

# Required Annual DPH Reports

- ▶ On the Agenda:
  - ▶ FY19-20 Contingency Report: Annual DPH Contingency Report, per Board of Supervisors Resolution 563-10 submitted to the Board of Supervisors by July of each year (Health Commission update; no approval required)

# Annual Contingency Report

Submitted Annually to the Board of Supervisors  
(presented to the Health Commission for Informational Purposes)

# History of the DPH Contingency and Reporting Requirements

- ▶ In 2002, the City's Non-Profit Contracting Task Force recommended that departments implement policies and procedures to streamline internal contract processes. In FY 2005-06, as part of its response to the Task Force's findings, the Department of Public Health (DPH) established a policy of setting a contingency value on each contract equal to 12 percent of the amount authorized over the life of the contract, department-wide for all contractors.
- ▶ During an October 2008 Board of Supervisors Budget and Finance Committee meeting, it was requested that DPH report to the Board of Supervisors on the use of contingencies in DPH service-based contracts. In May, 2010, the Board of Supervisors adopted Resolution 563-10, that added a requirement that DPH submit a report each June identifying annual increases over the original contract amounts approved by the BOS, i.e. contingency usage.
- ▶ In 2012, the Budget and Legislative Analyst recommended in an audit of professional service contracts that the Health Commission develop a written policy on the use of contract contingencies. The Health Commission adopted these policies in 2014, via Resolution 14-1 "Resolution on Contract Contingency Policy".
- ▶ Today's report reflects all current policies, formatting and requirements.

# Health Commission/Department of Public Health Contingency Policies

Contract contingency policies adopted in response to Budget and Legislative Analyst recommendations:

- ▶ 1. A 12% contract contingency may be included in all DPH contracts.
- ▶ 2. The 12% contingency is added to the total contract amount (contract not-to-exceed amount) but is not funded.
- ▶ 3. The DPH budget does not include an appropriation for contract contingency funds.
- ▶ 4. When unspent or new funds are identified, these funds may be reallocated or added to a contract using the contract contingency.
- ▶ 5. Allowable uses of contract contingency are for any use that complies with the DPH goals of streamlining the contracting process, as described above.
- ▶ 6. When a contract is modified, a 12% contingency may be added for future services but any unused contingency remaining from prior contract periods will be reduced to \$0.