

THIS PRINT COVERS CALENDAR ITEM NO.: 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Delegating to the Director of Transportation authority to request Board of Supervisors' approval of SFMTA Surveillance Technology Policies required under Admin. Code Section 19B.2, and to submit to the Board of Supervisors the Annual Surveillance Reports required annually thereafter under Admin. Code Section 19B.6; and amending the SFMTA Contract Approval Delegation and Requirements Policy to include these authorizations.

SUMMARY:

- The City's Surveillance Technology Ordinance (Ordinance) requires City departments to get Board of Supervisors' approval of a Surveillance Technology Policy (Policy) before using new "Surveillance Technology" or continuing to use existing ones.
- After a Policy's approval, the department must submit to the Board of Supervisors an Annual Surveillance Report (Annual Report) each year thereafter.
- Until October 3, 2022, the Committee on Information Technology (COIT) managed this Policy approval and Annual Report submission process for the SFMTA and other departments.
- The SFMTA Board has not been involved in this process because SFMTA staff did not previously make approval requests or submissions directly to the Board of Supervisors.
- Recent changes require that departments, including the SFMTA, manage this process directly.
- This action would amend the SFMTA Contract Approval Delegation and Requirements Policy (Delegation Policy) to authorize the Director of Transportation (Director) to request Policy approvals from and submit Annual Reports to the Board of Supervisors without requiring separate authorizations from the SFMTA Board, required under current practice.
- This would streamline the approval/submission process, saving time and costs while maintaining thorough review by COIT and the public at hearings with COIT and the Board of Supervisors; this would enhance SFMTA's ability to adapt swiftly to evolving security/safety features of its existing and future Surveillance Technology, as defined by the Ordinance.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

	DATE
DIRECTOR  _____	<u>March 13, 2024</u>
SECRETARY  _____	<u>March 13, 2024</u>

ASSIGNED SFMTAB CALENDAR DATE: March 19, 2024

PAGE 2.

PURPOSE

Delegating to the Director of Transportation authority to request Board of Supervisors' approval of SFMTA Surveillance Technology Policies required under Admin. Code Section 19B.2, and to submit to the Board of Supervisors the Annual Surveillance Reports required annually thereafter under Admin. Code Section 19B.6; and amending the SFMTA Contract Approval Delegation and Requirements Policy to include these authorizations.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

Approval of the proposed resolution will support for following SFMTA Strategic Plan goals:

Goal 1: Identify and reduce disproportionate outcomes and resolve past harm towards marginalized communities.

Goal 4: Make streets safer for everyone.

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

This item will support the following Transit First Policy Principles:

- 1: To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
- 4: Transit priority improvements, such as designated transit lanes and streets and improved signalization, shall be made to expedite the movement of public transit vehicles (including taxis and vanpools) and to improve pedestrian safety.
- 10: The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

Surveillance Technology Ordinance

The City's Surveillance Technology Ordinance, effective since 2019 and codified in Section 19B of the San Francisco Administrative Code (Ordinance), requires that City departments receive Board of Supervisors' approval for a Surveillance Technology Policy (Policy) before acquiring, using, or sharing information collected by any "Surveillance Technology" (defined below). For Surveillance Technologies in use before the Ordinance's effective date, a Board of Supervisors-approved Policy is required for continued operation.

Following a Policy approval, the respective department must submit an Annual Report yearly to the Board of Supervisors, detailing the technology's utilization, associated costs, public complaints, and any suggested modifications to the existing Policy.

Definition of Surveillance Technology

The Ordinance defines Surveillance Technology to include a broad range of equipment and software designed to collect data potentially identifiable to individuals or groups. Examples include automatic license plate readers, red light enforcement cameras, taxi dashboard cameras, close captioned television

PAGE 3.

cameras, gunshot detection systems, biometric software, and social media monitoring tools.

