

Chapter 12U: Sweatfree Contracting Ordinance

SEC. 12U.1. - Findings.

SEC. 12U.2. - Definitions.

SEC. 12U.3. - Prohibition on Sweatshop Conditions.

SEC. 12U.4. - Contractual Requirement.

SEC. 12U.5. - Phase-in Period.

SEC. 12U.5.1. - Additional Goods Covered by Ordinance.

SEC. 12U.6. - Advisory Group.

SEC. 12U.7. - Administration and Enforcement.

SEC. 12U.8. - Effective Date.

SEC. 12U.9. - Exceptions.

SEC. 12U.9.5. - Award of Contract Absent a Sweatfree-Compliant Bid or Proposal.

SEC. 12U.10. - Preemption.

SEC. 12U.11. - Severability.

SEC. 12U.1. - FINDINGS.

The Board of Supervisors finds and declares the following:

- (a) This Chapter shall be known as the Sweatfree Contracting Ordinance.
 - (b) Each year the City and County of San Francisco spends hundreds of millions of dollars contracting with private sector contractors for the purchase or rental of goods. The prudent expenditure of public dollars requires that the City select responsible contractors.
 - (c) The City and County, as a major purchaser of goods, must be cognizant of the labor conditions that may be supported by its actions as a major market participant. Better working conditions assure consistently better quality goods for the City and County, by assuring fewer disruptions in the workplace due to workers' grievances, fewer absences due to illnesses, less fatigue and fewer workplace injuries, less turnover of workers, and greater incentive to perform.
 - (d) In its role as a market participant, the City and County seeks to assure that the integrity of the procurement process is not undermined by contractors or subcontractors who engage in sweatshop practices. Contractors who use Sweatshop Labor are able to underbid responsible contractors who pay fair wages and maintain humane work environments and conditions. Such practices place responsible contractors at a competitive disadvantage, which may dissuade responsible contractors from participating in the City and County procurement process. This Chapter will encourage responsible contracting with the City and County and reduce any inadvertent support of contractors who use Sweatshop Labor.
 - (e) By adopting this ordinance, the City and County does not intend to preclude the City and County or its contractors or subcontractors from doing business with any foreign country.
- (Added by Ord. 223-05, File No. 051257, App. 9/16/2005)*

SEC. 12U.2. - DEFINITIONS.

For the purposes of this Chapter, the following definitions shall apply to the terms used herein.

- (a) "Abusive Forms of Child Labor" shall mean the following: work performed by a person under the age of 18 when the person does not voluntarily seek the work or the person is threatened by the person's employer with physical, mental or emotional harm for nonperformance; (2) work performed by a person under the age of 18 in violation of any applicable law of the country of manufacture or assembly governing the minimum age of employment, compulsory education, or occupational health and safety; or (3) the use of a person under the age of 18 for illegal activities, including but not limited to the production or trafficking of illicit drugs or for prostitution.
- (b) "Contract" shall mean an agreement for Goods for an amount greater than \$25,000 and having a term in excess of three months to be purchased or provided at the expense of the City and County or to be paid out of moneys deposited in the treasury or out of trust moneys under the control of or collected by the City and County. "Contract" shall also mean any amendment to a contract entered into after the effective date of this Chapter that causes the amount of the contract to exceed \$25,000 or causes the term to exceed three months.
- (c) "Contractor" shall mean any person or persons, association, cooperative, firm, partnership, corporation, company, venture, trustee, trustee in bankruptcy, receiver, or combination thereof who enters into a Contract with the City and County.
- (d) "Director" shall mean the Director of the Office of Contract Administration.
- (e) "Foreign Convict or Forced Labor" shall mean any form of labor used to produce or manufacture goods prohibited from importation into the United States under 19 U.S. C. § 1307, which includes Abusive Forms of Child Labor and Slave Labor.
- (f) "Good" shall mean any good, including without limitation, any material, supply, or equipment.
- (g) "Slave Labor" shall mean any form of slavery, sale and trafficking of persons, debt bondage, indentured servitude, serfdom, or forced or compulsory labor.
- (h) "Subcontract" shall mean any subcontract agreement or arrangement directly with a Contractor for any work under a Contract (first tier subcontract) and shall mean any subcontract agreement or arrangement between subcontractors, at any tier, except for any agreement or arrangement between subcontractors if the amount of the agreement or arrangement is less than the lesser of (1) 10 percent of the amount of the higher tier subcontractor's work; or (2) \$25,000. "Subcontract" also shall mean any subcontract agreement or arrangement that any Contractor or Subcontractor creates by dividing work into smaller increments for award to any subcontracting entity created for the purpose of awarding a subcontract that is not subject to this Chapter on the basis that it fails to meet either of the monetary thresholds for a Subcontract set above in this subsection (h).
- (i) "Subcontractor" shall mean any person or persons, association, cooperative, firm, partnership, corporation, trustee, trustee in bankruptcy, receiver, or combination thereof including without limitation any subcontractor, entering into a Subcontract.
- (j) "Sweatshop Labor" shall mean work performed by any Worker under terms or conditions that seriously or repeatedly violate laws of the jurisdiction within which the work is performed governing: (i) wages; (ii) employee benefits; (iii) health and safety, including without limitation

