



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Sent Via Electronic Mail

July 27, 2022

NOTICE OF CIVIL SERVICE COMMISSION MEETING

**SUBJECT: REQUEST TO GRANT THE HEALTH SERVICE SYSTEM
CONTINUING APPROVAL FOR BENEFIT RELATED CONTRACTS
FOR PERSONAL SERVICES CONTRACTS.**

The above matter will be considered by the Civil Service Commission at a hybrid meeting (in-person and virtual) in Room 400, City Hall, 1 Dr. Goodlett Place, San Francisco, California 94102 and through Cisco WebEx to be held on **August 7, 2023, at 2:00 p.m.**

This item will appear on the Consent Agenda. Please refer to the attached Notice for procedural and other information about Commission hearings.

Attendance by you or an authorized representative is welcome. Should you or your representative not attend, the Commission will rule on the information previously submitted and testimony provided at its meeting. All calendared items will be heard and resolved at this time unless good reasons are presented for a continuance.

CIVIL SERVICE COMMISSION

/s/

SANDRA ENG
Executive Officer

Attachment

Cc: Abbie Yant, Health Service System
Iftikhar Hussain, Health Services System
Carol Isen, Department of Human Resources
Gustin Guibert, Deputy City Attorney
Jennifer Donnellan, Deputy City Attorney
Commission File
Commissioners' Binder
Chron

NOTICE OF COMMISSION HEARING POLICIES AND PROCEDURES

A. Commission Office

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The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week. For American Sign Language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact the Commission office to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our ADA coordinator at (628) 652-1100 or email civilservice@sfgov.org to discuss meeting accessibility. In order to assist the City’s efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City to accommodate these individuals.

Know your Rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government’s duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people’s business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people’s review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, or to obtain a free copy of the Sunshine Ordinance, contact Victor Young, Administrator of the Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102-4689 at (415) 554-7724, by fax: (415) 554-7854, by e-mail: soff@sfgov.org, or on the City’s website at www.sfgov.org/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (San Francisco Campaign and Governmental Conduct Code Section 2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Ave., Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3112 and web site <https://sfethics.org/>.

Persons to be Notified

Abbie Yant, RN MA
Executive Director
San Francisco Health Service System
1145 Market Street, #300
San Francisco, CA 94103

Iftikhar Hussain
Chief Financial Officer
San Francisco Health Service System
1145 Market Street, #300
San Francisco, CA 94103

Carol Isen
Human Resources Director
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Gustin Guibert
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1 Dr. Carlton B. Goodlett Pl.
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Jennifer Donnellan
San Francisco City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

MEMORANDUM

Date: July 11, 2023

To: Jacqueline P. Minor, President, Civil Service Commission
Sandra Eng, Executive Director, Civil Service Commission
Members of the Civil Service Commission

From: Abbie Yant, RN, MA, Executive Director
San Francisco Health Service System

Re: Annual Report for PSCs with Continuing Approval

On April 4, 2016, the Civil Service Commission granted the San Francisco Health Service System (HSS) continuing approval for benefit-related personal services contracts (file No. 0135-16-8, attached hereto). On August 15, 2022, the Civil Service Commission reaffirmed this approval and granted HSS continuing approval for benefit-related personal service contracts (file No. 0101-22-8, also attached hereto).

Pursuant to the San Francisco Health Service System's fiscal year reporting requirements to the Civil Service Commission, SFHSS respectfully submits this memorandum and list of personal services contracts, executed under continuing approval for benefit-related contracts, for review and approval.

The following list includes all personal services contracts executed, amended or terminated by the San Francisco Health Service System under Civil Service Commission approved file No. 0135-16-8 or 0101-22-8 during Fiscal Year 2023 (July 1, 2022 – June 30, 2023).

Each contract is a benefit-related contract, subject to Health Service Board oversight and San Francisco Health Service System management, and necessary to meet the responsibilities and requirements established through the City Charter and the San Francisco Administrative Code.

PSC Number	PSC Approval Date	Total Value (all contracts, multiple FYs)	Total Value of Agreements Executed in FY2023 ²
PSC No. 0101-22-8 ¹	August 15, 2022	\$1,190,506,025	\$1,190,506,025

¹ Original PSC 0135-16-8, April 4, 2016.

² Including plan year amendments.

[a detailed breakdown of suppliers, services, terms and contract value on following pages]

HSS Annual Report to CSC for Continuing Approval PSC, FY2023

Supplier Name	Services	Term	Contract Value	Remaining Balance	Change to affected class or union
California Physician Services (DBA Blue Shield of California)	HMO Medical Health Care Insurance and Benefits	01/01/2022 to 12/31/2023 ⁶	\$362,659,910 ^{1, 2}	N/A	No
California Physician Services (DBA Blue Shield of California)	PPO Medical Health Care Insurance and Benefits (except for Non-Medicare Retiree Covered Lives in Medicare Split Families)	01/01/2022 to 12/31/2023	\$53,781,193 ^{1, 2}	N/A	No
ComPsych Employee Assistance Programs, Inc. (DBA ComPsych Corporation)	Employee Assistance Program support and services for Employees and First Responders	04/20/2020 to 12/31/2025	\$3,590,133 ²	\$2,032,004	No
CredibleMind	Integrated population-based mental health platform for employees, retirees and dependents	7/16/2020 – 11/30/2023	\$165,000 ²	\$22,167	No
Delta Dental Plan of California	PPO Dental Health Care Insurance and Benefits	01/01/2022 to 12/31/2023	\$66,070,378 ^{1, 2, 4}	N/A	No
Delta Dental Plan of California	DHMO Dental Health Care Insurance and Benefits (DeltaCare)	01/01/2022 to 12/31/2023	\$814,484 ^{1, 2, 4}	N/A	No
Andrew Linda & Angela Gamburg, dba eIMAGE (LBE)	Health benefits and well-being videos for members	4/6/2021 – 6/30/2024 ⁷	\$153,000 ³	\$60,128	No
Hartford Life and Accident Insurance Company (fka Aetna)	Employer Paid Life (Basic) and Supplemental Life/AD&D Insurance and Long-term Disability (LTD) Insurance	01/01/2020 to 12/31/2023	\$7,275,000 ^{1, 2}	N/A	No
Health Net LLC	HMO Medical Health Care Insurance and Benefits	01/01/2023 to 12/31/2023	\$7,433,119 ^{1, 2}	N/A	No

HSS Annual Report to CSC for Continuing Approval PSC, FY2023

Supplier Name	Services	Term	Contract Value	Remaining Balance	Change to affected class or union
Kaiser Foundation Health Plan Inc.	HMO Medical Health Care Insurance and Benefits: Active/Early Retiree (California); Medicare Retiree (KPSA - California); Multiregional (WA/NW/HI Retirees)	01/01/2023 to 12/31/2023	\$551,949,341 ^{1, 2}	N/A	No
Lexipol LLC (fka Cordico Inc.	Specialized Mental health and Wellness Proprietary Software, Maintenance and Support for First Responders	04/07/2020 to 07/31/2023	\$570,125 ²	\$0	No
Merative (FKA International Business Machines Corporation/IBM, FKA Truven Health Analytics LLC)	Medical Claims Datawarehouse And Reporting Platform	02/01/2015 to 06/30/2023	\$1,966,119 ²	N/A	No
P&A Administrative Services Inc.	Flexible Spending Accounts (FSA), COBRA, and AB528 Plan Administration	03/01/2015 to 12/31/2023	\$3,231,679 ²	N/A	No
United Healthcare Insurance Company	ASO/Self-funded PPO Medical Health Care Insurance and Benefits for Non-Medicare Retiree Covered Lives in Medicare Split Families	01/01/2023 to 12/31/2023	\$9,022,607 ^{1, 2}	N/A	No
United Healthcare Insurance Company	Medicare PPO Medical Health Care Insurance and Benefits (MAPD)	01/01/2023 to 12/31/2023 ⁸	\$110,301,351 ^{1, 2}	N/A	No
Dental Benefit Providers of California, Inc. (DBA United Healthcare Dental)	DHMO Dental Health Care Insurance and Benefits	01/01/2021 to 12/31/2023	\$398,417 ^{1, 2}	N/A	No

Supplier Name	Services	Term	Contract Value	Remaining Balance	Change to affected class or union
Vision Services Plan	Vision Health Care Insurance and Benefits	01/01/2022 to 12/31/2026	\$10,770,634 ^{1, 2, 5}	N/A	No
Employee Benefit Specialist (DBA WORKTERRA)	Management Executive Association Benefit Administration and Voluntary Benefit Administration	01/01/2019 to 12/31/2023	\$225,000 ²	N/A	No
Young Men’s Christian Association of San Francisco (DBA YMCA of San Francisco)	Diabetes Prevention Program (DPP) Administration (Wellness and Medical benefits support and services)	03/01/2020 to 09/30/2023	\$128,535 ²	\$17,824.66	No

¹ The contract amount is based on and includes recent actuarial information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member elections/changes in benefit elections, made at the time of any qualifying events yet-to-occur (birth or adoption of a child, addition or removal of a dependent).

² Executed or Amended with a contract value increase in FY2023.

³ Extended the term of the agreement with no increase in contract value in FY2023.

⁴ Plan year actuarial values as reported for the San Francisco Ethics Commission and Board of Supervisors. June 2023.

⁵ Includes actuarial values for PY2023 and PY2024. Actuarial values for subsequent plan years will be assessed each June YYYY following the annual rates and renewal process for the following/upcoming plan year (January 1, YYYY+1 – December 31, YYYY+1).

⁶ Amendment in final execution phase for extension of term through 12/31/2023.

⁷ Amendment in final execution phase for extension of term through 6/30/2023.

⁸ Amendment in final execution phase for extension through 12/31/2023.

The Commissions continuing approval No. 0135-16-8 governs San Francisco Health Services System personal services contracts subject to the Health Service Board oversight and authority within the following categories:

- (i) Medical plans;
- (ii) Vision plans;
- (iii) Dental plans;
- (iv) COBRA administration;
- (v) Flexible Spending Account administration;
- (vi) Cafeteria Plan/Voluntary Benefits administration;
- (vii) Life insurance;
- (viii) Long Term Disability (LTD) insurance;
- (ix) Wellness;
- (x) Long Term Care (LTC) insurance;

- (xi) Actuarial consulting services; and
- (xii) Specialized health care software contracts.

See SFHSS Request to Grant San Francisco Health Service System Continuing Approval for Benefits Related Contracts for Personal Services Contracts, dated SFHSS dated August 15, 2022 (attached and link to Commission minutes).

The Health Service Board's authority to administer the aforementioned benefit-related contracts, and the San Francisco Health Service Systems' responsibilities thereunder, are established through specific provisions of the City Charter and the San Francisco Administrative Code, and further defined within the SFHSS 125 Cafeteria Plan, SFHSS Member Rules and SFHSS Strategic Plan:

- Charter Section A8.422 states that the Health Service Board "shall: have power and it shall be its duty by a majority vote of the entire membership of the health service board to adopt a plan or plans for rendering medical care to members of the system, or for the indemnification of the cost of said care, or for obtaining and carrying insurance against such costs or for such care."
- Charter Section 12.000 states that the Health Service Board shall "Put such plans as provided for in Section A8.422 into effect and conduct and administer the same and contract therefor and use the funds of the System" and "Make rules and regulations for the administration of business of the Health Service System."
- Charter Section A8.423 states that the Health Service Board "shall have the responsibility to obtain and disseminate information to its members with regard to plan benefits and costs thereof. All expenses in connection with obtaining and disseminating said information, the investment of such fund or funds as may be established, including travel and transportation costs, member wellness programs, actuarial expenses and expenses incurred to reduce health care costs, shall be borne by the system from reserves in the health service fund but only upon adoption of a resolution by the Health Service Board approving such expenses."
- Administration Code Section 16.902 states that "[t]he cafeteria plan established pursuant to this Article may be administered by the San Francisco Health Service System which may prescribe such forms, and adopt such rules and regulations as are necessary to carry out the purposes of the plan." The Cafeteria Plan defines SFHSS as the "Plan Administrator" for "purposes of the administration of th[e Cafeteria] Plan and for Benefit Programs under th[e] Plan." In addition, the Code Section 16.902 states: "The San Francisco Health Service System may contract with a financially responsible independent contractor to administer and coordinate the plan."
- The SFHSS 125 Cafeteria Plan meets the specific requirements of and regulations of section 125 of the Internal Revenue Code and SFHSS responsibilities to our members thereunder. Available at <https://sfhss.org/resource/2020-sfhss-section-125-cafeteria-plan>.
- San Francisco Health Service System Strategic Plan 2020-2022 defines the SFHSS mission and responsibility to our Members to preserving and improving sustainable, quality health benefits

and to enhancing the well-being of our members and their families. Available at <https://sfhss.org/resource/sfhss-2020-2022-strategic-plan>.

