SFMTA, and under Section 8A.102(b)5 granted the SFMTA exclusive authority over its contracts; and,

WHEREAS, To reduce administrative paperwork and streamline processing of contract approvals, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors adopted Resolution No. 00-0125 (December 2000) and Resolution No. 02-110 (September 2002), which established contracting policies for the SFMTA and delegated to the Director of Transportation authority to approve contracts and other agreements within specified limits; and,

WHEREAS, On November 6, 2007, the voters passed Proposition A, which, among other things, added subsection (g) to Section 8A.102 of the City's Charter; subsection (g) authorizes the SFMTA Board to adopt threshold amounts under which the Director of Transportation and his or her designees may approve contracts, notwithstanding any provisions of Chapters 6 or 21 of the City's Administrative Code; and,

WHEREAS, Under authority granted by Charter Section 8A.102(g), the SFMTA Board of Directors first delegated contracting authority to the Director of Transportation in 2000 and 2002, under SFMTA Board Resolutions 00-0125 and 02-110, which respectively authorized the Director to approve contracts for commodities that had previously been approved by the City's Purchaser, and authorized the Director to approve commodities contracts that do not exceed \$10,000,000 in Contract Amount; and,

WHEREAS, On November 3, 2009, the SFMTA Board of Directors by Resolution 09-191, authorized the Director of Transportation to: (1) issue Requests for Proposals and bid proposals for contracts that will not require Board of Supervisors' approval; (2) reject bids and proposals and re- advertise for new bids and proposals; (3) accept, expend and transfer grant funds; and, (4) authorize the City Attorney to settle unlitigated claims of \$25,000 or less, to reduce administrative paperwork and streamline processing of contract approvals for relatively small dollar values; and,

WHEREAS, On January 5, 2010, the SFMTA Board of Directors by Resolution 10-008, issued a comprehensive contracts approval policy, which delegated approval authority over various types of contracts and contract amendments to the Director of Transportation and subordinate SFMTA executives within specified limits; and,

WHEREAS, The SFMTA Board of Directors wishes to modify the existing policies described above to give the Director of Transportation greater authority to approve and execute expenditure and revenue contracts, contract amendments, and other types of contracts, update current policies to further to streamline the contracting process and promote administrative efficiency, while reserving to the SFMTA Board of Directors decisions over significant policy issues, liability and financial risk, and ensuring compliance with Small Business Enterprises, Disadvantaged Business Enterprises, and Local Business Enterprises requirements; and,

WHEREAS, The SFMTA Board of Directors intends that this Resolution will supersede

the Director of Transportation's authority to approve contracts as stated in the SFMTA Board of Directors Resolutions referenced above, and will not modify or supersede the authority delegated under prior SFMTA Board Resolutions that are not listed here, including but not limited to delegation authority to approve contract amendments for Central Subway construction under SFMTA Board Resolutions Nos. 13-061 and 180821-114; and,

WHEREAS, On May 16, 2024, the SFMTA, under authority delegated by the Planning Department, determined that the Amendments and Updates to the SFMTA Contract Approval Delegation and Requirements Policy are not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; now therefore be it

RESOLVED, That the SFMTA Board of Directors approves the SFMTA Contract Approval Delegation and Requirements Policy which delegates to the Director of Transportation the authority to approve and execute expenditure and revenue contracts, contract amendments, and other agreements within certain limits.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of June 4, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

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The following policies and requirements shall govern the delegation of the authority of the SFMTA Board to the Director of Transportation, (Director) and the Director's redelegation of authority to SFMTA staff. Where a provision appears to conflict with a requirement of the Administrative Code or Purchaser's Regulations, staff shall confer with SFMTA's Office of Contract Administration and the City Attorney.

BACKGROUND: BOARD OF SUPERVISORS AUTHORITY UNDER CHARTER SECTION 9.118 – CONTRACT AND LEASE LIMITATIONS

Charter Section 9.118 (set out in full below) requires that the SFMTA obtain Board of Supervisors' approval of certain Revenue Contracts, Expenditure Contracts, and Real Property Contracts, and Amendments to those contracts. It is the policy of the SFMTA Board that, any contract or contract Amendment that must be approved by the Board of Supervisors must first be approved by the SFMTA Board of Directors.

Note that Construction Contracts are exempt from Charter Section 9.118 requirements, but contracts for construction project management, architectural and engineering services, and other consulting contracts for construction projects are Professional Services Expenditure Contracts that are subject to Charter Section 9.118. (See Administrative Code sections 6.40-6.43.)

SECTION 9.118. CONTRACT AND LEASE LIMITATIONS.

- (a) Unless otherwise provided for in this Charter, contracts entered into by a department, board or commission having anticipated revenue to the City and County of one million dollars or more, or the modification, amendment or termination of any contract which when entered into had anticipated revenue of one million dollars or more, shall be subject to approval of the Board of Supervisors by resolution.
- (b) Unless otherwise provided for in this Charter, and with the exception of construction contracts entered into by the City and County, any other contracts or agreements entered into by a department, board or commission having a term in excess of ten years, or requiring anticipated expenditures by the City and County of ten million dollars, or the modification or amendments to such contract or agreement having an impact of more than \$500,000 shall be subject to approval of the Board of Supervisors by resolution.
- (c) Unless otherwise provided for in this Charter, any lease of real property for a period of ten or more years, including options to renew, or having anticipated revenue to the City and County of one million dollars or more; the modification, amendment or termination of any lease, which when entered into was for a period of ten or more years, including options to renew, or had anticipated revenue to the City and County of one million dollars or more; and any sale or other transfer of real property owned by the City and County, shall first be approved by resolution of the Board of Supervisors. Leases of property under the jurisdiction of the Port Commission for maritime use shall be exempt from the requirements of this section.

