

**City and County of San Francisco
Office of Contract Administration
Purchasing Division
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4685**

**Agreement between the City and County of San Francisco
and
San Francisco Community Health Authority**

Third Party Administrator of San Francisco City Option

Contract ID 1000037894

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AGREEMENT

This Agreement is made this first day of July, 2026, in the City and County of San Francisco, State of California, by and between San Francisco Community Health Authority hereinafter referred to as “Contractor,” and the City and County of San Francisco, a municipal corporation, hereinafter referred to as (“City”), acting by and through its Director of the Department of Public Health or the Director’s designated agent, hereinafter referred to as “Department.”

Recitals

WHEREAS, the Department of Public Health (“Department”) seeks to procure a third party administrator to provide administrative functions for San Francisco City Option from Contractor; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the Services required by City as set forth under this Agreement; and

WHEREAS, this Contract is exempt from Civil Service Commission review because it is with a public entity; and,

WHEREAS, the City is authorized under San Francisco Administrative Code Section 1.25(b), as may be amended from time to time, to enter into agreements with other Government Entities and such agreements are not subject to the provisions in the Municipal Code, including but not limited to the Administrative, Labor and Employment, Environment, or Police Codes, imposing obligations or other restrictions on contractors; and

WHEREAS, the services to be provided by Contractor under this Agreement are not covered by the Affiliation Agreement;

WHEREAS, the City’s Board of Supervisors approved this Agreement by [_____] on [_____] in the amount of \$52,768,224 for the period commencing July 1, 2026 and ending June 30, 2030.

Now, **THEREFORE**, the parties agree as follows:

Article 1 Definitions

The following definitions apply to this Agreement:

1.1 **“Agreement”** means this contract document, including all attached appendices.

1.2 **“Appendices”** means the appendices listed in Article 14 (“Appendices”) herein.

1.3 **“Artificial Intelligence”** or **“Artificial Intelligence Model”** means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

1.4 **“Artificial Intelligence System”** means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

1.5 **“City” or “the City”** means the City and County of San Francisco, a municipal corporation, acting by and through the Department of Public Health.

1.6 **“City Data”** means all data collected, used, maintained, processed, stored, and/or generated by or on behalf of City in connection with this Agreement. City Data includes, without limitation, Confidential Information and Deliverable Data.

1.7 **“CMD”** means the Contract Monitoring Division of the City.

1.8 **“Confidential Information”** means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information. Confidential Information includes, without limitation, City Data.

1.9 **“Contractor”** means San Francisco Community Health Authority, 50 Beale Street, 12th floor, San Francisco, CA, 94105.

1.10 **“Deliverable Data”** means any data that is required to be delivered to City as a Deliverable, or as a part of a Deliverable, under this Agreement.

1.11 **“Deliverables”** means Contractor’s or its subcontractors’ work product, including any partially completed work product and related materials, resulting from the Services provided by Contractor to City during the course of Contractor’s performance of the Agreement, including without limitation, the work product described in the “Scope of Services” attached as Appendix A.

1.12 **“Generative Artificial Intelligence”** means Artificial Intelligence that can generate derived synthetic content, such as text, images, video, and audio, that emulates the structure and characteristics of the Artificial Intelligence’s training data.

1.13 **“Party” and “Parties”** means the City and Contractor either individually or collectively.

1.14 **“Personal Identifiable Information (PII)”** means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. Personal information includes, but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could be reasonably linked, directly or indirectly, with a particular individual or household as further defined in the California Consumer Privacy Act.

1.15 **“Services”** means the work performed by Contractor under this Agreement as specifically described in the “Scope of Services” attached as Appendix A, including all services,

labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Agreement.

Article 2 Term of the Agreement

2.1 Term.

The term of this Agreement is for four years and shall commence on July 1, 2026 and expire on June 30, 2030, unless earlier terminated as otherwise provided herein.

2.2 Options to Extend. City has the option to renew the Agreement for a period of six (6) additional years. City may exercise this option at City's sole and absolute discretion by modifying this Agreement as provided in Section 11.5, "Modification of this Agreement." Extensions may be for the whole or partial period provided for above.

Article 3 Financial Matters

3.1.1 Termination in the Event of Non-Appropriation. This Agreement is subject to the budget and fiscal provisions of Section 3.105 of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to the City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. The City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

3.1.2 Maximum Costs. The City's payment obligation to Contractor cannot at any time exceed the amount certified by City's Controller for the purpose and period stated in such certification. Absent an authorized emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is the City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, "Modification of this Agreement."

3.2 Authorization to Commence Work. Contractor shall not commence any work under this Agreement until the City has issued formal written authorization to proceed, such as a purchase order, task order or notice to proceed. Such authorization may be for a partial or full scope of services.

3.3 Compensation.

3.3.1 **Contract Not to Exceed Amount.** The amount of this Agreement shall not exceed **FIFTY-TWO MILLION, SEVEN HUNDRED SIXTY-EIGHT THOUSAND, TWO HUNDRED TWENTY-FOUR DOLLARS (\$52,768,224)**, the breakdown of which appears in Appendix B, "Calculation of Charges." City shall not be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any Services covered by this Agreement.

3.3.2 **Payment Limited to Satisfactory Services.** Contractor is not entitled to any payments until City approves the Services delivered. Payments to Contractor by City shall not excuse Contractor from its obligation to replace the unsatisfactory Services even if the unsatisfactory character was apparent or could have been detected at the time such payment was made. Non-conforming Services may be rejected by City and in such case must be replaced by Contractor without delay at no cost to City.

3.3.3 **Withhold Payments.** If Contractor fails to provide the Services in accordance with Contractor's obligations under this Agreement, City may withhold any and all payments due to Contractor until such failure to perform is cured, and Contractor shall not stop work as a result of City's withholding of payments as provided herein.

3.3.4 **Invoicing.** Contractor shall invoice the City for the Services provided under this Agreement on a timely basis, and in no event later than 30 days after delivery of the Services or as specified in Appendix B, Calculation of Charges, except for the last invoice of the fiscal year which must be submitted within 15 days before the end of July. Invoices submitted by Contractor must be in a form acceptable to the Controller and City and include a unique invoice number and a specific invoice date. Payment shall be made by City as specified in Section 3.3.7, or in such alternate manner as the Parties have mutually agreed upon in writing. All invoices must show the PeopleSoft Purchase Order ID Number, PeopleSoft Supplier Name and ID, Item numbers (if applicable), complete description of Services performed, sales/use tax (if applicable), contract payment terms and contract price. Invoices that do not include all required information or contain inaccurate information will not be processed for payment.

3.3.5 **Reserved (LBE Payment and Utilization Tracking System).**

3.3.1 **Grant Funded Contracts.**

(a) **Reserved (Grant Terms).**

(b) **Disallowance.** If Contractor requests or receives payment from City for Services, reimbursement for which is later disallowed due to Contractor's non-compliance with the Grant Terms, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other agreement between Contractor and City.

(c) **Reserved (Subgrantees).**

3.3.2 **Payment Terms.**

(a) **Payment Due Date.** Unless City notifies the Contractor that a dispute exists, Payment shall be made within 30 calendar days, measured from (1) the rendering of the Services or (2) the date of receipt of the invoice, whichever is later. Payment is deemed to be made on the date City issued a check to Contractor or, if Contractor agreed to electronic payment, the date City has posted electronic payment to Contractor.

(b) **Reserved (Payment Discount Terms).**

3.4 **Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its Services. Contractor will permit City to audit, examine and make copies of such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any Federal agency having an interest in the subject matter of this Agreement shall have the same rights as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

3.5 **Reserved (Submitting False Claims).**

3.6 **Reserved.**

Article 4 **Services and Resources**

4.1 **Services Contractor Agrees to Perform.** Contractor agrees to perform the Services stated in **Appendix A, “Scope of Services.”** Officers and employees of the City are not authorized to request and the City is not required to compensate for Services beyond those stated.

4.2 **Qualified Personnel.** Contractor represents and warrants that it is qualified to perform the Services for which it is contracted to provide through this Agreement, and that all Services will be performed by competent personnel with the degree of skill and care required by current and sound professional procedures and practices. Contractor will comply with City’s reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City’s request, must be supervised by Contractor. Contractor shall commit sufficient resources for timely completion within the project schedule.

4.3 **Subcontracting.** Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All subcontracts must incorporate the terms of Article 10 “Additional Requirements Incorporated by Reference” of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void.

4.4 Independent Contractor; Payment of Employment Taxes and Other Expenses.

4.4.1 Independent Contractor. For the purposes of this Section 4.4, “Contractor” shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, Contractor is an independent contractor and is wholly responsible for the manner and means by which it performs the Services and work required under this Agreement. Contractor, including its agents and employees, will not represent or hold itself/themselves out to be employees of City at any time. Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor is liable for its acts and omissions. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor’s performing Services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor, or any of its agents or employees. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor’s compliance with Section 4.4. Should City determine that Contractor is not performing in accordance with the requirements of Section 4.4, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor’s receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

4.4.2 Payment of Employment Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past Services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to Section 4.4 shall be solely limited to the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, Contractor agrees to indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them against any

and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from Section 4.4

4.5 **Assignment.** The Services to be performed by Contractor are personal in character. This Agreement may not be directly or indirectly assigned, novated, or otherwise transferred unless first approved by City by written instrument executed and approved in the same manner as this Agreement. Any purported assignment made in violation of this provision shall be null and void.

4.6 **Reserved (Liquidated Damages).**

4.7 **Reserved (Performance Bond).**

4.8 **Warranty.** Contractor represents to City that the Services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Agreement.

Article 5 Insurance and Indemnity

5.1 **Insurance.** Contractor and City agree that each Party will maintain in force, throughout the term of this Agreement, a program of insurance and/or self-insurance of sufficient scope and amount to permit each Party to discharge promptly any obligations each incurs by operation of this Agreement. If at any time during the term of this Agreement either Party plans to cease to be self-insured for any such possible claims, the Party shall provide the other Party advance notice of the change in sufficient time for the Parties to negotiate appropriate insurance requirements before any lapse in coverage. If the Parties fail to reach agreement on the terms of insurance policies or policy endorsements required, either Party may terminate this Agreement by giving written notice of termination specifying the date upon which termination shall become effective. If City terminates the Agreement under Section 5.1, the termination provisions of Section 8.1 shall apply.

5.2 Indemnification.

5.2.1 Contractor shall indemnify and hold City, its officers, employees and agents, harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages (collectively, "Claims") arising out of the performance of this Agreement, but only in proportion to and to the extent such Claims are caused by or result from the negligent or intentional acts or omissions of Contractor, its officers, agents or employees.

5.2.2 City shall indemnify and hold Contractor, its officers, employees and agents, harmless from and against any and all Claims arising out of the performance of this Agreement, but only in proportion to and to the extent such Claims are caused by or result from the negligent or intentional acts or omissions of City, its officers, agents or employees.

5.2.3 In the event of concurrent negligence of City, its officers, employees and agents, and Contractor and its officers, employees and agents, the liability for any and all Claims shall be apportioned under the California theory of comparative negligence as presently established or as may hereafter be modified.

5.2.4 Contractor and City shall indemnify and hold each other harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City or Contractor, of each other's articles or services to be supplied in the performance of this Agreement.

Article 6 Liability of the Parties

6.1 **Liability of City.** CITY'S TOTAL LIABILITY UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ITS PAYMENT OBLIGATIONS UNDER THIS AGREEMENT, SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, "CONTRACT NOT TO EXCEED AMOUNT," OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

Article 7 Payment of Taxes

7.1 **Contractor to Pay All Taxes.** Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Services delivered pursuant hereto. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to promptly provide information requested by the City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.