The Health Service Board and SFHSS' responsibilities under the City Charter, Administrative Code, Cafeteria Plan, Member Rules, and Strategic Plan are ongoing, as is the need to contract out the aforementioned benefits-related services. Enclosed below, please find a link the Commission's continuing approval No. 0101-22-8 dated August 15, 2022 as well as the prior Commission approval No. 0135-16-8 dated January 11, 2016 (attached). Should the Commission require additional information, please do not hesitate to contact Michael Visconti, Contracts Administration Manager, michael.visconti@sfgov.org, cc: Iftikhar Hussain, Chief Financial Officer for the San Francisco Health Service System, at Iftikhar.Hussain@sfgov.org.

References (1):

Minutes August 15, 2022 Notice of Approval of request to grant Health Service System continuing approval for benefits related contracts for Personal Service Contracts (<https://sfgov.org/civilservice/meeting/civil-service-commission-august-15-2022-minutes>), see item 0101-228:

0101- Request to Grant Health Service System Continuing Approval for Benefit Related
22-8 Contracts for Personal Services Contracts. (Item No. 12)

Speakers: None.

Action: Adopted the report. (Vote of 5 to 0)

Attachments (3)

Attachment 1: Notice of request to grant Health Service System continuing approval for benefits related contracts for Personal Service Contracts and Annual Report to the Civil Service Commission for Continuing Approval, FY2021-2022

Attachment 2: March 24, 2016- Request to grant Health Service System continuing approval for benefits related contracts for Personal Service Contracts

Attachment 3: April 8, 2016- Notice of Approval of request to grant Health Service System continuing approval for benefits related contracts for Personal Service Contracts



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Sent Via Electronic Mail

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/s/

LAVENA HOLMES
Deputy Director

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Know your Rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, or to obtain a free copy of the Sunshine Ordinance, contact Victor Young, Administrator of the Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102-4689 at (415) 554-7724, by fax: (415) 554-7854, by e-mail: sotf@sfgov.org, or on the City's website at www.sfgov.org/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance

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CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Sent Via Electronic Mail

July 22, 2022

NOTICE OF CIVIL SERVICE COMMISSION MEETING

SUBJECT: REQUEST TO GRANT HEALTH SERVICE SYSTEM CONTINUING APPROVAL FOR BENEFIT RELATED CONTRACTS FOR PERSONAL SERVICES CONTRACTS.

The above matter will be considered by the Civil Service Commission at a hybrid meeting (in-person and virtual) in Room 400, City Hall, 1 Dr. Goodlett Place, San Francisco, California 94102 and through Cisco WebEx to be held on **August 1, 2022, at 2:00 p.m.**

This item will appear on the Consent Agenda. Please refer to the attached Notice for procedural and other information about Commission hearings.

Attendance by you or an authorized representative is welcome. Should you or your representative not attend, the Commission will rule on the information previously submitted and testimony provided at its meeting. All calendared items will be heard and resolved at this time unless good reasons are presented for a continuance.

CIVIL SERVICE COMMISSION

/s/

LAVENA HOLMES
Deputy Director

Attachments

Cc: Abbie Yant, Health Service System
Iftikhar Hussain, Health Services System
Carol Isen, Department of Human Resources
Gustin Guibert, Deputy City Attorney
Jennifer Donnellan, Deputy City Attorney
Commission File
Commissioners' Binder
Chron

NOTICE OF COMMISSION HEARING POLICIES AND PROCEDURES

A. Commission Office

The Civil Service Commission office is located at, 25 Van Ness Avenue, Suite 720, San Francisco, CA 94102. The telephone number is (628) 652-1100. The fax number is (628) 652-1109. The email address is civilservice@sfgov.org and the web address is www.sfgov.org/civilservice/. Office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday.

B. Policy Requiring Written Reports

It is the policy of the Civil Service Commission that except for appeals filed under Civil Service Commission Rule 111A Position-Based Testing, all items appearing on its agenda be supported by a written report prepared by Commission or departmental staff. All documents referred to in any Agenda Document are posted adjacent to the Agenda, or if more than one (1) page in length, a available for public inspection and copying at the Civil Service Commission office. Reports from City and County personnel supporting a agenda items are submitted in accordance with the procedures established by the Executive Officer. Reports not submitted according to procedures, in the format and quantity required, and by the deadline, will not be calendared.

C. Policy on Written Submissions by Appellants

All written material submitted by appellants to be considered by the Commission in support of an agenda item shall be submitted to the Commission office, no later than 5:00 p.m. on the fourth (4th) business day preceding the Commission meeting for which the item is calendared (ordinarily, on Tuesday). An original copy on 8 1/2-inch X 11 inch paper, three-hole punched on left margin, and page numbered in the bottom center margin, shall be provided. Written material submitted for the Commission's review becomes part of a public record and shall be open for public inspection.

D. Policy on Materials being Considered by the Commission

Copies of all staff reports and materials being considered by the Civil Service Commission are a available for public view 72 hours prior to the Civil Service Commission meeting on the Civil Service Commission's website at www.sfgov.org/CivilService, and in its office located at 25 Van Ness Avenue, Suite 720, San Francisco, CA 94102. If any materials related to an item on this agenda have been distributed to the Civil Service Commission after distribution of the agenda packet, those materials will be a available for public inspection at the Civil Service Commission's during normal office hours (8:00 a.m. to 5:00 p.m. Monday through Friday).

E. Policy and Procedure for Hearings to be Scheduled after 5:00 p.m. and Requests for Postponement

A request to hear an item after 5:00 p.m. should be directed to the Executive Officer as soon as possible following the receipt of notification of an upcoming hearing. Requests may be made by telephone at (628) 652-1100 and confirmed in writing or by fax at (628) 652-1109.

A request for a postponement (continuance) to delay an item to another meeting may be directed to the Commission Executive Officer by telephone or in writing. Before acting, the Executive Officer may refer certain requests to another City official for recommendation. Telephone requests must be confirmed in writing prior to the meeting. Immediately following the "Announcement of Changes" portion of the agenda at the beginning of the meeting, the Commission will consider a request for a postponement that has been previously denied. Appeals filed under Civil Service Commission Rule 111A Position-Based Testing shall be considered on the date it is calendared for hearing except under extraordinary circumstances and upon mutual agreement between the appellant and the Department of Human Resources.

F. Policy and Procedure on Hearing Items Out of Order

Requests to hear items out of order are to be directed to the Commission President at the beginning of the agenda. The President will rule on each request. Such requests may be granted with mutual agreement among the affected parties.

G. Procedure for Commission Hearings

All Commission hearings on disputed matters shall conform to the following procedures: The Commission reserves the right to question each party during its presentation and, in its discretion, to modify any time allocations and requirements.

If a matter is severed from the *Consent Agenda* or the *Ratification Agenda*, presentation by the opponent will be for a maximum time limit of five (5) minutes and response by the departmental representative for a maximum time limit of five (5) minutes. Requests by the public to sever items from the [*Consent Agenda* or] *Ratification Agenda* must be provided with justification for the record.

For items on the *Regular Agenda*, presentation by the departmental representative for a maximum time of five (5) minutes and response by the opponent for a maximum time limit of five (5) minutes.

For items on the *Separations Agenda*, presentation by the department followed by the employee or employee's representative shall be for a maximum time limit of ten (10) minutes for each party unless extended by the Commission.

Each presentation shall conform to the following:

1. Opening summary of case (brief overview);
2. Discussion of evidence;
3. Corroborating witnesses, if necessary; and
4. Closing remarks.

The Commission may allocate five (5) minutes for each side to rebut evidence presented by the other side.

H. Policy on Audio Recording of Commission Meetings

As provided in the San Francisco Sunshine Ordinance, all Commission meetings are audio recorded in digital form. These audio recordings of open sessions are available starting on the day after the Commission meeting on the Civil Service Commission website at www.sfgov.org/civilservice/.

I. Speaking before the Civil Service Commission

Speaker cards are not required. The Commission will take public comment on all items appearing on the agenda at the time the item is heard. The Commission will take public comment on matters not on the Agenda, but within the jurisdiction of the Commission during the "Requests to Speak" portion of the regular meeting. Maximum time will be three (3) minutes. A subsequent comment after the three (3) minute period is limited to one (1) minute. The timer shall be in operation during public comment. Upon any specific request by a Commissioner, time may be extended.

J. Public Comment and Due Process

During general public comment, members of the public sometimes wish to address the Civil Service Commission regarding matters that may come before the Commission in its capacity as an adjudicative body. The Commission does not restrict this use of general public comment. To protect the due process rights of parties to its adjudicative proceedings, however, the Commission will not consider, in connection with any adjudicative proceeding, statements made during general public comment. If members of the public have information that they believe to be relevant to a matter that will come before the Commission in its adjudicative capacity, they may wish to address the Commission during the public comment portion of that adjudicative proceeding. The Commission will not consider public comment in connection with an adjudicative proceeding without providing the parties an opportunity to respond.

K. Policy on use of Cell Phones, Pagers and Similar Sound-Producing Electronic Devices at and During Public Meetings

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CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

CIVIL SERVICE COMMISSION REPORT TRANSMITTAL (FORM 22)

Refer to Civil Service Commission Procedure for Staff - Submission of Written Reports for Instructions on Completing and Processing this Form

1. Civil Service Commission Register Number: _____ - _____ -
2. For Civil Service Commission Meeting of: August 1, 2022 (due by 11 a.m. July 21st)
3. Check One: Ratification Agenda
 Consent Agenda X
 Regular Agenda
 Human Resources Director's Report
4. Subject: Request to approve Report of FY2020-21 Contracts with San Francisco Health Service System Continuing Approval
5. Recommendation: Approve the Report
6. Report prepared by: Michael Visconti (HSS) Telephone number: (628) 652-4645
7. Notifications: See attached a list of the persons to be notified per IV. Commission Report Format.
8. Reviewed and approved for Civil Service Commission Agenda:

Human Resources Director: Carol Isen 

Date: 7/18/22
9. Submit the original time-stamped copy of this form and person(s) to be notified (see Item 7 above) along with the required copies of the report to:

**Executive Officer
Civil Service Commission
25 Van Ness Avenue, Suite 720
San Francisco, CA 94102**

10. Receipt-stamp this form in the ACSC RECEIPT STAMP box to the right using the time-stamp in the CSC Office.

Attachment

CSC-22 (11/97)

<u>CSC RECEIPT STAMP</u>

Persons to be Notified

Abbie Yant, RN MA
Executive Director
San Francisco Health Service System
1145 Market Street, #300
San Francisco, CA 94103

Iftikhar Hussain
Chief Financial Officer
San Francisco Health Service System
1145 Market Street, #300
San Francisco, CA 94103

Carol Isen
Human Resources Director
Department of Human Resources
One South Van Ness Avenue, 4th Floor
San Francisco, CA 94103

Gustin Guibert
San Francisco City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

Jennifer Donnellan
San Francisco City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

MEMORANDUM

Date: July 14, 2022

To: Elizabeth Salveson, President, Civil Service Commission
Sandra Eng, Executive Director, Civil Service Commission
Members of the Civil Service Commission

From: Abbie Yant, RN, MA, Executive Director
San Francisco Health Service System

Re: Annual Report for PSCs with Continuing Approval

On April 4, 2016, the Civil Service Commission granted the San Francisco Health Service System continuing approval for benefit-related personal services contracts (Civil Service Commission approved file No. 0135-16-8, attached hereto). Pursuant to the San Francisco Health Service System's fiscal year reporting requirements to the Commission, SFHSS respectfully submits this memorandum and list of personal services contracts, executed under continuing approval for benefit-related contracts, for review and approval.