The application of Charter Section 9.118 to a Contract or Amendment may not be obvious. Staff are strongly encouraged to consult with the City Attorney to confirm whether and how Section

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9.118 may apply to a particular agreement.

DELEGATION OF AUTHORITY

A. EXPENDITURE CONTRACTS

1. Award of Expenditure Contracts.

The Director may approve award of Expenditure Contracts as follows:

- a. The Director may approve an original Expenditure Contract or a Task Order for the procurement of General Services and Commodities where the Total Contract Amount is less than \$10,000,000. The procurement must be consistent with applicable Purchaser's Regulations.¹
- b. The Director may approve an original Expenditure Contract or a Task Order for the procurement of goods or services not involving General Services, Commodities, or Construction, where the Total Contract Amount does not exceed \$2,000,000 and the Term does not exceed 10 years.
- c. The Director may approve an original Construction Contract in which the Total Contract Amount does not exceed the Threshold Amount.² The SFMTA Board of Directors must award Construction Contracts with a value exceeding the Threshold Amount. (Admin. Code § 6.3(b)(2).)
- d. The Director may award Job Order Contracts with a maximum amount of \$5,000,000, as provided in Administrative Code Section 6.62.

2. Amendments to Expenditure Contracts.

The Director may approve Amendments to Expenditure Contracts as follows:

- a. **As Authorized in the Original Contract.** Where the contract authorizes an extension of the Term or an increase the Contract Amount, based on either (i) the exercise of an Option (see Paragraph F.2 below) or (ii) the resolution of a contractor claim (subject to the \$25,000 limit in Paragraph G below), the Director may amend the contract as expressly stated in that contract, to the extent described in subparagraphs c. through f. below.
- b. **Limited Authority to Extend Contracts Beyond the Contract Term.** Where the original contract has expired and there is no authorization to extend the Contract Term under Paragraph A.2.a. above, the Director can extend the contract only if the Director determines in writing that the extension meets the

¹ Capitalized terms are defined in Section J.

² As of 2024, the Threshold Amount is \$1,000,000. The Controller recalculates the value of the Threshold Amount every five years. (See Admin. Code. § 6.1.)

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requirements for a Sole Source Contract under Administrative Code sections 21.5 or 6.73, as applicable. Only the Director may determine that a proposed contract Amendment meets Sole Source Contract requirements, and that authority cannot be delegated. If the Director determines that a proposed contract Amendment meets those requirements, the Director is authorized to extend the Term to the extent described in subparagraphs c. through f. below.

c. **Non-Construction Contracts**

- i. **All Non-Construction Contracts with Amounts over \$10,000,000.** The Director's authority is limited to cumulative increases to the Contract Amount up to \$500,000, and cumulative increases up to 25 percent of the original Term.
- ii. **Contracts for General Services and Commodities with Amounts up to \$10,000,000.** The Director's authority is limited to cumulative increases totaling 25 percent of the original Term and 10 percent of the original Contract Amount. Any increase of the cumulative Contract Term to more than 10 years or the cumulative Contract Amount to more than \$10,000,000 requires the approval of the SFMTA Board and the Board of Supervisors under Charter Section 9.118 (see Background above).
- iii. **Other Non-Construction Contracts with Amounts up to \$2,000,000.** The Director's authority is limited to cumulative increases totaling 50 percent of the original Contract Amount, and cumulative increases up to 25 percent of the original Term.
- iv. **Other Non-Construction Contracts with Amounts over \$2,000,000, but less than \$10,000,000.** The Director's authority is limited to cumulative increases totaling 25 percent of the original Contract Amount, and cumulative increases up to 25 percent of the original Term.

d. **Construction Contracts**

- i. **Amounts under \$10,000,000.** The Director's authority is limited to cumulative increases totaling 25 percent of the original Contract Amount, and cumulative increases up to 25 percent of the original Term.
- ii. **Amounts over \$10,000,000.** Except as otherwise provided in the agreement at issue, the Director's authority is limited to cumulative increases up to 10 percent of the original Contract Amount and cumulative increases up to 25 percent of the original Term.

