



City and County of
SAN FRANCISCO

" NO SIDE DEALS! "

Understanding Contract Rules
for City Officers

San Francisco Campaign & Governmental Conduct Code §3.222



Here's What We Mean By...



CITY OFFICER

That's **YOU** -
elected officials,
department
heads, or board/
commission
members.



BUSINESS

Any group set up
to make money -
a corporation,
partnership, or
franchise.



CONTRACTS

Any agreement with the
City (except salary or
grants).

SUB-CONTRACTS

A smaller deal that
helps fulfill a bigger
City contract.



CITY & COUNTY

Not just City Hall -
includes boards,
departments, agencies,
committees, schools,
and the community
college district.



PROHIBITION: THE \$10,000 RULE!

What is The \$10,000 Rule?

While serving as a City officer, you **CANNOT** enter, bid, or negotiate **contracts** or **subcontracts** with the City if they are **worth more than \$10,000**.



EXCEPTIONS: THE \$10,000 RULE!

So, When is a \$10,000+ Deal Okay?

					
Non Profits	Affiliated Business	Pre-existing	Below Market	Settlement Agreements	Waiver <i>(Special Approval)</i>
If it's with a nonprofit organization.	If you are affiliated but do not manage or control* the business.	If the agreement was signed before you took office.	If the deal is at a price substantially below fair market value.	If the contract resolves a legal claim or dispute.	If the <i>Ethics Commission</i> grants approval.

* **“Control”** means you’re an officer or director, or you own enough shares or partnership interest (5% in a public company, 20% in a partnership, or majority in a private company) to run or manage the business.

LIMITATION: THE \$10,000 RULE!

What Happens If the Rule is Broken?

Breaking the rule **DOES NOT** cancel the contract, it creates consequences for you.
So remember, always follow the **\$10,000 Rule!**