exposure to hazardous or toxic substances; (iv) labor, including without limitation collective bargaining rights; (v) environmental conditions; (vi) nondiscrimination, harassment, or retaliation, including without limitation all laws prohibiting workplace and employment discrimination; (vii) freedom of association; or (viii) building or fire codes. "Sweatshop Labor" also shall mean any work performed by any person contributing to the provision of Goods to the City and County under a Contract or Subcontract that constitutes Foreign Convict or Forced Labor, or Abusive Forms of Child Labor or Slave Labor.

(k) "Worker" shall mean any employee of a Contractor or Subcontractor who contributes to the provision of Goods to the City and County under a Contract or Subcontract, including but not limited to any manufacturing or assembling of the Goods.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005; Ord. 265-07, File No. 071369, App. 11/14/2007)

SEC. 12U.3. - PROHIBITION ON SWEATSHOP CONDITIONS.

Each Contractor and Subcontractor shall comply with each of the following requirements:

(a) Each Contractor and Subcontractor, regarding any Worker, shall comply with all human and labor rights and labor standards imposed by treaty or law on the country in which the Goods are made or assembled, and shall not engage in Sweatshop Labor.

(b) Each Contractor and Subcontractor shall pay at least the following minimum wages to Workers: (1) to Workers working in the United States a base hourly wage, to be set and adjusted annually by the Director, to produce for 2,080 hours worked, an annual income equal to or greater than the U.S. Department of Health and Human Services most recent poverty guidelines for a family of three plus an additional 20 percent of the wage level paid, including without limitation amounts paid as hourly wages or health benefits or retirement benefits; and (2) for Workers working in countries other than the United States, a wage, to be set and adjusted annually by the Director, that shall be comparable to the wage for domestic manufacturers established above, adjusted to reflect the country's level of economic development by using the World Bank's most recent Gross National Income per capita Purchasing Power Parity Index.

(c) This Chapter specifies a minimum level of compensation to be paid Workers and shall not be construed to preempt or otherwise limit any other applicable law, regulation or requirement that requires a higher level of compensation.

(d) Each Contractor and Subcontractor shall keep or cause to be kept for a period of not less than three years from the date of the expiration or termination of the term of the Contract, basic payroll and time records for each Worker, and copies of any tax records filed with a governmental entity during the term. Such records shall include the following for each Worker: (a) name and job classification; (b) a general description of the work the Worker performed each day and the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits); and (c) the daily and weekly number of hours worked, deductions made; and (d) any actual wages paid.

(e) Each Contractor and Subcontractor shall maintain weekly certified payroll records for submission to the Office of Contract Administration, the Office of Labor Standards Enforcement, or the Director's designee or other authorized officers or agents of the City and County upon demand.

The Contractor shall be responsible for submitting the payroll records of its Subcontractors, although Subcontractors shall submit such records directly to the City and County upon request. All certified payroll records shall be accompanied by a statement signed by the Contractor, or Subcontractor if requested by the City and County to submit the records, stating that the records are complete and correct.

(f) All records required to be maintained by this Chapter shall at all times be open to inspection and examination of the duly authorized officers and agents of the City and County of San Francisco.

(g) All Contractors and Subcontractors shall comply with the overtime laws and regulations applicable to their Workers. In the absence of a law setting overtime compensation, overtime hours shall be compensated at the rate of one-and-one-half times the regular hourly compensation rate. All overtime hours worked beyond 48 hours of working time per work week shall be worked voluntarily, except mandatory overtime above that 48-hour mark is permitted if each of the following conditions is satisfied: (1) the law of the country of manufacture permits mandatory overtime, (2) the manufacturing facility is party to a collective bargaining agreement that permits mandatory overtime, and (3) the mandatory overtime hours are worked in conformance with the collective bargaining agreement.

