



MEMORANDUM

DATE: September 19, 2023
TO: Dennis Herrera, General Manager, SFPUC
THROUGH: Masood Ordikhani, Assistant General Manager, External Affairs
FROM: Social Impact Partnership Program Staff
RE: Request for General Manager’s Approval of SIP Program Implementation Procedures

By this memorandum, the Social Impact Partnership (SIP) Program Staff recommend internal procedures to implement the Program applying the Rules and Regulations adopted by the Commission in April 2023. As Staff is addressing the implementation of the Rules, we are seeking guidance to assure consistent application of the Rules to assure fair and transparent competitive processes.

The Rules and Regulations specify the basic requirements for SIP Proposals to receive bonus points in the competitive process (Rule 3.2). The Rules and Regulations allow for additional evaluation criteria subject to the approval of the General Manager (Rule 3.3). The Rules and Regulations, however, do not include a threshold for when additional evaluation criteria should be considered, which would also require the engagement of an evaluation panel with members potentially from outside the SFPUC. The Rules and Regulations also do not specify the additional evaluation criteria. And the Rules and Regulations allow the SFPUC to require a participating Contractor to submit memoranda of understanding (MOUs) between itself and its Beneficiaries but set no threshold for doing so (Rule 4.5(C)).

We recommend the following internal procedures to establish (1) the thresholds for adding evaluation criteria, engaging an evaluation panel, and requiring a participating Contractor to submit MOUs between itself and its Beneficiaries and (2) the additional evaluation criteria:

1. Thresholds

Under Rule 1.0, a Covered Contract is defined as:

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

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Newsha Ajami
President
Sophie Maxwell
Vice President
Tim Paulson
Commissioner
Tony Rivera
Commissioner
Kate Stacy
Commissioner
Dennis J. Herrera
General Manager



- (1) a professional services contract, procured under Chapters 6 and 21 of the Administrative Code, with an award value of \$5 million or greater;
- (2) a power procurement contract, procured under Chapter 21 of the Administrative Code, with an award value of \$5 million or greater, which includes (a) purchases from projects constructed in San Francisco or on property owned by the City, (b) new projects where the Contractor identifies an intent to construct a project, or add construction to an existing project, to supply the product purchased under the contract, or (c) existing projects located in California where the contract identifies a specific project that will supply the product being purchased and the purchase does not support construction of a new project; or
- (3) a public work or improvement contract procured under Chapter 6 of the Administrative Code with an award value of \$25 million or greater, including but not limited to competitively bid (§ 6.20), design-build (§ 6.61), construction manager/general contractor (§ 6.68), and best value (§ 6.74) procurements.

Additional Evaluation Criteria and Panel Threshold: Staff recommends that the General Manager approve additional criteria and an evaluation panel for Professional Services and Power Procurement Solicitations valued at \$10 million and higher; and for all Design-Bid-Build and alternative delivery (e.g., CM/GC, Design Build, Best Value) construction contracts valued at \$25 million and higher.

MOU Threshold: Under Rule 4.5(C), “the General Manager may require the Contractor to enter into one or more memoranda of understanding (MOUs) with one or more Beneficiary(ies) to specify the purpose of the contribution and require the Beneficiary to report to the Contractor on key performance indicators for the Commitment.” Staff proposes that Contractors must enter into MOUs with Beneficiaries for SIP Commitments valued at \$10,000 or more and may optionally enter into MOUs with Beneficiaries where the value of the SIP Commitments is less than \$10,000.

2. Additional Evaluation Criteria

SIP Proposals for Covered Contracts under the proposed thresholds above are evaluated on a pass/fail basis and assigned a Proposed Commitment value to determine the bonus points applied in the overall competitive process. Under Rule 3.2, a compliant Proposal must include (1) the type (direct contributions or volunteer hours) and amount of the SIP Commitment; (2) the Program Area(s); (3) the Geographic Area(s); and (4) the Proposer’s key personnel. A panel of SFPUC SIP Program Staff determine the Proposed Commitment value and whether the Proposal includes the necessary information for (2), (3), and (4) which are determined on a pass/fail basis.

Additional evaluation criteria are allowed under Rule 3.3. Staff proposes that in such cases, the total available points for the evaluation criteria represent 40% of the total available points for the SIP bonus. Staff also proposes that a panel that may include participants from outside the SFPUC evaluate and score this portion of the Proposals. For these Covered Contracts, the additional evaluation criteria would include the following components:

A. Social Impact Work Experience

Proposals must describe the Proposer's documented history and/or experience with social impact/community benefits work, including the Proposer's current community involvement and existing community relationships/partnerships related to the Geographic Area and communities associated with the Project. If a Proposer does not have documented history or experience with social impact/community benefits work, the Proposer may alternatively describe how its culture supports the importance and impact of the Proposer delivering SIP Commitments through this Project. If a Proposer has previously been awarded SFPUC contracts that have included the SIP Program, the Proposer must describe its level of success in satisfying its SIP obligations as reflected on the SFPUC public [dashboard](#) or a more current progress update for active contracts.

B. Reasoning or Values Alignment to Selected Program Area(s).

Proposals must describe the Proposer's reasoning or values alignment that inspired the Proposer to select the Program Area(s) under which it has proposed Social Impact Commitments for this Project. Proposals will further expand on Contractor's own mission and values, and Proposer's alignment to the SFPUC Commission's adopted policies including the [Environmental Justice](#) (to prevent and mitigate harm), [Community Benefits](#) (to promote positive impacts), and [Racial Justice](#) (to address systemic racism) policies and resolutions.

OR

For solicitations where SFPUC wishes to identify one or more specific Program Area(s) and/or a specific geographic location(s) (for example, Treasure Island or Tuolumne County) based on the unique needs of the specific community impacted by the project:

Alignment with Specified Program Area(s) and/or Geographic Area. Excellent proposals will describe the alignment of Proposer's own mission, values, and knowledge related to the specific Program Area(s) and/or Geographic Area, including the micro-communities, specified in the solicitation.

C. Approach

Proposals must describe the Proposer's approach, including how the community(ies) impacted by the Project will be engaged to determine the most appropriate use of Proposer's Social Impact Commitments, how those

community(ies) will be selected, and how maximum accountability to the impacted community(ies) will be ensured, consistent with the SFPUC's Environmental Justice, Community Benefits, and Racial Justice policies and resolutions.

D. Systems, Processes and Documentation

Proposals must describe the systems, processes, and substantiating documentation that the Proposer has or will put in place that will allow the Proposer to accurately track and publicly report on the commitments, data, and unique key performance indicators associated with Proposer's commitments.

General Manager's Approval

I approve use of the following SIP additional criteria (described above) to be scored by an evaluation panel on Professional Services and Power Procurement solicitations valued at or above \$10 million and on all construction contracts valued at or above \$25 million:

1. Social Impact Work Experience
2. Reasoning or Values Alignment to Selected Program Area(s).
3. Approach
4. Systems, Processes and Documentation

I approve that Contractors must enter into MOUs with Beneficiaries for SIP Commitments valued at \$10,000 or more, and may optionally enter into MOUs with Beneficiaries where the value of the SIP Commitments is less than \$10,000.

Dennis J. Herrera
General Manager, SFPUC


Signature

9/21/23
Date