

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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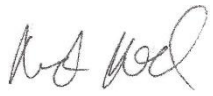
TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst 
SUBJECT: June 4, 2025 Budget and Finance Committee Meeting

TABLE OF CONTENTS

Item	File	Page
4	25-0491 Sole Source Contract - Wabtec Passenger Transit - Overhaul of the LRV4 Brake System - Not to Exceed \$15,527,933.....	1
6	25-0490 Execute Grant Agreement and Accept and Expend Grant - Retroactive - California Board of State and Community Corrections - Proposition 47 Grant Program, Cohort 4 - Not to Exceed \$7,999,999.....	7
8	25-0451 Grant Agreement Amendment - The Regents of the University of California - Community Assessment and Services Center Case Management Services - Not to Exceed \$17,872,321.....	15

Item 4 File 25-0491	Department: Municipal Transportation Agency (SFMTA)
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed resolution would approve a new contract between the SFMTA and Wabtec Passenger Transit (Wabtec) to overhaul the brake system on 68 light rail vehicles, with a term of two years and six months and a not to exceed amount of \$15,527,933. Key Points - The Board of Supervisors previously approved a contract with Siemens, Industry Inc. to expand and replace the SFMTA's light rail fleet. Phase 1 included delivery of 68 new vehicles to expand the fleet, and Phase 2, which is still in progress, will replace all 151 existing light rail vehicles. SFMTA must overhaul the brake system of Phase 1 vehicles, as part of regular maintenance. - SFMTA identified defects in the brake system while the vehicles were still under manufacturer five-year warranty. The vehicles are still being operated safely, but the defects are causing more service interruptions than what is permitted under the contract. - Wabtec is the brake manufacturer for the new vehicles and is a subcontractor under the Siemens contract. Wabtec is completing the warranty work on the brake system, which Siemens is funding. MTA also selected Wabtec to complete the brake overhaul work at the same time on a sole source basis. Fiscal Impact - The not to exceed amount of \$15.5 million includes \$11.9 million for parts, \$3.5 million for labor, and a \$100,000 contingency. SFMTA determined that Wabtec pricing and labor rates were reasonable based on an independent cost estimate completed by SFMTA engineers. - The contract is funded by dedicated revenue sources for transportation. Policy Consideration - SFMTA is proposing a sole source contract for regular brakes maintenance with Wabtec to ensure that the SFMTA maintains the extended warranty for the fixed fleet components. Subsequent brake overhauls would not have to be completed by Wabtec. The proposed agreement would address the first overhaul for 68 of the 219 vehicles (out of four overhauls over the useful life). However, selecting Wabtec on a sole-source basis for each subsequent overhaul may prevent the SFMTA from obtaining competitive pricing. Recommendations - Request SFMTA to (a) issue a competitive solicitation to procure a brake maintenance vendor for subsequent brake maintenance; (b) determine whether it would be more cost effective for any of the work to be performed in-house or contracted out, and (c) report on long-term plans for brake overhauls when the next overhaul contract is brought to the Board for approval. - Approve the proposed resolution.	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

In September 2014, the Board of Supervisors approved a contract with Siemens, Industry Inc. (Siemens) to expand and replace the SFMTA's light rail fleet through the manufacture and delivery of new light-rail vehicles (File 14-0882). Phase 1 included delivery of 68 new vehicles to expand the fleet, and Phase 2, which is still in progress, will replace all 151 existing Breda light rail vehicles. Phase 1 vehicles were placed in service between November 2017 and August 31, 2020. Final delivery of Phase 2 vehicles is expected in early 2026, and 96 out of 151 Phase 2 vehicles have been delivered to date.

After delivery of the 68 Phase 1 vehicles, the SFMTA identified defects in the brake system while the vehicles were still under manufacturer five-year warranty. According to the May 2, 2025 memo to the Board of Supervisors on the proposed contract (SFMTA Memo), the vehicles are still being operated safely despite the defects due to redundancy in the brake system that ensures the vehicles can stop on demand even if components are defective. However, the defects affect the maintenance costs and long-term reliability of the brake system. Defects in the brake systems are causing service interruptions more than once every 50,000 miles, which does not comply with contract requirements, according to SFMTA staff. Under the Siemens contract, Siemens is required to fix fleet defects, and an extended five-year warranty is added once the defects are fixed for the corrected parts.

