

1 [Administrative Code - Health Service System Contracting Authority; Employee Benefit
2 Cafeteria Plan]

3 **Ordinance amending the San Francisco Administrative Code Sections 16.900 through**
4 **16.905 and 21.02 to update provisions regarding: 1) the San Francisco Health Service**
5 **System's contracting authority; and 2) the City's employee benefit Cafeteria Plan.**

6 NOTE: Additions are *single-underline italics Times New Roman*;
7 deletions are ~~*strike-through italics Times New Roman*~~.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strike through normal~~.

10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. The San Francisco Administrative Code is hereby amended by amending
12 Sections 16.900 through 16.905 and 21.02 to read as follows:

13 **SEC. 16.900. ESTABLISHMENT OF A CAFETERIA PLAN.**

14 The ~~Department of Human Resources~~San Francisco Health Service System may establish an
15 employee cafeteria plan as provided and regulated under Section 125 of Title 26 of the United
16 States Internal Revenue Code.

17 **SEC. 16.901. PURPOSE.**

18 The purpose of this plan is to extend to employees of the City and County of San
19 Francisco, San Francisco Unified School District, ~~and the~~ San Francisco Community College
20 District, ~~and the Superior Court of California, County of San Francisco~~ and the San Francisco
21 County Transportation Authority (Participating Employers), those types of benefits that
22 ordinarily accrue from participation in a cafeteria plan. The City and County of San Francisco
23 does not and cannot represent or guarantee that any particular federal or state income,
24 payroll or other tax consequence will occur by reason of an employee's participation in this
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1 plan. The participant should consult with his or her own attorney or other representative
2 regarding all tax consequences of participation in this plan.

3 **SEC. 16.902. ADMINISTRATION BY THE ~~DEPARTMENT OF HUMAN RESOURCES~~ SAN
4 FRANCISCO HEALTH SERVICE SYSTEM.**

5 The cafeteria plan established pursuant to this Article may be administered by the
6 ~~Department of Human Resources~~ the San Francisco Health Service System which may prescribe such
7 forms, and adopt such rules and regulations as are necessary to carry out the purposes of the
8 plan. The San Francisco Health Service System shall also have the authority to amend the plan to
9 ensure compliance with applicable laws and regulations, to reflect changes in benefit offerings by the
10 City and County of San Francisco or Participating Employers, and to make modifications for the
11 reasonable administration of the plan. The ~~Department of Human Resources~~ the San Francisco Health
12 Service System may contract with a financially responsible independent contractor to administer
13 and coordinate the plan.

14 **SEC. 16.903. NO COST TO CITY AND COUNTY.**

15 This cafeteria plan shall be administered free of direct cost to, or appropriation by, the
16 City and County of San Francisco or the Participating Employers. Except as herein provided, all
17 such costs shall be borne by the participants or by any plan administrator appointed
18 hereunder, except to the extent that any subsequent ordinance or appropriation might provide
19 expressly to the contrary. Nothing contained in this Section shall be deemed to prohibit the
20 inclusion of a hold harmless provision in any contract between the City and any plan
21 administrator appointed hereunder, which provision has been approved by the City's Risk
22 Manager pursuant to Administrative Code Section 1.24.

23 **SEC. 16.904. VOLUNTARY EMPLOYEE BENEFITS.**

24 Based upon individual authorized deductions, the Controller is hereby authorized to
25 deduct and collect monies from the salaries or wages of employees of the City and County of

1 San Francisco, ~~and the~~ San Francisco Community College District, ~~and the Superior Court of~~
2 California, County of San Francisco, in accordance with San Francisco Administrative Code
3 Sections 16.91 and 16.92. Pursuant to Section 125, this voluntary authorized deduction shall
4 not be revocable by the employee during the cafeteria plan year unless the revocation and
5 new election are in conformance with Section 125 and the terms of the plan.

6 **SEC. 16.905. CAFETERIA PLAN BENEFITS.**

7 The Board of Supervisors hereby approves the inclusion of those benefit plans
8 qualifying under the employee cafeteria plan as provided and regulated under Section 125 of
9 Title 26 of the United States Code as well as the medical care plans adopted by the Health
10 Service Board and approved by the Board of Supervisors annually under Section A8.422 of
11 the Charter and Administrative Code Section ~~16.157~~16.703 and which medical plans are on file
12 with the Clerk of the Board of Supervisors.

13 **SEC. 21.02. DEFINITIONS.**

14 As used in this Chapter the following words shall have the following respective
15 meanings:

16 (a) "Bid" shall mean a bid, quotation, or other offer, other than a Proposal, from a
17 person or entity to sell a Commodity or Service to the City at a specified price.

18 (b) "Bidder" shall mean any person or entity which submits a Bid.

19 (c) "City" shall mean the City and County of San Francisco.

20 (d) "Code" or "this Code" shall mean the most current version of the San
21 Francisco Charter and the San Francisco Municipal Code.