SFMTA's Current Status

In 2019, as required by the Ordinance, the SFMTA submitted to the Committee on Information Technology (COIT) an initial inventory of the following 17 Surveillance Technologies, most of which were in use by the SFMTA before the Ordinance's effective date:

1. Antiterrorism analytic software for Muni subway
2. California Law Enforcement Telecommunications System (CLETS)
3. Connected Streets sensors
4. Data feeds from station less bicycle and powered scooter share programs
5. Electronic taxi access system (ETAS)
6. Electronic ticket information management system (eTIMS)
7. Genetec video management software
8. Automated license plate readers
9. Monthly parking cards
10. MuniMobile ticketing application
11. Pay-by-Phone application for SFMTA parking meters
12. Red light cameras and no right-turn cameras
13. Taxi dashboard cameras
14. Social media monitoring software
15. Transit-only lane enforcement (TOLE) cameras
16. Video analytics for SFMTA passenger vehicles
17. Security cameras

Upon review of this inventory, COIT determined four technologies (i.e., CLETS, eTIMS, monthly parking cards, and the MuniMobile ticketing application) were exempt from the Ordinance's requirements.

The remaining 13 technologies require a separate Board of Supervisors' approved Policy in order for their continued (or, if applicable, future) use.

To date, the Board of Supervisors has approved only three such Policies (and corresponding Annual Reports) for automated license plate readers, security cameras, and taxi dashboard cameras.

The SFMTA and COIT are in the process of planning the approval processes and schedules for the remaining Surveillance Technologies, which now include additional technology such as automated speed enforcement cameras, which it plans to put in place by late 2024.

Policy Approval Process

Departments seeking Board of Supervisors approval of a Policy must follow the following process:

1. **Draft Policy Submission:** submit a draft Policy and Surveillance Impact Report to COIT for review. This report assesses the technology's cost, impacts on civil liberties and rights, and proposed plans to safeguard privacy rights.

PAGE 4.

2. PSAB Review: The draft Policy and Surveillance Impact Report are presented to COIT's Privacy Surveillance Advisory Board (PSAB) at a public hearing. Department staff present the draft Policy and are available to answer questions about the Surveillance Technology.
3. Recommendation by PSAB: After the hearing, PSAB recommends that the COIT, composed of technology and financial staff from across the City, review the draft Policy.
4. COIT Recommendation: Following the Subcommittee's review, COIT recommends that the Board of Supervisors either adopt, modify, or reject the draft Policy.

This weeks-long process ensures thorough review and evaluation of Policies by relevant stakeholders, leading to informed decisions by the Board of Supervisors, who have broad jurisdiction over matters that impact public privacy, including Surveillance Technologies.

COIT's Previous Role and Changes to Policy Approval Process

Until October 3, 2022, COIT managed the entire Surveillance Technology approval and submission process for all City departments, including scheduling and presenting all Policies and Annual Reports to the Board of Supervisors for approval. But recent changes have shifted this responsibility directly to the City departments, including the SFMTA. COIT still plays a role in other steps, such as offering recommendations to the Board of Supervisors.

Under the former COIT-led process, the SFMTA Board was not involved. But now, because SFMTA staff (instead of COIT) must request approvals of Policies and submit Annual Reports to the Board of Supervisors, existing SFMTA practice requires that staff seek prior authorization from the SFMTA Board.

Staff estimates there will be at least six Surveillance Technologies requiring Board of Supervisors' approvals in the coming months. Additionally, after the Board of Supervisors approves the Policy, each technology will require a yearly Annual Report presentation to the Board of Supervisors.

The Ordinance represents a significant step in regulating the use of Surveillance Technologies by City departments, including the SFMTA. Compliance with the Ordinance ensures the deployment of these technologies is transparent, responsible, and respectful of citizens' privacy and civil rights.

COIT has already presented three of the SFMTA's Policies to the Board of Supervisors for initial adoption and subsequently their Annual Reports. Given changes in COIT's process, staff recommends that the SFMTA Board authorize the Director of Transportation to request Policy approvals and submit Annual Reports to the Board of Supervisors going forward without first seeking authorization from the SFMTA Board, which has not been required until now.

By streamlining this process, significant time and cost savings can be achieved, ensuring an expedited approval process while maintaining the thorough review by COIT and the public at hearings with COIT and the Board of Supervisors.