(h) No Contractor or Subcontractor shall subject any Worker to any physical, sexual, or other illegal harassment or abuse, including corporal punishment, illegal discrimination or retaliation for exercising his or her right to free speech and assembly or other rights protected under applicable labor or employment laws.

(i) No Contractor or Subcontractor shall require or compel any Worker to use contraceptives or take pregnancy tests.

(j) Before commencing any work under the Contract, the Contractor shall provide the City and County a list of the names and addresses of each Subcontractor to be utilized in the performance of the Contract, the Contractor's and each Subcontractor's applicable State tax identification number and the address of each manufacturing or other facility or operation of the Contractor and its Subcontractors for the performance of the Contract. The Office of Contract Administration shall post this information on its internet website before a Contractor or any of its Subcontractors may commence work under the Contract. Contractor shall update the list to show any changes in the Subcontractors or the facilities or operation during the term of the Contract. Before commencing any work under the Contract, the Contractor also shall provide the City and County a written statement showing the amount to be paid each Subcontractor and shall update this information in writing to show changes in the amount to be paid any Subcontractor or amounts to be paid Subcontractors added after submittal of the most recent statement to the City and County. Amounts to be paid to subcontractors may be reported in ranges of \$20,000.00 to \$50,000.00; \$50,001.00 to \$100,000.00; \$100,001.00 to \$250,000.00; \$250,001.00 to \$500,000.00; above \$500,000.00; or such other ranges as the Director, after consultation with the Office of Labor Standards Enforcement and Sweatfree Procurement Advisory Group, deems appropriate to effectively implement this Chapter. Updates in the amount to be paid a Subcontractor or Subcontractors after submittal of the most recent statements to the City and County need only be submitted if the changed amount would fall into a different range.

(k) During each year of the term of a Contract, the Director, the Office of Labor Standards Enforcement, or the Director's designee may request a written assurance from the Contractor and each of its Subcontractors that the Contractor or Subcontractor is in compliance with this Chapter.

The request may seek confirmation of compliance with some or all of the requirements of this Chapter, and may require the response to be submitted under penalty of perjury. The Contractor or Subcontractor shall provide the written assurance within the time period specified by the Director, the Office of Labor Standards Enforcement, or the Director's designee, which shall not be less than 14 days from receipt of the request.

(l) Each Contractor and Subcontractor shall be responsible for ensuring the Subcontractor's compliance with this Chapter.

(m) Contractors and Subcontractors shall demonstrate commitment to best practices and continuous improvement in management practices to eliminate Sweatshop Labor, including the right to freedom of association and collective bargaining. No Contractor or Subcontractor shall subject a Worker to harassment, intimidation or retaliation as a result of his or her efforts to freely associate or bargain collectively. This subsection shall not apply to Contractors or Subcontractors subject to the National Labor Relations Act, 29 U.S.C. §§ 151 et seq.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005; Ord. 265-07, File No. 071369, App. 11/14/2007)

SEC. 12U.4. - CONTRACTUAL REQUIREMENT.

Each Contract shall include an agreement by the Contractor to comply with the requirements of this Chapter, and shall incorporate this Chapter by reference. Contracts shall provide the following: (1) that in the event the Director determines that any Contractor or Subcontractor has failed to comply with any provision of this Chapter or any regulations implementing this Chapter, the Contractor shall be liable for liquidated damages equal to the greater of \$1,000 or 20% of the amount of the Goods provided in violation of this Chapter, as determined by the Director; and (2) the City and County may deduct any liquidated damages owed by a Contractor from any monies owed the Contractor under the Contract or any other agreement that the Contractor has with the City and County.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005)

SEC. 12U.5. - PHASE-IN PERIOD.

During the first full fiscal year of the City and County after the effective date of this Chapter, the City and County shall target for enforcement only Contracts for apparel, garments and corresponding accessories, materials, supplies or equipment. Agreements for other Goods shall be targeted for enforcement in accordance with the procedure set forth in Section 12U.6.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005)

SEC. 12U.5.1. - ADDITIONAL GOODS COVERED BY ORDINANCE.

