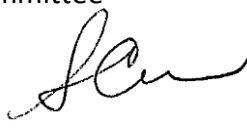


**CITY AND COUNTY OF SAN FRANCISCO**  
**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

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May 11, 2018

**TO:** Government Audit and Oversight Committee  
**FROM:** Budget and Legislative Analyst   
**SUBJECT:** May 16, 2018 Government Audit and Oversight Committee Meeting

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<p><b>Item 1</b> <b>File 18-0465</b></p>	<p><b>Department</b> Mayor’s Office of Housing and Community Development (MOHCD)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p>	
<ul style="list-style-type: none"> <li>• The proposed resolution authorizes the MOHCD to expend SOMA Community Stabilization Fund monies in the amount of \$300,000 to provide capacity building and trauma informed systems training at Bessie Carmichael School.</li> </ul>	
<p style="text-align: center;"><b>Key Points</b></p>	
<ul style="list-style-type: none"> <li>• Planning Code Section 418 imposes a \$10.95 per square foot community stabilization fee on new residential development in the Rincon Hill Downtown Residential District<sup>1</sup>. These fees are deposited into the SOMA Community Stabilization Fund; expenditures from the fund are recommended by the SOMA Community Stabilization Fund Community Advisory Committee (CAC). The CAC worked with the principal of Bessie Carmichael School and the SOMA Youth Collaborative to develop a program to strengthen the capacity of the school and improve the school’s capacity to better serve its students.</li> <li>• MOHCD selected the University of California, San Francisco (UCSF) Healthy Environments and Response to Trauma in Schools (HEARTS) through a competitive process to provide capacity building and trauma informed systems training at Bessie Carmichael School.</li> </ul>	
<p style="text-align: center;"><b>Fiscal Impact</b></p>	
<ul style="list-style-type: none"> <li>• The proposed budget of \$150,000 for FY 2018-19 pays for HEARTS staff salaries and associated costs. Additional funding of \$150,000 is available in FY 2019-20 if program outcomes in the first year are achieved.</li> <li>• The SOMA Community Stabilization Fund balance is \$4,298,727. Approval of the \$300,000 expenditure for the UCSF HEARTS program in FY 2018-19 and FY 2019-20 leaves a remaining fund balance of \$3,998,727.</li> </ul>	
<p style="text-align: center;"><b>Recommendation</b></p>	
<ul style="list-style-type: none"> <li>• Approve the proposed resolution.</li> </ul>	

<sup>1</sup> The Rincon Hill Downtown Residential District is the area bounded by Folsom Street, The Embarcadero, Bryant Street, and Essex Street.

## MANDATE STATEMENT

In accordance with Planning Code Section 418.7, all monies in the South of Market Area (SOMA) Community Stabilization Fund are to be expended to address the effects of destabilization on residents and businesses in SOMA due to new residential development in the Rincon Hill Area. SOMA Community Stabilization Fund expenditures are administered by the Mayor's Office of Housing and Community Development (MOHCD), subject to approval by resolution of the Board of Supervisors.

## BACKGROUND

Planning Code Section 418 imposes a \$10.95 per square foot community stabilization fee on new residential development in the Rincon Hill Downtown Residential District<sup>2</sup>. These fees are deposited into the SOMA Community Stabilization Fund; expenditures from the fund are recommended by the SOMA Community Stabilization Fund Community Advisory Committee (CAC).

According to Ms. Claudine del Rosario, SOMA Fund Manager, the CAC worked with the principal of Bessie Carmichael School and the SOMA Youth Collaborative to develop a program to strengthen the capacity of the school and improve the school's capacity to better serve its students.

MOHCD issued a Request for Proposals (RFP) in January 2018 for developing resources for Bessie Carmichael School to assist teachers and students in mitigating the effects of trauma to students on learning. Services to be provided include professional development for school staff on the effects of stress and trauma, strategies to mitigate these effects; on-site psychotherapy for students as needed; and workshops for parents and caregivers on coping with stress. MOHCD selected the University of California, San Francisco (UCSF) Healthy Environments and Response to Trauma in Schools (HEARTS) as the highest scoring responsive proposer.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes the MOHCD to expend SOMA Community Stabilization Fund monies in the amount of \$300,000 to provide capacity building and trauma informed systems training at Bessie Carmichael School.

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<sup>2</sup> The Rincon Hill Downtown Residential District is the area bounded by Folsom Street, The Embarcadero, Bryant Street, and Essex Street.