7.2 **Possessory Interest Taxes.** Contractor acknowledges that this Agreement may create a "possessory interest" for property tax purposes. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to timely report on behalf of the City to the County Assessor the information required by San Francisco Administrative Code Section 23.39, as amended from time to time, and any successor provision. Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

7.3 **Withholding.** Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount

required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

Article 8 Termination and Default

8.1 Termination for Convenience. City shall have the option, in its sole discretion, to terminate this Agreement for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination specifying the date on which termination shall become effective. Upon receipt, Contractor shall commence and diligently perform all actions necessary on the part of Contractor to effect the termination on the date specified and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Within 30 days after the specified termination date, Contractor shall submit to City an invoice for all services performed prior to the specified date, which shall be compensated on the terms set forth in Section 3.3 (“Compensation”). City shall not be liable for any costs incurred by Contractor after the termination date.

8.2 Termination for Default; Remedies.

8.2.1 Each of the following shall constitute an immediate event of default (“Event of Default”) under this Agreement:

(a) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

| | | | |
|-----------|-------------------------|------------|---------------------------------|
| 4.5 | Assignment | 10.3.6 | Alcohol and Drug-Free Workplace |
| Article 5 | Insurance and Indemnity | 11.10 | Compliance with Laws |
| Article 7 | Payment of Taxes | Article 13 | Data and Security |

(b) Contractor fails or refuses to perform the Services or to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within ten (10) days after written notice thereof from City to Contractor or from when Contractor otherwise becomes aware of the Event of Default. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, in addition to all other remedies available to City, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five days for Contractor to cure the default.

(c) Contractor (i) is generally not paying its debts as they become due; (ii) files, or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors’ relief law of any jurisdiction; (iii) makes an assignment for the benefit of its creditors; (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor, or of any

substantial part of Contractor’s property; or (v) takes action for the purpose of any of the foregoing.

(d) A court or government authority enters an order (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor, or with respect to any substantial part of Contractor’s property; (ii) constituting an order for relief or approving a petition for relief, reorganization or arrangement, any other petition in bankruptcy or for liquidation, or to take advantage of any bankruptcy, insolvency or other debtors’ relief law of any jurisdiction; or (iii) ordering the dissolution, winding-up or liquidation of Contractor.

8.2.2 Default Remedies. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, where applicable, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default. Contractor shall pay to City on demand all costs and expenses incurred by City arising from the Event of Default and/or in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall also have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with City.

8.2.3 All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

8.2.4 Any notice of default must be sent in accordance with Article 11.

8.3 Non-Waiver of Rights. The omission by either Party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other Party at the time designated, shall not be a waiver of any such default or right to which the Party is entitled, nor shall it in any way affect the right of the Party to enforce such provisions thereafter.

8.4 Rights and Duties upon Termination or Expiration.

8.4.1 Section 8.4, “Rights and Duties upon Termination or Expiration,” and the following Sections of this Agreement listed below, shall survive termination or expiration of this Agreement:

| | | | |
|-------|--|-----|----------------|
| 3.3.2 | Payment Limited to Satisfactory Services | 9.2 | Works for Hire |
|-------|--|-----|----------------|

| | | | |
|-----------|--|------------|-------------------------------------|
| 3.3.6(b) | Grant Funded Contracts – Disallowance | 11.7 | Agreement Made in California; Venue |
| Article 5 | Insurance and Indemnity | 11.8 | Construction |
| 6.1 | Liability of City | 11.9 | Entire Agreement |
| 6.3 | Liability for Incidental and Consequential Damages | 11.10 | Compliance with Laws |
| Article 7 | Payment of Taxes | 11.11 | Severability |
| 8.2.2 | Default Remedies | Article 13 | Data and Security |
| 9.1 | Ownership of Results | | |

8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall be of no further force or effect. Promptly upon expiration of this Agreement, or promptly upon receipt by Contractor of notice of termination of this Agreement, Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any Deliverables, work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City.

Article 9 Rights In Deliverables

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors in the Deliverables, any partially completed Deliverables, and related materials, shall become the property of and will be transmitted to City. Unless expressly authorized in writing by City, Contractor may not retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** All copyrights in Deliverables that are considered works for hire under Title 17 of the United States Code, shall be the property of the City. If any such Deliverables are ever determined not to be works for hire under federal law, Contractor hereby assigns all Contractor’s copyrights to such Deliverables to the City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon its subcontractors. With City’s prior written approval, Contractor and its subcontractors may retain and use copies of such works for reference and as documentation of their respective experience and capabilities provided that any such use is in conformance with the confidentiality provisions of this Agreement.

Article 10 Additional Requirements Incorporated by Reference

10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by

reference in this Article and elsewhere in the Agreement (“Mandatory City Requirements”) are available at http://www.amlegal.com/codes/client/san-francisco_ca/.

10.2 Governmental Conduct-Related Contractual Obligations.

10.2.1 **Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City’s Charter; Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 *et seq.*); or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 *et seq.*), and further agrees promptly to notify City if it becomes aware of any such fact during the term of this Agreement.

10.2.2 **Prohibition on Use of Public Funds for Political Activity.** In performing the Services, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

10.2.3 **Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under Section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves; (ii) a candidate for that City elective office; or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor’s board of directors; Contractor’s chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract and has provided the names of the persons required to be informed to the City department with whom it is contracting.

10.3 Employment-Related Contractual Obligations.

10.3.1 **Reserved (Local Business Enterprise and Non-Discrimination in Contracting Ordinance).**

10.3.2 **Reserved (Minimum Compensation Ordinance).**

10.3.3 **Reserved (Health Care Accountability Ordinance).**

10.3.4 **Reserved (First Source Hiring Program).**

10.3.5 **Reserved (Working with Minors).**

Alcohol and Drug-Free Workplace. City reserves the right to deny access to, or require Contractor to remove from, City facilities personnel of any Contractor or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs City’s ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

10.3.6 **Reserved (Nondiscrimination in Contracts).**

10.3.7 **Reserved (Nondiscrimination in the Provision of Employee Benefits).**

10.4 **Reserved (Environmental Related Contractual Obligations).**

10.5 **Reserved (Slavery Era Disclosure).**

10.6 **Reserved (Nonprofit Contractor Obligations).**

Article 11 General Provisions

11.1 **Notices to the Parties.** Unless otherwise indicated in this Agreement, all written communications sent by the Parties may be by U.S. mail or e-mail, and shall be addressed as follows:

To CITY: Office of Contract Management
and Compliance
Department of Public Health
101 Grove Street, Room 410
San Francisco, California 94102 Email: ian.fernando@sfdph.org

Office of Managed Care
SF Health Network
375 Laguna Honda Blvd,
Box 16 Email: stella.cao@sfdph.org
San Francisco, CA 94116

To Contractor: San Francisco Community
Health Authority
50 Beale Street, 12th Floor

San Francisco, CA 94105

Email: jmoore01@sfhp.org

Any notice of default or data breach must be sent by certified mail or other trackable written communication, and also by e-mail, with the sender using the receipt notice feature. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party at least ten (10) days prior to the effective date of such change. If email notification is used, the sender must specify a receipt notice.

11.2 **Compliance with Laws Requiring Access for People with Disabilities.**

11.2.1 Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to people with disabilities. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against people with disabilities in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

11.2.2 Contractor shall provide technical assistance to City when responding to reasonable accommodation requests from City employees respecting their use of the information content and technology (“ICT”) and/or Services provided under this Agreement.

11.2.3 **Web and Mobile Content Accessibility.** Contractor shall adhere to the requirements of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. Sec. 1201 et seq.), including the Web Content Accessibility Guidelines (WCAG) 2.1, Level AA, as specified in the Department of Justice’s Title II Rule on the accessibility of web content and mobile *applications*. Contractor shall ensure that all ICT provided under this Agreement fully conforms to the Department of Justice’s Title II rules and the applicable Revised 508 Standard, prior to delivery and before the City’s final acceptance of the Services and/or Deliverables.

11.3 **Incorporation of Recitals.** The matters recited in the Recitals section of this Agreement are a substantive portion of this Agreement and are hereby incorporated into and made part of this Agreement.

11.4 **Sunshine Ordinance.** Contractor acknowledges that this Agreement and all City records related to its formation, Contractor’s performance of Services, and City’s payment may be subject to the California Public Records Act, (California Government Code § 7920.000 et seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state, or local law.

11.5 **Modification of this Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

11.6 **Dispute Resolution Procedure.**

11.6.1 **Negotiation; Alternative Dispute Resolution.** The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. City may elect, in its sole discretion, to participate in informal dispute resolution proceedings. Disputes will not be subject to binding arbitration. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of the City. Neither Party will be entitled to legal fees or costs for matters resolved under Section 11.6.

11.6.2 **Government Code Claim Requirement.** No suit for money or damages may be brought against the City until a written claim therefor has been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

11.7 **Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California without regard to conflict of law provisions. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

11.8 **Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

11.9 **Entire Agreement.** This Agreement including the Appendices, sets forth the entire agreement between the Parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, "Modification of this Agreement."

11.10 **Compliance with Laws.** Contractor shall keep itself fully informed of City's Charter, codes, ordinances and duly adopted rules and regulations of City and of all state, and federal laws in any manner applicable to the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

11.11 **Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (ii) such provision shall be enforced to the maximum extent possible so as to effect the intent of the Parties and shall be reformed without further action by the Parties to the extent necessary to make such provision valid and enforceable.

11.12 **Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of City and Contractor, and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No Party shall be considered the drafter of this

Agreement, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

11.13 Order of Precedence. If the Appendices to this Agreement include any Contractor terms, Contractor agrees that in the event of any discrepancy, inconsistency, gap, ambiguity, or conflict in language between City's terms and Contractor's terms, City's terms shall take precedence. Any hyperlinked terms included in Contractor's terms shall have no legal effect.

11.14 Notification of Legal Requests. Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests ("Legal Requests") related to any City Data under this Agreement, and in no event later than twenty-four (24) hours after Contractor receives the request. Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by City to Contractor, independent of where City Data is stored.

11.15 No Third-Party Beneficiaries. The representations, warranties and other terms contained herein are for the sole benefit of the Parties hereto and their respective successors and permitted assigns, and they shall not be construed as conferring any rights on any other persons.

Article 12 Department Specific Terms

12.1 Emergency Response. [Reserved.]

12.2 Third-Party Beneficiaries

No third parties are intended by the parties hereto to be third-party beneficiaries under this Agreement, and no action to enforce the terms of this Agreement may be brought against either party by any person who is not a party hereto.

12.3 California State Entity

Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 3.5 (False Claims), 10.2 (Conflict of interest), 10.11 (Limitation on Contributions), 10.3 (Prohibition on Use of Public Funds for Political Activity), 13.1.1 (Private Information) of this Agreement are enforceable only to the extent such provisions are applicable to a California state entity and constitutional corporation and are required by applicable law.

12.4 Federal and State Financial Participation

12.4.1 Contractor acknowledges that some or all of the items, products, or services that Contractor furnishes to City under this Agreement may be included, directly or indirectly, in whole or in part, in claims submitted by City to Federal or State health care programs. By executing this Agreement Contractor certifies that it is not excluded, suspended, ineligible or otherwise sanctioned from participation in any Federal or State assistance

programs. Contractor shall notify City, as provided in Section 11.1, within thirty (30) days of any such exclusion, suspension, ineligibility, or other sanction, and City may terminate this Agreement immediately upon written notice to Contractor in the event of any such exclusion, suspension, ineligibility, or other sanction. This is a material term of this Agreement.