In a rapidly evolving technological landscape, it's important for City departments like the SFMTA to have the flexibility to adapt swiftly to changes in security and safety features of its existing and future Surveillance Technology, as defined by the Ordinance.

Proposed Amendment to SFMTA Contract Approval Delegation and Requirements Policy

This action would amend Section E (Additional Contracting Authority and Requirements) of the SFMTA Contract Approval Delegation and Requirements Policy to include the following, new provision:

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.*

STAKEHOLDER ENGAGEMENT

This action is not expected to directly affect stakeholders because it does not involve a specific technology. Therefore, specific stakeholder engagement has not been undertaken at this juncture. Staff, however, will actively engage with stakeholders during the approval process of each individual Policy, addressing concerns and inputs on a case-by-case basis.

Additionally, stakeholders will have ample opportunities to review and provide feedback on each Policy during the public hearings conducted by COIT and the Board of Supervisors. These hearings are part of the approval process of each Policy, ensuring transparency and public participation.

ALTERNATIVES CONSIDERED

Staff considered obtaining SFMTA Board authorization for the Director of Transportation to seek Board of Supervisors approval for each Policy. Under this alternative, the SFMTA Board would be involved in the approval process of each Policy and its Annual Report. The Director of Transportation would present the Policies to the SFMTA Board before seeking approval from the Board of Supervisors.

On the one hand, this would maintain an additional layer of oversight and potentially enhance the Policies' alignment with SFMTA's broader goals and community interests.

On the other hand, including the SFMTA Board in the approval process would add time to the overall approval process. Each Policy would require scheduling, presentation, and approval in SFMTA Board meetings before proceeding to the Board of Supervisors, potentially adding weeks to the timeline. In addition, the involvement of the SFMTA Board would require additional preparation and coordination efforts from staff, increasing the workload and resource allocation for each Policy presentation.

FUNDING IMPACT

This action would eliminate additional preparation and coordination efforts from staff, decreasing the workload and resource allocation for each Policy and Annual Report presentation.

ENVIRONMENTAL REVIEW

On February 12, 2024 the SFMTA, under authority delegated by the Planning Department, determined

PAGE 6.

that delegating to the Director of Transportation authority to request Board of Supervisors' approval of SFMTA Surveillance Technology Policies required under Admin. Code Section 19B.2, and to submit to the Board of Supervisors the Annual Surveillance Reports required annually thereafter under Admin. Code Section 19B.6; and amending the SFMTA Contract Approval Delegation and Requirements Policy to include these authorizations is not defined as 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 has reviewed this report.

RECOMMENDATION

Recommending that the SFMTA Board delegate to the Director of Transportation authority to request Board of Supervisors' approval of SFMTA Surveillance Technology Policies required under Admin. Code Section 19B.2, and to submit to the Board of Supervisors the Annual Surveillance Reports required annually thereafter under Admin. Code Section 19B.6; and amend the SFMTA Contract Approval Delegation and Requirements Policy to include these authorizations.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The City's Surveillance Technology Ordinance, codified in Administrative Code Chapter 19B (Ordinance), took effect on July 15, 2019; and,

WHEREAS, Section 19B.2 of the Ordinance requires that City departments obtain Board of Supervisors' approval of a Surveillance Technology Policy (Policy) before acquiring, using, or sharing information collected by new "Surveillance Technology," as defined in the Ordinance; this approval is also necessary to continue using Surveillance Technology that was in place before the Ordinance's effective date; and,

WHEREAS, Once a Policy is approved, Section 19B.6 of the Ordinance requires that City departments submit to the Board of Supervisors an Annual Surveillance Report (Annual Report) annually thereafter; and,

WHEREAS, Until October 3, 2022, the Committee on Information Technology (COIT) led the process of requesting Policy approvals and submitting Annual Reports to the Board of Supervisors on behalf of City departments; but, due to recent changes this responsibility has been transferred directly to the departments, including the SFMTA; and,

WHEREAS, The SFMTA's practice is to seek authorization from the SFMTA Board of Directors before making requests to, or submitting items for approval by, the Board of Supervisors; but, because of COIT's previous role in managing Policy approvals and Annual Report submissions on behalf of SFMTA staff, the SFMTA Board of Directors was not previously involved in this process; and,