The warranty provisions of the contract also require the SFMTA to conduct regular maintenance (as specified in manuals developed by Siemens) to maintain the warranty. According to SFMTA staff, the contractor manual recommends that the SFMTA overhaul the brake system of the Phase 1 vehicles after six years in service, and the overhaul is required to be eligible for the extended five-year warranty for the fixed fleet defects.

Siemens is funding the warranty work on the brake system (for all existing light rail vehicles)¹, and the SFTMA is funding the brake overhaul work.

Selection

Wabtec Passenger Transit (Wabtec) is the brake manufacturer for the new light rail vehicles and is a subcontractor under the Siemens contract. Wabtec is completing the warranty work on the brake system, which Siemens is funding. MTA also selected Wabtec to complete the brake

¹ According to SFMTA staff, new vehicles to be delivered will have upgraded brakes without the defective parts.

overhaul work on a sole source basis. According to the SFMTA Memo, Wabtec, as the original manufacturer, is the only party that can perform the work to ensure that the SFMTA maintains the extended warranty for the fixed fleet components.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a new contract between the SFMTA and Wabtec Passenger Transit to overhaul the brake system on 68 light rail vehicles. The proposed contract has a term of two years and six months and a not to exceed amount of \$15,527,933.

As part of the brakes overhaul, Wabtec will rebuild the calipers, rebuild the hydraulic power units, and replace the accumulators.² Wabtec will deliver 68 sets of overhauled brakes to replace the brakes in 68 Phase 1 light rail vehicles. Wabtec will remove and replace the brake components on-site. Wabtec will overhaul the brake components off-site at its facility in South Carolina and will be responsible for shipping the old brake components to its facility and the overhauled brakes from its facility to San Francisco. According to SFMTA staff, the vehicles would each be out of service for a total of approximately one week during brake removal and replacement.³

Project Delivery Schedule

According to the project delivery schedule in the contract, Wabtec would install brakes on the vehicles over an 18 month period. In the first month, Wabtec would install brakes on two vehicles and conduct pilot testing, and in subsequent months Wabtec would install brakes on four vehicles per month.

Under section 4.9 of the agreement, the contractor would be required to pay liquidated damages if installation is delayed beyond the scheduled milestones. The contractor would pay the SFMTA: (a) \$10,000 per month if the project is not completed within 75 days of the original end date, and (b) \$500 per vehicle per day if a vehicle is not returned to service within 14 days.

Warranty

Once accepted by the SFMTA, the defective brake parts that are being upgraded and replaced will be covered under a five-year warranty, and the complete brake components rebuilt or replaced through the brake overhaul will be covered under a three-year warranty. During the warranty period, Wabtec will repair or replace any defective components and pay for any associated shipping charges.

² Calipers use hydraulic pressure to squeeze brake pads. Hydraulic power units regulate the hydraulic pressure into the caliper, and the accumulators manage hydraulic pressure during operation.

³ When the brakes are removed from each vehicle they will be shipped to the off-site facility to be overhauled. Wabtec will provide an initial five sets of overhauled brakes so that vehicles can have their brakes replaced immediately after removal. The brakes removed from the first five vehicles will be shipped back to the SFMTA facility once they are overhauled and will be placed in the next five vehicles. In this way, the brake overhaul will continue on a rolling basis with the brakes removed from one vehicle, shipped, then overhauled, then shipped, and replaced onto a different vehicle.

Liability Limitation

The proposed contract limits Wabtec's liability to the value of the contract (\$15.3 million), not including claims made by third parties. A similar provision is included in the Siemens contract.

FISCAL IMPACT

The proposed not to exceed amount of \$15.5 million includes a \$100,000 contingency and is based on the prices for parts and labor specified in Appendix B of the proposed contract. The total budget of \$15.4 million (\$226,881 per vehicle) includes \$11.9 million for parts and \$3.5 million for labor. Exhibit 1 below shows the parts and labor prices, and Exhibit 2 below shows the total cost and not to exceed amount.