12.4.2 Contractor agrees to indemnify and hold harmless City and City's officers, directors, employees, agents, successors and permitted assigns from and against any and all (including but not limited to Federal, State, or third party) civil monetary penalties, assessments, repayment obligations, losses, damages, settlement agreements and expenses (including reasonable attorneys' fees) to the extent arising from the exclusion of Contractor and/or Contractor's workforce (including those who oversee Contractor's workforce, supervisors and governing body members) from participation in any Federal or State assistance program.

12.5 **Prevention of Fraud, Waste and Abuse.**

Contractor shall comply with all laws designed to prevent fraud, waste, and abuse, including, but not limited to, provisions of state and Federal law applicable to healthcare providers and transactions, such as the False Claims Act (31 U.S.C. § 3729 et seq.), the Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Physician Self-Referral Law (Stark Law, 42 U.S.C. § 1395nn), and California Business & Professions Code § 650. Contractor shall immediately notify City of any suspected fraud, waste, and abuse under state or federal law.

12.6 **Contractor Amendments; Budgeting Revisions.**

12.6.1 **Formal Contract Amendment:** Contractor shall not be entitled to an increase in the Compensation or an extension of the Term unless the Parties agree to a Formal Amendment in accordance with the San Francisco Administrative Code and Section 11.5 (Modifications of this Agreement).

12.6.2 **City Revisions to Program Budgets:** The City shall have authority, without the execution of a Formal Amendment, to (1) purchase additional Services within the Statement of Work or (2) reallocate funding among the Services within the Statement of Work. Any change made under this Subsection 12.7.2 must not involve an increase in the Maximum Cost or Amount Not to Exceed or a change to the Term of this Agreement, and must be approved in writing by both Parties, by a person with legal authority to bind their respective Party to its terms. Contractor shall not proceed with any work contemplated in any revision to program budget until Contractor receives written notification from City to commence such work. All revisions to program budget will become part of this Agreement, after written execution by the Parties, which will then form the new baseline upon which future changes will be measured.

Contractor shall comply with all laws designed to prevent fraud, waste, and abuse, including, but not limited to, provisions of state and Federal law applicable to healthcare providers and transactions, such as the False Claims Act (31 U.S.C. § 3729 et seq.), the Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Physician Self-Referral Law (Stark Law, 42 U.S.C. § 1395nn), and

California Business & Professions Code § 650. Contractor shall immediately notify City of any suspected fraud, waste, and abuse under state or federal law.

Article 13 Data and Security

13.1 Nondisclosure of Private, Proprietary or Confidential Information.

13.1.1 Protection of Private Information. If this Agreement requires City to disclose “Private Information” to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

13.1.2 City Data; Confidential Information. In the performance of Services, Contractor may have access to, or collect on City’s behalf, City Data, which may include proprietary or Confidential Information that if disclosed to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City’s behalf, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or Confidential Information.

13.2 Reserved (Payment Card Industry (“PCI”) Requirements).

13.3 Business Associate Agreement. The Parties acknowledge that City is designated as a Hybrid Entity as defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), and all Health Care Components of the City, including a City department involved in this Agreement, are required to comply with the HIPAA rules governing the access, use, disclosure, transmission, storage, and security of protected health information (PHI).

For purposes of this Agreement, Parties agree that if Contractor is performing a service or function for or on behalf of a City department that is a Health Care Component, where such service or function makes Contractor a Business Associate of City, Contractor must comply with the obligations and conditions contained in the Business Associate Agreement (“BAA”) that shall be attached to this Agreement as Appendix E, and incorporated as though fully set forth herein. Parties agree that if Contractor is not performing a service or function that makes Contractor a Business Associate of City, a BAA is not required and will not be attached to this Agreement. Contractor, however, must still comply with any data privacy and security laws that apply to Contractor, including, but not limited to, HIPAA, CMIA (Cal. Civ. Code Sec. 56 et.seq.), Cal. Welf. & Inst. Code Sec. 5328, and 42 CFR Part 2. Protected Health Information.

13.4 Management of City Data

13.4.1 Contractor, all subcontractors, all agents and employees of Contractor and any subcontractor shall comply with all federal and state laws regarding the transmission, storage and protection of all PHI disclosed to Contractor by City in the performance of this Agreement. Contractor agrees that any negligent or intentional failure of Contractor to

comply with the requirements of federal and/or state and/or local privacy laws shall be a material breach of the Contract. In the event that City pays a regulatory fine, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible use or disclosure of PHI given to Contractor or its subcontractors or agents by City, Contractor shall indemnify City for the amount of such fine or penalties or damages, including costs of notification, but only in proportion to and to the extent that such fine, penalty or damages are caused by or result from the negligent or intentional acts or omissions of Contractor. This section does not apply to the extent fines or penalties or damages were caused by the City or its officers, agents, subcontractors or employees.

13.4.2 Use of City Data. Contractor agrees to hold City Data received from, or created or collected on behalf of, City, in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the United States is prohibited, absent prior written authorization by City. Access to City Data must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. City Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor is provided a limited non-exclusive license to use City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use, provided, however, that no City Data may be used by Contractor to train, modify or improve any Artificial Intelligence Systems or Models without City's prior written consent, which may be withheld or withdrawn at City's sole discretion. Nothing herein shall be construed to confer any license or right to City Data, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data and/or machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

13.4.3 Use of Generative Artificial Intelligence in Deliverables. Contractor is prohibited from using Generative Artificial Intelligence in the development of Deliverables without City's prior written consent. Contractor represents and warrants to City that Deliverables will not be developed in a manner that conflicts with the City's rights in and to the Deliverables under Article 9, "Rights in Deliverables," or the City Data confidentiality and security requirements under Article 13, "Data and Security," of this Agreement.

13.4.4 Disposition of City Data. Except as otherwise provided for in this Agreement, upon City's request, termination or expiration of this Agreement, or the expiration of any required document retention period or litigation hold, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City Data given to, or collected or created by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that the City Data has been successfully transferred to

City, Contractor shall, within ten (10) business days, securely dispose, clear, purge, and/or physically destroy, all copies of all City Data from its servers, files, hosted environments used in performance of this Agreement (including subcontractors' environments), work stations used to process or produce the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such secure disposal occurred within five (5) business days of the disposal. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

13.5 Ownership of City Data. The Parties agree that as between them, all rights, including all intellectual property rights, in and to City Data and any derivative works of City Data is the exclusive property of City.

13.6 Loss or Unauthorized Access to City's Data; Security Breach Notification. Contractor shall comply with all applicable laws that require the notification to individuals in the event of unauthorized release of PII, PHI, or other event requiring notification. Contractor shall notify City of any actual or potential exposure or misappropriation of City Data (any "Leak") within twenty-four (24) hours of the discovery of such, but within twelve (12) hours if the Data Leak involved PII or PHI. Contractor, at its own expense, will reasonably cooperate with City and law enforcement authorities to investigate any such Leak and to notify injured or potentially injured parties. Contractor shall pay for the provision to the affected individuals of twenty-four (24) months of free credit monitoring services, if the Leak involved information of a nature reasonably necessitating such credit monitoring. The remedies and obligations set forth in this subsection are in addition to any other City may have. City shall conduct all media communications related to such Leak.

13.7 Cybersecurity Risk Assessment. If a Cybersecurity Risk Assessment ("CRA") was required before entering the Agreement, Contractor must complete an annual CRA to demonstrate that it has maintained the data privacy and information security program required for City contractors. If Contractor does not satisfactorily complete an annual CRA, the City shall have the right, without further obligation or liability to Contractor, to terminate this Agreement or exercise any of its other remedies hereunder. Any failure by Contractor to comply with this Section shall be a material breach of this Agreement.

Article 14 Appendices

Appendices. The following appendices ("Appendices" in the plural and each an "Appendix" in the singular) are hereby attached and incorporated into this Agreement by reference as though fully set forth herein:

- A: Scope of Services
- B: Calculation of Charges
- E: Business Associate Agreement
- F: Invoice Format

Article 15 MacBride And Signature

15.1 Reserved (MacBride Principles – Northern Ireland).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

San Francisco Community Health Authority

Signed by:

Jenn Moore
1CDB68C0E64A4B9...

San Francisco Department of Public Health

Supplier ID: 0000011607

04/14/2026 | 10:02 AM PDT

Approved as to Form:

David Chiu
City Attorney

By: _____

Deputy City Attorney

Appendices

- A: Scope of Work
- B: Calculation of Charges
- C: Reserved
- D: Reserved
- E: Business Associate Agreement :
- F Invoice Format

APPENDIX A
SAN FRANCISCO CITY OPTION PROGRAM
THIRD PARTY ADMINISTRATIVE SERVICES: SCOPE OF WORK

1. TERMS

Scope of Work Administrator

In performing the Services hereunder, CONTRACTOR shall report to the Director of Managed Care.

Director, Office of Managed Care
San Francisco Health Network
Managed Care Office, Box 16
375 Laguna Honda Boulevard
San Francisco, CA 94116

A. Definitions

1. "**City**" means the City and County of San Francisco.
2. "**CONTRACTOR**" means San Francisco Community Health Authority, 50 Beale Street, 12th Floor, San Francisco, CA 94105.
3. "**DPH**" means the San Francisco Department of Public Health.
4. "**Employer Spending Requirement**" or "**ESR**" refers to the requirements of the health care expenditures that a covered employer must make for all its covered employees created under the City's Health Care Security Ordinance or its Healthy Airport Ordinance.
5. "**Health Care Security Ordinance**" or "**HCSO**" is described in the S.F. Administrative Code Chapter 14.
6. "**SF City Option**" or "**SFCO**" means the health care program created under the City's HCSO and HAO administered by the City through DPH and comprised of the SFMRA program.
7. "**SF Medical Reimbursement Account**" or "**SFMRA**", refers to the public health benefit created under the HCSO, S.F. Administrative Code Chapter 14. SFMRA was established in 2007 as an SFCO program that reimburses covered employees for eligible health care expenditures.
8. "**Services**" mean the work performed by CONTRACTOR under this Agreement, including all services, labor, supervision, materials, equipment, actions, and other requirements to be performed and furnished by CONTRACTOR under this Agreement.
9. "**Third-Party Administrator Contract**" or "**TPA Contract**" means the contract between the City and CONTRACTOR for the administration of the SFCO program.

B. Reports

CONTRACTOR shall submit written reports to the City quarterly, including but not limited to reports on Employer contributions, SFMRA expenditures, and program expenses. The format for the content of such reports shall be determined by the City.

The timely submission of all reports is a necessary and material term and condition of this Agreement. All reports, including any copies, shall be submitted electronically.

C. Evaluation

CONTRACTOR shall participate as requested by (i) the City in finance and program compliance audits conducted by the City through its Controller's Office yearly or other frequency as determined by the City and agreed upon by CONTRACTOR or (ii) the State and/or Federal government in evaluative studies designed to show the effectiveness of CONTRACTOR'S Services and the funds flow and integrity of the overall SFCO. CONTRACTOR agrees to meet the requirements of, and participate in, the evaluation program and management information systems of the City. The City agrees that any final written reports generated through the evaluation program shall be made available to CONTRACTOR within thirty (30) working days. CONTRACTOR may submit a written response within thirty (30) working days of receipt of any evaluation report and such response will become part of the official evaluation report.

D. Possession of Licenses/Permits

Contractor warrants the possession of all licenses and/or permits required by the laws and regulations of the United States, the State of California, and the City to provide the Services. Failure to maintain these licenses and permits shall constitute a material breach of this Agreement.