3. **Redelegation of Approval Authority for Expenditure Contracts**

- a. **Redelegation of Approval Authority for General Services and Commodities Contracts.** Subject to the certification requirements stated in Section F.1, below,

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the Director may redelegate authority to approve Expenditure Contracts and Amendments (excepting Sole Source Amendments) for the procurement of General Services and Commodities, provided that such procurements are made consistent with applicable Purchaser's Regulations and Charter Section 9.118, as follows:

- i. To the SFMTA's Chief Financial Officer, Contracts and Amendments where the Total Contract Amount does not exceed \$10,000,000;
- ii. To the SFMTA's Controller, Contracts and Amendments where the Total Contract Amount does not exceed \$10,000,000;
- iii. To the SFMTA's Manager of Grants Accounting, Contracts and Amendments where the Total Contract Amount does not exceed \$10,000,000;
- iv. To the SFMTA's Managers of Contracts and Procurement, Contracts and Amendments where the Total Contract Amount does not exceed \$10,000,000;
- v. To the SFMTA's Materials Coordinators, Contracts and Amendments where the Total Contract Amount does not exceed the Minimum Competitive Amount for Commodities and General Services, as defined in Administrative Code Section 21.02.

- b. **Redelegation of Approval Authority for Contracts Other Than General Services and Commodities Contracts.** Subject to the certification requirements stated in Section F.1, below, the Director may redelegate to any Division Director responsible for the contract (or other Authorized Manager listed in Appendix A) the Director's authority to approve original contracts other than General Services and Commodities Contracts, and Amendments (excepting Sole Source Amendments) to those contracts, as follows:

- i. Original Construction Contracts with a Contract Amount not to exceed the Threshold Amount, as provided in Administrative Code Section 6.3.
- ii. Original Job Order Contracts (to the Director of Capital Programs and Construction) with a Contract Amount not to exceed \$750,000.
- iii. Task Orders under construction Job Order Contracts;
- iv. Original contracts other than General Services, Commodities, or Construction Contracts with a Contract Amount not to exceed \$500,000 and a Term not to exceed 3 years.
- v. Task Orders for as-needed service contracts (to the Division Director responsible for the contract) with a Contract Amount not to exceed the Threshold Amount, as provided in Administrative Code Section 6.3;

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- vi. Amendments modifying the Contract Amount up to a maximum of \$500,000, provided that the net value of all Amendments does not exceed 50 percent of the Director's authority;
- vii. Amendments extending the Term, provided that the aggregate sum of all Amendments does not to exceed 50 percent of the Director's authority.

4. Quarterly Reporting Requirements. Every 90 days, the Director shall provide a written report to the SFMTA Board identifying all contracts and Amendments approved by the Director or a redelegated authority in the preceding 90 days, including the name of the contractor, the Contract Amount and Term, and a summary description of the work to be performed.

B. REVENUE CONTRACTS.³

A Revenue Contract is an agreement under which the SFMTA will receive rent, lease payments, advertising revenues, profit-sharing, and other revenue, or compensation.

1. **Revenue Contracts and Amendments.** The Director is authorized to approve Revenue Contracts and Amendments where the aggregate sum of the anticipated revenues the SFMTA will receive under the Revenue Contract and all Amendments does not require Board of Supervisors approval under Charter Section 9.118(a) (that is, where the anticipated revenues from the contract are less than \$1,000,000, including all extension periods, and the Term is less than ten years, including all extension periods).
2. **Amendments to Revenue Contract Exceeding \$1,000,000.** Where a Revenue Contract is approved by the Board of Supervisors, all Amendments to that contract must also be approved by the Board of Supervisors, unless the original approval provides otherwise. Where an amendment to a revenue contract not originally approved by the Board of Supervisors increases the value of the contract by more than \$1 million or the Term by more than ten years, then that amendment must be approved by the Board of Supervisors. (See Background above for further discussion of Charter Section 9.118.)
3. **Redelegation of Approval Authority.** Subject to the certification requirements stated in Section F.1, below, the Director may re-delegate authority to approve Revenue Contracts and Amendments to the director responsible for the contract up to Total Contract Amount not to exceed \$1,000,000.

C. REAL PROPERTY CONTRACTS

1. **Leases.** The Director is authorized to approve leases of real property, regardless of whether the SFMTA is acting as the landlord or the tenant, and all Amendments related to such leases, subject to the limitations of Charter Section 9.118. (See Background above for further discussion of Charter Section 9.118.) Subject to the certification

³ Note that real property contracts (leases and licenses) in which the SFMTA is the landlord and charges rent are also Revenue Contracts, but are subject to different requirements, which are addressed in Section C – Real Property Contracts. Do not apply the requirements stated in this Section B to real property contracts.

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requirements stated in Section F.1. below, the Director may redelegate approval of those agreements to the Chief Strategy Officer up to the limits of Charter Section 9.118. (See Appendix A.)

2. **License Agreements.** The Director is authorized to approve agreements related to the non-exclusive right to use real property, such as license agreements or use permits, and all Amendments, subject to the limitations of Charter Section 9.118. (See Background above for further discussion of Charter Section 9.118.) Subject to the certification requirements stated in Section F.1., below, the Director may redelegate approval of those agreements to Chief Strategy Officer or Chief Financial Officer. (See Appendix A.)
3. **Pole License Agreements.** The Director is authorized to approve pole license agreements issued under an approved Master License Agreement permitting telecommunication firms to install equipment on SFMTA poles. Subject to the certification requirements stated in Section F.1. below, the Director may redelegate approval of pole license agreements Chief Strategy Officer. (See Appendix A.)
4. **“Eye-Bolt” License Agreements.** The Director is authorized to approve license agreements with private property owners permitting SFMTA to install on private property equipment and hardware necessary to support overhead traction power cables and other infrastructure. The agreements may indemnify property owners for losses arising from the Agency’s negligence related to the installation and maintenance of equipment and hardware up to an amount not to exceed \$2,000,000. Subject to the certification requirements stated in Section F.1. below, the Director may redelegate approval of such Eyebolt Agreements to the Chief Strategy Officer or Director of Transit. (See Appendix A.)

