


**BOARD OF SUPERVISORS
BUDGET ANALYST**

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July 24, 2014

TO: Members of the Board of Supervisors
FROM: Budget and Legislative Analyst's Office 
SUBJECT: File 14-0504 - July 29, 2014 Board of Supervisors Meeting

Attached is the Budget and Legislative Analyst's Office's report on the third amendment to the contract between the Department of Public Health (DPH) and the San Francisco AIDS Foundation to provide HIV prevention services to people living with HIV/AIDS.

File 14-0504**Department:**
Department of Public Health**EXECUTIVE SUMMARY****Legislative Objectives**

The proposed resolution would approve the third amendment to the contract between the Department of Public Health (DPH) and the San Francisco AIDS Foundation to provide HIV prevention services to people living with HIV/AIDS. The proposed third amendment to the contract (1) increases the total contract amount by \$5,304,583 from \$9,429,982 to \$14,734,565, and (2) extends the contract term by two years through June 30, 2016.

Key Points

- In September 2011, based on a competitive Request for Proposals process, DPH selected the San Francisco AIDS Foundation to provide HIV prevention services. The original contract was for an amount not-to-exceed \$6,525,447. The original term of the contract was for one year and ten months from September 1, 2011 through June 30, 2013 with eight one-year options to extend the contract at the City's discretion through June 30, 2021.
- DPH has amended the contract two times as follows: (1) increased the contract not-to-exceed amount by \$910,161 to not-to-exceed \$7,435,608, (2) exercised the first one-year option, extending the contract through June 30, 2014 and increasing the not-to-exceed amount by \$1,994,374 to not-to-exceed \$9,429,982.
- These contract extensions did not increase the contract amount above \$10,000,000 or extend the contract term beyond 10 years, and therefore did not require approval by the Board of Supervisors.

Fiscal Impact

- The proposed resolution would increase the contract not-to-exceed amount to \$14,734,565 from \$9,429,982, an increase of \$5,304,583 or 56 percent. Total actual expenditures from September 1, 2011 through June 30, 2014 are \$9,052,994; and total budgeted expenditures from July 1, 2014 through June 30, 2016, including a 12 percent contingency are \$5,604, 583, for total actual and budgeted expenditures of \$14,657,577.
- Therefore, the Budget and Legislative Analyst recommends reducing the contract not-to-exceed amount by \$76,988 from the requested \$14,734,565 to the recommended \$14,657,577, based on the budget submitted by DPH.

Recommendations

- Amend the proposed resolution to reduce the contract not-to-exceed amount by \$76,988 from the requested \$14,734,565 to the recommended \$14,657,577.
- Approve the resolution as amended.

MANDATE STATEMENT

In accordance with Charter Section 9.118(b), any agreement with a term of more than ten years or anticipated expenditures of \$10,000,000 or more, or modifications of such an agreement of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

The San Francisco AIDS Foundation, a non-profit organization, was established in 1982 and provides a wide variety of HIV related services. The San Francisco Department of Public Health (DPH) has contracted with the San Francisco AIDS Foundation continuously since 1993 to provide services to People Living with HIV/AIDS and those at risk.

In September 2011, based on a competitive Request for Proposals process, DPH selected the San Francisco AIDS Foundation to provide HIV prevention services. The original contract was for an amount not-to-exceed \$6,525,447. The original term of the contract was for one year and ten months from September 1, 2011 through June 30, 2013 with eight one-year options to extend the contract at the City's discretion through June 30, 2021.

DPH has amended the contract two times as follows:

- The first amendment increased the contract not-to-exceed amount by \$910,161 to not-to-exceed \$7,435,608.
- The second amendment exercised the first one-year option, extending the contract through June 30, 2014 and increasing the not-to-exceed amount by \$1,994,374 to not-to-exceed \$9,429,982.

These contract extensions did not increase the not-to-exceed amount above \$10,000,000 or extend the contract term beyond 10 years, and therefore did not require approval by the Board of Supervisors.

Services Provided Under Existing San Francisco AIDS Foundation Contract

The San Francisco AIDS Foundation programs supported by the existing contract include:

- HIV Testing – Stop Study: Evaluates the yield, cost-effectiveness, and feasibility of screening for Acute HIV Infection with a fourth-generation enzyme immunoassay in high-risk/high-incidence settings compared to Nucleic Acid Amplification Test.
- Community-Based HIV Testing: Testing for a wide range of gay men and intravenous drug users, in the Castro and Tenderloin, to ensure that HIV testing and linkage to care are readily accessible for the largest number of people at high risk.
- Stonewall Project: Services to increase status awareness, increase viral load suppression, maintenance or increased levels of protected sex, and increased access to safer injection supplies.

- African-American Prevention Initiative: Deliver a comprehensive set of HIV prevention services to African-American men with diverse backgrounds and prevention needs.
- Stonewall Castro/LIFE Program: Stonewall’s Substance Abuse counseling services are available at a new site in the Castro, in close coordination with the HIV testing and gay men’s health services and to support Shanti’s LIFE program, a health-enhancement and wellness counseling program for people living with HIV.
- Syringe Access Services: Provides access to sterile syringes and safer injection supplies thus ensuring intravenous drug users have clean syringes, and reducing the likelihood of syringe sharing and the risk of HIV transmission among the target population.

Expenditures under the current contract

Under the existing contracts, San Francisco AIDS Foundation submits invoices to DPH for the actual costs of salaries, fringe benefits, and other direct costs for reimbursements. According to Ms. Anne Okubo, Deputy Financial Officer at DPH, total expenditures are \$9,052,994 from September 1, 2011 through June 30, 2014. These expenditures are summarized in Table 1 below.

Table 1: Contract Expenditures through June 30, 2014

Year	Total
FY 2011-12	\$3,017,037
FY 2012-13	3,570,534
FY 2013-14	2,465,423
Total	\$9,052,994

DETAILS OF LEGISLATION

The proposed resolution would approve the third amendment to the contract between DPH and the San Francisco AIDS Foundation to provide HIV prevention services to people living with HIV/AIDS. The proposed third amendment to the contract (1) increases the total contract amount by \$5,304,583 from \$9,429,982 to \$14,734,565, and (2) extends the contract term by two years through June 30, 2016.

FISCAL IMPACTS

The proposed increase in the contract not-to-exceed amount of \$5,304,583, from \$9,429,982 to \$14,734,565, increases the contract amount by 56 percent over two years.

The Budget and Legislative Analyst recommends reducing the contract not-to-exceed amount by \$76,988 from the requested \$14,734,565 to the recommended \$14,657,577, based on the budget submitted by DPH, as shown in Table 2 below.

Table 2: Budget and Legislative Analyst Recommended Reduction

	Total
FY 2014-15 budget	\$2,502,046
FY 2015-16 budget	2,502,046
12% contingency	600,491
FY 2014-15 and FY 2015-16 budget and contingency, subtotal	5,604,583
Actual expenditures through June 30, 2014	9,052,994
Total actual and budgeted expenditures	14,657,577
Requested contract amount	-14,734,565
Recommended reduction	(\$76,988)

RECOMMENDATIONS

1. Amend the proposed resolution to reduce the contract not-to-exceed amount by \$76,988 from the requested \$14,734,565 to the recommended \$14,657,577.
2. Approve the resolution as amended.