E. Adequate Resources

Contractor agrees that it has secured or shall secure at its own expense all persons, employees and equipment required to perform the Services required under this Agreement, and that all such Services shall be performed by Contractor, or under Contractor's supervision, by persons authorized by law to perform such Services.

F. Acknowledgment of Funding

CONTRACTOR agrees to acknowledge the San Francisco Department of Public Health in any printed material or public announcement describing the San Francisco Department of Public Health-funded Services. Such documents or announcements shall contain a credit substantially as follows: "This program/service/activity/research project was funded through the Department of Public Health, City and County of San Francisco."

G. Goal Statement

This Agreement will enable the City, through DPH, to enter into an agreement with CONTRACTOR as a third-party administrator to provide administrative functions for the SFCO including the SFMRA program.

H. Services, Deliverables, and Measurable Objectives

1. PROGRAM ADMINISTRATION

a. Operations Management

- 1) Supervise, train, and manage all FTEs funded via this Agreement to fulfill SFCO services described herein this agreement (“Services”).

b. Budgeting and Contracting

- 1) Provide DPH a comprehensive program budget for the next fiscal year by mid-November of current fiscal year or within a timeline mutually agreed upon by parties. The budget will include the following at the minimum:
 - (i) An executive summary that provides: (A) the budgeted amounts and actual spendings for the last two years, and lessons-learned, if applicable, (B) a narrative description and list of the changes impacting the line items, and (C) a table summarizing the proposed budget.
 - (ii) A detail personnel budget that includes but is not limited to: (iA) an indicator for whether the specific position is new, existing with no change, or existing with changes to the prior year budget in terms of FTE allocation and base salary; (B) the budgeted amounts and actual spendings for the last two years; and (C) percentage of changes from prior year.
 - (iii) A detail operating budget that includes but is not limited to: (A) an indicator for whether each line item is either new, existing with no change, or existing with changes to the prior year budget; (B) the budgeted amounts and actual spendings for the last two years; (C) percentage of changes from prior year; and (D) a detail description of each line item.
- 2) Provide subcontracting and vendor management services as needed to deliver Services, including monitoring to ensure that service delivery is as expected.

c. Policies and Procedures, and Training

- 1) Program policy
 - (i) Participate in policy workgroup
 - (ii) Provide data analytics to support evaluation of policy changes
 - (iii) Conduct feasibility study

- (iv) Conduct impact analysis on membership, finance and risks of draft policy
 - (v) Operationalize policy changes approved by DPH
- 2) Operational policies and procedures (P&Ps)
- (i) Work with DPH to develop and maintain an P&Ps manual, outlining: (i) roles and responsibilities between SFHP and City agencies, and among City agencies (ii) escalating paths if appropriate, and (iii) other contents deemed appropriate.
 - (ii) Review and update such operations manual as needed and at least once a year
 - (iii) Provide training to staff and external vendors to ensure adherence of such manual.

d. Risk Management

- 1) Develop and oversee the implementation of a strategy plan for fraud prevention, and data security and privacy.

e. Finance Management

CONTRACTOR will:

- 1) Monitor TPA administration expenditure to ensue alignment with the budget amount.
- 2) Implement and oversee the SFCO funds flow and allocations that include:
 - (i) employer contributions assignment and accounting to ensure that funds are deposited in City designated bank account timely;
 - (ii) unclaimed funds in pool;
 - (iii) unspent SFMRA funds;
 - (iv) SFMRA funds already claimed by or paid out to employees;
 - (v) program subsidy tracking, if applicable;
 - (vi) funds transferred to the City following the agreed upon criteria and procedures; and
 - (vii) Bank reconciliation.
- 3) Withdraw appropriate funds from City designated bank account to replenish payments made from CONTRACTOR to vendors for SFCO program operations (e.g. SFMRA vendor).

- 4) Provide financial reporting monthly, quarterly, and annually using methodology agreed upon by DPH, including SFMRA account fee paid to vendor.
- 5) Provide financial analysis to support SFCO planning efforts.

f. Marketing and Communications

- 1) Produce participant materials including design, translation, printing, postage, and electronic delivery or mailing services, ensuring that SFCO participant collateral and material are accurately translated into Chinese, Spanish, Vietnamese, and Tagalog as needed per City's requirements.
- 2) Plan, obtain approval of DPH, and conduct targeted outreach, advertising, and media campaign activities to raise program awareness and increase benefit utilization.
- 3) Develop and maintain program website contents for employer, employee, and the general public that are compliant with the City's digital policy and with its threshold language requirement.
- 4) Develop, produce, and disseminate employee communication, including welcome letters, participant handbooks, enrollment reminders, escheatment notices, and any ad hoc communications as needed or as requested by DPH.
- 5) Develop, produce, and disseminate employer account activities notices.

g. Information Systems

CONTRACTOR will implement and maintain the infrastructure and interfaces for systems and applications required to support SFCO operations, specifically including:

- 1) Interfaces with SFMRA vendors, ongoing maintenance of internal systems, routine processing of enrollment data and storage in the data warehouse, and user access.
- 2) Management of security and risk operations, including establishment of a risk management program and ongoing assessment of technology risks and remediations.
- 3) System enhancements.
- 4) Management of ESR Employer Portal and ESR Administration Portal, including development support for bug fixes and enhancements to the ESR Employer Portal and ESR Administration Portal.
- 5) Accounting systems to support financial tracking, reconciliation, and reporting

- 6) Systems that receive, send, and reconcile SFMRA deposit and participant demographic information to and from the SFMRA vendor
- 7) Systems to provide data reporting and analytics.
- 8) Data de-identification software to de-identify PHI.
- 9) Applications and/or systems for identify validation.

h. Data Analytics, and Evaluation

- 1) Provide coordination and support for the day-to-day functionality of the applications supporting SFCO. This includes working with vendors to manage implementation of bug fixes and new features if necessary, testing, training, and communicating new features and issues. Specifically, CONTRACTOR will oversee and manage the following applications, and other applications as approved by DPH:
 - (i) **ESR Administrative Portal:** maintain an internal and proprietary tool supporting SFMRA daily operations, including enrollment, account maintenance and monitoring, and customer service.
 - (ii) **ESR Employer Portal:** maintain an internal and proprietary website that allows SFCO employers to create, upload, and update employee rosters and to pay contributions through a third-party vendor.
 - (iii) **Enrollment Form:** oversee the application used by participants to submit enrollment forms for eligibility determination.
 - (iv) **SFCO Funds Finder site:** maintain a proprietary website that allows the public to determine if they have funds in SFCO.
 - (v) **Appointment Scheduling System (TimeTrade):** oversee the application used for appointment scheduling at the CONTRACTOR’s Service Center.
- 2) Develop, maintain and provide DPH access and training to self-serve online dashboards regarding employer contribution, participant demographics, membership, SFMRA enrollment, utilization, claims processing and denials, escheatment, and other program and TPA performance information as mutually agreed to by both parties.
- 3) Deliver three (3) quarterly and one (1) annual report to DPH that will include narratives summarizing trends, challenges, successes and, if applicable, recommendations to DPH within 60 days of the close of the fiscal year.

- 4) Prepare ad hoc data and analytics requests within a mutually agreed upon timeline to support program analysis and policymaking.

i. Audits and Compliance

- 1) City audits
 - (i) Participate in the entrance and exit meetings, and other meetings as required.
 - (ii) Provide the necessary information or comments to complete the audits.
 - (iii) Develop or support the development of a corrective action plan to address findings.
- 2) Legal and compliance
 - (i) Fulfill media and public record requests to ensure compliance with pertinent laws.
 - (ii) Complete other legal or compliance requests as required to help minimize the City’s legal or compliance risks.

2. PROGRAM OPERATIONS

a. Enrollment of SFMRA

- 1) Provide SFMRA application, enrollment, registration, and claims assistance to employees.
- 2) Manage the Identify Verification process with SF CO because of suspicious employee account activities (also refer to as “account monitoring appointments”).

b. Outreach to Employers and Employees

- 1) **Participant education and outreach.** Assist DPH in the development, implementation, monitoring, and evaluation of a comprehensive SFCO employee outreach strategy. This includes:
 - (i) Engagement with consultants to identify and analyze program needs and participant experiences to inform direction.
 - (ii) Educate employees on program benefits to maximize participation and benefit utilization.
- 2) Employer assistance and outreach.
 - (i) Provide regular employer webinars and assistance.
 - (ii) Coordinate and deliver presentations for employees.
 - (iii) Staff employer and community events to promote SFCO.

c. Call Center/Customer Services

CONTRACTOR will ensure its customer service center staff has English, Chinese, and Spanish language capacity to provide timely access to language line services to support most languages, including Tagalog, Vietnamese and Russian, when requested.

CONTRACTOR will perform the following functions:

- 1) Enrollment appointments scheduling
- 2) Employer and employee inquiries and grievances, receiving, researching, if necessary, resolving, and tracking:
 - (i) SFCO participant complaints within 45 days, escalate participant complaints to DPH as needed in accordance with program policy.
 - (ii) Employer inquiries, serving as a liaison between employer and the City’s Office of Labor, Standard, and Enforcement (OLSE) when appropriate.
 - (iii) Inquiries from prospective participants and employers.
- 3) Outbound calls to employers or employees as needed.
- 4) Employer refunds.
- 5) Service levels tracking to ensure it is operated at or above industry standards.

d. Claims Processing and Inquiries performed by SFHP’s Third Party Vendor

- 1) Claims Processing.
- 2) Payment Processing.
- 3) Claims Denial and Notifications.
- 4) Customer Service.
- 5) Interactive Voice Response
- 6) Web and Application Services.
- 7) Risk management and Fraud Prevention.
- 8) Participant Communications.
- 9) Data exchanges and Reporting.

2. PROGRAM STAFFING

| Function(s) | Activity | FTEs |
|--|--|-------------|
| A. Program Operations / Product Management / Analytics | <p>Oversight and management of SFCO administrative services, implementation of priority projects, account monitoring oversight, response to participant complaints, vendor management, budget/contract administration.</p> <p>Manage applications/products supporting SFCO operations, provide enrollment estimates, reporting and ad hoc analyses.</p> <p>Oversee overall account integrity, risk, and fraud prevention activities.</p> | 14.50 |
| B. Finance Management & Oversight | Oversee employer contribution assignment and accounting, transfers to DPH, quarterly balance sheet reporting and bank reconciliation. | 5.25 |
| C. Marketing & Communications | Develop, produce, and disseminate communications and outreach materials for the program, including escheatment communications for enrolled and non-enrolled participants. Manage the digital program strategy and presence, as well as advertising. | 2.00 |
| D. Information Technology | Develop and maintain necessary information technology systems and support. | 11.05 |
| E. Enrollment & Outreach | Provide application and enrollment assistance for SFCO participants to support with claims submission, SFMRA account registration, account monitoring and identify verification process. Provide employee education and outreach, customer service and assistance for participating employers, and training for internal and external S staff. | 6.75 |
| F. Customer Service / Call Center | Operation of call center/customer services. | 10.75 |
| Total | | 50.3 |

**APPENDIX A.1
SFCO SUBCONTRACTORS**

The following table summarizes a list of SFCO program services that CONTRACTOR will be subcontracting for. CONTRACTOR will inform and receive approval from DPH prior to engaging into contract with any selected vendor.

| Function | Services |
|---------------------------|---|
| SFMRA Vendor | <ul style="list-style-type: none"> • Administration of SFMRA • Customer Service for SFMRA participants • Web portal and mobile app management • Claims processing and payments • Data management and reporting • Account Monitoring |
| Electronic Funds Transfer | <ul style="list-style-type: none"> • Electronic funds transfer (EFT) services which allow employers to make online payments to the SFCO. |
| Online Forms | <ul style="list-style-type: none"> • Online form development and processing for Enrollment Form (Eligibility screening and SFMRA enrollment processes), participant feedback forms, identity verification forms for the account monitoring program. |
| Call Center | <ul style="list-style-type: none"> • External customer service vendor to support escheatment notifications, if needed. |