WHEREAS, Under COIT's revised process, SFMTA Board of Directors involvement is now required unless it delegate this authority to the Director of Transportation (Director); and,

WHEREAS, In 2019, the SFMTA Board of Directors adopted the SFMTA Contract Approval Delegation and Requirements Policy (Delegation Policy), which consolidated and superseded previous contracting and other delegations of authority; and,

WHEREAS, On September 5, 2023, the SFMTA Board of Directors amended the Delegation Policy to delegate to the Director of Transportation (Director) authority to approve and execute grant agreements where the SFMTA, as grant recipient, provides unilateral indemnity to granting public agencies within certain limits; and,

WHEREAS, Staff requests that the SFMTA Board of Directors further amend the Delegation Policy to delegate to the Director authority to request Policy approvals from and submit Annual Reports to the Board of Supervisors; and,

WHEREAS, This delegation would streamline the Policy approval and Annual Report submittal process, allowing for significant time and cost savings to be achieved, and ensuring an expedited approval process while maintaining the thorough review by COIT and the public at hearings with COIT and the Board of Supervisors; and,

WHEREAS, In a rapidly evolving technological landscape, it's important for City departments like the SFMTA to have the flexibility to adapt their Policies in response to changing needs and circumstances; by authorizing the SFMTA to directly seek Policy approvals and submit Annual Reports to the Board of Supervisors, this process becomes more agile and responsive to emerging challenges and opportunities; and,

WHEREAS, On March 7, 2024 the SFMTA, under authority delegated by the Planning Department, determined that delegating to the Director of Transportation authority to request Board of Supervisors' approval of SFMTA Surveillance Technology Policies required under Admin. Code Section 19B.2, and to submit to the Board of Supervisors the Annual Surveillance Reports required annually thereafter under Admin. Code Section 19B.6; and amending the SFMTA Contract Approval Delegation and Requirements Policy to include these authorizations is not defined as 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); 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 San Francisco Municipal Transportation Agency Board of Directors delegates to the Director authority to request Board of Supervisors' approval of SFMTA Surveillance Technology Policies required under Admin. Code Section 19B.2, and to submit to the Board of Supervisors the Annual Surveillance Reports required annually thereafter under Admin. Code Section 19B.6; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves the amendments to the Delegation Policy to include these authorizations, as shown in Attachment A; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors directs the Board Secretary to update the Delegation Policy and post the revised policy on the SFMTA's website.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 19, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

ATTACHMENT A

SFMTA CONTRACT APPROVAL DELEGATION AND REQUIREMENTS POLICY

(March 19, 2024)

A. EXPENDITURE CONTRACTS

An Expenditure Contract is a written agreement issued in accordance with Administrative Codes Chapter 6 or Chapter 21, in which the SFMTA promises to compensate a contractor, vendor, lessor (landlord), licensor, or other public agency (excluding another City department) for goods received, services provided, construction services provided, possession or use of real property, use of intellectual property, systems maintenance, or other exchange of consideration for benefits received by the SFMTA, and amendments to such contracts. The Contract Amount is the net value of compensation to be paid a contractor, vendor, licensor or lessor, including the value of all approved contract amendments. The Term is the period in which the contract requires the contractor to deliver or complete the services, construction, goods, intellectual property or real property as provided in the contract.

The SFMTA Board delegates to the Director of Transportation (Director) the authority to approve Expenditure Contracts as follows:

1. Expenditure Contracts.

a. Director's Authority.

- (1) The Director may approve purchase orders for the procurement of "General Services" and "Commodities," where the aggregate expenditure obligations of the SFMTA is less than \$10,000,000, provided that such procurements are made in accordance with applicable City Purchaser's rules and regulations.
- (2) The Director may approve all other Expenditure Contracts except for those listed under item 1.a (1) where the sum of the Contract Amount of the contract and value of all options listed in the contract do not exceed \$1,000,000.

b. Amendments or Modifications to Expenditure Contracts.