In addition to Contracts for apparel, garments and corresponding accessories, materials, supplies or equipment, contracts for the following goods shall be targeted for enforcement:

(a) Textiles; meaning all items of cloth that are produced by weaving, knitting, felting, sewing, or

similar production processes, including but not limited to such cloth items as sheets, pillows, pillowcases, towels, blankets, comforters, bath mats, mattress covers, table linens, cloth napkins, cleaning cloths, draperies, upholstery, rugs, and entrance mats, but excluding carpets.

(Added by Ord. 28-10, File No. 091403, 2/11/2010)

SEC. 12U.6. - ADVISORY GROUP.

(a) The City and County shall establish a Sweatfree Procurement Advisory Group. The Sweatfree Procurement Advisory Group shall evaluate the industries engaged in the manufacture and sale of goods to determine whether contracts for any goods, in addition to apparel and garments, should be targeted for enforcement, and to evaluate the implementation, administration, and enforcement of this Chapter. To determine whether a particular good shall be targeted for enforcement, the factors that the Sweatfree Procurement Advisory Group shall consider shall include, but not be limited to: (a) the amount the City and County has spent, and anticipates spending for such good; (b) evidence of Sweatshop Labor or other conditions prohibited by this Chapter in the manufacturing, assemblage or distribution of such good; and (c) any financial impact that targeting the good for enforcement will have on the City and County. At the end of the first full fiscal year of the City and County following the effective date of this Chapter, and annually thereafter, the Sweatfree Procurement Advisory Group shall submit a written report to the Director and the Office of Labor Standards Enforcement that contains any recommendations on the administration, implementation, and enforcement of this Chapter, or the application of this Chapter to other goods. The report shall include the supporting information upon which each recommendation is based and a report on the financial impact that adoption of the recommendation will have on the City and County. The Director may submit any recommendation to extend the applicability of this Chapter to other goods to the Board of Supervisors. Upon the adoption of an ordinance approving such recommendation, Contracts for the purchase of such goods shall be subject to this Chapter. The Director in the Director's discretion may adopt other recommendations of the Sweatfree Procurement Advisory Group subject to the Municipal Code and the Charter.

(b) The Sweatfree Procurement Advisory Group shall determine how the City and County may maximize its purchase of goods produced in San Francisco. Within four months of its formation, the Sweatfree Procurement Advisory Group shall examine how the City and County may provide preferences and/or incentives to garment industry manufacturers in San Francisco that are in compliance with this Chapter, and explore the expansion of preferences and/or incentives to other industries. Within the four-month period, the Sweatshop Procurement Advisory Group shall propose legislation to immediately implement the preferences and/or incentives.

(c) The Sweatfree Procurement Advisory Group shall consist of eleven members. The Mayor and the Board of Supervisors shall each appoint five members. The Controller shall appoint one member. Each member shall be appointed to a term of two years. At least one of the Board of Supervisors' appointees and one of the Mayor's appointees must have significant experience representing employees in labor matters. At least one of the Board of Supervisors' appointees and one of the Mayor's appointees must have significant experience acquiring goods or services for a public entity. At least one of the Board of Supervisors' appointees and one of the Mayor's appointees must have significant experience as an advocate for human rights or the poor. The Controller's appointee shall have significant experience in finance, financial auditing, or accounting. All members of the Sweatfree Procurement Advisory Group shall be appointed within sixty days of the effective date of this Chapter. Each member shall serve at the pleasure of the appointing

authority. The Sweatfree Procurement Advisory Group shall meet not less than once each fiscal year.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005)

SEC. 12U.7. - ADMINISTRATION AND ENFORCEMENT.

(a) The Director shall implement and administer, and the Director and the Office of Labor Standards Enforcement shall enforce the requirements of this Chapter. The Director may issue regulations for the implementation and administration of this Chapter. The Director may, in consultation with the Office of Labor Standards Enforcement, issue regulations for the enforcement of this Chapter. The Director may delegate, in writing, responsibilities to other departments, offices, employees, officers, or agents of the City and County. Each City department, when requested by the Director, shall cooperate with the Director in the implementation or administration of this Chapter, and when requested by the Director or Office of Labor Standards Enforcement, shall cooperate with the enforcement of this Chapter by providing relevant information that is in the department's possession and control, and providing any other assistance that it is feasible for the department to provide. The City and County may, subject to the Charter, including without limitation its budgetary and fiscal provisions, and the Municipal Codes, enter into contracts with any entity and cooperative agreements or arrangements with any public entity for assistance in implementing, administering or enforcing this Chapter, and shall explore efficient and cost-effective mechanisms for ensuring the compliance of Contractors.