**ATTACHMENT 1 TO APPENDIX A
KEY PERFORMANCE MEASURES**

| Domain | Purpose |
|-------------------------------------|--|
| Program Management & Administration | To support program operations, monitoring, and decision-making, employee and employer management. |
| Product Management | To manage the end-to-end program systems/products, such as ESR Admin Portal, Employer Portal and all program systems and manage the release process. |
| Insights & Analytics | To develop dashboards and perform data analysis |
| Finance Management & Oversight | To track employer contributions, MRA funds flow, and financial reporting. |
| Customer Service | To provide support for participants and employers. |
| Enrollment & Outreach | To manage eligibility, enrollment, employer training, and community engagement. |
| Information Technology | To maintain systems, PHI, data, risk management. |
| Marketing & Communications | To manage communications with participants, employers, and stakeholders. |

A. Program Management & Administration

| KPI (Key Performance Index) | Performance Standard | Measurement | Monitoring Frequency* |
|--|--|---------------------------|------------------------------|
| Participant complaints resolved | ≥ 95% resolved within 45 days | Complaint tracking log | Monthly |
| Quarterly & annual reports | 100% submitted on time | Submission tracker | Quarterly [^] |
| Account Monitoring Reports | Completely and timely | Report review | Quarterly [^] |
| Policies & procedures review | Reviewed and updated | Document log | As Needed and Annually |
| Vendor oversight | No unresolved high-risk issues outstanding beyond 30 calendar days | Vendor performance review | Quarterly [^] |
| Audit participation | Timely and completely | Audit records | Annually |

B. Product Management & Analytics

| KPI | Performance Standard | Measurement | Monitoring Frequency* |
|-------------------------------|--|--------------------|-----------------------|
| ESR Portal system uptime | ≥ 99% | System uptime logs | Monthly |
| Bug fixes & enhancements | Delivered per agreed schedule | Release tracker | Quarterly^ |
| User acceptance testing (UAT) | Completed prior to releases | UAT sign-off | Per release |
| Dashboards availability | Updated and accessible to DPH and other City stakeholders as identified by DPH | Dashboard audit | Quarterly^ |
| Ad hoc analytics | Delivered within agreed timelines | Request tracker | Quarterly^ |

C. Customer Services

| KPI | Performance Standard | Measurement | Frequency |
|----------------------------|----------------------------|---------------------|------------|
| Call center service levels | Meets industry standard | Call center reports | Monthly |
| Call abandonment rate | ≤ industry benchmark | Call center metrics | Monthly |
| Language access | 100% availability | QA sampling | Quarterly^ |
| Email inquiries | Response ≤ 2 business days | Ticket logs | Monthly |
| Outbound resolution calls | Conducted as needed | Call logs | Monthly |

D. Enrollment & Outreach

| KPI | Performance Standard | Measurement | Frequency |
|----------------------------|---------------------------|--------------------|------------|
| Eligibility determinations | Per policy and procedures | Audit sampling | Monthly |
| Enrollment assistance | Provided as required | Appointment logs | Monthly |
| Employer webinars | Conducted as scheduled | Attendance records | Quarterly^ |
| Employee outreach events | Delivered as requested | Event reports | Quarterly^ |
| Staff & vendor training | Completed as required | Training logs | Quarterly^ |

E. Information Technology & Security

| KPI | Performance Standard | Measurement | Frequency |
|----------------------------|---------------------------------|--------------------|------------------------|
| Core systems uptime | ≥ 99% | Monitoring reports | Monthly |
| Vendor interfaces | No material disruptions | Incident logs | Monthly |
| PHI de-identification | 100% compliant | Security audit | Annual |
| IT risk management program | Implemented and active | Risk assessment | Annual |
| Security incidents | No unresolved critical findings | Incident reports | Quarterly [^] |

F. Product Management & Analytic

| KPI | Performance Standard | Measurement | Frequency |
|-------------------------------|-----------------------------------|--------------------|------------------------|
| ESR Portal system uptime | ≥ 99% | System uptime logs | Monthly |
| Bug fixes & enhancements | Delivered per agreed schedule | Release tracker | Quarterly [^] |
| User acceptance testing (UAT) | Completed prior to releases | UAT sign-off | Per release |
| Dashboards availability | Updated and accessible | Dashboard audit | Quarterly [^] |
| Ad hoc analytics | Delivered within agreed timelines | Request tracker | Quarterly [^] |

*The frequencies provided here are based on industry standards and best practices. These frequencies are not pulled directly from this contract unless the contract has explicitly stated them.

The City retains the right to validate reported performance metrics through audits, independent reviews, or data requests, and to require supporting documentation upon request.

[^]Quarterly means within 21 days after the end of each quarter.

Sources

1. Managed Care Boilerplate Contract. California Department of Health Care Services. <https://www.dhcs.ca.gov/provgovpart/Documents/2024-Managed-Care-Boilerplate-Contract.pdf>. Accessed March 13, 2026.
2. Appendix A: Scope of Work
3. Performance Trackers provided by SFHP, submitted by Ioana Staiculescu on January 23, 2026.

APPENDIX B
SAN FRANCISCO CITY OPTION PROGRAM
CALCULATION OF CHARGES

1. METHOD OF PAYMENT

A. CONTRACTOR shall submit monthly invoices in the format attached in Appendix F, by the twentieth (20th) working day of each month for reimbursement of the actual costs for Services of the immediately preceding month. All costs associated with the Services shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after Services have been rendered and in no case in advance of such Services. In no event shall the amount of this Agreement exceed **Fifty-Two Million, Seven Hundred Sixty-Eight Thousand, Two Hundred Twenty-Four Dollars (\$52,768,224)**.

B. CONTRACTOR understands that, of the maximum dollar obligation listed in Section 3.3.1 of this Agreement, **Five Million, Six Hundred Fifty-Three Thousand, Seven Hundred Thirty-Eight Dollars (\$5,653,738)** is included as a contingency amount and is neither to be used in Program Budgets attached to this Appendix, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to the Program Budgets of Appendix B, which has been approved by Contract Administrator. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable City and Department of Public Health (DPH) laws, regulations and policies/procedures and certification as to the availability of funds by Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of Services. Changes to the charges that do not increase or reduce the maximum dollar obligation of the City are subject to the provisions of the DPH Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. A final closing invoice clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of the Agreement and shall include only those costs incurred during the referenced period of performance. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to City.

E. The parties acknowledge that this Program, namely, the San Francisco City Option or SFCO or SFCO program, and its budget are based on good faith enrollment and cost projections but there is some uncertainty regarding the expenses that will be incurred by CONTRACTOR. Accordingly, the parties agree to meet as needed, but no less than quarterly, to review contract expenditures and participant enrollment. No charges shall be incurred under this Agreement, nor shall any payments become due to CONTRACTOR until reports, services, or both, required under this Agreement are received

from CONTRACTOR and approved by Director as being in accordance with this Agreement. City may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

2. PROGRAM BUDGETS AND FINAL INVOICE

A. The Program Budget Summary is listed below.

1. PERSONNEL EXPENSE - POSITION DESCRIPTIONS FOR A TOTAL NUMBER OF 50.30 FTES

a. Administration & Program Staff [9.5 FTE]

- i. [0.50 FTE] The **Sr. Director, Engagement** supervises coverage programs, including Enrollment & Outreach Services and SFCO management, provides strategic and operational direction for these programs, and ensures all contract requirements are met. This Director is responsible for ensuring the execution of TPA services as outline in Appendix A of this Agreement and serving as the primary liaison to DPH. This includes interfacing with DPH on policy and procedural issues and managing the TPA contract and budget.
- ii. [1.0 FTE] The **Manager, SFCO** leads a core team responsible for all daily operations, ensuring that program goals are completed in a high quality, timely, and efficient manner, and that exemplary service is provided to program participants. This Manager also oversees strategic initiatives and supports vendor management and contracting.
- iii. [1.0 FTE] The **SFCO Program Manager (Relationship Management/OLSE)** is responsible for daily operations related to employer relationship management, including being the primary liaison to the Office of Labor Standards Enforcement (OLSE) and employer groups including those covered by the City's Health Care Security Ordinance (HCSO) as well as the City's Healthy Airport Ordinance (HAO). This Manager collaborates with program management to ensure enforcement of existing policy and procedures and recommends changes to processes and design that will help achieve the highest quality customer service to employers. This position conducts quality audits (QA) and participates in user acceptance testing (UAT) to ensure no issues or bugs exist in employer systems/portals.
- iv. [1.0 FTE] The **SFCO Program Manager (Account Monitoring/Marketing/HQY)** executes daily operations and leads projects. The responsibilities of this Manager includes: (A) serving as the primary liaison for Marketing and HQY/WW (Health Equity/WageWorks), (B) responding to account monitoring escalations and inquiries, (C) leading development of new collateral and outreach to participants and employers, (D) conducting QA and performs UAT for all system enhancements around account monitoring, mailings and reports to ensure accurate employee communication, (E) overseeing the application of policies and procedures for eligibility and enrollment, and (F) working with internal/external resources on executing key initiatives for policy changes and program improvements.

- v. [1.0 FTE] The **SFCO Program Manager (Finance/Enrollment/Customer Service)** (A) executes daily operations, (B) leads projects as the primary liaison for Finance, Enrollment Services, and Customer Service, (C) responds to escalations and inquiries, (D) ensures business documents are created and updated, (E) leads the creation of policies and procedures, (F) works with Finance to ensure checks are processed timely and refunds are issued correctly, (G) conducts QA and UAT for system and policies changes that impact eligibility and enrollment for employees, and (H) works with internal/external resources on executing key initiatives for policy changes and program improvements.
- vi. [4.0 FTE] The **SFCO Specialists/Coordinators (Employer/Enrollment):** (A) provide direct customer service by responding to employer phone calls, emails, and OLSE inquiries in employee complaints, (B) process checks, (C) conducts employer online seminars and in-person events, (D) communicate with employers to ensure roster changes and payments are applied properly and ensure employees receives benefits timely, (E) assist with updating policies and processes and communicating to internal and external stakeholders, and (F) follow up with employees with enrollment form discrepancies.
- vii. [1.0 FTE] The **SFCO Specialists/Coordinators (Employee/Account Monitoring):** (A) respond to inquiries and escalation from employees, HQY/WW (Health Equity/WageWorks), and other customer services, (B) conduct employee trainings via webinars and in-person meetings, (C) support account monitoring activities such as reviewing enrollment forms with shared address, phone numbers, and/or email address, reimbursements/claims, reporting suspicious activity, (D) outreach to impacted employees, verifying, identifying, and assisting with case management activities to reinstate participant access to their SF Medical Reimbursement Accounts (SFMRA).

b. Product Management Staff [2.75 FTE]:

- i. [0.75 FTE] The **Manager, Product Management** oversees: (A) a team managing the products and applications supporting SFCO, including custom proprietary applications requiring software development (e.g. Employer Portal, Admin Portal, Premium Billing System), and (B) the strategy, maintenance and enhancements of these applications to improve user experience.
- ii. [2.0 FTE] The **SFCO Product Managers/Sr. Product Managers:** (A) lead requirements gathering, prioritization of bugs, new features, enhancements, user acceptance testing and deployment of changes as part of regular release cycles, (B) identify and solve issues, and (C) identify ways to improve operational efficiency through technology.

c. Project & Portfolio Management Staff [2.25 FTE]:

- i. [0.75 FTE] **The Sr. Project Portfolio Manager:** (A) leads and manages the annual budget preparation for SFCO, supports the execution of scope of work (SOW) of its annual contract, (B) oversees timely invoicing and billed expenses, and (C) manages the project

portfolio to ensure that projects contribute to strategic objectives, optimizing resources and maintaining effective portfolio governance.