The following list includes all personal services contracts executed, amended or terminated by the San Francisco Health Service System under Civil Service Commission approved file No. 0135-16-8 during Fiscal Year 2022 (July 1, 2021 – June 30, 2022). Each contract is a benefit-related contract, subject to Health Service Board oversight and San Francisco Health Service System management, necessary to meet the responsibilities and requirements established through the City Charter and the San Francisco Administrative Code.

PSC Number	PSC Approval Date	Total Value (all contracts, multiple FYs)	Total Value of Agreements Executed in FY2022*
PSC No. 0135-16-8	April 4, 2016	\$1,243,514,643	\$1,243,288,643

* includes contracts amended between July 1, 2021 and June 30, 2022 (FY2022) to have an increased total contract value/not-to-exceed amount.

[detailed breakdown of suppliers, services, terms and contract value on following pages]

HSS Annual Report to CSC for Continuing Approval PSC, FY2022

Supplier Name	Services	Term	Contract Value	Remaining Balance	Change to affected class or union
California Physician Services (DBA Blue Shield of California)	HMO Medical Health Care Insurance and Benefits	01/01/2022 to 12/31/2022	\$308,006,956 ^{1, 2}	N/A	No
California Physician Services (DBA Blue Shield of California)	PPO Medical Health Care Insurance and Benefits (except for Non-Medicare Retiree Covered Lives in Medicare Split Families)	01/01/2022 to 12/31/2022	\$45,925,139 ^{1, 2}	N/A	No
ComPsych Employee Assistance Programs, Inc. (DBA ComPsych Corporation)	Employee Assistance Program support and services for Employees and First Responders	04/20/2020 to 12/31/2022	\$1,852,000 ²	\$46,644	No
Cordico Inc.	Specialized Mental health and Wellness Proprietary Software, Maintenance and Support for First Responders	04/07/2020 to 04/30/2023	\$542,000 ²	\$13,458	No
CredibleMind	Integrated population-based mental health platform for employees, retirees and dependents	7/16/2020 – 11/30/2022	\$111,000 ²	\$19,000	No
Delta Dental Plan of California	PPO Dental Health Care Insurance and Benefits	01/01/2022 to 12/31/2023	\$132,063,331 ^{1, 2, 4}	N/A	No
Delta Dental Plan of California	DHMO Dental Health Care Insurance and Benefits (DeltaCare)	01/01/2022 to 12/31/2023	\$1,532,331 ^{1, 2, 4}	N/A	No
Andrew Linda & Angela Gamburg, dba eIMAGE (LBE)	Health benefits and well-being videos for members	4/6/2021 – 6/30/2023	\$100,000 ³	\$ 62,895	No

HSS Annual Report to CSC for Continuing Approval PSC, FY2022

Supplier Name	Services	Term	Contract Value	Remaining Balance	Change to affected class or union
Hartford Life and Accident Insurance Company (fka Aetna)	Employer Paid Life (Basic) and Supplemental Life/AD&D Insurance and Long-term Disability (LTD) Insurance	01/01/2020 to 12/31/2022	\$26,627,390 ^{1, 2}	N/A	No
Health Net LLC	HMO Medical Health Care Insurance and Benefits	01/01/2022 to 12/31/2022	\$33,229,104 ^{1, 2}	N/A	No
Merative (FKA International Business Machines Corporation/IBM, FKA Truven Health Analytics LLC)	Medical Claims Datawarehouse And Reporting Platform	02/01/2015 to 06/30/2023	\$1,764,057 ²	N/A	No
Kaiser Foundation Health Plan Inc.	HMO Medical Health Care Insurance and Benefits: Active/Early Retiree (California); Medicare Retiree (KPSA - California); Multiregional (WA/NW/HI Retirees)	01/01/2022 to 12/31/2022	\$492,007,892 ^{1, 2}	N/A	No
Laurence H. Lang III DBA Lance Lang, MD	Technical health care and benefits subject-matter expertise in the review of a request for proposal	01/01/2020 to 6/30/2022	\$126,000	\$0	No
P&A Administrative Services Inc.	Flexible Spending Accounts (FSA), COBRA, and AB528 Plan Administration	03/01/2015 to 12/31/2022	\$2,816,679 ²	N/A	No
United Healthcare Insurance Company	ASO/Self-funded PPO Medical Health Care Insurance and Benefits for Non-Medicare Retiree Covered Lives in Medicare Split Families	01/01/2022 to 12/31/2022	\$5,886,591 ^{1, 2}	N/A	No

Supplier Name	Services	Term	Contract Value	Remaining Balance	Change to affected class or union
United Healthcare Insurance Company	Medicare PPO Medical Health Care Insurance and Benefits (MAPD)	01/01/2021 to 12/31/2022	\$170,291,829 ^{1, 2}	N/A	No
Dental Benefit Providers of California, Inc. (DBA United Healthcare Dental)	DHMO Dental Health Care Insurance and Benefits	01/01/2021 to 12/31/2022	\$844,984 ^{1, 2}	N/A	No
Vision Services Plan	Vision Health Care Insurance and Benefits	01/01/2022 to 12/31/2026	\$19,524,324 ^{1, 2, 5}	N/A	No
Employee Benefit Specialist (DBA WORKTERRA)	Management Executive Association Benefit Administration and Voluntary Benefit Administration	01/01/2019 to 12/31/2022	\$195,000 ²	N/A	No
Young Men’s Christian Association of San Francisco (DBA YMCA of San Francisco)	Diabetes Prevention Program (DPP) Administration (Wellness and Medical benefits support and services)	03/01/2020 to 09/30/2023	\$68,036 ²	\$5,617	No

¹ The contract amount is based on and includes recent actuarial information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member elections/changes in benefit elections, made at the time of any qualifying events yet-to-occur (birth or adoption of a child, addition or removal of a dependent).

² Executed or Amended with a contract value increase in FY2022.

³ Extended the term of the agreement with no increase in contract value in FY2022.

⁴ Includes PY2023 actuarial values as reported for the San Francisco Ethics Commission and Board of Supervisors in June 2022.

⁵ Includes actuarial values for PY2022 and PY2023. Actuarial values for subsequent plan years will be assessed each June YYYY following the annual rates and renewal process for the following/upcoming plan year (January 1, YYYY+1 – December 31, YYYY+1),

The Commissions continuing approval No. 0135-16-8 governs San Francisco Health Services System personal services contracts subject to the Health Service Board oversight and authority within the following categories:

- (i) Medical plans;
- (ii) Vision plans;

- (iii) Dental plans;
- (iv) COBRA administration;
- (v) Flexible Spending Account administration;
- (vi) Cafeteria Plan/Voluntary Benefits administration;
- (vii) Life insurance;
- (viii) Long Term Disability (LTD) insurance;
- (ix) Wellness;
- (x) Long Term Care (LTC) insurance;
- (xi) Actuarial consulting services; and
- (xii) Specialized health care software contracts.

See SFHSS Request to Grant San Francisco Health Service System Continuing Approval for Benefits Related Contracts for Personal Services Contracts, dated SFHSS dated January 11, 2016 (attached).

The Health Service Board's authority to administer the aforementioned benefit-related contracts, and the San Francisco Health Service Systems' responsibilities thereunder, are established through specific provisions of the City Charter and the San Francisco Administrative Code, and further defined within the SFHSS 125 Cafeteria Plan, SFHSS Member Rules and SFHSS Strategic Plan:

- Charter Section A8.422 states that the Health Service Board "shall: have power and it shall be its duty by a majority vote of the entire membership of the health service board to adopt a plan or plans for rendering medical care to members of the system, or for the indemnification of the cost of said care, or for obtaining and carrying insurance against such costs or for such care."
- Charter Section 12.000 states that the Health Service Board shall "Put such plans as provided for in Section A8.422 into effect and conduct and administer the same and contract therefor and use the funds of the System" and "Make rules and regulations for the administration of business of the Health Service System."
- Charter Section A8.423 states that the Health Service Board "shall have the responsibility to obtain and disseminate information to its members with regard to plan benefits and costs thereof. All expenses in connection with obtaining and disseminating said information, the investment of such fund or funds as may be established, including travel and transportation costs, member wellness programs, actuarial expenses and expenses incurred to reduce health care costs, shall be borne by the system from reserves in the health service fund but only upon adoption of a resolution by the Health Service Board approving such expenses."
- Administration Code Section 16.902 states that "[t]he cafeteria plan established pursuant to this Article may be administered by the San Francisco Health Service System which may prescribe such forms, and adopt such rules and regulations as are necessary to carry out the purposes of the plan." The Cafeteria Plan defines SFHSS as the "Plan Administrator" for "purposes of the administration of th[e Cafeteria] Plan and for Benefit Programs under th[e] Plan." In addition, the Code Section 16.902 states: "The San Francisco Health Service System may contract with a financially responsible independent contractor to administer and coordinate the plan."

- The SFHSS 125 Cafeteria Plan meets the specific requirements of and regulations of section 125 of the Internal Revenue Code and SFHSS responsibilities to our members thereunder. Available at <https://sfhss.org/resource/2020-sfhss-section-125-cafeteria-plan>.
- San Francisco Health Service System Strategic Plan 2020-2022 defines the SFHSS mission and responsibility to our Members to preserving and improving sustainable, quality health benefits and to enhancing the well-being of our members and their families. Available at <https://sfhss.org/resource/sfhss-2020-2022-strategic-plan>.

The Health Service Board and SFHSS' responsibilities under the City Charter, Administrative Code, Cafeteria Plan, Member Rules, and Strategic Plan are ongoing, as is the need to contract out the aforementioned benefits-related services. Attached hereto please find the Commission's continuing approval No. 0135-16-8 and the supporting memorandum from SFHSS dated January 11, 2016. Should the Commission require additional information, please do not hesitate to contact Michael Visconti, Contracts Administration Manager, michael.visconti@sfgov.org, cc: Iftikhar Hussain, Chief Financial Officer for the San Francisco Health Service System, at Iftikhar.Hussain@sfgov.org.

Attachments (3)

- Attachment 1: March 24, 2016 Request to grant Health Service System continuing approval for benefits related contracts for Personal Service Contracts
- Attachment 2: April 8, 2016 Notice of Approval of request to grant Health Service System continuing approval for benefits related contracts for Personal Service Contracts
- Attachment 3: November 5, 2014 Memorandum Re: Policy and Procedures on Personal Service Contracts



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

Sent Via Electronic Mail

March 24, 2016

DOUGLAS S. CHAN
PRESIDENT

NOTICE OF CIVIL SERVICE COMMISSION MEETING

GINA M. ROCCANOVA
VICE PRESIDENT

SUBJECT: REQUEST TO GRANT HEALTH SERVICE SYSTEM
CONTINUING APPROVAL FOR BENEFIT RELATED
CONTRACTS FOR PERSONAL SERVICES CONTRACTS.

KATE FAVETTI
COMMISSIONER

SCOTT R. HELDFOND
COMMISSIONER

The above matter will be considered by the Civil Service Commission at a meeting to be held on April 4, 2016 at 2:00 p.m. in Room 400, Fourth Floor, City Hall, 1 Dr. Carlton B. Goodlett Place.

This item will appear on the Consent Agenda. Please refer to the attached Notice for procedural and other information about Commission hearings.

Attendance by you or an authorized representative is welcome. Should you or your representative not attend, the Commission will rule on the information previously submitted and testimony provided at its meeting. All calendared items will be heard and resolved at this time unless good reasons are presented for a continuance.

MICHAEL L. BROWN
EXECUTIVE OFFICER

All non-privileged materials being considered by the Civil Service Commission for this item are available for public inspection and copying at the Civil Service Commission office Monday through Friday from 8:00 a.m. to 5:00 p.m.