The Director may approve amendments or modifications (collectively referred to as "Amendments") to Expenditure Contracts as follows, subject to the limitations of Charter Section 9.118. All amendments required to be approved by the Board of Supervisors under Charter Section 9.118 must first be approved by the SFMTA Board of Directors.

- (1) **Amendments or Modifications to Expenditure Contracts for Procurement of General Services and Commodities.** The authority given to the Director is limited to cumulative increases totaling 10 percent of the original Purchase Order Amount and 10 percent of the original Term.

(2) **Amendments or Modifications to all other Expenditure Contracts:**

- i. Original Contract Amounts up to \$1,000,000.** The authority given to the Director is limited to cumulative increases totaling 50 percent of the original Contract Amount including options, and 25 percent of the original Term including options.
 - ii. Original Contract Amounts over \$1,000,000, but less than \$10,000,000.** The authority given to the Director is limited to cumulative increases totaling 25 percent of the original Contract Amount including options, and 25 percent of the original Term including options.
 - iii. Original Contract Amounts over \$10,000,000.** The authority given to the Director is limited to cumulative increases totaling 10 percent of the original Contract Amount including options, and 25 percent of the original Term including options.
- c. Re-Delegation of Approval Authority for Expenditure Contracts.** Subject to the certification requirements stated in Section E.1, below, the Director may re-delegate to any Division Director or other senior manager the Director's authority to approve Expenditure Contracts and amendments to those contracts as follows:
- (1) Original contracts with a Contract Amount not to exceed \$500,000;
 - (2) Contract amendments modifying the Contract Amount up to a maximum of \$250,000, provided that the net value of all amendments does not exceed 50 percent of the authority delegated to the Director;
 - (3) Contract amendments extending the Term, provided that the aggregate sum of all amendments does not to exceed 50 percent of the authority delegated to the Director;
 - (4) The Director may delegate authority to approve Expenditure Contracts, including purchase orders, and amendments to such agreements, for the procurement of General Services and Commodities, provided that such procurements are made in accordance with the rules of the City Purchaser, as follows:

 - a. To the SFMTA's Chief Financial Officer, original contracts and contract amendments, where the sum of the Contract Amount of the original contract and all amendments does not exceed \$10,000,000;
 - b. To the SFMTA's Controller, original contracts and contract amendments, where the aggregate Contract Amount of an original contract and all amendments does not exceed \$10,000,000;

- c. To the SFMTA's Manager of Grants Accounting, original contracts and contract amendments, where the aggregate Contract Amount of an original contract and all amendments does not exceed \$10,000,000;
- d. To the SFMTA's Managers of Contracts and Procurement, original contracts and contract amendments, where the aggregate Contract Amount of an original contract and all amendments does not exceed \$10,000,000;
- e. To the SFMTA's Materials Coordinators, where the aggregate Contract Amount of an original contract and all amendments does not exceed the Minimum Competitive Amount stated in Administrative Code Section 21.02;
- f. The Director may further delegate to the Chief Financial Officer, SFMTA's Controller, SFMTA's Manager of Grants Accounting and SFMTA's Managers of Contracts and Procurement administrative approval of amounts higher than \$10,000,000 to facilitate processing of the procurement in the City's PeopleSoft Financial System, as long as the procurement was conducted in accordance with Charter Section 9.118.

B. REVENUE CONTRACTS.

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

- 1. The Director is authorized to approve Revenue Contracts and modifications of such agreements where the aggregate sum of the anticipated revenues (or estimated value) the Agency will receive under the agreement 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 option or extension periods, and the Term is less than ten years).
- 2. Subject to the certification requirements stated in Section E.1, below, the Director may re-delegate authority to approve Revenue Contracts and amendments to Revenue Contracts to the to the SFMTA Senior Manager of Revenue or other senior manager responsible for the management of fare revenues and sale information, fare and parking payment media), agreements for the sale or distribution information and fare and parking payment media, where the commissions the Agency will receive under such an agreement are not expected to exceed \$250,000 in any fiscal year. and the agreement is not subject to Charter Section 9.118.