D. GRANT AGREEMENTS AND GIFTS

1. **Receipt of Grants.** The Director is authorized to approve SFMTA applications for grant funds, to approve agreements for the SFMTA to accept grant funds, to expend grant funds, to transfer grant funds to a public agency that will be a sub-recipient of said grant funds, and to indemnify a grantor where the grantor is a public agency and the City Attorney or the City’s Risk Manager advise that the potential liability under the indemnity does not pose an undue risk to the SFMTA. Subject to the certification requirements stated in Section F.1, the Director is further authorized to delegate said authority to the Chief Financial Officer. (See Appendix A.)
2. **Issuance of Grants.** The Director is authorized to approve grant agreements in which the SFMTA issues grant funds where the SFMTA has conducted a competitive process to award the grant, as provided Administrative Code section 21G.3. Sole source grant agreements, which include commitments of funds in support of third-party grant applications, must be approved by the SFMTA Board as required by Administrative Code section 21G.8.
3. **Receipt of Gifts.** The Director is authorized to accept gifts to the SFMTA and approve contracts to transfer ownership of those gifts to the SFMTA, in accordance with Administrative Code Section 10.100-305. The Director shall not redelegate this authority. Any gift with a value greater than \$10,000 must be submitted to the SFMTA Board for approval. As required by Section 10.100-305, all gifts to the SFMTA must be reported to

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the Controller within 90 days of receipt, and to the Board of Supervisors annually in first two weeks of July. Said notices must identify the donor, the value of the gift and any business (e.g., contracts, permits or other vested interests) that the donor has with the City. Gifts over \$100 must be listed on the SFMTA's website.

E. MISCELLANEOUS AGREEMENTS

1. Sole Source Contracts.

- a. The Director is authorized to direct staff to commence sole-source contract negotiations for procurement of Professional Services, software and related services (as provided in Administrative Code Section 21.30), and goods, in accordance with the requirements of Administrative Code Section 21.5, and federal procurement requirements, and consistent with the Purchaser's Regulations, as applicable. The Director may not redelegate this authority.
- b. Sole Source Contracts governed by Administrative Code Chapter 6 must be authorized by the SFMTA Board of Directors in accordance with Administrative Code Section 6.73.
- c. For each Sole Source Contract, the project manager and contract administration shall prepare a memo to file for the Director's approval explaining the reasons for the Sole Source Contract award with supporting documents.

2. Indemnity Agreements.

- a. The Director is authorized to approve contracts that provide for mutual indemnity with another public agency, where the City Attorney or the City's Risk Manager advise that the work to be performed by or services to be received from the public agency does not pose undue risk to the SFMTA, and that the SFMTA's potential liability under such indemnity agreement will likely not exceed \$3,000,000. Indemnity agreements that, in the opinion of the City Attorney or Risk Manager, have the potential to expose the SFMTA to liability greater than \$3,000,000 shall be submitted to the SFMTA Board for approval.
- b. Except as provided in Sections C.4 (Eye-Bolt Agreements) and D.1 (Grants), a contract with a private entity that provides the SFMTA less than full indemnity covering the SFMTA's liability for third party claims shall be submitted to the SFMTA Board for approval.
- c. With the exception of real property, lease, and license agreements where SFMTA is the lessee or licensee, the SFMTA shall not indemnify private entities without Board approval.

3. **Waiver or Reduction of Special Damages.** As provided in Administrative Code Section 21.23, the Director is authorized to waive or limit a contractor's liability for consequential damages and incidental damages (sometimes referenced as special damages) in an Expenditure Contract if the Director determines that such waiver or limitation accords

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with the factors set out in Administrative Code Section 21.23. The Director of Transportation may not redelegate this authority.

- 4. Nondisclosure Agreements.** A nondisclosure agreement (NDA) is a legally binding agreement to ensure the confidential treatment of proprietary information held by another party. In accordance with applicable public records laws, the Director is authorized to execute NDAs, for the following purposes:
- a. use of experimental or new technology under a license agreement as part of a pilot project;
 - b. participation in studies and projects for development of transit, planning and transportation technologies where nondisclosure is a requirement of participation in the project or of project funding;
 - c. entering commercial contracts for software or technology licenses or equipment procurement to the extent necessary to protect proprietary information;
 - d. access to sensitive public or private infrastructure; and
 - e. access to sensitive construction designs or specifications.

NDAs shall expressly limit the SFMTA's liability to not more than \$1,000,000. Subject to the certification requirements stated in Section F.1, below, the Director may redelegate the authority granted under this section to the Division Director responsible for the contract to which the NDA is related. (See Appendix A.)