- ii. [1.5 FTE] The **Project Managers** provide coordination and project management for ongoing program or policy implementations.

d. Enrollment and Outreach Staff [6.75 FTE]:

- i. [0.25 FTE] The **Sr. Manager, Enrollment & Outreach Services** is responsible for advancing the goal to increase utilization and enrollment into SFCO, (A) overseeing the strategic vision and decision-making for CONTRACTOR'S Service Center by developing strategies, goals, and process improvements, and (B) leading, developing, and supporting the enrollment services staff, including trainings, to ensure efficient and exemplary service is provided.
- ii. [0.50 FTE] The **Manager, Enrollment & Outreach Services** is responsible for: (A) managing enrollment and outreach activities by managing a team that provides application, enrollment, and outreach services; (B) managing day-to-day Service Center activities and operations including but are not limited to, staff training, strategic planning, and process improvements; and (C) planning and overseeing outreach activities including program education, account monitoring, identity verification, enrollment, registration, and claims submission assistance.
- iii. [2.0 FTE] The **Enrollment Specialists/Sr. Enrollment Specialists:** (A) provide application and enrollment assistance for applicants, and (B) participate in and support outreach activities and SFCO utilization, including program education, account monitoring, identity verification, enrollment, registration, and claims submission assistance.
- iv. [4.0 FTE] The **Enrollment & Outreach Coordinators/Specialists:** (A) provide application and enrollment assistance for applicants, and (B) lead outreach activities and events including employer presentations, account monitoring, identity verification, enrollment, registration, and claims submission assistance, to promote SFCO utilization.

e. Customer Service Call Center Staff [10.75 FTE]:

- i. [0.75FTE] The **Customer Services Supervisor** oversees the Customer Service Representatives and provides reporting on Customer Service metrics and deliverables.
- ii. [10.0 FTE] **Customer Service Representatives/Specialists:** (A) staff the Customer Service Call Center, providing multi-lingual support for SFCO employees (at minimum, English, Spanish and Chinese), (B) provide phone and email responses to inquiries from employers, employees, and the general public regarding eligibility and enrollment processes, other program information, and policy changes, (C) process incoming complaints, (D) schedule enrollment/renewal appointments at CONTRACTOR, and (E) update participant information in SFCO systems.

f. Marketing & Communication Staff [2.0 FTE]:

- i. [0.25 FTE] The **Sr. Marketing Web Designer** is responsible for (A) the creative concepts and design for all SFCO digital channels including brand consistency and UX/UI, and (B)

working with the SFCO program team on creating, designing and updating all SFCO digital channels based on both mandates and analytics.

- ii. [0.75 FTE] The **Marketing Copywriter** is responsible for the tactical execution of all marketing initiatives, primarily as a copywriter. Specifically, the scope of work involves, for example, updates to print assets, as well as collaboration with the team to maintain a strong online presence across social media, program website, video content, and email communications.
- iii. [0.50 FTE] The **Marketing Production Specialist** coordinates the translation and distribution of SFCO print collateral, ensuring the efficient and timely tracking, fulfillment, and distribution of all employee and employer materials.
- iv. [0.25 FTE] The **Marketing Designer** is responsible for creative concepts and design for all SFCO print materials, including branding consistency, working with the SFCO team on creating, designing, and updating all SFCO internal and external program materials based on both mandates and analytics.
- v. [0.25 FTE] The **Digital Marketing Strategist** specializes in devising tailored digital marketing plans to advance SFCO program objectives. Specifically, this role: (A) identifies key trends and opportunities within the digital sphere through market research, analytics, and competitor analysis, (B) leverages diverse channels including social media, email, search engines, and websites, (C) crafts strategies to enhance program visibility and to foster meaningful engagement with its audience to drive utilization, and (D) monitors campaign performance metrics, enabling refined strategies and driving sustainable growth for the program in the digital landscape.

g. Information Technology Staff [11.05 FTE]:

- i. [1.0 FTE] The **Lead Data Engineer/Sr. Data Engineers** is responsible for: (A) managing data and reporting core ITS systems to support ESR Portal, ESR Admin Portal and Premium Billing, (B) creating automated ETL protocols to move data in and out of core ITS systems to support SFCO data submission and extraction, (C) creating reusable data sets to support self-service reporting and analytics, and (D) delivering a variety of operational reports, extracts, mailing lists, and ad-hoc data requests as needed.
- ii. [1.0 FTE] The **Sr. Release Manager** provides technical project management for system improvements or changes and business systems analysis related to performance, maintenance and support issues.
- iii. [1.0 FTE] The **Systems Support Specialists and Sr. Systems Support Specialists:** (A) aid staff in setting up computers, software, phones, and other IT set up requirements, (B) provide ongoing support to staff in maintenance of work-related IT equipment, help desk, desktop, server, and system administration, and (C) perform systems and server administration tasks to ensure infrastructure stability.
- iv. [0.5 FTE] **Systems Administrator** is responsible for the program computer systems, servers, and networks making sure they function efficiently and securely. Manage

- operating systems like Windows, phone system, etc., installing and upgrading software, configuring hardware and managing user accounts and permissions.
- v. [0.25 FTE] The **Lead Data Platform Administrator**: (A) conducts routine and ad hoc database administration tasks to ensure stability of databases including both transactional databases and the data warehouse, and (B) performs stored procedure development in support of encounter data improvement and maintenance.
 - vi. [1.75 FTE] The **Sr. Software Engineers/Lead Software Engineer** are responsible for (A) coding software applications based on business requirements, (B) designing, building, and maintaining business applications and data automation processes, (C) architecting, building and testing highly optimized, user and service-oriented software solutions, (D) designing, building, and testing web services to integrate applications, (E) reviewing functional specifications, (F) authoring technical specification documents, and (G) reviewing, clarifying and understanding business requirements to provide the most efficient and optimal application to support business functions, which include providing support for web-based applications, namely, the Employer and Admin Portals.
 - vii. [0.75 FTE] The **Sr. Security Analyst** is responsible for monitoring the integrity and security of SFCO applications, firmware, hardware, and data through CONTRACTOR'S security systems and processes. Specifically, this includes (A) identifying ongoing SFCO security risks and exposures, (B) determining the causes, and (C) assisting in remediation and establishment of procedures to halt future incidents.
 - viii. [0.25 FTE] The **Sr. Electronic Data Interchange (EDI) Analyst** is responsible for the integrity of data, including working with DPH and vendors to ensure data quality via various venues, (B) performing eligibility, EDI and system maintenance and support, and (C) overseeing encounter data quality improvement.
 - ix. [1.00 FTE] **Sr. Software Engineer** is responsible for (A) coding software applications based on business requirements, (B) designing, building, and maintaining business applications and data automation processes, (C) architecting, building and testing highly optimized, user and service-oriented software solutions, (D) designing, building, and testing web services to integrate applications, (E) reviewing functional specifications, (F) authoring technical specification documents, and (G) reviewing, clarifying and understanding business requirements to provide the most efficient and optimal application to support business functions, which include providing support for web-based applications, namely, the Employer and Admin Portals.
 - x. [0.75] The **Supervisor, Application Management** is responsible for application support and maintenance based on business requirements and specifications. The Supervisor provides ongoing maintenance and support for CONTRACTOR'S core ITS systems supporting the Employer Spending Requirement Employer Portal (the "ESR Portal"), ESR Admin Portal, Enrollment process, Account Monitoring and Funds Finder, among other systems. The Supervisor is responsible for creating and managing the automated Extract, Transform and Load (ETL) protocols and providing ongoing maintenance and support for

core ITS systems and processes supporting SFCO data submission and extraction. The Supervisor also oversees the development and implementation of key security features within the applications such as password resets and user profiles and access.

- xi. [0.75 FTE] **Lead Data Engineer / Sr. Data Engineer (ETL and Reporting)** is responsible for managing data and reporting core ITS systems to support ESR Portal, ESR Admin Portal and other program systems. The Data Engineer is responsible for creating automated ETL protocols to move data in and out of core ITS systems that support SFCO data submission and extraction. Creates reusable data sets to support self-service reporting and analytics. Also delivers a variety of operational reports, extracts, mailing lists and ad-hoc data requests as needed.
- xii. [2.05 FTE] The **Sr. Quality Assurance Analysts/Quality Assurance Lead** provide support and quality review of data collected and stored for SFCO.

h. Finance & Analytics Staff (5.25 FTE):

- i. [0.25] The **Supervisor, Accounting** oversees the team providing financial and accounting services. Specifically, this position leads (A) implementation of best practices regarding financial processes, and (B) a team that provides billing, payment, fund transfers and financial reporting to DPH.
- ii. [1.5] The **Sr. Accountant/Staff Accountants** (A) complete bank reconciliations, (B) manage funds transfers, (C) prepare SFCO invoices and financial reports for DPH, SFMRA fund payments and vendor payments, and (D) manage daily financial processes including processing employer contribution, responding to billing issues and inquiries, coordinating payment and financial transactions with third party vendors, and providing customer service to internal and external clients.
- iii. [1.0 FTE] The **Manager, Insights & Analytics** oversees the analytical team that provides data management, reporting, data visualizations and analytical support to SFCO. Specifically, this position (A) leads implementation of best practices regarding intake and management of SFMRA claims data, employer contribution financial data, and vendor data related to the program, (B) manages reporting on program results and key performance metrics, (C) leads the use of statistical methods to test assumptions, conduct tests and provide insights about the program, and (D) communicates data insights and answers to questions raised by DPH.
- iv. [1.00 FTE] The **Insights Data Analyst** (A) implements SFCO data and evaluation efforts, including employer and employee level reporting, and development of internal and external metrics and performance indicators, and (B) provides some supervision and coaching of junior team members.
- v. [1.5 FTE] The **Sr. Insights Analysts/Insights Analysts** provide program level data and performance analysis for SFCO as well as required program reporting. Specifically, the Analysts (A) conduct research and analysis of program results, (B) provide written reports, data visualizations and dashboards, (C) provide forecast of financial outcomes for SFCO,

(D) create logic used to match employees to their contributions, and (E) use all available data to answer questions from DPH.

3. PERSONNEL EXPENSE – COST SUMMARY

- A. Salaries** describe the total gross salary of staff positions detailed above for a total of 50.3 FTEs.
- B. Benefits** refer to PERS, SUI, Workers’ Compensation, Health and Dental Insurance, Retirement Plan. The benefits rate is 33.5% of gross salary.
- C. Management Allocation** represents the cost of the CONTRACTOR management staff that supervise other staff supporting SFCO. The figure provided in the table below reflects both the salary and benefits costs of management team staff.

| | FY26-27 | FY27-28 | FY28-29 | FY29-30 | Total |
|--------------------------|--------------------|--------------------|-------------------|-------------------|---------------------|
| Salaries | \$5,336,529 | \$5,418,349 | \$5,501,45 | \$5,639,94 | \$21,896,279 |
| Benefits | \$1,787,737 | \$1,815,147 | \$1,842,98 | \$1,889,38 | \$7,335,253 |
| Mgmt. Allocation | \$569,941 | \$578,680 | \$587,556 | \$602,346 | \$2,338,523 |
| Less 7.5% Savings | (\$577,066) | (\$585,913) | (\$594,900) | (\$609,875) | (\$2,367,754) |
| Total Personnel | \$7,117,142 | \$7,226,262 | \$7,337,10 | \$7,521,79 | \$29,202,301 |

4. OPERATING – EXPENSE LINE-ITEM DETAIL

A. Program Administration

1. **Appointment Scheduling System Software or TimeTrade** refers to the maintenance and subscription costs for program enrollment, renewal, and appointments-monitoring.
2. **Automated Batch Posting Software or PostMaster Enterprise** runs as a Windows Service. It fully automates the Dynamics GP batch posting process to greatly reduce batch processing time.
3. **Debit Card Implementation Fee** refers to the expense of system enhancements to enable debit cards as a payment method for participants utilizing their SFMRA funds.
4. **Employer Webinar Platform** refers to the annual license cost for employers and employees online seminar hosting.