**FISCAL IMPACT**

The RFP allocated \$150,000 from the SOMA Community Stabilization Fund for FY 2018-19, with additional funding of \$150,000 in FY 2019-20 if program outcomes in the first year are achieved. UCSF HEARTS proposed providing:

- School-wide training to staff;
- Consultation on students of concern and school-wide issues (such as safety, behavioral support, discipline procedures); and
- School-based individual and family therapy.

Outcomes consist of:

- School staff reporting an increase in knowledge on addressing the effects of trauma;
- Increased level of students' engagement in school;
- Decreased loss of instructional time due to disciplinary problems; and
- Decreased trauma-related symptoms in students who receive therapy.

The proposed budget of \$150,000 for FY 2018-19 includes:

- \$128,883 for salaries and fringe benefits for approximately 1.20 Full Time Equivalent (FTE) professional staff; and
- \$20,817 in administrative costs.

The SOMA Community Stabilization Fund balance is \$4,298,727. Approval of the \$300,000 expenditure for the UCSF HEARTS program in FY 2018-19 and FY 2019-20 leaves a remaining fund balance of \$3,998,727.

**RECOMMENDATION**

Approve the proposed resolution.

<p><b>Item 2</b> <b>File 18-0418</b></p>	<p><b>Department:</b> Human Services Agency (HSA)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed resolution approves certification of the contract between the Human Services Agency and Allied Universal Security for the provision of security services for the three-year period from July 1, 2018, through June 30, 2021, in the total contract amount of \$13,974,576.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The Human Services Agency previously held a contract with Allied Universal Security for an initial term from February 1, 2014 to January 31, 2018 and a not to exceed contract amount of \$19,785,392. The previous contract covered both the Department of Homelessness and Supportive Housing and the Human Services Agency. The contract under consideration applies on to the Human Services Agency.</li> <li>• On September 5, 2017, the Board of Supervisors approved an amendment to the existing contract between Allied Universal Security and HSA, increasing the not to exceed amount to \$22,802,311. The increase was due to the addition of thirteen new locations during the contract period. Subsequently the Board of Supervisors approved a second amendment extending the contract by five months through June 30, 2018 and increasing the not to exceed amount by \$3,259,977, from \$22,802,311 to \$26,062,288. The second modification was due to administrative delays in awarding the contract to a new security provider</li> <li>• The Human Services Agency issued a Request for Proposals (RFP) for a new contractor on January 16, 2018, with bids due January 30, 2018. Allied Universal was selected among nine qualified responses received by the Office of Contract Administration (OCA).</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• Under the proposed resolution, the total not to exceed amount of the contract is \$13,974,576. The Human Services Agency anticipates future modifications to this contract due to increases in the Prevailing Wage.</li> <li>• The contract will be funded by a combination of City funds (75 percent), State funds (four percent), and Federal funds (21 percent). The City’s General Fund Share of the contract is \$10,480,932 for the amount authorized by the proposed resolution.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approve the proposed resolution.</li> </ul>	

## MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

## BACKGROUND

The Human Services Agency (HSA) currently provides security service to 17 properties<sup>1</sup> under the jurisdiction of City departments. In order to provide a safe and protected environment for its employees, clients, and the general public the Agency contracts unarmed security services.

The Human Services Agency previously held a contract with Allied Universal Security for an initial term from February 1, 2014 to January 31, 2018 and a not to exceed contract amount of \$19,785,392. On September 5, 2017, the Board of Supervisors approved an amendment to the contract, increasing the not to exceed amount to \$22,802,311, including a 10 percent contingency of \$274,265 (File 17-0801, Resolution 333-17). The increase was due to the addition of thirteen new locations during the contract period, of which ten are permanent and three were temporary homeless shelters.

Subsequently the Board of Supervisors approved a second amendment extending the contract by five months through June 30, 2018 and increasing the not to exceed amount by \$3,259,977, from \$22,802,311 to \$26,062,288. The second modification was due to administrative delays in awarding the contract to a new security provider<sup>2</sup>. According to HSA Senior Contracts Manager, Elizabeth Leone, as of March 30, 2018, \$24,255,315 had been spent and HSA anticipates spending down the remainder and extending the existing contract to cover the security needs of the Department of Homelessness and Supportive Housing (HSH) while HSH puts its own contract into place<sup>3</sup>. The current contract (expiring June 30, 2018) covers sites operated by both the Human Services Agency and the Department of Homelessness and Supportive Housing. The proposed contract addressed in the resolution starting July 1, 2018 only covers the Human Services Agency.