- 5. Taxi Medallion Sales and Taxi Medallion Surrender Agreements.** The Director is authorized to approve contracts for the sale of taxi medallions up to \$250,000 and is authorized to sign agreements for the surrender of taxi medallions for a payment by SFMTA to the permit holder not to exceed \$200,000, in accordance with Transportation Code Section 1116(b). Subject to the certification requirements stated in Section F.1, below, the Director may redelegate to the Director of Taxis, Access & Mobility Services Division, that authority to approve agreements for the sale and surrender of Taxi medallions. (See Appendix A.)
- 6. Media Licenses.** The Director is authorized to approve license agreements for the use of SFMTA vehicles, real property, intellectual property (including trademarks and trade dress) for television, motion picture, advertising and other media purposes. Subject to the certification requirements stated in Section F.1, below, the Director may redelegate the authority granted under this section to the Division Director or Authorized Manager as follows (see also, Appendix A):
- a. the Authorized Manager in charge of Real Estate may approved agreements for the use of real property, except as provided in Section 6.b;

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- b. the Transit Director may approve agreements for licensed activities along a SFMTA right-of-way, in SFMTA facilities or on a transit vehicle where the licensed activities may interfere with the SFMTA's transit operations. This provision shall not apply to the placement of advertising on SFMTA vehicles and/or real property.

7. Fare Media Procurement. The Director is authorized to approve agreements for the sale or distribution of fare media and fare cards, where the commissions to be paid under such agreements are not expected to exceed \$250,000 in any calendar year, and such agreement is not subject to Charter Section 9.118. (See Background above for further discussion of Charter Section 9.118.) Subject to the certification requirements stated in Section F.1, below, the Director may redelegate the authority granted under this section to the Division Director or Authorized Manager in charge of finance and information technology or to the Division Director or the Senior Manager of Fare Revenue. (See Appendix A.) This section does not impact the Director's, or the Director's designee's, authority to enter into pass-through agreements for the distribution of fare media. Pass-through agreements for the distribution of fare media are not treated as Revenue Contracts.

8. Contracts Administered by the Arts Commission. The Director is authorized to approve Expenditure Contracts for artist design services, artwork fabrication, and acquisition of finished art (collectively, "Art Contracts") for SFMTA capital projects where a project funding source requires the SFMTA to approve all contracts related to the project (such as projects funded by FTA grant). An Art Contract that is approved by the Arts Commission does not require SFMTA Board approval, unless the Art Contract is also subject to Board of Supervisors' approval under Charter section 9.118. (See Background above for further discussion of Charter Section 9.118.) Subject to the certification requirements stated in Section F.1, below, the Director may redelegate approval of Art Contracts to the Director of Capital Projects and Construction. (See Appendix A.)

F. ADDITIONAL DELEGATION AUTHORITY AND REQUIREMENTS

1. Authorized Managers - Certification of Redelegated Authority. The Director shall present to the Secretary of the SFMTA Board of Directors a completed original delegation of authority letter for each Authorized Manager to whom the Director redelegates contract approval authority. The SFMTA Board Secretary shall review the redelegation letter and certify conformance with requirements of this Delegation Policy. A redelegation of authority shall be in effect when the SFMTA Board Secretary certifies the redelegation in writing. At the time this policy is approved, the Director shall present to the SFMTA Board Secretary a list of the individuals with certified redelegation of authority letters. The Director shall annually update the list.

2. Exercise of Options. Unless otherwise directed in SFMTA Board or Board of Supervisors resolutions approving a contract, the Director is authorized to exercise Options, provided that the Term and value of the Option(s) to be exercised are expressly set forth in the contract and were approved as part of the original contract. The exercise of an Option shall be memorialized as an Amendment but is not otherwise subject to the requirements and limitations stated for issuance of Amendments in this Delegation Policy. Subject to the certification requirements stated in Section F.1, above, the Director may redelegate authority to exercise Options to the Division Director responsible for the contract.

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3. **Parking Authority.** This Delegation Policy shall also apply to the contracts of the Parking Authority of the City and County of San Francisco that the SFMTA administers under the agreement between the SFMTA and the Parking Authority, dated October 18, 2007, approved by SFMTA Board Resolution No. 07-171 and Parking Authority Commission Resolution No. 07-173.
4. **Requests for Proposals and Invitations for Bids.** The Director is authorized to (1) issue Requests for Proposals and Invitations for Bids for contracts that will not require Board of Supervisors approval; (2) reject bids and proposals, and (3) re-advertise for new bids and proposals. For each authorized Request for Proposals or Invitation for Bids, the Director will notify the SFMTA Board of Directors by issuing a Notification of Contracting Activity that informs the Board of the date of advertisement, a brief description, the funding allocation and source, and Local Business Enterprise Opportunities, as well as notifying the Directors that the Board of Director's Communications Policy related to contact with prospective bidders or their representatives, approved by SFMTA Board Resolution No. 07-006, has gone into effect.
5. **Successor Titles – Redlegation of Approval Authority.** The Director's authority to redelegate contract approval authority is limited to the persons and positions listed as Authorized Managers in Appendix A. But if the titles of Authorized Managers change, the Director may redelegate contract approval authority to managers holding similar positions and having similar responsibilities as the Authorized Managers listed in Appendix A. The Director shall annually update the list of Authorized Managers in Appendix A.
6. **Surveillance Technology Policies and Annual Surveillance Reports.** The Director is authorized to (1) seek Board of Supervisors' approval of SFMTA Surveillance Technology Policies required under Admin. Code Section 19B.2, and (2) submit to the Board of Supervisors the Annual Surveillance Reports required annually thereafter under Admin. Code Section 19B.6