22 (e) "Commodity" shall mean products, including materials, equipment and
23 supplies, purchased by the City. "Commodity" shall specifically exclude legal and litigation
24 related contracts or contracts entered into pursuant to settlement of legal proceedings, and
25 employee benefits, including, without limitation, health plans, retirement or deferred

1 compensation benefits, insurance and flexible accounts, provided by or through the City's
2 Human Resources Department or the Retirement Board.

3 (f) "Contractor" shall mean any corporation, partnership, individual, sole
4 proprietorship, joint venture or other legal entity which enters into a contract to sell
5 Commodities or Services to the City.

6 (g) "Contracting Officer" shall mean the City employee who is authorized to
7 execute a contract, which may be either the Department head or a person designated in
8 writing by the Department head, board or commission as having the authority to sign contracts
9 for the Department. A designation of authority to sign contracts on behalf of a Department
10 may specify authority to sign a single contract, specified classes of contracts, or all contracts
11 entered into by a Department.

12 (h) "Electronic" shall mean electrical, digital, magnetic, optical, electromagnetic or
13 other similar technology for conveying documents or authorizations, excluding facsimile.

14 (i) "General Services" shall mean those services that are not Professional
15 Services. General Services include, but are not limited to, janitorial, security guard, pest
16 control, parking lot management, and landscaping services.

17 (j) "Minimum Competitive Amount" shall mean (i) for the procurement of
18 Commodities and Professional Services, the "Minimum Competitive Amount" as defined in
19 Section 6.40(A) of the Administrative Code, which shall be \$100,000 and (ii) for the
20 procurement of General Services, an amount equivalent to the "Threshold Amount" as defined
21 in Chapter 6.1(M) of the Administrative Code which shall be \$400,000, provided that on
22 January 1, 2015 and every five years thereafter, the Controller shall recalculate the Minimum
23 Competitive Amount (and the Threshold Amount from which the Minimum Competitive
24 Amount for General Services is calculated) to reflect any proportional increase in the Urban
25 Regional Consumer Price Index from January 1, 2010, rounded to the nearest \$1,000.

1 (k) "Offer" shall mean a Bid or Proposal submitted to the City in response to an
2 invitation for Bids or a Request for Proposals. "Offer" may include a response to a request for
3 qualifications if no further ranking prior to Contractor selection is contemplated by the
4 procurement process.

5 (l) "Offeror" shall mean a person or entity that submits an Offer to the City to
6 provide Commodities or Services.

7 (m) "Professional Services" shall mean those services which require extended
8 analysis, the exercise of discretion and independent judgment in their performance, and/or the
9 application of an advanced, specialized type of knowledge, expertise, or training customarily
10 acquired either by a prolonged course of study or equivalent experience in the field.
11 Professional service providers include, but are not limited to, licensed professionals such as
12 architects, engineers, and accountants, and non-licensed professionals such as software
13 developers and financial consultants.

14 (n) "Proposal" shall mean a response to a request for Proposals issued by the
15 City for Commodities or Services, or a response to a request for qualifications if no further
16 ranking prior to Contractor selection is contemplated by the procurement process.

17 (o) "Proposer" shall mean a person or entity that submits a Proposal in response
18 to a request for Proposals issued by the City.

19 (p) "Purchase Order" shall mean an authorization document designated as such
20 by the Purchaser for the procurement of Commodities or Services, whether issued in a paper
21 or electronic format, including blanket purchase orders for purchases involving multiple
22 payments.

23 (q) "Purchaser" shall mean the Purchaser of Commodities or Services of the City
24 and County of San Francisco, or his or her designee(s).

1 (r) "Quotation" shall mean an Offer to supply Commodities or Services to the City
2 for a specified price (and possibly subject to other terms and conditions) which is acquired
3 without the use of advertising to solicit Bids.

4 (s) "Services" shall mean Professional Services and General Services. "Services"
5 shall specifically exclude grants to a nonprofit entity to provide services to the community,
6 which may include incidental purchases of commodities; legal and litigation related services or
7 contracts entered into pursuant to settlement of legal proceedings; and services related to
8 employee benefits, including, without limitation, health plans, retirement or deferred
9 compensation benefits, insurance and flexible accounts, provided by or through the ~~City's~~
10 ~~Human Resources Department~~ the San Francisco Health Service System or the Retirement Board.

11 (t) "Solicitation" shall mean an invitation for Bids, request for Quotations, request
12 for qualifications, or request for Proposals issued by the City for the purpose of soliciting Bids,
13 Quotations, or Proposals to perform a City contract.

14 (u) "Technology Store" shall mean the City-wide, multiple award contract for the
15 procurement of certain Commodities and Services awarded pursuant to the "Request for
16 Proposal for Computer Hardware, Software, Peripherals and Appropriate Network,
17 Consulting, Maintenance, Training and Support Services," and any successor contracts
18 thereto.

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1 Section 2. Effective Date. This ordinance shall become effective 30 days from the date of
2 passage.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 Erik A. Rapoport
8 Deputy City Attorney

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