(b) Until such time as the City and County determines that it is able to adequately monitor compliance with this Chapter using City personnel, the City and County shall, subject to the Charter, including without limitation its budgetary and fiscal provisions, and the Municipal Codes, enter into an agreement with an independent non-profit organization with expertise in monitoring and reporting on Sweatshop Labor for assistance monitoring the compliance of Contractors. This subsection does not in anyway limit the City's ability to contract for assistance under subsection 12U.7(a).

(c) Each Contractor and Subcontractor shall cooperate fully with any investigation of the Director, the Office of Labor Standards Enforcement, the Director's designee or contractors, including without limitation any independent non-profit monitor, and other City employees and agents authorized to assist in the implementation, administration or enforcement of this Chapter. Such persons or entities shall, in the performance of their duties, have the right to engage in random inspections of any worksite where the Contract or any Subcontract is performed and have access to any Worker or any record required to be maintained in Section 12U.3.

(d) Any failure of a Contractor or Subcontractor to perform in accordance with this Chapter shall be a material breach of the Contract. In such an event, the City and County may take any or all of the following actions:

- (1) Assess liquidated damages as provided for in the Contract.
- (2) Terminate the Contract.
- (3) Commence debarment proceedings pursuant to Chapter 28 of this Code against the Contractor, where the Contractor has failed to comply with this Chapter, or against the Subcontractor, or Contractor and Subcontractor, where the Subcontractor has failed to comply with this Chapter.

- (4) Withhold payments under the Contract until the Contractor or its Subcontractor is in full compliance with this Chapter.
- (5) Require the Contractor or Subcontractor, at its expense, to provide training and best practices guidelines to managers and employees at the facility or operation where the violation occurred to ensure future compliance. Upon request by the Director or the Director's designee, the Contractor or Subcontractor shall submit such materials for the City and County's review and approval prior to distribution to managers and employees.
- (6) Any Contractor or Subcontractor shall provide the Director or the Director's designees or contractor, and other City employees and agents authorized to assist in the administration and enforcement of this Chapter immediate access to the facility or operation where the violation has occurred for an inspection of the facility or operation and records, and interviews of Workers.
- (7) During the term of the Contract, but not more than once every 30 days, the Director, the Office of Labor Standards Enforcement, or the Director's designee may require the Contractor or Subcontractor to provide a written summary of the steps taken to remedy the noncompliance and any difficulties encountered in curing the noncompliance. The request may require the response to be submitted under penalty of perjury. The Contractor or Subcontractor shall provide the written summary within the time period specified by the Director, the Office of Labor Standards Enforcement, or the Director's designee, which shall not be less than 14 days from receipt of the request.
- (8) Pursue any other remedies available to the City and County at law or in equity.
(*Added by Ord. 223-05, File No. 051257, App. 9/16/2005*)

SEC. 12U.8. - EFFECTIVE DATE.

This Chapter shall be effective ninety days after it is adopted. This legislation is intended to have prospective effect only.

(*Added by Ord. 223-05, File No. 051257, App. 9/16/2005*)

SEC. 12U.9. - EXCEPTIONS.

This Chapter shall not apply in the following circumstances:

- (a) When a Contract involves the expenditure of funds received by the City and County and the application of this Chapter would violate or be inconsistent with the terms or conditions of the applicable grant agreement, subvention or agreement or the instructions of an authorized representative of any such agency with respect to any such grant agreement, subvention or agreement.
- (b) When the Director or the Director's designee determines that there is only one responsible contractor available to provide the Goods and that contractor is unable to comply with this Chapter, or the City and County department, commission, office or other City and County entity seeking to enter into the contract certifies in writing to the Director, and the Director finds that there are no qualified responsive bidders or proposers or prospective contractors that would comply with the requirements of this Chapter and the Contract is for Goods that are essential to the City or the

public. This subsection (b) is subject to the provisions of Section 12U.9.5. If a waiver is granted pursuant to this subsection (b), the Contract entered into as a result of the waiver may be for a term of no greater than two years.

(c) When the Contract is with a public entity.

(d) When the acquisition of Goods is only incidental to the other purchases under the Contract. The acquisition of Goods shall be incidental if the amount paid by the City for the Goods is 10 percent or less than the total amount of the Contract.