G. SETTLEMENT OF CLAIMS AND LITIGATION.

Consistent with Charter Sections 6.102 and 8A.102 and the Board of Supervisor's delegation to Department Heads and the City Attorney's Office in Administrative Code, Article II, any unlitigated or litigated claim against or in favor of the SFMTA may be compromised and settled with the written approval of the City Attorney or a staff member of the Office of the City Attorney designated by the City Attorney, where the amount of such compromise or settlement does not exceed \$25,000.00, provided such settlement has been approved by the Director. This delegation includes the ability to make offers of compromise under Civil Code Section 998 for amounts that do not exceed \$25,000.00. No payment by way of compromise and settlement authorized by this Section shall be made until the Controller certifies that monies are available from the proper funds or appropriations to pay such compromise and settlement. The City Attorney shall submit, on a monthly basis, a report to the Director and the SFMTA Board of Directors listing litigation concerning the SFMTA that the City Attorney has settled under this delegated authority in the preceding month.

I. DEFINED TERMS

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For purposes of this Delegation of Authority policy (“Delegation Policy”), the following capitalized words are defined terms whose meanings are stated below. Consult with the City Attorney if a term defined in this document appears to conflict with a term used in the Administrative Code.

“Amendment” means a written modification of a contract, executed and approved as required by the Administrative Code, SFMTA policies, and (where applicable) the Purchaser’s Regulations, and grant funding requirements (such as FTA contract requirements).

“Authorized Manager” means a manager to whom the Director has redelegated contract approval authority, as authorized by this Delegation Policy. Authorized Managers are listed in Appendix A.

“Charter Section 9.118” is the provision of the City Charter concerning Contract and Lease Limits that requires Board of Supervisors’ approval of non-construction Expenditure Contracts, Revenue Contracts, and Real Property Contracts of certain Term lengths and Contract Amounts. (See Background above for discussion of Charter Section 9.118.)

“Construction Contract” means (for purposes of this Delegation Policy) a contract for construction work or professional (engineering, architectural and construction management) services related to or part of a “Public Work or Improvement,” as that term is defined by Administrative Code Chapter 6.1.

“Contract Amount” is the net value of compensation to be paid a contractor, vendor, or licensor, including the value of all approved contract Amendments.

“Contract Term” (or “Term”) means the period that a contract is in effect.

“Director” means the Director of Transportation.

“Expenditure Contract” means a written agreement issued in accordance with the City’s Municipal Code in which the SFMTA agrees to compensate a contractor, vendor, licensor, or another public agency (excluding another City department) for goods, services or other benefits received by the SFMTA, and Amendments to such contracts.

“General Services and Commodities Contracts” are Expenditure Contracts for the acquisition of goods and certain services as described in Administrative Code section 21.02. General Services are not Professional Services and include, but are not limited to, janitorial, security guard, pest control, parking lot management, and landscaping services.

“Job Order Contract” means a contract for construction work authorized by Administrative Code Section 6.62.

“Option” means the authority of the SMFTA stated in a contract to extend a Contract Term for a period and for an amount of compensation stated in the contract, or to acquire additional goods or services under the contract for an amount of compensation stated in the contract.

“Professional Services” means those services, as defined in Administrative Code section 21.02: “which require extended analysis, the exercise of discretion and independent judgment in their performance, and/or the application of an advanced, specialized type of knowledge, expertise,

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or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Professional service providers include, but are not limited to, licensed professionals such as architects, engineers, and accountants, and non-licensed professionals such as software developers and financial consultants.”

“Purchaser’s Regulations” means the regulations referenced by San Francisco Administrative Code section 21.03(k) that are established by the Purchaser for the purpose of implementing the provisions of San Francisco Administrative Code Chapter 21. At the time of the enactment of this resolution, the document was titled: “Chapter 21: Acquisition of Commodities and Services with Applicable Rules And Regulations Incorporated” (Updated 11/18/2022), and could be found at <https://sf.gov/reports/november-2022/administrative-code-chapter-21-rules-and-regulations-incorporated>.

“Revenue Contract” means a contract that generates revenues for the SFMTA, including, but not limited to, advertising placement, profit-sharing, grants, and other revenue or compensation generating agreements. Service contracts in which the contractor acts as an agent to receive or process funds on behalf of the SFMTA, such as parking ticket processing and collection contracts, armored car services, parking meter coin collection contracts, and parking facility management contracts are not Revenue Contracts, but instead are Professional Services contracts.

“Sole Source Contract” is a contract for goods or services that are available only from a sole source or acquired other than through full and open competition and that has been approved under the requirements of Administrative Code sections 6.73 or 21.5(b).

“Task Order” means an order for services or work under a task order contract for a value within the approved contract amount.

“Threshold Amount” means the contract amount determined by the City Controller, as specified in Administrative Code Section 6.2. As specified in Administrative Code Section 6.1 (Award of Contract), the SFMTA Board of Directors must approve the award of contracts valued greater than the Threshold Amount, and the Director of Transportation may award contracts valued less than or equal to the Threshold Amount.