C. MISCELLANEOUS AGREEMENTS

- 1. **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 E.1, below, the Director may delegate to the Director of Accessibility and Regulation Mobility Services Division, the authority to approve agreements for the sale and surrender of Taxi medallions, subject the limits stated in this Section.

2. **Grant Agreements.** The Director is authorized to approve applications for grant funds, to approve agreements to accept, expend grant funds, and to transfer grants funds to a public agency that will be a sub-recipient of said grant funds, and indemnify the 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.
3. **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 (Art Contract) for SFMTA capital projects where a project funding source requires the Agency to approve all project contracts. 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. Subject to the certification requirements stated in Section E.1, below, the Director may delegate approval of Art Contracts to the Director of Capital Projects and Construction.
4. **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. 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 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.
5. **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 \$2,000,000. Indemnity agreements that, in the opinion of the City Attorney or Risk Manager, are likely to expose the SFMTA to liability greater than \$2,000,000 shall be submitted to the SFMTA Board for approval.
 - b. A contract with a private entity that provides the SFMTA less than full indemnity covering the Agency'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, it is the policy of the SFMTA that the Agency shall not indemnify private entities, except as necessary to achieve policy and program goals of paramount importance.
6. **Waiver or Reduction of Special Damages Indemnity.** The Director is authorized to waive or limit a contractor's liability for consequential damages and incidental damages (aka, special damages) in an Expenditure Contract if the Director determines that such waiver or limitation accords with the factors set out in Administrative Code Section 21.23.
7. **Nondisclosure Agreements.** A nondisclosure agreement (NDA) is an agreement to hold confidential information that is proprietary to another party. The Director is authorized to execute NDAs that accord with applicable public records laws and that limit the SFMTA's liability to \$1,000,000 for the following purposes: (1) use of experimental or new technology under a license agreement as part of a pilot project; (2) 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; and, (3) software or technology license agreements. Subject to the certification requirements stated in Section E.1, below, the Director may delegate the authority granted under this section to the Division Director responsible for the contract.
8. **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 E.1, below, the Director may delegate the authority granted under this section to the Division Director or senior manager in charge of marketing and communications or (for the use of real property) to a senior manager in charge of real estate. Any license for filming, photography or other activities along SFMTA right-of-way, in SFMTA facilities or on a transit vehicle that may interfere with the Agency's transit operations requires the written approval of the Director of Transit.
9. **Fare Media Procurement.** The Director is authorized to delegate to the Division Director or senior manager in charge of finance and information technology or to the Division Director or senior manager in charge of revenue the authority to approve and execute 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.
10. **Sole Source Negotiations.** The Director is authorized to direct staff to commence sole-source contract negotiations, in accordance with the requirements of applicable City ordinances and/or federal procurement requirements.

E. ADDITIONAL CONTRACTING AUTHORITY AND REQUIREMENTS

1. **Certification of Delegated Authority.** The Director shall present to the Secretary of the SFMTA Board of Directors a completed original delegation of authority letter for

each person to whom the Director delegates contract approval authority. The SFMTA Board Secretary shall review the delegation letter and certify conformance with requirements of this policy. A delegation of authority shall be in effect when certified by the SFMTA Board Secretary.

2. **Exercise of Options.** The Director is authorized to exercise options reserved by the Agency in any contract, 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 a contract amendment but is not otherwise subject to the requirements and limitations stated for issuance of contract amendments in this Contract Policy. The Director may delegate authority to exercise contract options to the Division Director responsible for the contract.
3. **Parking Authority.** The policies and procedures stated in this Contract 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. 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 re-advertise for new bids and proposals; and, (3) authorize the City Attorney to settle unlitigated claims of \$25,000 or less.
5. **Successor Titles.** The Director's delegation authority under the Policy is not limited to specific manager titles in use when this Policy is approved but may be conferred on managers holding similar positions and having similar responsibilities, if the titles used by the Agency change.
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.

F. QUARTERLY REPORTING

Every 90 days, the Director shall provide a written report to the SFMTA Board identifying:

1. All contracts awarded by the Director in the preceding 90 days, including the name of the contractor, the amount and Term of the contract, and a summary description of the work to be performed.