



# Chapter 21G: Grants

## DPH Usage of Grant Agreements and Proposed Solicitation Waiver Process

Request for Health Commission Approval

May 17, 2022



# Purpose of Today's Presentation

1. Present a DPH contractual processing change that is expected to expedite contract certification by decreasing administrative barriers that don't align well with community-based service delivery contracts through the usage of the City's Administrative Code section governing grant agreements: Administrative Code 21.G-Grants; and
2. To comply with Admin Code 21.G-Grants, confirm the process for the Health Commission to approve sole source waiver requests for the limited circumstances when a new grant agreement will not be subject to a solicitation process.

# Background and Purpose of Contracting Change

- Most DPH Contracts are currently processed as “Professional Services Contracts” pursuant to Chapter 21 of the Administrative Code and follow the Office of Contract Administration (OCA’s) Rules and Regulations including the use of a contract template called the “P-600”. Since Chapter 21 applies to services, and services are defined by Chapter 21 "to exclude grants to non-profit entities that provide services to the community", utilizing Chapter 21 requirements for all DPH services means the application of some City requirements that aren't relevant to community-based services. This lengthens the contract certification process.
- Most other City Departments, e.g., Department of Children Youth and Families (DCYF), Human Services Agency (HSA), Homeless and Supportive Housing (HSH) use only Admin Code, Chapter 21G-Grants procedures for community-based vendor contracts, including the G-100 grant agreement template.
- Effective January 2022, updates to Admin Code, Chapter 21G-Grants were approved by the Board of Supervisors. As DPH has been striving to decrease contract processing time-lines, the timing of the update (and DPH was able to participate in updating the language) has created an incentive to begin this transition from professional services agreements (P-600) to grant agreements (G-100) for community-based services. This transition is occurring with new contracts, typically following a solicitation process.
- Grant agreement usage is limited to services that meet specific criteria, e.g., services that benefit the community, so DPH's grant agreements will almost all be with DPH's non-profit agencies. Please note that grant agreements may be funded with General Fund monies, so the term doesn't mean an agreement for grant funding only.
- **This change will allow the Department to complete contract certification more quickly by removing administrative requirements that are less relevant to community-based service contracts, which in turn will allow the swifter implementation of new services and access by community-based partners to cash flow.**

# At-a-glance Comparison P-600 vs. G-100 Requirements

Effective January 2022

P-600s and G-100s are subject to approval by the Board of Supervisors **if the total contract “not to exceed amount” is ≥ \$10m and/or if the term is ≥ 10 years.**

## When to Use:

P-600: Use after a Competitive Bid or Sole Source

G-100: Use after a Competitive Bid or without a competitive bid if grant falls under an exception based on govt entity, funding source, improvement to property, OR sole source

G-100 Potential Time Savings Due to Fewer Procedural Requirements

Requirements	P-600	G-100
Insurance	✓	✓
PSC Approval to Contract Services	✓	✗ <i>may save ~3 to 9 months</i>
12B: Equal Benefits	✓	✓
14B Local Business Enterprise (LBE)	✓	✗ <i>may save up to ~1 month</i>
BAA: Business Associate Agreement	✓	✓
CMD 3: LBE Compliance Affidavit	✓	✓
CMD 10 Contract Modification Form	✓	✗ <i>may save up to ~1 month</i>
12X: State Ban List	✓	✓
12T: Criminal History	✓	✓
Vendor Signature	✓	✓
City Atty Signature	✓	✓
DPH Director Signature	✓	✓
Purchaser/OCA Signature	✓	✗ <i>may save up to ~1 month</i>



# Today's Request for Approval

The Department is requesting the approval of the following:

- To expedite the approval of each individual waiver, designate the Health Commission Secretary, as the DPH authorized designee to approve the DPH 21G.8 Sole Source Grant Solicitation Waiver Requests in accordance with Resolution #001-85 authorizing the Secretary of the Health Commission to Sign Routine Documents on behalf of the Health Commission.



# OCA/Purchaser Rules & Regulations: Sole Source Waiver Approval

The Health Commission has a process for approving Chapter 21 sole source waivers but requires a process for Chapter 21G-Grants. The Department wishes to establish an approval process to meet the City's sole source waiver requirements for Chapter 21G-Grants.

**Rules & Regulations:** On January 26, 2022, pursuant to Chapter 21G, the Purchaser issued [rules and regs](#) pertaining to sole source grant-making under Section 21G.8 – Sole Source Grants and Section 21G.9 – Rules and Regulations, which allow the competitive solicitation requirements to be waived when:

- A competitive process is infeasible or impracticable (at the time)
- A Public Purpose may reasonably be accomplished by one particular Grantee

Per Section 21G.3, a Solicitation Waiver is Not Required, for Grants:

- to a governmental entity for programs, activities, or services that can be practically performed only by that particular entity,
- made to a specific entity as required to comply with applicable law or contract, or due to the requirements of the funding source, (*e.g., named collaborator*)
- made for improvement to property by a property owner

**Grant Solicitation Waivers:** Per the rules and regulations, departments are required to obtain a waiver of the Chapter 21G solicitation requirements utilizing the [Grant Solicitation Waiver Form \(P-21G.8\)](#). This is a form created by OCA for all City departments to use.