Exhibit 1: Parts and Labor Prices per Vehicle

Description	Items / Vehicle	Price / Item	Parts Cost / Vehicle	Labor Cost / Vehicle	Parts and Labor / Vehicle
Motor Truck Caliper Parts Kit	8	\$10,374	\$82,996	\$33,476	\$116,471
Center Truck Caliper Parts Kit	2	10,059	20,119	7,005	27,124
Motor Truck Hydraulic Power Unit (HPU)	2	20,333	40,665	7,158	47,823
Center Truck HPU	1	20,333	20,333	3,579	23,912
Accumulator TT16548	3	1,925	5,776		5,776
Accumulator 1-60039	3	1,925	5,776		5,776
Total			\$175,664	\$51,218	\$226,881

Source: Appendix B, Proposed Contract

Exhibit 2: Total Cost and Not to Exceed Amount for 68 Vehicles

Description	Total Parts Cost	Total Labor Cost	Total Parts and Labor Cost
Motor Truck Caliper Parts Kit	\$5,643,706	\$2,276,335	\$7,920,042
Center Truck Caliper Parts Kit	1,368,074	476,356	1,844,431
Motor Truck HPU	2,765,242	486,733	3,251,975
Center Truck HPU	1,382,621	243,367	1,625,987
Accumulator TT16548	392,749		392,749
Accumulator 1-60039	392,749		392,749
Total	\$11,945,141	\$3,482,791	\$15,427,933
Contingency			100,000
Not to Exceed			\$15,527,933

Source: Appendix B, Proposed Contract

According to the SFTMA staff, the prices developed by Wabtec are fixed. The SFTMA determined that the pricing and labor rates were reasonable based on an independent cost estimate

developed by SFMTA engineers. Wabtec will be responsible for all removal and replacement costs, and all shipping costs since Wabtec will be completing the warranty work at the same time.

Funding Sources

Funding sources for the proposed contract include dedicated sales tax revenue for transportation projects, SFMTA operating revenues, required baseline contributions from the City's General Fund to MTA, City fees on new development to fund transportation improvements, and State funding available through the Low Carbon Fuel Standard program to support the delivery of electric transit service.

Exhibit 3: Funding Sources

Source	Amount
SFCTA Prop L Sales Tax	\$4,965,970
Operating Revenues	4,500,000
General Fund (MTA baseline)	2,949,042
Transit Sustainability Fee (TSF)	2,737,921
Low Carbon Fuel Standard (LCFS)	375,000
Total	\$15,527,933

Source: SFMTA

Independent Cost Estimate

Based on an independent cost estimate completed by SFMTA engineering staff, SFMTA determined that the proposed costs are reasonable. The independent cost estimate found that the proposed costs for parts and labor were approximately three percent less than the independent cost estimate. The memo also notes that the proposed costs do not include costs associated with planning, facility set-up, training, quality review, and other costs not itemized in Wabtec pricing as the original brakes manufacturer but may accrue to the SFMTA if the work were to be performed by SFMTA.

POLICY CONSIDERATION

The SFMTA procured new light rail vehicles through a competitive process and selected Siemens to deliver the vehicles. However, the resulting contract did not include a maintenance and operations component for the vehicles, including the brakes. Siemens selected Wabtec as the brakes manufacturer, and now the SFMTA is proposing to enter into a sole source contract for regular brakes maintenance with Wabtec to ensure that the SFMTA maintains the extended warranty for the fixed fleet components. Subsequent brake overhauls would not have to be completed by Wabtec. According to the SFTMA, the light rail vehicles have a useful life of 25 years. Therefore, the SFMTA will need to overhaul the brakes three or four times for each vehicle. The proposed agreement would address the first overhaul for 68 of the 219 vehicles. However, selecting Wabtec on a sole-source basis for each subsequent brake overhaul may prevent the SFMTA from obtaining competitive pricing. The SFMTA should: (a) issue a competitive solicitation to procure a brake maintenance vendor for subsequent brake maintenance; and (b) determine

whether it would be more cost effective for any of the brake maintenance work to be performed in-house or contracted out. The Board of Supervisors' should request that the SFMTA report on long-term plans for brake overhauls of the light rail vehicles when the SFMTA brings the next overhaul contract to the Board for approval.