CIVIL SERVICE COMMISSION

MICHAEL L. BROWN
Executive Officer

Attachment

Cc: Micki Callahan, Department of Human Resources
Catherine Dodd, Health Service System
Susan Gard, Department of Human Resources
Pamela Levin, Health Service System
Erik Rapoport, City Attorney's Office
Commission File
Commissioners' Binder
Chron

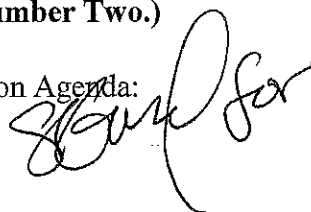
THIS DOCUMENT SUPPORTS
CALENDAR ITEM 8



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

CIVIL SERVICE COMMISSION REPORT TRANSMITTAL (FORM 22)

Refer to Civil Service Commission Procedure for Staff - Submission of Written Reports for Instructions on Completing and Processing this Form

1. Civil Service Commission Register Number: _____
2. For Civil Service Commission Meeting of: April 4, 2016
3. Check One: Ratification Agenda
 Consent Agenda X
 Regular Agenda
 Human Resources Director's Report
4. Subject: Request to Grant Health Service System Continuing Approval for Benefit Related Contracts for Personal Services Contracts
5. Recommendation: Adopt the report.
6. Report prepared by: Pamela Levin, Health Service System Deputy Director
Telephone number: (415) 554-1750
7. Notifications: **(Attach a list of the person(s) to be notified in the format described in Civil Service Commission Procedure Number Two.)**
8. Reviewed and approved for Civil Service Commission Agenda:
Human Resources Director: Micki Callahan 
Date: 3-24-16
9. Submit the original time-stamped copy of this form and person(s) to be notified (see Item 7 above) along with the required copies of the report to:

**Executive Officer
Civil Service Commission
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San Francisco, CA 94102**

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<u>CSC RECEIPT STAMP</u>

Attachment

CSC-22 (11/97)

HEALTH SERVICE SYSTEM
CITY & COUNTY OF SAN FRANCISCO

Memorandum

DATE: February 12, 2016

TO: Douglas S. Chan, President, Civil Service Commission
Michael Brown, Executive Director, Civil Service Commission
Members of the Civil Service Commission

FROM: Catherine Dodd, Director *Catherine Dodd*
Health Service System

RE: **Request to Grant Health Service System Continuing Approval for
Benefit Related Contracts for Personal Services Contracts**

On January 6, 2014, the Civil Service Commission ("CSC") approved the Health Service System's ("HSS") request for PSC #4057-13/14, with the understanding that CSC action would not interfere with the jurisdiction or fiduciary duties of the Health Service Board, and that the Health Service Board and the Commission would work together to define each other's role in the future. At this time, HSS would like to formalize the Personal Service Contracts ("PSC") contracting process and request continuing CSC approval for certain categories of HSS benefit-related contracts.

I. Request for Continuing PSC Approval

HSS respectfully requests that the Commission grant continuing approval for the categories of HSS benefit-related contracts listed in Section II below including, but not limited to, actuarial, COBRA administration, Flexible Spending Account (FSA) administration, Cafeteria Plan administration, and wellness contracts. If this request is granted, consistent with the requirements set forth in the November 5, 2014 Memorandum CSC No. 2014-20 concerning Policy and Procedures on Personal Services Contracts ("2014 PSC Memo"), HSS would submit an annual report to the CSC listing all HSS contracts. Of course, in its discretion, the CSC could require more frequent reporting obligations, and could reconsider its decision to grant continuing PSC approval if a report raised concerns.

II. Rationale for Request:

A. Reasons for CSC approval of PSCs

In the 2014 PSC Memo, and in earlier iterations, CSC offered potentially compelling reasons for services to be contracted out with approval by CSC. The HSS contracts noted



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myhss.org

in section B, below, consistently involve situations where some or all of the following reasons for contracting out services are present:

- 1) Short-term or capital projects requiring diverse skills, expertise, and/or knowledge;
- 2) Services required on an as-needed, intermittent, or periodic basis (e.g., peaks in workload);
- 3) Regulatory or legal requirements, or requirements or mandates of funding source(s) which limit or preclude the use of Civil Service Employees;
- 4) Services that require resources that the City lacks (e.g. office space, facilities or equipment with an operator); and
- 5) Cases where future funding is so uncertain that the establishment of new civil service positions, classes, or programs is not feasible (including situations where there is grant funding).

B. Nature of HSS and HSS PSCs

Historically, services related to employee benefits, including health plans, insurance products, third-party administration services and flexible accounts, provided by HSS have been contracted through outside vendors. These services fluctuate from year to year due to the consistent need for health care services (such as open enrollment services) provided in a complex regulatory environment. In addition, funding shifts every year such that most HSS contracts are entered into on an annual basis and submitted to the Board of Supervisors as part of the annual rates and benefits approval process.

The employee benefit contracts subject to the Health Service Board oversight authority, and that would receive continuing PSC approval if this request is granted, include the following:

- 1) Medical plans;
- 2) Vision plans;
- 3) Dental plans;
- 4) COBRA administration;
- 5) Flexible Spending Account administration;
- 6) Cafeteria Plan/Voluntary Benefits administration;
- 7) Life insurance;
- 8) Long Term Disability (LTD) insurance;
- 9) Wellness;
- 10) Long Term Care (LTC) insurance;

- 11) Actuarial consulting services; and
- 12) Specialized health care software contracts.

The City Charter and Administrative Code contain specific provisions supporting the Health Services Board's authority to administer health benefits related contracts:

Charter Section A8.422 states that the Health Service Board "shall: have power and it shall be its duty by a majority vote of the entire membership of the health service board to adopt a plan or plans for rendering medical care to members of the system, or for the indemnification of the cost of said care, or for obtaining and carrying insurance against such costs or for such care."

- Charter Section 12.000 states that the Board shall "Put such plans as provided for in Section A8.422 into effect and conduct and administer the same and contract therefor and use the funds of the System" and "Make rules and regulations for the administration of business of the Health Service System."
- Charter Section A8.423 states that the Board "shall have the responsibility to obtain and disseminate information to its members with regard to plan benefits and costs thereof. All expenses in connection with obtaining and disseminating said information, the investment of such fund or funds as may be established, including travel and transportation costs, member wellness programs, actuarial expenses and expenses incurred to reduce health care costs, shall be borne by the system from reserves in the health service fund but only upon adoption of a resolution by the Health Service Board approving such expenses."
- Administration Code Section 16.902 states that "[t]he cafeteria plan established pursuant to this Article may be administered by the San Francisco Health Service System which may prescribe such forms, and adopt such rules and regulations as are necessary to carry out the purposes of the plan." In addition, the Section states: "The San Francisco Health Service System may contract with a financially responsible independent contractor to administer and coordinate the plan."

Conclusion

The 2014 PSC Memo states that "[c]ontinuing approval is granted by the Commission to comply with policy, funding, or legal mandates." Here, HSS' responsibilities and requirements are ongoing, as is the need to contract out health benefits related services. HSS is therefore requesting that the CSC authorize continuing approval of the categories of HSS benefits-related contracts listed above subject to making annual reports to the CSC. Please contact Pamela Levin at 554-0649 if additional information is required.



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

Sent Via Electronic Mail

April 8, 2016

DOUGLAS S. CHAN
PRESIDENT

GINA M. ROCCANOVA
VICE PRESIDENT

KATE FAVETTI
COMMISSIONER

SCOTT R. HELDFOND
COMMISSIONER

NOTICE OF CIVIL SERVICE COMMISSION ACTION

SUBJECT: REQUEST TO GRANT HEALTH SERVICE SYSTEM
CONTINUING APPROVAL FOR BENEFIT RELATED
CONTRACTS FOR PERSONAL SERVICES CONTRACTS.

At its meeting of April 4, 2016 the Civil Service Commission had for its consideration the above matter.

The Commission approved the report.

If this matter is subject to Code of Civil Procedure (CCP) Section 1094.5, the time within which judicial review must be sought is set forth in CCP Section 1094.6.

MICHAEL L. BROWN
EXECUTIVE OFFICER

CIVIL SERVICE COMMISSION

A handwritten signature in blue ink that reads "Michael L. Brown".

MICHAEL L. BROWN
Executive Officer

Cc: Micki Callahan, Department of Human Resources
Catherine Dodd, Health Service System
Susan Gard, Department of Human Resources
Pamela Levin, Health Service System
Erik Rapoport, City Attorney's Office
Commission File
Chron



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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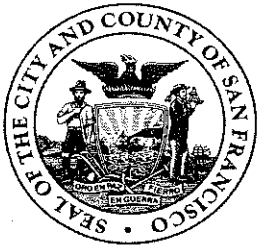
MICHAEL L. BROWN
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CIVIL SERVICE COMMISSION

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Chron



CIVIL SERVICE COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

MEMORANDUM

CSC No. 2014 – 20

E. DENNIS NORMANDY
PRESIDENT

DOUGLAS S. CHAN
VICE PRESIDENT

KATE FAVETTI
COMMISSIONER

SCOTT R. HELDFOND
COMMISSIONER

GINA M. ROCCANOVA
COMMISSIONER

Date: November 5, 2014

To: Department Heads
Personnel Officers
Departmental Contract Coordinators

From: Sandra Eng
Acting Executive Officer

Subject: **Policy and Procedures on Personal Services Contracts**

SANDRA ENG

ACTING EXECUTIVE OFFICER

The purpose of this memorandum is to serve as a comprehensive guide on the Civil Service Commission's ("Commission") Rules and policies on Personal Services Contracts ("PSCs") as updated and adopted by the Commission at its meeting on November 3, 2014. This memorandum shall serve to supersede all previously-issued memorandums on PSCs.

The Commission has delegated to the Department of Human Resources ("DHR") the authority to update and reissue the instructions for PSC submissions, consistent with the Commission's policies. DHR's updated PSC submission guidelines issued on October 25, 2013 are attached to this memorandum for reference, though they may be updated by DHR as needed. The most current submission guidelines may be located on the Commission's website at [www.sfgov.org/Civil Service](http://www.sfgov.org/Civil_Service).

Authority

Consistent with its Charter authority to oversee the merit system, the Commission sets policy on the review of proposed PSCs. This authority is underscored through case law and City Attorney's Opinions. The policy is that where there is a merit system, services to the public are to be provided by public employees hired through that merit system. Based on criteria specified in this memorandum, the Commission *determines if the scope of service is appropriate for contracting out.*

Longstanding Policy and Procedures

The Commission has adopted a number of policies and procedures on PSCs over the years. On December 5, 1994, the Commission issued revised policies and procedures that clarified the roles of the Commission and DHR, streamlined and expedited the processing of PSCs, and provided for monitoring and auditing of the contracting procedure. The Commission and DHR jointly issued updated PSC policy and procedures on September 16, 1996, and the Commission reiterated its policies in a memorandum on May 30, 2007. Those policies and procedures remained in place unchanged until the Commission updated and reissued its policy with the launch of the City's PSC database on October 25, 2013. The Commission updated its policy again with the issuance of this memorandum, primarily to provide more guidance on reporting and notice requirements for contracts executed during the preceding year under approved PSCs.

Although the Commission has updated its policies and procedures on PSCs, it is important to note that they continue to include the following critical components: a streamlined Commission approval process; notice requirements to ensure transparency and accountability; an appeal procedure to ensure merit system oversight; an approval option consistent with the City and County's budgetary time frames and process; and a list of compelling circumstances that may be considered in approving the use of personal services contracts.

Personal Services Contract Review Criteria

When reviewing a request for a PSC, the initial questions that are addressed are: 1) Is there an existing civil service class that can perform the required work? 2) Is it feasible or practical for civil service employees to perform the work? 3) If there is no current class, should one be created?

When there is no current class with the duties and responsibilities needed to perform the required work, a determination is made as to the feasibility of establishing a new class. If services are short-term and non-repetitive or so specialized and unique that they could not be appropriately performed by city personnel, establishing a new class may not be practical and the use of a contract may be appropriate.

If there are civil service classes that can perform the work, examples of compelling factors that may be considered as appropriate reasons for contracting out are:

- 1) Immediately needed services to address unanticipated or transitional situations, or services needed to address emergency situations. "Transitional situations" are those instances when contracting out is needed to bridge relatively short periods of time, such as during organizational restructuring that may be mandated by law or policy, or to facilitate a department's efforts to contract in services.