“Total Contract Amount” means the sum of the original Contract Amount and the net value of all Amendments. For example, if the original contract amount is \$1,000,000, and the value of three Amendments are +200,000, +\$200,000, and [-\$150,000], the net value of the Amendments is \$250,000, and the Total Contract Amount is \$1,250,000.

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APPENDIX A

AUTHORIZED EXECUTIVES AND MANAGERS

The Director of Transportation redelegates contract approval authority to the persons listed below. The Director will annually update this list of Authorized Managers.

List is Effective as of June 4th, 2024

Position	Type of Contracts and Policy Section Reference
Chief Financial Officer	General Services and Commodities (§A.3.a.i) Services Contracts (§A.3.b); Revenue Contracts (§B.3) Receipt of Grants (§D.1) Nondisclosure Agreements (§E.4); Fair Media Procurement (§E.7); Exercise of Options (§F.2)
Chief Strategy Officer	Contracts other than General Services and Commodities (§A.3.b) Services Contracts (§A.3.b); Revenue Contracts (§B.3) Commodities (§A.3.b); Nondisclosure Agreements (§E.4); Exercise of Options (§F.2); Real Property Contracts (§C) Media Licenses (§E.6.a)
Chief Technology Officer	Contracts other than General Services and Commodities (§A.3.b); Nondisclosure Agreements (§E.4); Fair Media Procurement (§E.7)
Chief People Officer (Human Resources Director)	Contracts other than General Services and Commodities (§A.3.b)
Streets Division Director	Contracts other than General Services and Commodities (§A.3.b); Nondisclosure Agreements (§E.4); Exercise of Options (§F.2)
Transit Division Director	Contracts other than General Services and Commodities (§A.3.b); Nondisclosure Agreements (§E.4); Media Licenses (§E.6.b) Fair Media Procurement (§E.7) Exercise of Options (§F.2)
Director of Taxis, Access & Mobility Services Division	Contracts other than General Services and Commodities (§A.3.b); Nondisclosure Agreements (§E.4);

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	Taxi Medallion Sales and Taxi Medallion Surrender Agreements (§E.5) Exercise of Options (§F.2)
Capital Programs & Construction Director	Contracts other than General Services and Commodities (§A.3.b); Nondisclosure Agreements (§E.4); Contracts Administered by the Arts Commission (§E.8); Exercise of Options (§F.2)
SFMTA Controller	General Services and Commodities (§A.3.a.ii)
Manager of Contracts and Procurement	General Services and Commodities (§A.3.a.iv)
Manager of Grants & Accounting	General Services and Commodities (§A.3.a.iii)
Senior Manager of Revenue Collection & Sales	Fair Media Procurement (§E.7)
Section Director of Facilities and Real Property Management	Real Property Contracts (§C) Media Licenses (§E.6.a)
Materials Coordinators	General Services and Commodities (§A.3.a.v)

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) Board of Directors adopted the SFMTA’s initial Advertising Policy (Policy) in February 2004; and,

WHEREAS, The SFMTA authorizes advertising on SFMTA property, including transit vehicles and shelters, through contracts which generate revenue to support SFMTA operations; and,

WHEREAS, The current contracts for advertising on transit shelters, vehicles, and other property require the contractors to comply with the SFMTA Advertising Policy; and,

WHEREAS, Such advertising is not intended to interfere with the SFMTA's primary mission of delivering public transit or performing other duties to maintain the City's transportation network; and,

WHEREAS, The Policy has been amended over time to clarify certain aspects and provide additional requirements, including a disclaimer statement and prior SFMTA approval of pilot programs or experimental advertising; to add a purpose statement and findings in support of the Advertising Policy; and to prohibit advertisements that are reasonably likely to be harmful or disruptive to the SFMTA’s transit system, encourage or depict unsafe transit behavior, or are adverse to the interests of the SFMTA.; and,

WHEREAS, The existing Policy would be amended to clarify the language regarding advertising limitations to establish consistent and enforceable standards and to comply with developments in First Amendment caselaw; and,

WHEREAS, On May 16, 2024, the SFMTA, under authority delegated by the Planning Department, determined that the Amendments and Updates to the SFMTA Advertising Policy are not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; now therefore be it

RESOLVED, That the SFMTA Board of Directors amends the SFMTA’s Advertising Policy to clarify language regarding advertising limitations, establish consistent and enforceable standards, and clarify and redraft restrictions to comply with developments in First Amendment caselaw; and be it further

RESOLVED, That the Policy, as amended, shall take effect on June 5, 2024.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 4, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

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Advertising Policy

Authorized by Resolution No. _____

May 2024



The San Francisco Municipal Transportation Agency (SFMTA) operates the seventh largest public transit system in the country and exercises authority under the San Francisco Charter to manage the use by all modes of the City's transportation network. The SFMTA authorizes advertising on and in SFMTA facilities and property (including, but not limited to, buses, light rail vehicles, trolley cars, stations, parking garages, street furniture, cable cars, historic railcars and fare media) and under SFMTA contracts (hereafter "on SFMTA property") for the purpose of generating significant revenue to support SFMTA operations. Advertising shall not interfere with the SFMTA's delivery of transit or other services to the public or with the SFMTA's performance of its many other duties in maintaining the City's transportation network.