RECOMMENDATIONS

1. Request SFMTA to (a) issue a competitive solicitation to procure a brake maintenance vendor for subsequent brake maintenance; (b) determine whether it would be more cost effective for any of the brake maintenance work to be performed in-house or contracted out and (c) report on long-term plans for brake overhauls of the light rail vehicles when the SFMTA brings the next overhaul contract to the Board of Supervisors for approval.
2. Approve the proposed resolution.

Item 6 File 25-0490	Department: Homelessness and Supportive Housing
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed resolution retroactively authorizes HSH to accept and expend \$7,999,999 in grant funding from the California Board of State and Community Corrections (BSCC) to fund the “Housing, Expungement and Recovery through Treatment and Support Services” (HEARTTSS). The resolution also authorizes HSH to enter into the related grant agreement with the BSCC. Key Points - Proposition 47 reclassified specific certain criminal offences from felonies to misdemeanors and redirected a portion of the savings back to counties. The City received three prior Proposition 47 awards, all administered by the Department of Public Health (DPH). The three prior Proposition 47 grant program cohorts have focused on substance use treatment. This proposed fourth grant cohort continues to fund treatment beds but adds funding for transitional housing and legal expungement for, but not limited to, Latine and Spanish-monolingual justice involved adults. - Despite an evaluation plan for cohort 3 to perform ongoing evaluation and produce quarterly reports to BSCC, a two-year program evaluation by September 2024, and annual updates to the Reentry Council, DPH was unable to provide any evaluation data of cohort 3. Fiscal Impact - The total grant award amount received from BSCC is \$7,999,999. The grant did not require matching funds, however, the City voluntarily included \$1,188,656 (existing positions and contracts) in the grant application to make it more competitive. Policy Consideration - Grant-funded services could include case-management, housing support, behavioral health, legal services, and peer navigation. However, the composition of program units is still being developed and is not consistent with the original grant application. Recommendations - Request HSH report back on the final grant plan that identifies the service providers, contract amounts, service type, unit count, location, anticipated start dates, the procurement process used for each subgrant. The report should be included in the legislative file for this item. - Approve the proposed resolution.	

MANDATE STATEMENT

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of \$1 million or more, or (ii) have anticipated revenues of \$1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND**Proposition 47 Framework**

Approved by California voters in November 2014, Proposition 47 reclassified specific non-violent drug and property offences from felonies to misdemeanors. Sixty-five percent of resulting State savings is annually transferred to California Board of State and Community Corrections (BSCC) for competitive grants that support mental-health treatment, substance-use disorder treatment, diversion and housing services for justice-involved individuals.

Previous Cohorts

The City received three prior Proposition 47 awards, all administered by the Department of Public Health (DPH): (1) 2017 – Promoting Recovery & Services for the Prevention of Recidivism (PRSPR), (2) 2019 – Supporting Treatment & Reducing Recidivism (STARR), and (3) an award in 2022 that continued the STARR program.

These grants funded detox beds¹, residential substance use treatment beds², and wrap-around services for parolees or pre-trial defendants diverted from the County Jail who presented high-risk of co-occurring disorders.

Previous Actions

On April 12, 2024, the California Board of State and Community Corrections (BSCC) issued a Request-For-Proposals (RFP) for the Proposition 47 Grant. On June 10, 2024, HSH submitted a proposal to BSCC as the lead agency for San Francisco's Cohort 4 of Proposition 47 grant funding for a project titled, "Housing, Expungement and Recovery through Treatment and Support Services" (HEARTTSS). On October 3, 2024, BCSS awarded Proposition 47 grant funds to HSH in

¹ This is otherwise known as withdrawal management. This is a detox service with an average stay of 4-10 days and includes 21 hours of treatment/week.