- 2) Short-term or capital projects requiring diverse skills, expertise and/or knowledge.
- 3) Services required on an as-needed, intermittent, or periodic basis (e.g., peaks in workload).
- 4) Regulatory or legal requirements, or requirements or mandates of funding source(s) which limit or preclude the use of Civil Service Employees.
- 5) Services that require resources that the City lacks (e.g., office space, facilities or equipment with an operator).
- 6) Circumstances where there is a demonstrable potential conflict of interest (e.g., independent appraisals, audits, inspections, third party reviews and evaluations).
- 7) Cases where future funding is so uncertain that the establishment of new civil service positions, classes or programs is not feasible (including situations where there is grant funding).

Provided that there are compelling circumstances such as those listed above, the Commission may approve the use of a PSC even if there is an existing class.

The Role of the Department of Human Resources

DHR reviews all requests for PSCs and modifications to previously approved PSCs submitted by departments to determine if the request complies with the Commission's policies. DHR then posts and forwards to the Commission requests for PSCs in excess of \$100,000 and those requests for PSC modifications that require Commission approval pursuant to this policy.

Requests for PSCs of \$100,000 or less do not require Commission approval. Instead, these PSCs, referred to as "Expedited PSCs," are reviewed and approved by DHR (PSCs in excess of \$100,000 are referred to as "Regular PSCs").

Misuse of Expedited PSCs is prohibited. For example, the use of PSCs for multiple vendors for the same scope of services in the same department that cumulatively exceed \$100,000 require DHR and Commission approval. Expedited PSCs where funding is added so that the total exceeds \$100,000 and requests to modify an approved Expedited PSC so that the amount exceeds \$100,000, must also be submitted to DHR and then the Commission for approval.

Departmental Personal Services Contract Coordinator

Each City and County department that regularly utilizes PSCs must designate a departmental PSC coordinator. The PSC coordinator works closely with DHR and Commission staff to expedite the review of proposed contracts by explaining the evaluation criteria to departmental

personnel and by ensuring that the proper documentation is sent to the Commission through DHR in a timely manner.

Requests for Personal Services Contracts

1) Timing of PSC Approval Submissions

In order to facilitate and streamline the PSC approval process, departments are required to utilize the Citywide Personal Services Contract Database (“PSC Database”) for all PSC submissions. Departments must submit one request for a specific service regardless of the number of vendors.

Departments may submit proposed PSCs for approval as soon as the need arises and prior to the award of contract. (This is particularly important since most if not all of the City’s Collective Bargaining Agreements have advance notice requirements of thirty to sixty days.) Early submittals will expedite the PSC review and approval processes to ensure that the needed services can be performed as soon as possible.

2) PSC Approval Durations

Under the Commission’s previous policies and procedures, departments were required to indicate specific effective and expiration dates for PSC approvals. However, there may be unanticipated delays in the contracting process, such that the actual contract award may occur several months to a year after the PSC was approved. Therefore, departments now have the option of requesting PSC approval by duration (e.g., one year, 18 months, three years, etc.) instead of by specific effective and expiration dates, in order to provide departments with more flexibility and time to conclude the often time-consuming contracting process. Any request for PSC approval in terms of duration (instead of specific effective and expiration dates) must be specifically and explicitly stated on the department’s PSC submission.

Again, this is at the department’s option and will depend on the circumstances; however, the first contract(s) under an approved PSC measured in terms of duration must be executed within one calendar year of the Commission meeting date at which the PSC was approved (or date of DHR approval, if it is an Expedited PSC). In the event that the department still wishes to contract out those personal services, but fails to execute a contract under the PSC within one year of approval, the department must submit a new request for PSC approval. Such request must include a copy of the previously approved PSC, and an explanation as to why the department was unable to execute a contract under that PSC within the one-year deadline.

3) Retroactive Requests for Extensions

The Commission also recognizes that there may be rare circumstances when a PSC for an active contract must unexpectedly be extended for a period of time without enough notice for the department to request the Commission’s approval to modify the duration

prior to its expiration. In such event, departments may submit a retroactive request to extend the duration of an approved but expired PSC, provided that it is within one year of the PSC's expiration, and with adequate justification as to why the department was unable to submit a timely request for modification. Requests beyond the one-year expiration date require the submission of a new request for PSC approval (and assignment of a new PSC number), irrespective of whether the contract under the PSC is still active.

4) Deadlines for PSC Submissions

Departments must comply with all applicable DHR and Commission PSC deadlines as stated in DHR's PSC guidelines. All deadlines are necessary to allow sufficient time for DHR staff review, report preparation, and distribution of reports to the Civil Service Commissioners. Cover letters are generally not necessary, except in instances when there are unusual circumstances requiring an explanation to expedite or facilitate the review process. Departments must either upload the cover letter and/or explanatory memorandums into the PSC Database directly, or include the text of any such document(s) in the appropriate PSC Database field.

PSC requests submitted after a deadline will be considered at a subsequent Commission meeting. In emergency or urgent situations when it becomes necessary for PSC Coordinators to submit PSC approval requests after a deadline, the PSC Coordinator must obtain the Human Resources Director's approval (for DHR deadlines) and/or the Executive Officer's approval (for Commission deadlines). For requests to waive a Commission deadline, the department must provide a written memorandum to the Commission outlining the reason(s) why it could not meet the applicable deadline and the likely consequences of denying the request.

5) Content of PSC Submissions

PSC requests must be comprehensive and thorough, and each question in the PSC Form 1 should be answered. When drafting the PSC request, departments should keep in mind the purpose of the Commission's review and focus the information appropriately. Information must be brief, but specific. Background material and information must be included to clearly and sufficiently describe the specific service to be provided. It is crucial to clearly and adequately explain why City employees cannot perform the services being requested in the PSC. Accompanying memoranda are not required but are recommended if there are circumstances that require further explanation or if additional background information is needed.

Departments should also remember that, in the interest of transparency, the description of the scope of work to be performed should be clear and specific so that a member of the public can understand what services will be contracted out by the notice of posting (this includes spelling out all acronyms).

Requests citing a legal or regulatory authority must cite that authority and include an excerpt of the applicable provision. In the event that a board or commission determines that contracting out is the most effective way to provide the services to be performed under a PSC, the department must include a copy of the resolution or other legislative action of such decision. Additionally, requests to contract out services for which the Commission has previously approved a PSC must include a copy of the prior PSC.

Personal Services Contract Submissions and Scope of Approvals

A department may only contract out personal services for the duration, amount, and type and scope of services specified in the approved PSC. Departments are required to resubmit a PSC request (either as a request for a new PSC, or as a request for a "Modification" to change existing PSC, as noted below) when the circumstances of the original request change.

The following are changes that require Commission approval. All other changes require only DHR approval.

1. Changes to the type or scope of service provided under a PSC approved by the Commission; or
2. Changes in legal or grant requirements for contracting under a PSC approved by the Commission; or
3. Increases over fifty percent (50%) of the Regular PSC contract amount last approved by the Commission or the Expedited PSC contract amount if the requested increase amount will exceed the \$100,000 threshold; or
4. Extensions beyond the estimated term approved by the Commission for any length of time greater than fifty (50%) of the original duration approved by the Commission. As indicated above, departments may request a modification to extend a PSC that has expired in order to allow completion of the contracted services, provided that it is within one year of the expiration of the approved PSC duration.

Generally, any changes to an existing PSC must be submitted as a request for a Modification (as opposed to as a new PSC), with the following exceptions:

1. At its discretion, a department may submit a request for a new PSC (as opposed to a request for a Modification) to continue contracting out the same or substantially same services if it will extend the total duration of the PSC beyond ten (10) years. If it will not extend the total duration of the PSC beyond ten years, the department must submit the request as a modification to an existing PSC.

2. Departments must submit a request for a new PSC approval any time a department is seeking to include new or materially different services not contained in the approved PSC.

Any request for Commission PSC approval under either circumstance must include sufficient background information on the history of the PSC(s) under which the services have been provided, a copy of the Form 1 for last approved PSC and any documentation attached thereto, any changes in circumstances since the last time the PSC was reviewed (e.g., if any of the services have already been completed and therefore no longer require contracting out; if the training component has already been satisfied), and explanation of the reason(s) for the requested modification(s).

Union Notice

Departments are required to notify affected employee organizations of a department's request for new PSCs (both Regular and Expedited PSCs) or modification thereto, prior to or at the time of forwarding the request for DHR review. A copy of the notice from the department to the applicable employee organization must be attached with the department's submission to the Commission. Some Collective Bargaining Agreements have additional requirements that must be considered in this process. Departments must refer to the applicable Collective Bargaining Agreement to determine the additional requirements.

Posting

All requests for new or modified Expedited or Regular PSCs must be posted on the DHR website for seven (7) calendar days. The posting must include the PSC number, the estimated amount, the scope of work to be considered, and the estimated duration.

If the department is requesting an annual amount for a multi-year request, the posting must specify either the total of the multi-year request or reflect that the amount is an annual amount. For example, a request indicating \$1,000,000 estimated annual amount for five (5) years will be listed on the Commission Agenda as "\$5,000,000" or "\$1,000,000 annually" with the duration clearly posted as five (5) years.

Affected employee organizations must also be notified of the posting.

In limited circumstances and with sufficient justification, the Commission may grant a department's request to omit the posting process and go directly from DHR review to Commission review. Again, the department must provide a memorandum detailing the reasons for the request to waive posting requirements and the consequences of denying that request. PSCs for which an "Omit Posting" has been approved shall be placed on the Regular Agenda.

Protests and Appeals (Civil Service Commission Rule Series 05.12)

Expedited PSCs: Protests of a posted proposed Expedited PSC must be received by the Human Resources Director by close of business on the seventh calendar day of posting. In the absence of any timely protest, approval of an Expedited PSC becomes final on close of business of the seventh calendar day of posting. An appeal of the Human Resources Director's action on a timely protest of a proposed Expedited PSC may be appealed to the Commission, provided such appeal is received by the Executive Officer by close of business on the fifth working day (excluding Saturdays, Sundays, and holidays) following the postmarked mailing/email date of notification of the Human Resources Director's action.

Regular PSCs: An appeal of a posted proposed Regular PSC may be appealed to the Commission, provided such appeal is received by the Executive Officer by close of business of the seventh day of posting.

Timely appeals will generally be considered by the Commission at its next regularly scheduled meeting. DHR forwards Personal Services Contracts submissions over \$100,000 where no appeal has been filed to the Executive Officer to calendar on the Ratification Agenda.

PSCs that are appealed will be placed on the Commission's Regular Agenda and will be considered by the Commission separately. Departments are required to have representatives present to respond to questions or provide clarification on the need for contractual services. If a department representative is not present, consideration of the PSC will be postponed to another meeting.

Ratification Agenda

The Ratification Agenda is essentially a Consent Agenda used exclusively for expediting the processing of uncontested proposed PSCs and will precede the Consent Agenda on the Commission's calendar. Although they may provide public comment on a proposed PSC, individuals seeking to sever a proposed PSC from the Ratification Agenda must provide adequate justification to the Commission for their request and why they did not protest or appeal the item when they had the opportunity to do so.

Civil Service Commission Approval

The Commission determines whether the circumstance pertaining to the need to provide services warrants the use of a PSC or contractors in lieu of civil service employees. PSCs include agreements for services paid by the City and County of San Francisco with individuals, companies, corporations, non-profit organizations, and other public agencies.

The Commission's role is distinguished from the roles of City departments, other commissions and the City Administrator. It is not the Commission's role to be involved in the selection of

individual contractors or the cost of such services. Again, the role of the Commission is to determine whether contracting is warranted; the selection of the individual contractor is done by City departments, with oversight and final decision making authority exercised as appropriate by commissions and the City Administrator.

Nor is it the Commission's role to determine positions where work or services can be performed by contract at a lesser cost than similar work performed by City and County employees. By Charter definition (Section 10.104-15), this function, often called "Prop J" contracting, is performed by the Controller and the Board of Supervisors.