(e) If the department recommending the Contract certifies in writing to the Director that pursuant to Administrative Code Section 6.60 or 21.15 that the Contract is necessary to respond to an emergency which endangers the public health or safety and no entity which complies with the requirements of this Chapter capable of responding to the emergency is immediately available.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005; Ord. 265-07, File No. 071369, App. 11/14/2007)

SEC. 12U.9.5. - AWARD OF CONTRACT ABSENT A SWEATFREE-COMPLIANT BID OR PROPOSAL.

(a) It is the City's goal to achieve full compliance with this Chapter. But, in the absence of bids or proposals that are fully compliant with the provisions of this Chapter, the City should have authority to award Contracts to the bidder or proposer that is most compliant with this Chapter. If, in response to a solicitation for bids or a request for proposals, the City receives no bids or proposals that are fully compliant with the provisions of this Chapter, the Director is authorized to enter into a Contract with a noncompliant bidder or proposer, according to the following principles.

(b) Notwithstanding the determination of low bid or highest ranked proposal, the Director shall have authority to determine which bidder or proposer most substantially complies with this Chapter, and shall award the Contract to that bidder or proposer.

(c) No Contract awarded pursuant to subsection (b) may exceed two years in term unless the Director determines, no later than six months prior to the expiration of the original term of the Contract, that the Contractor has achieved an additional level or levels of compliance with the provisions of this Chapter that warrants exercise of an option to extend the Contract for up to an additional year.

(d) Any Contract awarded pursuant to subsection (b) shall be terminated by the Director during the original term of the Contract or any extension of the original term if the Director determines that the Contractor (i) is not making a good faith effort to achieve an additional level or levels of compliance with the provisions of this Chapter or (ii) has not corrected within a reasonable time, as defined by the Director, a specific violation of this Chapter that the City discovers after award of the Contract. In addition, the Director shall include in any Contract awarded pursuant to subsection (b) a compliance plan that identifies deficiencies in the bid or proposal and specifies a condition or conditions and related timetables designed to achieve an additional level or levels of compliance with the provisions of this Chapter no later than six months prior to the expiration of the original term of the Contract; and failure of the Contractor to satisfy said compliance plan may serve as the basis for the Director to terminate the Contract.

(e) Standards for determining most substantial compliance under subsection (b) and additional

level or levels of compliance under subsections (c) and (d) shall be adopted by the Director following consultation with the Office of Labor Standards Enforcement and the Sweatfree Procurement Advisory Group, and a public hearing. Such standards shall give due consideration to the City's need to receive information from bidders and Contractors to enable the City to monitor compliance with this Chapter; the degree to which a particular requirement of the Ordinance is not being complied with by a bidder or Contractor; the number of requirements of the Ordinance that are not being complied with by a bidder or Contractor; practical difficulties faced by bidders and/or Contractors generally in complying with a particular requirement of the Ordinance; the relative importance, if ascertainable, of the different labor standards set forth in Section 12U.3; and such other factors as may be relevant to achieving maximum compliance with this Chapter.

Such standards shall become operative on the effective date of this Section if they are adopted by the Director before then. Such standards shall become operative on the date they are adopted by the Director if that occurs after the effective date of this Section.

In addition, the Director has authority to adopt rules and procedures that implement this Section.

(f) The Director shall not award a Contract pursuant to subsection (b) where the cost of that contract would exceed the low bid or highest ranked proposal by more than 15 percent.

(g) The Director shall submit quarterly reports to the Board of Supervisors regarding the implementation of this Section and contracts issued to otherwise noncompliant bidders or proposers under this Section.

(h) Neither subsection (b) nor any other provision in this Section shall override the Director's authority to reject all bids or proposals or take other action within his or her legal authority.

(Added by Ord. 265-07, File No. 071369, App. 11/14/2007)

SEC. 12U.10. - PREEMPTION.

Nothing in this Chapter shall be interpreted or applied so as to create any power or duty in conflict with any federal or state law.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005)

SEC. 12U.11. - SEVERABILITY.

If any part or provision of this Chapter or the application of this Chapter to any person or circumstance, is held invalid, the remainder of this Chapter, including the application of such part or provisions to other persons or circumstances, shall not be affected by such holding and shall continue in full force and effect. To this end, the provisions of this Chapter are severable.

(Added by Ord. 223-05, File No. 051257, App. 9/16/2005)