




City and County of San Francisco

San Francisco Department of Public Health

Barbara A. Garcia, MPA
Director of Health

DATE: May 29, 2015

TO: Edward A. Chow, MD President, Health Commission
Cecilia Chung, Chair, Health Commission Finance Committee
Honorable Members of the Health Commission

FROM: Jacquie Hale, Director, Office of Contract Management and Compliance
DPH Business Office, Finance Division 

RE: **Request for approval of changes to list of contracts designated as sole source, professional services contracts for health and behavioral health services and support provided by non-profit contractors, as authorized by San Francisco Administrative Code Section 21.42.**

Attached is a list of contracts designated as sole source, professional services contracts for health and behavioral health services and support, provided by non-profit contractors, as authorized by San Francisco Administrative Code Section 21.42.

As in previous years, the attached listing is intentionally broad, listing contractors by major service category rather than detailed inventories of services, in order to facilitate approval by the City Attorney and the Office of Contract Administration (OCA)/Purchaser, as any detailed inventory of service will change as we shift services from one contractor to another or add to a contractors inventory of services and such changes would not be included in the approval.

The majority of the contracts listed were last approved by the Health Commission in December 2014. Changes since that approval are summarized below. To facilitate your review, changes are indicated on the attached spreadsheet in the first column and by highlighting.

- Addition of Larkin Street Youth Services to the Maternal and Child Health services category
- Addition of The Justice & Diversity Center of The Bar Association of San Francisco to the Behavioral Health/Jail Health and Other SF Health Network services categories
- Service category terminology updates, to reflect the Departments new organization
- Jail Health Services has been added into the column for Behavioral Health services, since Jail Health Services has only one contract (and combining the categories keeps the font size larger)

As in previous years, a brief description of the historical background for this request is included at the end of this memorandum, for your reference. The Department respectfully requests approval of these changes. Thank you for your consideration.

The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~

~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all ~

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Background:

DPH Contracting – Historical Practice prior to Late 2006

Prior to late 2006, DPH's practice was to request approval of the Health Commission for contract renewals at Health Commission meetings. This provided a public forum for any contractor to present concerns about the fairness of the contracting process. DPH would periodically issue competitive solicitations ("RFPs") as needed to ensure that prices were competitive and to allow for the participation of interested providers/vendors. Contract renewals or extensions were not approved for more than 10 years, as required in the City Administrative Code, which resulted in the need to do new RFPs at least every 10 years.

City Attorney opinion on City Charter Provisions and Administrative Code

In late 2006, the interpretation of the City Charter and the Administrative code and the review of contracts changed significantly, resulting in the need for DPH to make many adjustments over the next several years. In summary, they are:

- *Original contract agreements may only be established upon the initial award from an RFP.* This resulted in all of those contract renewals which had been previously written and approved by the Commission as original contract agreements being considered to be amendments/modifications to the initial contract that had first been established under an RFP. As a result of that re-calculation, the total contract amount for many contracts suddenly amounted to more than \$10 million, and so required Board of Supervisors approval, both retroactively and prospectively, until new RFPs could be conducted.
- *An RFP is considered "stale" after approximately one year, and may no longer be used for selections/awards.* As a result, if DPH needs to make an award for the same services at a time later than approximately one year from the date of the RFP, then a new RFP for the same services must be conducted in order to afford an opportunity to any new potential providers to compete. This resulted in the need to re-solicit many services (for instance, those in the CBHS mega RFP).
- *All RFPs must contain language describing the anticipated contract amount, the initial contract term and conditions for renewal.* This also required the re-solicitation of some services.

Board of Supervisors Action on Behalf of DPH

In order to bring DPH into compliance with these new interpretations, the Board passed two pieces of legislation

1. A resolution approving/ratifying then-existing professional service contracts which now were considered to have exceeded \$10 million and extending the contracts by three years in order to provide time to re-bid the services. (This resolution has been subsequently amended as needed, and most of the contracts originally approved in this way have since been awarded under new RFPs.)

2. An ordinance amending Chapter 21 of the Administrative Code to enable the Health Director to designate non-profit organizations as the sole source of professional services for contracts for health, behavioral health and support services provided (“DPH Sole Sources”). Sole source designation may be made for services that are (1) unique to DPH, (2) consistent with the DPH mission and goals, and (3) require specialized knowledge, training, personnel, facilities or other resources that are provided by a limited number of non-profit contractors.

This enables the Commission to continue review and approve these contracts as sole sources while the Department prepares RFPs for the services, as appropriate, and for the City Attorney and Office of Contract Administration (OCA) to approve DPH contracts.

/jh
Attachment