The Commission retains final authority to approve PSCs after DHR review and posting. The Commission strongly recommends that a department representative attend the Commission meeting at which the department's request for PSC approval will be heard in order to answer any questions the Commission may have regarding that PSC. Failure to appear and/or sufficiently respond to the Commission's questions may result in only conditional approval, postponement or denial of the PSC. However, as noted above, attendance is required in the event that a PSC request is appealed; failure to attend will result in automatic postponement.

The Commission recommends that departments come forward to the Commission as soon as possible in the contracting process, in recognition of the fact that the actual contract award may occur months, and, for multiple year contracts, as much as a year after the Commission's approval.

Generally, unopposed PSCs in an amount greater than \$100,000 are placed on the Commission's Ratification Agenda for either regular, continuing, annual, or qualified approval:

The Commission may grant an annual approval so that a proposed contract may be included in a department's annual budget consistent with the City and County's budgetary timeframes and process. These approvals occur simultaneously with the budget process and must be submitted to DHR by March 1st. In the event the Mayor's budget deadlines are changed, the Human Resources Director is authorized to change the submission dates to conform to the revised schedule, provided that the PSC instructions are updated accordingly and the Executive Officer is notified of any changes to the schedule.

Continuing approval is granted by the Commission to comply with policy, funding or legal mandates. For example, those instances where: legal mandates direct the use of contractual services; or State or Federal funding requirements specify use of contractual services; or a City board, commission, the City Administrator, an elected official, or the Controller has determined that contracting is the most effective way to provide health and human welfare services; or the Retirement Board, consistent with its Charter and State constitutional authority, has determined that contracting is the most effective way to

deliver investment management and actuarial services. Continuing approval is valid until revoked by the Commission. Unless otherwise authorized by the Commission, in the event that the Commission revokes its continuing approval for a PSC, the department may not execute any new contracts under that PSC; nor may the department increase the duration or amount of, or expand upon the scope of personal services contracted out under, any contracts executed under the authority of that PSC. However, revocation of continuing approval shall not serve to nullify contracts executed under that PSC, nor otherwise conflict with the City's contractual obligations.

Regular approvals may be granted for those circumstances where annual or continuing approvals do not apply.

The Commission may also grant an interim, conditional approval known as "qualified approval" pending consideration of alternatives, requirements to report back to the Civil Service Commission or submission of additional information. Typically included with a qualified approval will be a request to the department to examine the feasibility of either budgeting positions in appropriate classification or obtaining a Proposition J contract certification.

Commission staff will issue a notice of the Commission's action to the departmental PSC Coordinator, the Controller's Office and the Office of Contract Administration. The PSC coordinator will also receive separate notifications whenever a Qualified Approval is granted by the Commission. Departments must maintain copies of Commission notifications for their files, as well as upload them into the PSC Database.

Reporting and Additional Requirements

PSCs with Regular and Annual Approval

Departments are required to submit information to DHR regarding the names, contract amounts and durations for all personal services contracts issued under an approved PSC at the time that those contracts are processed for award. DHR, in turn, is required to submit that information for all PSCs awarded during the preceding year to the Commission no later than August 1st each year. Such DHR PSC contract award reports shall be made available for public inspection in the Commission's offices and on its website.

PSCs with Continuing Approval

For all PSCs for which the Commission approves a request for continuing approval, the requesting department must provide the Commission with annual reports listing the contracts awarded under the continuing approval. The annual report must include a memorandum providing a brief history of the PSC(s) that are being submitted in accordance with this reporting requirement and an overview of the services contracted out under the PSC(s), and attached thereto must be: the Form 1(s) for any PSC(s) with Continuing approval covered under that report; supporting documentation relevant to the PSCs (e.g., copies of any

applicable policy, funding or legal mandates); and the name(s) of the contractor(s), type(s) of service(s), amount(s), and duration(s) of the contract(s). The annual reports must also indicate if there have been any changes to the affected classes or unions since the last report was given. The annual reports are to be submitted to the Commission with a Transmittal Form 22 (which must also identify all affected unions) no later than August 1st of each year for the prior fiscal year. Once received, the Executive Officer shall place the reports on the Consent Agenda for the following Commission meeting, and forward a copy to the affected union(s) identified on the Transmittal Form 22. Such reports shall be made available for public inspection in the Commission's offices and on its website.

In addition, departments are required to notify the affected union(s) each time that a Request for Proposal ("RFP")/Request for Quote ("RFQ") is issued for a contract under the authority of a PSC with continuing approval, and provide the affected union(s) with a link to that RFP/RFQ.

QUESTIONS

Questions on Civil Service Commission Rules or policies regarding PSCs as detailed herein may be directed to Commission staff at (415) 252-3247. Questions regarding the procedures for submitting PSCs as detailed in DHR's instructions and guidelines may be directed to the DHR PSC Coordinator at DHR-PSCcoordinator@sfgov.org.

CIVIL SERVICE COMMISSION



SANDRA ENG
Acting Executive Officer

Attachment (1)

Cc: E. Dennis Normandy , President
Douglas S. Chan , Vice President
Kate Favetti , Commissioner
Scott R. Heldfond , Commissioner
Gina Roccanova, Commissioner
Micki Callahan, Human Resources Director

City and County of San Francisco
Resources




Department of Human

Edwin M. Lee
Mayor

Micki Callahan
Human Resources Director

DATE: October 25, 2013

TO: DEPARTMENT PERSONNEL OFFICERS
DEPARTMENT PERSONAL SERVICES CONTRACT COORDINATORS

FROM: MICKI CALLAHAN, HUMAN RESOURCES DIRECTOR 

SUBJECT: INSTRUCTIONS FOR PROCESSING PROPOSED PERSONAL SERVICE CONTRACTS

On May 6, 2013, the Civil Service Commission ("Commission") approved revisions to its policies, procedures and guidelines for approving requests by City departments for personal services contracts ("PSCs"). Those revisions are fully explained in the Commission's October 25, 2013 memorandum. Among its actions, the Commission delegated to the Department of Human Resources ("DHR") the responsibility for updating and reissuing instructions for PSC submissions consistent with the Commission's policies.

The purpose of this memorandum is to provide departments with detailed instructions for submitting and processing requests for PSCs before the Commission and the City's Human Resources Director effective as of October 25, 2013. This memo is an attachment to the Commission's October 25, 2013 memorandum on PSC policies.

1) OVERVIEW

PSCs are contracts paid for by the City and County of San Francisco ("City") for services provided by individuals, companies, corporations, nonprofit organizations and other public agencies. A PSC request covers a specific service regardless of the number of vendors.

The Commission determines the City's policy on the review and approval of proposed PSCs. The Commission's policy provides that, as a general rule, services are to be provided to the public by public employees hired through the merit system. However, the Commission's policy also recognizes that there are circumstances that may warrant the use of personal services contracts as a mechanism for the City to provide some of its services.

DHR reviews all requests for new or modified PSCs to determine whether they comply with the Commission's policies. DHR then posts all PSC requests and transmits those PSC requests that require Commission approval to the Commission.

The Commission has established a list of factors, which it revised on May 6, 2013, that it considers to be among the compelling factors for contracting out even when there are existing civil service classes that can perform the work of the proposed PSC. The Commission's list of factors, however, is not intended to be exhaustive, but rather to be demonstrative of the types of circumstances that may warrant the contracting out of personal services that could potentially otherwise be performed by civil service employees. For specific information on the factors pre-identified by the Commission, please refer to the Commission's policy (see attached, or go to the Commission's website at www.sfgov.org/Civil_Service).

2) PSC BASICS

- **Department PSC Coordinator:** Each City department that utilizes PSCs must have a department PSC coordinator. The department PSC coordinators are responsible for the submission of their departments' PSC requests. They are authorized by the department head/appointing authority to determine when their departments' PSC requests are ready for review by either the Human Resources Director or the Civil Service Commission. The department PSC coordinator works closely with DHR and Commission staff to expedite the review of proposed contracts, including explaining the evaluation criteria to department personnel and ensuring that the proper documentation is sent to the Commission through DHR in a timely manner. Each City department must notify DHR of the name, email address and telephone number of its departmental PSC coordinator.
- **Scheduling a PSC request before the Commission:** Departments may submit proposed PSCs for Commission or DHR approval as soon as the need arises, and must do so prior to the award of a contract. The practice of early submittal will expedite startup of the desired service(s).
- **Entering PSC requests into the PSC Database:** The PSC database collects the contents of the PSC Form 1 and PSC Award Notice ("PSC Form 2"), as well as additional relevant documents and information. Departments must submit all PSC requests through the PSC database.
- **Notifying affected union(s) of a PSC request:** Departments must notify the union(s) that represents City employees who could potentially perform the work of the proposed PSC through the PSC database. Please check each relevant Memorandum of Understanding (MOU) for the appropriate notice requirements.
- **Posting PSCs publicly:** DHR generally posts regular PSC requests to its website on a bi-monthly basis. DHR posts expedited PSC requests to its website at the time that a department submits the PSC request to DHR for review and approval. The DHR website is located at www.sfdhr.org.
- **Processing a PSC request through DHR:** Once a PSC is ready for review, the department PSC coordinator must notify the DHR PSC coordinator through the PSC database by changing the PSC request's status to "Ready for Review by DHR."
- **Appealing a PSC request:** All PSC requests (regular and expedited) are appealable.

3) TYPES OF PSCs

DHR staff review all PSC requests. PSC requests are either regular or expedited. Regular PSCs are approved by the Civil Service Commission and expedited PSCs are approved by the Human Resources Director.

- Expedited PSCs – PSC requests that are less than or equal to \$100,000
- Regular PSCs – PSC requests that exceed \$100,000 (May be approved under one of three subcategories):
 - Continuing
 - Annual
 - Qualified

EXPEDITED PSCs - \$100,000 AND UNDER

- The Human Resources Director has the authority to approve all requests for expedited PSCs.
- DHR will complete its review of each expedited PSC request within seven (7) calendar days concurrently with the posting period.
- Expedited PSCs must contain the same information required of regular PSCs, and they are reviewed based on the same criteria as regular PSCs.
- The DHR PSC Coordinator will notify the department PSC Coordinator of the result of DHR's review once the seven-day review period has ended.
- Departments may not circumvent the \$100,000 expedited PSC threshold amount by submitting multiple PSCs for the same vendor to provide the same type of service for approximately the same period of time.
- When an expedited PSC is modified for less than 50% of its originally-approved amount or duration, but exceeds the \$100,000 threshold amount for expedited PSC requests, it goes to the Commission for approval through the procedures for regular PSC requests.
- Expedited PSCs that are modified to the extent that they require Commission approval will retain the same PSC reference number.

REGULAR PSCs – OVER \$100,000

- The Commission has the authority to approve all requests for regular PSCs.
- The DHR PSC Coordinator will review all regular PSC requests and notify the department PSC Coordinator when a PSC request is ready to be scheduled before the Commission.

4) SCHEDULING A PSC REQUEST BEFORE THE COMMISSION

- Scheduling a PSC request before the Commission may vary based on the type of PSC approval required, advance notification requirements in the applicable memoranda of understanding (MOU(s)) with the union(s) representing classifications potentially affected by

the PSC request, or whether a union initiates discussions with a department about a proposed PSC, as well as the Commission's schedule.

- The PSC database includes a reference chart of deadlines for document submission before each regularly scheduled Civil Service Commission meeting. Please ensure that your department's PSC submission conforms to the submission deadlines. The chart is also located on the DHR website at <http://www.sfdhr.org/index.aspx?page=419>.
- Submission and notice deadlines are necessary to allow sufficient time for DHR staff review, to ensure MOU compliance, and to allow for the preparation and distribution of the report packet to the Civil Service Commissioners before each Commission meeting.
- In rare circumstances, the Human Resources Director may waive DHR deadlines and/or the Commission's Executive Officer may waive Commission deadlines if a department misses a submission deadline for inclusion on a particular Commission meeting agenda. When a department requests a deadline waiver, a cover letter with an explanation for the request must be submitted for the request to be considered. If a deadline waiver request is not granted, the PSC request will proceed according to the regular timelines.

5) ENTERING PSC REQUESTS INTO THE PSC DATABASE

The City's new PSC database has improved capabilities for DHR, City departments, the City's unions, and the public to monitor PSC requests, approvals and conditional approvals; to access information on specific PSC requests; and to generate several types of reports on PSCs.