In keeping with its proprietary function as a provider of public transportation, the SFMTA does not intend by accepting advertising to convert its property into an open public forum for public discourse, debate or expressive activity. Rather, the SFMTA's fundamental purpose is to provide transportation services, and the SFMTA accepts advertising as a means of generating revenue to support its operations. In furtherance of this discrete and limited objective, the SFMTA retains control over the nature of advertisements accepted for posting on SFMTA property and maintains its advertising space as a limited public forum. As set forth in Section II, this Policy prohibits advertisements that could detract from the SFMTA's goal of generating revenue or interfere with the safe and convenient delivery of SFMTA services to the public. Through this Policy, the SFMTA intends to establish uniform, viewpoint-neutral standards for the display of advertising on SFMTA property.

A. ADVERTISING STANDARDS

1. Permitted Advertising Content. The following classes of advertising are authorized on SFMTA property if the advertising does not include any material that qualifies as Prohibited Advertising, as described in subsection (B) below:
 - a. Commercial and Promotional Advertising. Advertisements that promote or solicit the sale, rental, distribution or availability of goods, services, food, entertainment, events, programs, transactions, donations, products or property (real or personal) for commercial purposes or more generally promotes an entity that engages in such activities.
 - b. Governmental Advertising. Notices or messages from government entities, meaning public entities specifically created by government action, that advance specific government purposes.
 - c. Public Service Announcements. Announcements which are sponsored by either a government entity or a nonprofit corporation that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and which are directed to the general public or a significant segment of the public and relate to:

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- i. Prevention or treatment of illnesses;
- ii. Promotion of safety or personal well-being;
- iii. Education or training;
- iv. Art or culture;
- v. Provision of children and family services;
- vi. Solicitation by broad-based contribution campaigns which provide funds to multiple charitable organizations; or
- vii. Provision of services and programs that provide support to low-income citizens, senior citizens and people with disabilities.

B. PROHIBITED ADVERTISING CONTENT

1. Advertising is prohibited on SFMTA property if it includes any content that falls under one or more of the following categories:
 - a. Political and Public Issue. Any material that (i) promotes or opposes a political party, promotes, or opposes any state or local ballot measure or the election of any candidate or group of candidates for federal, state, judicial or local government offices.
 - b. False or Misleading. Any material that is or the sponsor reasonably should have known is false, fraudulent, misleading, deceptive, or would constitute a tort of defamation or invasion of privacy.
 - c. Copyright, Trademark or Otherwise Unlawful Infringement. Any material that infringes on any copyright, trade or service mark, title, or slogan.
 - d. Obscenity or Pornographic. Any material that is obscene or pornographic.
 - e. Defamation or Lawless Action. Any material that is clearly defamatory or advocates imminent lawlessness or violent action.
 - f. Alcohol, Tobacco, or Firearms. Any material that constitutes commercial advertising of alcohol, tobacco, or firearms.
 - g. Profanity and Violence. Advertisement that contains any profane language, or portrays images or descriptions of graphic violence, including dead, mutilated or disfigured human beings or animals, the act of killing, mutilating, or disfiguring human beings or animals, or intentional infliction of pain or violent action

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towards or upon a person or animal, or that depicts weapons or devices that appear to be aimed or pointed at the viewer or observer in a menacing manner.

- h. Harmful or Disruptive to Transit System. Any material that is reasonably likely to cause harm to, disruption of or interference with the transportation system.
- i. Unsafe Transit Behavior. Any advertisement that encourages or depicts unsafe behavior with respect to transit-related activities, such as non-use of normal safety precautions in awaiting, boarding, riding upon or disembarking from transit vehicles.
- j. Adverse to SFMTA. Advertising, or any material contained in it, that is directly adverse to the commercial or administrative interests of the SFMTA, or that tends to disparage the quality of service provided by the SFMTA, or that tends to disparage public transportation generally.
- k. SFMTA Graphics and References. Advertising that contains SFMTA graphics, logos or representations without the express written consent of the SFMTA.
- l. Cannabis. Any material that constitutes commercial advertising of cannabis, cannabis products, cannabis businesses, or cannabis services.

III. Advertising Administration

- 1. SFMTA advertising contractors shall be responsible for the daily administration of the SFMTA's advertising in a manner consistent with this Policy and with the terms and conditions of their agreements with the SFMTA.
- 2. SFMTA advertising contractors shall post the following language with every advertisement, in a size and location approved by the SFMTA: "The views expressed in this advertisement do not necessarily reflect the views of the San Francisco Municipal Transportation Agency."
- 3. This Policy shall be effective upon adoption but shall not be enforced to impair the obligations of any contract in effect at the time of its approval. It shall be incorporated into any new contract for advertising on SFMTA property. SFMTA contracts granting advertising rights shall include this Policy as an attachment and require the following:
 - a. Any advertising contractor must comply with the advertising standards set forth in this Policy, as they may be amended from time to time.

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- b. Any advertising contractor must display only those advertisements that are in compliance with the Policy.
- c. Any pilot programs or experimental advertisements must be approved by the SFMTA in advance.