- For Granting Agencies under jurisdiction of a commission or board, the waiver shall be approved by the respective commission or board for each proposed contract where a sole source waiver is required to authorize the contractual services.
- **For DPH, the Department is requesting a Designee to sign documents on behalf of the San Francisco Health Commission.**

# Request for Approval:

## Proposed DPH Grant Agreement Process to Waive Solicitations

The BOS amendment to Chapter 21G-Grants establishes a sole source waiver requirement for Departments that wish to enter into grant agreements without first soliciting the services. This requires the completion a new sole source waiver form to be signed by a department Commission or Board.

The Department is proposing a two-part approval process and today is specifically requesting consideration of #2 below:

1. Create a DPH 21G.8 pre-approval list subject to Health Commission approval, similar to the 21.42 sole source pre-approval list. The development of this process is underway with the City Attorney.
2. Implement a process for approval by the Health Commission of each individual waiver request, using OCA's waiver form.
  - ❑ To expedite the approval of each individual waiver, designate the Health Commission Secretary, as the DPH authorized designee to approve the DPH 21G.8 Sole Source Grant Solicitation Waiver Requests in accordance with Resolution #001-85 authorizing the Secretary of the Health Commission to Sign Routine Documents on behalf of the Health Commission.



# Proposed Process Step-by-Step: DPH Grant Agreement Process to Waive Solicitations

If approved, the [Proposed DPH Grant Agreement Solicitation Waiver Process](#) follows:

1. For **each** unique sole source grant agreement request, the Contracts Office will complete a [Grant Solicitation Waiver Form \(P-21G.8\)](#) and submit to Mark Morewitz, Health Commission Secretary for approval on behalf of the Health Commission. The Solicitation Waiver will provide:
  - an estimated timeline of when the service would otherwise go out to bid, as part of the justification
  - sufficient supporting documentation to explain and justify the need for a sole source grant agreement
  - specific and comprehensive information that explains why the waiver of competitive solicitation requirements should be approved
2. Once approved, the Contracts Office will record the approval by uploading the approved Grant Solicitation Waiver Form to PeopleSoft as required by OCA.
3. Approval of the waiver, will allow DPH to begin the development process for a new grant agreement. The grant agreement (aka contract) containing the services approved in the sole source waiver request will be brought to the Health Commission for approval, per the Health Commission's contract approval requirements.





# Examples of Common Reasons that the Department will seek a Sole Source Waiver

The following reasons for a grant agreement sole source waiver, are the same reasons that the Department currently utilizes for Chapter 21.42 sole source waivers. The primary difference is that sole source waiver approval for a potential grant agreement is unique to the vendor, and Health Commission approval will occur prior to the development of a specific grant agreement with that vendor, aka contract:

- To bridge a timing gap between the expiration of solicited services, and completion of a replacement solicitation.
- The Board of Supervisors' or Mayor may allocate additional funding during the annual budget process with an expectation of an immediate implementation that may not allow for an initial full solicitation process;
- Receipt or restrictions on grant monies or funding (such as agencies included in collaborative grant applications, or agencies with specific legal or administrative authorization to provide services); or
- Initiatives related to specific public health issues, target populations, collaborations, or crisis situations (such as responses to community violence, disease outbreaks, or grassroots/community relationships essential to the provision of the services) where timing is critical.

# For Reference

## Comparable Process: 21.42 DPH Sole Source Waiver List

*(this is current DPH procedure)*

SF Admin Code, Chapter 21, Section 21.42 authorizes the SF Health Commission to designate as sole source, P-600 Professional Services Agreements for health, behavioral health and support services provided by non-profit organizations, when recommended by the Department where such services meet the established sole source criteria as defined in 21.42(b). Specifically, this authority is to cover a gap, pending the completion of a solicitation process.

### DPH Sole Source Approval Process:

1. Each year, the DPH Office of Contracts Management and Compliance (Contracts Office) submits a list of current (and recent) non-profit contracts to the Health Commission for advance approval of potential sole source waiver usage, based specifically on San Francisco Administrative Code, Chapter 21.42 parameters. This provides DPH staff with advance approval to enter into a sole source agreement, if it is ever needed. Approval is not signed off for each individual contract at the time sole source authority is required, however, once a contract is developed, it is brought to the Health Commission if it meets the Health Commission requirements for review.
2. In accordance with Section 21.42, the Office of Contract Administration (OCA) will use the Health Commission's approved list as the basis for approving individual contracts with Chapter 21.42 sole source contracting authority.
3. SF Administrative Code, Section 21.42 is applicable to professional services and not Chapter 21-G Grants, which is why OCA has developed a Grant Agreement sole source waiver form.
4. The current process will need to continue because the transition to grant-agreements will only occur as contracts expire, so many existing services will continue as professional services contracts. Also, it will need to continue because there are existing professional services contracts that will never become Grant Agreements. But, the services will continue to meet Chapter 21.42 eligibility criteria.