Departments will no longer need to submit the PSC Form 1 as a Microsoft Word document; rather, departments will be able to directly enter the required information into the PSC database¹ and the database will automatically populate the PSC Form 1 with all required information into a pdf format. After the information is entered by the department, the database will generate required notifications by email on behalf of the requesting department, DHR or the Commission. The PSC database can be accessed at <http://apps.sfgov.org/dhrrupal/>.

When completing the PSC database fields, please keep in mind the following instructions:

- Provide brief but specific information to assist the Commission in determining whether the circumstances requiring the PSC request are compelling enough to contract out work when civil services class(es) exist to perform work within the same scope;
- Include background material and information to clearly and completely describe the specific services or work to be provided;
- Clearly explain the reasons why City employees cannot perform the services or work being requested;
- Spell out all words before using an acronym for the first time;
- Do not simply use "not applicable" or "N.A." The department must explain why there is no response to a particular item; and

¹ The City and its unions have agreed to add additional fields in the database to collect information of interest to the unions with the intent of expediting discussions between the requesting department and affected unions on a specific PSC request. Populating the additional fields in the database may facilitate a department's request for a waiver by the union(s) of the advance notification requirements in the MOUs.

- Departments are not required to provide specific contract effective and expiration dates; rather, departments will provide the duration of contracts (e.g., the number of years or months the department seeks to contract out the work). Departments must begin the contract within a calendar year of the Commission’s approval of the PSC. The PSC database will capture the number of years and months and the estimated start and end dates.
- PSC requests do not require cover letters. However, a department may submit a cover letter in the event unusual circumstances arise and an explanation may be necessary to expedite the review process.
- PSC requests that cite a legal or regulatory authority must include a copy of such authority (PSC Form 1 Question #5c or 5d). Likewise, if applicable, departments must include a copy of the board or commission action determining that contracting is the most effective way to provide the service (PSC Form 1 Question #5e). These documents can be uploaded to the PSC database.
- The Commission is critical of PSC requests of five years or greater since circumstances can change so greatly in such a significant amount of time. Therefore, the Commission asks the department to provide an explanation in support of such a request, either in a separate attached memorandum or indicated somewhere on the PSC Form.
- Always view and proofread the PDF of the PSC Form 1 produced by the PSC database prior to notifying the affected unions/submitted to DHR. Substantial revisions to the PSC request may result in delays of the PSC request’s processing.

6) NOTIFYING AFFECTED UNION(S) OF A PSC REQUEST

- Departments must notify the union(s) representing classifications of employees potentially affected by a regular PSC request: Most MOUs require greater notice than the notice requirement in the Commission’s policy—generally thirty (30) days’ notice prior to the PSC request’s submission to DHR, or at the time the department issues a Request for Proposals (“RFP”)/ Request for Qualifications (“RFQ”), whichever occurs first. One notable exception is the SEIU Local 1021 MOU, which requires notice to the union sixty (60) days prior to the PSC request’s submission to DHR, or at the time the department issues a Request for Proposals (“RFP”)/Request for Qualifications (“RFQ”), whichever occurs first. However, notification requirements differ depending on the specific terms negotiated with the affected union(s), and departments must check the relevant MOUs when processing a PSC request.
- Expedited PSC requests: Departments must notify affected unions of the department’s expedited PSC request no later than the date of the submission of the request to DHR.
- Modifications of PSC requests: Departments must notify affected unions of a modification to an expedited or regular PSC request no later than the date of the submission of the request to DHR.
- The PSC database generates an email notification to affected unions identified by the department requesting the PSC at the same time the department sets the PSC request’s status to “Start Union Notification.”

- If a PSC request requires union notification, the PSC database automatically fills in the date the department notified the affected unions of the PSC request and the name of the person submitting the PSC request.
- If there are questions about which classes of employees are impacted by the department's PSC request, please work with your department's personnel unit and/or your assigned DHR Client Services representative. The online Classification and Compensation Database is also a resource for identifying the union that covers the civil service classification(s) affected by the PSC request's scope of work: <http://sfdhr.org/index.aspx?page=32>.
- If the PSC request is substantively changed in terms of scope of work, affected civil service classifications, duration or amount since the union notification, the department must provide affected unions and DHR with the final PSC Form 1 by email. Be aware that the MOU advance notification requirements may be triggered if the changes made to the PSC request were not a product of discussions with affected unions.
- If a PSC request does not identify a civil service classification potentially affected by the PSC request, the departments must notify all of the City's exclusive labor organizations through the PSC database. The MOU advance notification requirements are not required when no civil service classifications are potentially affected. However, departments are strongly advised to identify all potentially affected civil service classifications and to notify the respective unions of the PSC request so as not to delay the PSC unnecessarily. Failure to notify the affected unions could result in a grievance and/or delay in processing a PSC request.

7) PROCESSING A PSC REQUEST THROUGH DHR

- To initiate a PSC request, a department must enter all information required by the PSC Form 1 into the PSC database. When a PSC request is ready for review by DHR, the department PSC Coordinator will change the status of the PSC in the PSC database to "Ready for Review by DHR."
- Once the DHR PSC Coordinator receives notice that a PSC is ready for review, the DHR PSC Coordinator will review the information submitted by the department. If necessary, the DHR PSC Coordinator will contact the department PSC coordinator for additional required information or clarification.
- After the posting period is complete and the advance notice required by the affected unions expires, the DHR PSC Coordinator will schedule the PSC at the next scheduled Commission meeting and will prepare the PSC request's packet for the Commission's review. Each PSC packet must include the names of the individuals notified of the PSC request by the department because they represent unions affected by the PSC request.

8) POSTING PSCs PUBLICLY

- DHR generally posts PSC requests on its website at www.sfdhr.org every other Friday for seven (7) calendar days. The DHR PSC Coordinator emails a copy of the posted PSC requests to the Commission, department PSC Coordinators and affected unions on the day of the posting.

- DHR also posts all expedited PSC requests to its website for seven (7) calendar days once they are submitted to DHR for review.
- In the rare situation when a department may need to expedite a PSC request and omit the DHR posting process, the department must have approval from the CSC Executive Officer prior to submitting the PSC request to DHR for review. In requesting approval to omit posting, the department must provide the Executive Officer with sufficient information in support of the request, as well as the consequence of denial. The PSC request must be entered into the PSC database and the department PSC coordinator must change the PSC request's status to "Start Union Notification" prior to changing its status to "Ready for DHR Review." The PSC request must indicate that the posting process is to be omitted in the PSC database.

9) APPEALING A PSC REQUEST

- PSC requests may be protested and/or appealed in accordance with the Commission's PSC policy.
 - Regular PSCs: An appeal of a posted regular PSC must be filed in the Commission's office by close of business on the seventh (7th) day of posting by mail or hand-delivery with the appellant's original signature and email address. Appeal forms and instructions are located on the Commission's website at <http://www.sfgov3.org/index.aspx?page=267>.
 - Expedited PSCs: Protests of a proposed expedited PSC must be filed with the Human Resources Director via email to DHR-PSCCoordinator@sfgov.org by close of business on the seventh day of posting. The Human Resources Director's decision on a PSC protest is appealable to the Commission within five (5) business days after notice of such decision.
- DHR will notify the affected department of any timely protests it receives on an expedited PSC during the seven-day posting period. The Executive Officer will notify DHR and the affected department of any appeal it receives on a regular PSC or on the decision of the Human Resources Director on an expedited PSC protest.
- **Note:** If a union objects to a PSC request directly to the requesting department at any point, the department must inform DHR of the parties' dispute and the reasons cited for the union's objection to the PSC. If the department and the objecting union have not resolved all issues related to the PSC request before it is placed on a Commission agenda, the department must inform DHR and the Commission that the request is still in dispute.
- Uncontested expedited PSCs become final on close of business of the seventh day of posting; uncontested regular PSCs are placed on the Commission's Ratification Agenda for the Commission's review and approval.
- PSC appeals are placed on the Regular Agenda as a separate item for the Commission's consideration at the next regularly scheduled meeting following receipt of the appeal, in accordance with the Commission's timelines.
- Departments must send representatives to the Commission meeting to speak on any PSC appeal. Departments should approach PSC appeals as they would any other type of appeal—they should submit a staff report if possible and appropriate (along with any additional supporting documentation or materials, if applicable), and they should be prepared to

provide the Commission with a presentation in support of their PSC request. Please contact the Executive Officer for guidance on applicable staff report submission deadlines and other requirements.

- **Note:** Department representatives must attend the Commission meeting even in the absence of an appeal, in the event that the Commission severs a PSC from the Ratification Agenda to scrutinize it and/or obtain additional information.

10) REGULAR PSC APPROVAL CATEGORIES: CONTINUING

- The Commission may, at its discretion, grant “Continuing Approval” for a regular PSC request in situations where:
 - a. Legal mandates direct the use of contractual services;
 - b. State or Federal funding requirements specify use of contractual services;
 - c. A City board or commission, the City Administrator, an elected official, or the Controller has determined that contracting is the most effective way to provide health and human welfare services; or
 - d. The Retirement Board, consistent with its Charter and State constitutional authority, has determined that contracting is the most effective way to deliver investment management and actuarial services.
- Continuing Approval is valid until revoked by the Commission.
- If the Commission approves a request for Continuing Approval, the requesting department must provide the Commission with an annual report listing the contracts awarded under the Continuing Approval. The department’s annual report must include the name of the contractor, type of service, amount, and duration of the contract.

11) REGULAR PSC APPROVAL CATEGORIES: ANNUAL

- The Commission may grant “Annual Approval” for a regular PSC request in situations where a proposed contract is included in a department’s annual budget.
- Appeals of PSC requests seeking Annual Approval will be considered by the Commission not later than its first meeting in April.
- In the event the Mayor’s budget deadlines are changed, the Human Resources Director is authorized to change the deadlines for PSC requests seeking Annual Approval to conform to the revised budget schedule. DHR will notify the Commission’s Executive Officer of any changes to the schedule.

12) REGULAR PSC APPROVAL CATEGORIES: QUALIFIED

- The Commission may grant a PSC request “Qualified Approval.” This conditional approval is generally an interim measure with direction to the contracting department to consider other alternatives for providing the service if the need for the service is expected to be ongoing, and/or to provide the Commission with additional information, and/or to report back to the Commission on the status of performance under the contract, and/or to continue discussions with the affected labor union(s).

- When approving a PSC request with a Qualified Approval, the Commission may recommend that the department examine the feasibility of either budgeting positions in appropriate classifications or obtaining a Proposition J contract certification.
- When a PSC request is granted Qualified Approval, the department's PSC coordinator must work directly with Commission staff to meet the terms of the conditions the Commission placed on the PSC.

13) MODIFICATION OF AN EXISTING PSC (See attached chart)

- Departments are required to resubmit a request when the circumstances of the original request substantively change (e.g., changes to the type or scope of services provided, changes in legal or grant requirements for contracting, and any increases to the amount or duration of the PSC). This type of request is considered a "Modification."
- DHR reviews all modification requests and approves those requests that do not require Commission approval. Modifications which require Commission approval include:
 - Changes to the type or scope of services provided under a regular PSC; or
 - Changes in legal or grant requirements for contracting under a regular PSC; or
 - Increases of fifty percent (50%) or more over the current existing (last approved) regular PSC amount; or
 - Increases of fifty percent (50%) or more over the expedited PSC amount if it will increase the total amount of the PSC above the \$100,000 threshold.
 - Changes in the approved regular PSC contract duration that would increase the duration of the PSC by fifty percent (50%) or more above the original estimated duration approved by the Commission.
- In the event a department must request the Commission's approval to retroactively extend a PSC's duration, the department can do so within a year of the PSC's duration end date and retain its original PSC reference number. However, in such cases the department must provide the Commission with adequate justification for why it was unable to submit a timely request for modification, and it must not request to extend the PSC's duration for more than five years. DHR will not accept a request to modify a PSC more than one year after the PSC's approved duration. The department must submit a new PSC request.