5. **Forte Processing Fees** are charged by City National Bank for electronic fund transfers and general banking fees.
6. **ID Verification Tool** refers to a digital solution used to confirm an individual's identity by validating personal information and credentials through secure processes. One example is the ID.Me tool used by the federal government. It is a secure online platform that verifies users' identities through document uploads and real-time authentication to ensure access to services. Currently, SFCO lacks a way to verify participant identity in the enrollment process.
7. **Language Level Software or Health Literacy Advisor** aids in producing understandable communications at appropriate health literacy and at required reading levels for participants.
8. **Outreach & Travel Expense** is the cost of travelling to and from employer sites and employee outreach events and the cost of event supplies. This allows staff to conduct in person presentations to educate employees about the program, how to enroll, access funds and submit claims.
9. **Seamless Docs Annual Subscription** is to support online forms used by the program.
10. **SFMR statement fees** are the costs associated with the production and mailing of SFMRA statements sent to account holders.

B. General Operations

1. **Accounting Software License** refers to the GP accounting system cost and annual user licenses fees for finance and accounting staff.
2. **Bank Fees** are monthly fees charged for bank account transactions and wire transfers.
3. **Employee Computer/Office Equipment** refers to the laptop computers and accessories for employees and replacements of such equipment for all covered staff.
4. **Insurance – Cyber** is the cost of required cyber insurance per the contract.
5. **Insurance – Workers’ Comp, Commercial General Liability, Automobile, Professional Liability** is the cost of all other required insurance per the contract.
6. **Leased Space** supports the leasing costs necessary to house staff of SFCO, rent, tax, and utilities.
7. **Legal Fees** are the costs for external legal counsel services for SFCO legal issues.
8. **Project Management Tool** provides project and portfolio management and workflow management.
9. **Supplies/Expenses per Employee** means the cost of office and other supplies per employee, at approximately \$600 per person annually.
10. **System Support** is the billing and telephone costs, including ACD/IVR for the telephone system supporting SFCO Customer Service.

C. Customer Service

1. **Education and Training** covers the expense of workforce training for customer service representatives.
2. **Language Line Interpreter Services** are used to assist participants speaking languages other than Cantonese, Mandarin, Spanish, Vietnamese, Burmese and Russian. Language line service charges are billed in one-minute increments and based on the type of language used and the peak and non-peak rates of call.

D. Information Technology

1. **Data Center Maintenance** refers to the regular inspection, servicing, and management of SFHP data center's infrastructure and systems to ensure optimal performance, reliability, and security.
2. **Data De-Identification Software** supports professional services and implementation of a tool/software that can be used to de-identify data. CONTRACTOR is required to de-identify Protected Health Information (PHI) specific data elements in all its data storages which are used for testing and data validation purposes. This includes XML, SQL databases, and file shares.
3. **Data Monitoring Tool** means a tool to automatically profile CONTRACTOR'S internal data and compare it to source data to ensure all data is complete and of good quality. This tool also creates testing templates for all tables or objects, eliminating manual work in data monitoring.
4. **Helpdesk & Ticketing Management System** provides secure email ticketing, triage, and response system. It also provides a ticketing system for DPH data requests.
5. **ITS Professional Services** encompass specialized support and expertise in managing, maintaining, and optimizing information technology systems, including solutions, such as Okta and Microsoft, to ensure efficient operations and effective problem resolution.
6. **Laptop ZPA** includes a per employee fee for virtual desktop software, enabling employees to work remotely and securely.
7. **Risk Management Program** supports consultant engagement and ongoing professional services for external Security Assessment and establishment of a formal IT Risk Management Program using an established industry Risk Management Framework. Due to the complexity (custom in-house developed solutions and applications) and volume of data collected, stored, and maintained, the applications supporting SFCO will require additional risk management rigor and attention.
8. **Security Controls Software Programs** are the controls CONTRACTOR implements to protect participants and sensitive data the CONTRACTOR is contractually responsible for. These control tools may include Arctic Wolf (Security Information

and Event Management), CrowdStrike (Endpoint Detection and Response), Mimecast (secure email gateway), Zscaler (Secure Internet Gateway), and Forcepoint (Data Loss Prevention).

9. **Server Hardware/Software Annual Maintenance** refers to the costs for server hardware and software plus data storage required to support SFCO.
10. **System Infrastructure** is the cost of system infrastructure software used by staff during their day-to-day work within CONTRACTOR’S systems.
11. **Visual Data Analytics Platform** is a data analytics platform used to visualize program dashboards.

E. Marketing and Communications

1. **Collateral & Website** refer to the costs associated with the design, development, production and translation of SFCO collateral and materials, and the costs for design, production, programming, and translation required to maintain the SFCO website, including monthly vendor maintenance fees and the costs of content management tools.
2. **Digital Advertising** implies the costs of managing the digital presence for SFCO. It includes owned media such as website, social media, partnering with DPH for City-wide advertising campaigns in multiple modalities, and digital social media ads.
3. **Mailings** indicate the costs to distribute and mail SFCO collateral and materials to participants. Materials include SFCO Welcome Packets, SFMRA Handbooks, Enrollment Form mailings, and statements for available funds; and results of the application.

5. OPERATING EXPENSE – COST SUMMARY

| | FY26-27 | FY27-28 | FY28-29 | FY29-30 | Total |
|--------------------------|----------------|----------------|----------------|----------------|--------------|
| Operating Expense | \$3,992,422 | \$4,691,440 | \$4,478,623 | \$4,749,699 | \$17,912,185 |

6. TOTAL NOT TO EXCEED AMOUNT

| | FY26-27 | FY27-28 | FY28-29 | FY29-30 | Total |
|-----------------------------------|----------------|----------------|----------------|----------------|---------------------|
| Personnel Expense | \$7,117,142 | \$7,226,262 | \$7,337,102 | \$7,521,79 | \$29,202,301 |
| Operating Expense | \$3,992,422 | \$4,691,440 | \$4,478,623 | \$4,749,699 | \$17,912,185 |
| Total Contract Subtotal | | | | | \$47,114,486 |
| DPH Contingency (12%) | | | | | \$5,653,738 |
| TOTAL NOT TO EXCEED AMOUNT | | | | | \$52,768,224 |

**APPENDIX C
RESERVED**

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**APPENDIX D
RESERVED**

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APPENDIX E

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“BAA”) supplements and is made a part of the Agreement by and between the City and County of San Francisco, a Hybrid Entity designated under HIPAA, referred herein as the Covered Entity (“CE”), and San Francisco Community Health Authority (“Contractor”), the Business Associate (“BA”), dated March 24, 2026 (the “Agreement”).

RECITALS

A. CE, by and through the Department of Public Health (“DPH”), wishes to disclose, allow access to, or allow collection of certain information to BA pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).

B. For purposes of the Agreement and this BAA, CE requires Contractor, even if Contractor is also a covered entity under HIPAA, to comply with the terms and conditions of this BAA as a BA of CE.

C. CE and BA are committed to complying with all federal and state laws governing the confidentiality, privacy, and security of health information disclosed to BA pursuant to the Agreement, including, but not limited to the Standards for PHI under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and regulations promulgated there under by the U.S. Department of Health and Human Services (the “HIPAA Regulations”) and other applicable laws with respect to health information, mental health information, and substance use treatment information, including, but not limited to, California Civil Code §§ 56, et seq., California Health and Safety Code § 1280.15, California Civil Code §§ 1798, et seq., California Welfare & Institutions Code §§5328, et seq., and the regulations promulgated there under (the “California Regulations”), and 42 CFR Part 2.

D. CE is required to enter into an agreement containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(a) and (e) and 164.504(e) of the Code of Federal Regulations (“CFR”) and contained in this BAA.

E. BA enters into agreements with CE that require the CE to disclose to BA, or allow BA to create, collect, use, access, maintain, or transmit for or on CE’s behalf, certain identifiable health information. The parties desire to enter into this BAA to permit BA to disclose, create, collect, use, access, maintain, or transmit such information and comply with the BA requirements of HIPAA, the HITECH Act, and the corresponding regulations.

1. Definitions. For purposes of this BAA, the Parties agree that each term below and any capitalized term used in this BAA, but not otherwise defined, has the meaning given to that term in the HIPAA Rules (as defined below), and as each may be amended from time to time.

- a. **Breach** means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the Privacy Rule which compromises the security or privacy of the PHI, as defined in 45 CFR §164.402.
- b. **Breach Notification Rule** means the portion of HIPAA set forth in Subpart D of 45 CFR Part 164.
- c. **Business Associate** means a person or entity that performs certain functions or activities that involve the use or disclosure of protected health information received from a covered entity, but other than in the capacity of a member of the workforce of such covered entity or arrangement, as defined in 45 CFR §160.103.
- d. **Covered Entity** has the meaning given to such term under the Privacy Rule and the Security Rule, including 45 CFR §160.103.

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- e. **Data Aggregation** means the combining of PHI by the BA with the PHI received by the BA in its capacity as a BA of one or more other covered entity, to permit data analyses that relate to the Health Care Operations of the respective covered entities, and the meaning given to such term in 45 CFR §164.501.
- f. **Designated Record Set** has the meaning given to such term under the Privacy Rule, including 45 C.F.R. Section 164.501.
- g. **Electronic PHI or ePHI** means any PHI maintained or transmitted by electronic media as defined in 45 CFR §160.103.
- h. **Health Care** has the meaning given to such term under the Privacy Rule, including 45 CFR §164.103.
- i. **Health Care Component** has the meaning given to such term under the Privacy Rule, including 45 CFR §164.103.
- j. **Health Care Operations** has the meaning given to such term under the Privacy Rule, including 45 CFR §164.501.
- k. **HIPAA Rules** means the Privacy, Security, Breach Notification, and Enforcement Rules set forth in 45 CFR Part 160 and Part 164.
- l. **Hybrid Entity** has the meaning given to such term under the Privacy Rule, including 45 CFR §164.103.
- m. **Privacy Rule** means that portion of HIPAA set forth in 45 CFR Part 160 and Part 164, Subparts A and E.
- n. **Protected Health Information or PHI** has the meaning given to such term under the Privacy Rule, including 45 CFR §§160.103 and 164.501, limited to the information created, maintained, stored, transmitted, or received by BA from or on behalf of CE, or another BA of CE.
- o. **Security Incident** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, and as defined in the Security Rule, including 45 CFR §164.304.
- p. **Security Rule** means the Security Standards for the Protection of Electronic Health Information provided in 45 CFR Part 160 & Part 164, Subparts A and C.
- q. **Unsecured PHI** has the meaning given to such term under 42 U.S.C. §17932(h) and 45 CFR §164.402.