The Human Services Agency issued a Request for Proposals (RFP) for a new contractor on January 16, 2018, with bids due January 30, 2018. Allied Universal was selected among nine qualified responses received by the Office of Contract Administration (OCA). One vendor

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<sup>1</sup> Fourteen sites are under the jurisdiction of HSA and three sites are under the jurisdiction of Adult Probation, Child Support Services, and the Department of Public Health, which pay for security services through a work order with HSA.

<sup>2</sup> An initial RFP included security guard coverage for both HSA and HSH sites in one contract. Because HSH's funding structure included only General Funds, they were required to include Local Business Enterprise (LBE) Subcontracting goals in their evaluation. By contrast, HSA's funding comes from the General Fund as well as federal sources so LBE Subcontracting goals do not apply. The decision was made by the Office of Contract Administration to separate the RFP so that each agency would have its own procurement and evaluation process.

<sup>3</sup> The Department of Homelessness and Supportive Housing has just released its own RFP for a separate security services contract.

protested the winning bidder, but upon investigation, the OCA found their complaint without merit.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves certification of the contract between the Human Services Agency and Allied Universal Security for the provision of security services for the three-year period from July 1, 2018, through June 30, 2021, in the total contract amount of \$13,974,576.

The scope of security services under the contract includes providing assistance and information; maintaining order; deterring intrusion, disputes, violence, threats and vandalism; and responding to emergencies. The City reserves the right to adjust the hourly and site requirements as needed throughout the term of the contracts. During the previous contract term, the Human Services Agency added ten permanent and three temporary sites, on an as needed basis. The Human Services Agency anticipates some additional, temporary sites to be opened during the winter months of the proposed contract term for weather-related shelters.

The City has the option to extend the original term of three years for a period of two additional years, for a total of five years.

## FISCAL IMPACT

Under the proposed resolution, the total not to exceed amount of the contract is \$13,974,576 based on an estimate of approximately 2,500 hours of labor needed per week for all 17 sites. The Human Services Agency anticipates future modifications to this contract due to increases in the Prevailing Wage, but has provisionally calculated annual funding amounts needed using flat rate, \$31.84 for straight time and \$47.76 for overtime. The breakdown of the cost estimate is shown in Table 1 below.

**Table 1: Breakdown of Contract Cost Estimate**

<b>Term</b>	<b>July 1, 2018 – June 30, 2019</b>	<b>July 1, 2019 – June 30, 2020</b>	<b>July 1, 2020 – June 30, 2021</b>	<b>Total</b>
Straight Time Billing Rate	\$31.84	\$31.84	\$31.84	
Straight Time Hours	130,000	130,000	130,000	390,000
<b>Straight Time Subtotal</b>	<b>\$4,139,200</b>	<b>\$4,139,200</b>	<b>\$4,139,200</b>	<b>\$12,417,600</b>
Overtime Billing Rate	\$47.76	\$47.76	\$47.76	
Overtime Hours	2,000	2,000	2,000	6,000
<b>Overtime Subtotal</b>	<b>\$95,520</b>	<b>\$95,520</b>	<b>\$95,520</b>	<b>\$286,560</b>
<b>Total Security Costs</b>	<b>\$4,234,720</b>	<b>\$4,234,720</b>	<b>\$4,234,720</b>	<b>\$12,704,160</b>
10% Contingency				\$1,270,416
<b>Contract Not to Exceed</b>				<b>\$13,974,576</b>

According to Ms. Leone, the contract will be funded by a combination of City funds (75 percent), State funds (four percent), and Federal funds (21 percent). The City's General Fund

Share of the contract is \$10,480,932 for the amount authorized by the proposed resolution, as shown in Table 2 below.

**Table 2: Source of Contract Funds**

<b>Source</b>	<b>Amount</b>	<b>Percent of Total</b>
General Fund	\$10,480,932	75%
Federal - MediCal	1,164,549	8%
Federal - Food Stamps	756,957	5%
Federal - WTW	1,048,092	7%
State - Food Stamps	407,592	3%
State - WTW	116,454	1%
<b>Total</b>	<b>\$13,974,576</b>	

## RECOMMENDATION

Approve the proposed resolution.