14) AFTER PSC APPROVAL

- After a Commission meeting, Commission staff will enter the outcome of each PSC request into the PSC database. The Commission will email a "Notice of Civil Service Commission Action" to the DHR PSC Coordinator and the department's PSC coordinator. In the event the Commission grants a "Qualified Approval," Commission staff will include any conditions placed on the PSC's approval in its Notice of Civil Service Commission Action to the department PSC coordinator.
- After the Commission approves a PSC request, the department must include a copy of the PSC Form 1 and a copy of the notice of the Commission's action when processing the PSC through the Office of Contract Administration. The Commission separately provides a copy of its notice of action to the Office of Contract Administration and the Controller's Office.

- At the time PSCs are processed for award, the department must enter the information required by the PSC Form 2 (contractor name, contract amount and the contract's actual start and end dates) into the PSC database. The database will generate reminders to the department to input the information required by the PSC Form 2 beginning six months after the PSC's approval.
- DHR will generate a report of contract awards (PSC Form 2 information) for the Commission no later than August 1 of each year for the preceding fiscal year.

QUESTIONS?

If you have any questions about PSC procedures, the DHR PSC Coordinator can be emailed at DHR-PSCCoordinator@sfgov.org and the Civil Service Commission staff can be emailed at civilservice@sfgov.org.

ATTACHMENT - DHR PSC Memorandum October 25, 2013

PSC Types & Union Notification Guidelines		Requires: 30-Days Advance Notice to All Other Unions	Requires: 60-Days Advance Notice to SEIU	Requires: 7-Days Advance Notification to All Unions	Types of Approval Required
Initial PSCs:					
	Regular (> \$100K)	X	X		CSC
	Expedited (≤ \$100K)			X	DHR
Modify - Regular PSCs:					
	> 50% of Initial Duration			X	CSC
	> 50% of Last CSC Cumulative Approval Amount			X	CSC
	≤ 50% of Last CSC Cumulative Amount			X	DHR
	≤ 50% of Initial Duration			X	DHR
Modify - Expedited PSCs:					
	> 50% of Last CSC Cumulative Approval Amount (after the \$100K threshold)			X	CSC
	Cumulative Amount ≤ \$100K			X	DHR
	Change in Duration (prior to the \$100K threshold)			X	DHR



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

Sent Via Electronic Mail

March 24, 2016

DOUGLAS S. CHAN
PRESIDENT

NOTICE OF CIVIL SERVICE COMMISSION MEETING

GINA M. ROCCANOVA
VICE PRESIDENT

SUBJECT: REQUEST TO GRANT HEALTH SERVICE SYSTEM
CONTINUING APPROVAL FOR BENEFIT RELATED
CONTRACTS FOR PERSONAL SERVICES CONTRACTS.

KATE FAVETTI
COMMISSIONER

SCOTT R. HELDFOND
COMMISSIONER

The above matter will be considered by the Civil Service Commission at a meeting to be held on April 4, 2016 at 2:00 p.m. in Room 400, Fourth Floor, City Hall, 1 Dr. Carlton B. Goodlett Place.

This item will appear on the Consent Agenda. Please refer to the attached Notice for procedural and other information about Commission hearings.

Attendance by you or an authorized representative is welcome. Should you or your representative not attend, the Commission will rule on the information previously submitted and testimony provided at its meeting. All calendared items will be heard and resolved at this time unless good reasons are presented for a continuance.

MICHAEL L. BROWN
EXECUTIVE OFFICER

All non-privileged materials being considered by the Civil Service Commission for this item are available for public inspection and copying at the Civil Service Commission office Monday through Friday from 8:00 a.m. to 5:00 p.m.

CIVIL SERVICE COMMISSION

MICHAEL L. BROWN
Executive Officer

Attachment

Cc: Micki Callahan, Department of Human Resources
Catherine Dodd, Health Service System
Susan Gard, Department of Human Resources
Pamela Levin, Health Service System
Erik Rapoport, City Attorney's Office
Commission File
Commissioners' Binder
Chron

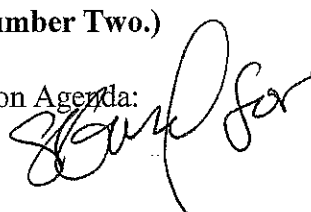
THIS DOCUMENT SUPPORTS
CALENDAR ITEM 8



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

CIVIL SERVICE COMMISSION REPORT TRANSMITTAL (FORM 22)

Refer to Civil Service Commission Procedure for Staff - Submission of Written Reports for Instructions on Completing and Processing this Form

1. Civil Service Commission Register Number: _____
2. For Civil Service Commission Meeting of: April 4, 2016
3. Check One: Ratification Agenda
 Consent Agenda X
 Regular Agenda
 Human Resources Director's Report
4. Subject: Request to Grant Health Service System Continuing Approval for Benefit Related Contracts for Personal Services Contracts
5. Recommendation: Adopt the report.
6. Report prepared by: Pamela Levin, Health Service System Deputy Director
Telephone number: (415) 554-1750
7. Notifications: **(Attach a list of the person(s) to be notified in the format described in Civil Service Commission Procedure Number Two.)**
8. Reviewed and approved for Civil Service Commission Agenda:
Human Resources Director: Micki Callahan 
Date: 3-24-16
9. Submit the original time-stamped copy of this form and person(s) to be notified (see Item 7 above) along with the required copies of the report to:

**Executive Officer
Civil Service Commission
25 Van Ness Avenue, Suite 720
San Francisco, CA 94102**

10. Receipt-stamp this form in the "CSC RECEIPT STAMP" box to the right using the time-stamp in the CSC Office.

<u>CSC RECEIPT STAMP</u>

Attachment

CSC-22 (11/97)

HEALTH SERVICE SYSTEM
CITY & COUNTY OF SAN FRANCISCO

Memorandum

DATE: February 12, 2016

TO: Douglas S. Chan, President, Civil Service Commission
Michael Brown, Executive Director, Civil Service Commission
Members of the Civil Service Commission

FROM: Catherine Dodd, Director *Catherine Dodd*
Health Service System

RE: **Request to Grant Health Service System Continuing Approval for
Benefit Related Contracts for Personal Services Contracts**

On January 6, 2014, the Civil Service Commission ("CSC") approved the Health Service System's ("HSS") request for PSC #4057-13/14, with the understanding that CSC action would not interfere with the jurisdiction or fiduciary duties of the Health Service Board, and that the Health Service Board and the Commission would work together to define each other's role in the future. At this time, HSS would like to formalize the Personal Service Contracts ("PSC") contracting process and request continuing CSC approval for certain categories of HSS benefit-related contracts.

I. Request for Continuing PSC Approval

HSS respectfully requests that the Commission grant continuing approval for the categories of HSS benefit-related contracts listed in Section II below including, but not limited to, actuarial, COBRA administration, Flexible Spending Account (FSA) administration, Cafeteria Plan administration, and wellness contracts. If this request is granted, consistent with the requirements set forth in the November 5, 2014 Memorandum CSC No. 2014-20 concerning Policy and Procedures on Personal Services Contracts ("2014 PSC Memo"), HSS would submit an annual report to the CSC listing all HSS contracts. Of course, in its discretion, the CSC could require more frequent reporting obligations, and could reconsider its decision to grant continuing PSC approval if a report raised concerns.

II. Rationale for Request:

A. Reasons for CSC approval of PSCs

In the 2014 PSC Memo, and in earlier iterations, CSC offered potentially compelling reasons for services to be contracted out with approval by CSC. The HSS contracts noted



1145 Market Street, 3rd Floor San Francisco, CA 94103
Phone: (415) 554-1750 or 1-800-541-2266 Fax: (415) 554-1721

myhss.org

in section B, below, consistently involve situations where some or all of the following reasons for contracting out services are present:

- 1) Short-term or capital projects requiring diverse skills, expertise, and/or knowledge;
- 2) Services required on an as-needed, intermittent, or periodic basis (e.g., peaks in workload);
- 3) Regulatory or legal requirements, or requirements or mandates of funding source(s) which limit or preclude the use of Civil Service Employees;
- 4) Services that require resources that the City lacks (e.g. office space, facilities or equipment with an operator); and
- 5) Cases where future funding is so uncertain that the establishment of new civil service positions, classes, or programs is not feasible (including situations where there is grant funding).

B. Nature of HSS and HSS PSCs

Historically, services related to employee benefits, including health plans, insurance products, third-party administration services and flexible accounts, provided by HSS have been contracted through outside vendors. These services fluctuate from year to year due to the consistent need for health care services (such as open enrollment services) provided in a complex regulatory environment. In addition, funding shifts every year such that most HSS contracts are entered into on an annual basis and submitted to the Board of Supervisors as part of the annual rates and benefits approval process.

The employee benefit contracts subject to the Health Service Board oversight authority, and that would receive continuing PSC approval if this request is granted, include the following:

- 1) Medical plans;
- 2) Vision plans;
- 3) Dental plans;
- 4) COBRA administration;
- 5) Flexible Spending Account administration;
- 6) Cafeteria Plan/Voluntary Benefits administration;
- 7) Life insurance;
- 8) Long Term Disability (LTD) insurance;
- 9) Wellness;
- 10) Long Term Care (LTC) insurance;

- 11) Actuarial consulting services; and
- 12) Specialized health care software contracts.

The City Charter and Administrative Code contain specific provisions supporting the Health Services Board's authority to administer health benefits related contracts:

Charter Section A8.422 states that the Health Service Board "shall: have power and it shall be its duty by a majority vote of the entire membership of the health service board to adopt a plan or plans for rendering medical care to members of the system, or for the indemnification of the cost of said care, or for obtaining and carrying insurance against such costs or for such care."

- Charter Section 12.000 states that the Board shall "Put such plans as provided for in Section A8.422 into effect and conduct and administer the same and contract therefor and use the funds of the System" and "Make rules and regulations for the administration of business of the Health Service System."
- Charter Section A8.423 states that the Board "shall have the responsibility to obtain and disseminate information to its members with regard to plan benefits and costs thereof. All expenses in connection with obtaining and disseminating said information, the investment of such fund or funds as may be established, including travel and transportation costs, member wellness programs, actuarial expenses and expenses incurred to reduce health care costs, shall be borne by the system from reserves in the health service fund but only upon adoption of a resolution by the Health Service Board approving such expenses."
- Administration Code Section 16.902 states that "[t]he cafeteria plan established pursuant to this Article may be administered by the San Francisco Health Service System which may prescribe such forms, and adopt such rules and regulations as are necessary to carry out the purposes of the plan." In addition, the Section states: "The San Francisco Health Service System may contract with a financially responsible independent contractor to administer and coordinate the plan."

Conclusion

The 2014 PSC Memo states that "[c]ontinuing approval is granted by the Commission to comply with policy, funding, or legal mandates." Here, HSS' responsibilities and requirements are ongoing, as is the need to contract out health benefits related services. HSS is therefore requesting that the CSC authorize continuing approval of the categories of HSS benefits-related contracts listed above subject to making annual reports to the CSC. Please contact Pamela Levin at 554-0649 if additional information is required.



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

Sent Via Electronic Mail

April 8, 2016

DOUGLAS S. CHAN
PRESIDENT

GINA M. ROCCANOVA
VICE PRESIDENT

KATE FAVETTI
COMMISSIONER

SCOTT R. HELDFOND
COMMISSIONER

NOTICE OF CIVIL SERVICE COMMISSION ACTION

SUBJECT: REQUEST TO GRANT HEALTH SERVICE SYSTEM
CONTINUING APPROVAL FOR BENEFIT RELATED
CONTRACTS FOR PERSONAL SERVICES CONTRACTS.

At its meeting of April 4, 2016 the Civil Service Commission had for its consideration the above matter.

The Commission approved the report.

If this matter is subject to Code of Civil Procedure (CCP) Section 1094.5, the time within which judicial review must be sought is set forth in CCP Section 1094.6.

MICHAEL L. BROWN
EXECUTIVE OFFICER

CIVIL SERVICE COMMISSION

A handwritten signature in blue ink that reads "Michael L. Brown".

MICHAEL L. BROWN
Executive Officer

Cc: Micki Callahan, Department of Human Resources
Catherine Dodd, Health Service System
Susan Gard, Department of Human Resources
Pamela Levin, Health Service System
Erik Rapoport, City Attorney's Office
Commission File
Chron