2. Obligations of Business Associate.

a. User Training. The BA shall provide, and shall ensure that BA subcontractors, provide, training on PHI privacy and security, including HIPAA and HITECH and its regulations, to each employee or agent that will access, use or disclose Protected Information, upon hire and/or prior to accessing, using or disclosing Protected Information for the first time, and at least annually thereafter during the term of the Agreement. BA shall maintain, and shall ensure that BA subcontractors maintain, records indicating the name of each employee or agent and date on which the PHI privacy and security trainings were completed. BA shall retain, and ensure that BA subcontractors retain, such records for a period of seven years after the Agreement terminates and shall make all such records available to CE within fifteen (15) calendar days of a written request by CE.

b. Permitted Uses and Disclosures. BA may use, access, and/or disclose PHI only for the purpose of performing BA's obligations for, or on behalf of, the City and as permitted or required under the Agreement and BAA, or as required by law. Further, BA may use, access, and/or disclose PHI as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of CE (see 45 CFR §§164.502, 164.504(e)(2), and 164.504(e)(4)(i)). If BA discloses PHI to a third party, if the disclosure is required by law, or otherwise BA must obtain, prior to making such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential

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as provided under this BAA and used or further disclosed only as required by law or for the purpose for which it was disclosed to this third party and (ii) an agreement from this third party to notify BA immediately of any breaches of the confidentiality of the PHI, to the extent it has knowledge of the breach.

c. Prohibited Uses and Disclosures. BA will not use, access, or disclose PHI other than as permitted or required by the Agreement, this BAA, and under the Privacy Rule, or as required by law. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted under 42 U.S.C. §17935(d)(2), and, 45 CFR §164.502(a)(5)(ii); however, this prohibition shall not affect payment by CE to BA for services provided under the Agreement.

d. Appropriate Safeguards. BA will use appropriate safeguards to protect the confidentiality, integrity and availability of PHI that it creates, receives, maintains, or transmits on behalf of the CE, and prevent any use or disclosure of PHI other than as permitted by the Agreement or this BAA, including, but not limited to, administrative, physical and technical safeguards under the Security Rule, including, but not limited to, 45 CFR §§164.306, 164.308, 164.310, 164.312, 164.314 164.316, and 164.504(e)(2)(ii)(B). BA will comply with the policies and procedures and documentation requirements of the Security Rule, including, but not limited to, 45 CFR §164.316, and 42 U.S.C. §17931. BA is responsible for any civil penalties assessed due to an audit or investigation of BA, in accordance with 42 U.S.C. §17934(c).

e. Agreements with Subcontractors and Agents. BA will ensure that any of its agents and subcontractors that have access to, or which create, receive, maintain or transmit PHI for or on behalf of BA, agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI and implement the safeguards required by paragraph 2.c. above (see 45 CFR §§164.504(e)(2) through (e)(5), and 164.308(b)). BA must mitigate the effects of any such violation.

f. Accounting of Disclosures. BA will document any disclosures of PHI made by it to account for such disclosures as required by 45 CFR §164.528(a). BA will also make available information related to such disclosures as would be required for CE to respond to a request for an accounting of disclosures in accordance with 45 CFR §164.528. At a minimum, BA will furnish CE the following with respect to any covered disclosures by BA: (i) the date of disclosure of PHI; (ii) the name of the entity or person who received PHI, and, if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure which includes the basis for such disclosure.

i. BA will furnish to CE information collected in accordance with this Section 2(e), within ten business days after written request by CE, to permit CE to make an accounting of disclosures as required by 45 CFR §164.528, or in the event that CE elects to provide an individual with a list of its business associates, BA will provide an accounting of its disclosures of PHI upon request of the individual, if and to the extent that such accounting is required under the HITECH Act or under HHS regulations adopted in connection with the HITECH Act.

ii. In the event an individual delivers the initial request for an accounting directly to BA, BA will forward such request to Covered Entity within ten (10) business days of receipt.

g. Access to PHI by Individuals. Upon request, BA agrees to provide CE copies of the PHI maintained by BA in a Designated Record Set in the time and manner designated by CE to enable CE to respond to an individual's request for access to PHI under 45 CFR §164.524. In the event any individual or personal representative requests access to the individual's PHI directly from BA, BA will forward that request to CE within ten (10) business days. Any disclosure of, or decision not to disclose, the PHI requested by an individual or a personal representative and compliance with the requirements applicable to an individual's right to obtain access to PHI shall be the sole responsibility of CE.

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h. Amendment of PHI. Upon request and instruction from CE, BA will amend PHI or a record about an individual in a Designated Record Set that is maintained by, or otherwise within the possession of, BA as directed by CE in accordance with procedures established by 45 CFR §164.526. Any request by CE to amend such information will be completed by BA within fifteen (15) business days of CE's request. If an individual request an amendment of PHI directly from BA or its agents or subcontractors, BA must forward any such request to CE within ten (10) business days. Any amendment of, or decision not to amend, the PHI or record as requested by an individual and compliance with the requirements applicable to an individual's right to request an amendment of PHI will be the sole responsibility of CE.

i. Governmental Access to Records. BA shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining CE's or BA's compliance with HIPAA and this BAA.

j. Minimum Necessary. BA, its agents and subcontractors shall request, use, access, and disclose only the minimum amount of PHI necessary to accomplish the intended purpose of such use, access, or disclosure, or request. (see 42 U.S.C. Section 17935(b) and 45 CFR §164.514(d)).

k. Data Ownership. BA acknowledges that BA has no ownership rights with respect to the Protected Information provided by CE to BA or created, received, maintained or transmitted by BA or BA's agents or subcontractors under the Agreement, including any and all forms thereof.

l. Notification of Suspected or Actual Breach. BA shall notify CE within five (5) calendar days of any breach of PHI; any use or disclosure of PHI not permitted by the Agreement or this BAA; any Security Incident (except as otherwise provided below) related to PHI, and any use or disclosure of data in violation of any applicable federal or state laws by BA or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the BA to have been, accessed, acquired, used, or disclosed, as well as any other available information that CE is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including, but not limited, to 45 C.F.R. Section 164.404 through 45 C.F.R. Section 164.408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BA shall take prompt corrective action to cure any deficiencies and any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws. [42 U.S.C. Section 17921; 42 U.S.C. Section 17932; 45 C.F.R. 164.410; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.F.R. Section 164.308(b)]

i. Unsuccessful Security Incident Attempts: The Parties acknowledge and agree that this Section constitutes notification by BA to CE of the ongoing existence and occurrence of attempted Security Incidents that do not result in and/or that BA does not anticipate will result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system (including, for example, pings on BA's firewall, port scans, attempts to log onto a system or enter a database with an invalid password or username, denial-of-service attacks that do not result in the system being taken off-line, or malware such as worms or viruses). Unless requested by CE, no further notification of unsuccessful Security Incident attempts is required.

ii. Successful Security Incident Attempts: BA must notify the City within five (5) calendar days of any Security Incident attempt that results in, or that BA anticipates may result in, unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system (such as continuous and/or persistent Security Incident attempts or a suspicious pattern of Security Incident attempts).

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iii. **Written Request for Security Incident Report:** Upon CE's request, BA must provide CE a written Security Incident Report that: (a) identifies the categories of Security Incident attempts; (b) indicates whether BA believes its current defensive security measures are adequate to address Security Incidents, given the scope and nature of such attempts; and (c) if the security measures are not adequate, the measures BA will implement to address security inadequacies.

m. Breach Pattern or Practice by Business Associate's Subcontractors and Agents.

Pursuant to 42 U.S.C. Section 17934(b) and 45 C.F.R. Section 164.504(e)(1)(iii), if the BA knows of a pattern of activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent's obligations under the Agreement or this BAA, the BA must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, the BA must terminate the contractual arrangement with its subcontractor or agent, if feasible. BA shall provide written notice to CE of any pattern of activity or practice of a subcontractor or agent that BA believes constitutes a material breach or violation of the subcontractor or agent's obligations under the Contract or this BAA within five (5) calendar days of discovery and shall meet with CE to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

n. Audits, Inspection and Enforcement. Within ten (10) calendar days of a request by CE, BA will provide CE with a copy of its most recent independent HIPAA compliance report (AT-C 315), HITRUST certification or other similar mutually agreed upon independent standards-based third-party audit report. CE agrees not to re-disclose BA's audit report. If BA does not have such a report, BA will allow CE or its agents or subcontractors to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this BAA for the purpose of determining whether BA has complied with this BAA or maintains adequate security safeguards. BA shall notify CE within five (5) business days of learning that BA has become the subject of an audit, compliance review, or complaint investigation by the Office for Civil Rights or other state or federal data privacy or security-enforcement government entity.

3. Termination.

a. Material Breach. A breach by BA, or BA's agent or subcontractor, of any obligations under this BAA, as determined by CE, shall constitute a material breach of the Agreement and this BAA and shall provide grounds for immediate termination of the Agreement and this BAA, any provision in the Agreement to the contrary notwithstanding. (45 CFR §164.504(e)(2)(iii).)

b. Judicial or Administrative Proceedings. CE may terminate the Agreement and this BAA, effective immediately, if (i) BA is named as defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws or (ii) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which BA has been joined.

c. Effect of Termination. Upon termination of the Agreement and this BAA for any reason, BA shall, at the option of CE, return or destroy all PHI that BA and its agents and subcontractors still maintain in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections and satisfy the obligations of Section 2 of this BAA to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible (45 C.F.R. §164.504(e)(2)(ii)(J)). If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed in accordance with the Secretary's guidance regarding proper destruction of PHI. Per the Secretary's guidance, the City will accept destruction of electronic PHI in accordance with the standards enumerated in the NIST SP 800-88, Guidelines for Media Sanitization. The City will accept destruction of PHI contained in paper

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records by shredding, burning, pulping, or pulverizing the records so that the PHI is rendered unreadable, indecipherable, and otherwise cannot be reconstructed.

d. Civil and Criminal Penalties. BA understands and agrees that it is subject to civil or criminal penalties applicable to BA for unauthorized use, access or disclosure of PHI in accordance with the HIPAA Regulations and the HITECH Act including, 42 U.S.C. §17934(c).

e. Disclaimer. CE makes no warranty or representation that compliance by BA with this BAA, HIPAA, the HITECH Act, or the HIPAA Regulations or corresponding California law provisions will be adequate or satisfactory for BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

4. Amendment to Comply with Law.

The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this BAA may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable state or federal laws relating to the security or confidentiality of PHI. The parties understand and agree that CE must receive satisfactory written assurance from BA that BA will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the updated standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable state or federal laws. CE may terminate the Agreement upon thirty (30) calendar days written notice in the event (i) BA does not promptly enter into negotiations to amend the Agreement or this BAA when requested by CE pursuant to this section or (ii) BA does not enter into an amendment to the Agreement or this BAA providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

5. Litigation or Administrative Proceedings.

BA shall notify CE within forty-eight (48) hours of any litigation or administrative proceedings commenced against BA or its agents or subcontractors. In addition, BA shall make itself, and any subcontractors, employees and agents assisting BA in the performance of its obligations under the Agreement or this BAA, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the HITECH Act, the HIPAA regulations, or other state or federal laws relating to security and privacy, except where BA or its subcontractor, employee or agent is a named adverse party.

6. No Third-Party Beneficiaries.

Nothing express or implied in the Agreement or this BAA is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

7. Interpretation.

The provisions of this BAA shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this BAA. This BAA and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations, and other state and federal laws related to security and privacy of health information. The parties agree that any ambiguity in the terms of this BAA shall be resolved in favor of a meaning that complies and is

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consistent with HIPAA, the HITECH Act, the HIPAA regulations, and other state and federal laws related to security and privacy of health information.

