

1 [Designating a sole source contractor to provide healthcare coverage to certain eligible  
2 temporary exempt as-needed SEIU City employees.]

3 **Ordinance authorizing Department of Human Resources to execute a contract with the**  
4 **San Francisco Health Plan to administer healthcare coverage to certain eligible**  
5 **temporary exempt as-needed City employees who are members of SEIU locals 535, 790**  
6 **and UHW; and granting a waiver to the competitive procurement requirements of San**  
7 **Francisco Administrative Code Chapter 21.**

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9 Note: Additions are *single-underline italics Times New Roman*;  
10 deletions are *strikethrough italics Times New Roman*.  
11 Board amendment additions are double underlined.  
12 Board amendment deletions are ~~strikethrough normal~~.

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

14 Section 1. FINDINGS. The Board of Supervisors hereby finds and declares that:

15 (1) Administrative Code section 16.4700 and Charter Appendix A8.420365-2 exclude  
16 from membership in the City's Health Services System temporary exempt as-needed  
17 employees who have not worked 1040 hours in a consecutive 12-month period.

18 (2) The City and SEIU Locals UHW, 535 and 790 agreed in their current collective  
19 bargaining agreement ("CBA") to design and implement a health benefits program for certain  
20 "as-needed" employees in the bargaining unit not eligible to enroll in the City's Health  
21 Services System.

22 (3) The CBA established an "As-needed Health Benefits Committee" ("Committee")  
23 made up of six City representatives and six SEIU rank and file representatives. The CBA  
24 directed the Committee to exercise all reasonable efforts to begin providing benefits to eligible  
25 employees by April 1, 2007. The Committee began meeting in August 2006.

1 (4) The CBA allocated funds for the health benefits program as follows: \$500,000 in  
2 FY 06-07; \$2,000,000 in FY 07-08 and \$2,000,000 in 08-09.

3 (5) The Committee reviewed various health plan options, determined eligibility criteria  
4 and crafted policies and procedures for eligibility and enrollment. The Committee selected the  
5 Healthy Workers Program administered by the San Francisco Community Health Authority,  
6 doing business as the San Francisco Health Plan to provide health coverage. The Healthy  
7 Workers Program provides preventive care, hospitalization, vision services, emergency care,  
8 prescription drugs, and more. With the exception of vision services and some emergency  
9 care, all health services will be provided through the San Francisco Department of Public  
10 Health's own hospital, clinics and pharmacies.

11 (6) The San Francisco Health Plan is a non-profit public entity separate from the City.  
12 The City created it in 1994 to provide services in a managed care system for people who  
13 qualified for Medi-Cal. Since its creation, the San Francisco Health Plan has expanded the  
14 services it provides to the City and County of San Francisco. In 1999, the San Francisco  
15 Health Plan created the Healthy Workers Program to cover In-Home Supportive Services  
16 ("IHSS") workers, who are jointly employed by their clients and State and county departments.  
17 The San Francisco Health Plan also is San Francisco's community provider for the Healthy  
18 Families and Healthy Kids/Young Adults Programs.

19 (7) Administrative Code section 21.1 requires that City contracts, with some  
20 exceptions, be procured through competitive solicitation.

21 (8) The Committee did not engage in the competitive solicitation process. However, it  
22 did review several benefit plans, including those available through the City's Health Service  
23 System.

1 (9) The Committee determined that the San Francisco Health Plan's Healthy Workers  
2 Program presented the best choice for insuring eligible temporary exempt City employees at  
3 the earliest date possible (August 1, 2007). The Committee made its conclusion based on the  
4 cost and comprehensiveness of coverage and the existence of an already functioning  
5 infrastructure.

6 Section 2. The Acting Executive Director of the Department of Human Resources is  
7 hereby authorized to execute a contract with the San Francisco Health Plan, subject to  
8 approval by the Civil Service Commission. Copies of the contract are on file with the Clerk of  
9 the Board of Supervisors in File No. \_\_\_\_\_.

10 Section 3. WAIVERS. For the purpose of this contract, the Board of Supervisors finds  
11 that it is reasonable and in the public interest to waive the competitive procurement  
12 requirements of the San Francisco Administrative Code Chapter 21 and hereby does so.

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14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney

16 By: \_\_\_\_\_  
17 Frederick P. Sheinfield  
18 Deputy City Attorney

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