

1 [Proposition J Contract/Certification of Specified Contracted-Out Services for Department of  
2 Public Health/Fiscal Emergency]

3 **Resolution concurring with the Controller's certification that services can be performed**  
4 **by private contractor for a lower cost than similar work performed by City and County**  
5 **employees for security services at Department of Public Health hospitals and clinics,**  
6 **concurring in finding of fiscal emergency.**

7 WHEREAS, The City and County of San Francisco must reconcile a projected \$438  
8 million budget deficit for 2005-2006 with a Charter obligation to enact a balanced budget each  
9 fiscal year; and,

10 WHEREAS, The State's projected budget deficit for 2009-2010 is approximately \$24  
11 billion dollars which will result in significant revenue reductions to the City and County budget;  
12 and,

13 WHEREAS, The State of California and local jurisdictions are enacting emergency cost  
14 saving measures throughout California in an attempt to address these projected budget  
15 deficits; and,

16 WHEREAS, The continuing weak economy, delayed recovery, and drop in government  
17 revenues in California and in San Francisco have dramatically and adversely impacted the  
18 City's fiscal condition over the past several years, creating a fiscal emergency for the City and  
19 County of San Francisco; and

20 WHEREAS, For example, the City and County of San Francisco faces significant  
21 increases in its costs in fiscal year 2009-2010, including an increase in \$61 million in fund  
22 contributions to the Employee Retirement System, and an increase in approximately \$13  
23 million in health and dental benefits for both current and retired employees mandated by  
24 Charter and labor agreements; and

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1           WHEREAS, The City is facing significant additional cuts in funding from the State due  
2 to the State's fiscal crisis; and,

3           WHEREAS, To balance its budget the City must use all of the amounts available under  
4 the City's Rainy Day Reserve; and,

5           WHEREAS, The Mayor has determined that the state of the City's budget for fiscal  
6 year 2009-2010 as indicated herein has created an emergency situation justifying the  
7 contracting out of certain City services that can be performed for a lower cost by private  
8 companies than by City and County employees; and,

9           WHEREAS, The Electorate of the City and County of San Francisco passed  
10 Proposition J in November 1976, allowing City and County Departments to contract with  
11 private companies for specific services which can be performed for a lower cost than similar  
12 work by City and County employees (Charter Section 10.104.15); and,

13           WHEREAS, The Controller has determined that the award of a contract for the services  
14 listed below to a private contractor will achieve substantial cost savings for the City; and,

15           WHEREAS, The Controller's certification, which confirms that said services can be  
16 performed at lower costs to the City and County by private contractor than by employees of  
17 the City and County, is on file with the Clerk of the Board of Supervisors in File  
18 No. \_\_\_\_\_, which is hereby declared to be part of this resolution as if set forth  
19 fully herein; now, therefore be it;

20           RESOLVED, That the Board of Supervisors hereby concurs with the Controller's  
21 certification, and the Mayor's determination of a fiscal emergency, and approves the  
22 Proposition J Resolution concerning the award of a contract to a private contractor for the  
23 services listed below for the period of July 1, 2009 through June 30, 2010.

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| 1  |                              | City Cost   | Contract Cost |             |      |
|----|------------------------------|-------------|---------------|-------------|------|
| 2  | Department/Function          | (High)      | (High)        | SAVINGS     | FTEs |
| 3  | Public Health (DPH)          |             |               |             |      |
| 4  | Hospital and Clinic Security |             |               |             |      |
| 5  |                              | \$9,499,491 | \$4,405,742   | \$5,093,749 | 82.0 |
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