² This is a residential substance use disorder (SUD) service with an average stay of 3-6 months, and includes individual and group counseling, case management, SUD and mental health classes, and physical wellness.

an amount not-to-exceed \$7,999,999, with a project term of October 3, 2024, through June 30, 2028.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution retroactively authorizes HSH to accept and expend \$7,999,999 in grant funding from the California Board of State and Community Corrections Cohort 4 Proposition 47 grant program. The grant would fund the “Housing, Expungement and Recovery through Treatment and Support Services” (HEARTTSS) program. The resolution also authorizes HSH to enter into the related grant agreement with the BSCC.

Grant Agreement

The proposed grant agreement has a term October 3, 2024, through June 30, 2028. The grant requires quarterly reporting to the BSCC, a financial audit at the end of the grant, and provides for quarterly reimbursement for grant-eligible expenses. Changes to the grant program require approval of the BSCC.

A request for retroactive approval is being sought because the award notice was received on October 3, 2024, for a project start date of October 3, 2024. However, the final draft agreement was not received until January 2025. BSCC approved a schedule adjustment to shift the first service delivery year to April 2025 through April 2026. Program components can launch during this time; however, no grant activities may commence until the Board adopts the resolution, BSCC executes the agreement, and funds are appropriated.

The grant did not require matching funds, however, the City voluntarily included \$1,188,656 in matching funds in the grant application to make it more competitive. According to HSH, the matching funds consist of existing positions and contracts.

Grant Program

The purpose of the grant is to reduce incarceration and recidivism and support stability for justice-involved adults experiencing homelessness, with Cohort 4 including but not limited to Latine and Spanish-monolingual members of the target population. There are six main service areas described in the grant application: (1) a resource hub (2) case-management services, (3) Coordinated Entry (housing support), (4) behavioral health assessment and treatment, (5) legal services (CleanSlate program), (6) and peer navigation. According to HSH, the composition of the providers and program units are still being developed and are not consistent with the application submitted to Board of State and Community Corrections. Any change will be vetted with the Board of State and Community Corrections and reflected in the final agreement. As of May 29, 2025, HSH reports the following planned components.

1. Resource Hub

The San Francisco Pretrial Diversion Project, a non-profit primarily funded by the Sheriff, will serve as the resource hub for Cohort 4’s program services. SF Pretrial staff will conduct assessments to determine needs and connect clients to the necessary resources.

2. Case-Management Services

The grant will fund housing case management services to help clients find housing. Case managers will develop individualized plans, track progress, and coordinate service referrals. Although not funded by the grant, the grant application notes that SF Pretrial may also refer clients to the Central American Resource Center and Instituto Familiar de la Raza, both non-profits, for additional re-entry support.

3. Behavioral Health Treatment

The grant will fund substance use and/or mental health residential or outpatient treatment. HSH reports that Latino Commission, the provider named in the grant application, no longer has the capacity to operate this program. DPH is identifying an alternate contractor to provide similar services in alignment with the scope of the grant without issuing a new RFP to maintain grant timelines.

4. Transitional Housing

The grant will also fund transitional housing beds for clients in treatment or recently completing treatment. The bridge housing program will be operated by a non-profit. The Sheriff plans to procure a site operator through a request for proposal process to begin in Summer 2025.

5. Legal Services

The Public Defender's Office operates an expungement clinic that files post-conviction relief motions to remove record-based barriers to housing, employment, and treatment. According to the grant application, current Public Defender does not have sufficient Spanish-speaking staff to meet client needs. The grant will pay for one full-time Spanish-speaking "Clean Slate" Attorney position at the Public Defender's Office.

6. Peer Navigation

Peer navigators have experiences that mirror those of participants, and guide clients through services and remain engaged for up to three months after permanent housing is secured. According to HSH, additional peer-support capacity will be procured in the anticipated RFP through the Sheriff's Office.

A comparison of services and providers throughout each cohort is detailed below in Exhibit 1.

Exhibit 1: Prop 47 Providers and Services Cohorts 1-4

Exhibit 1: Cohort Services and Budgets	Cohort 1 (6/16/17–8/15/21)	Cohort 2 (10/1/19–5/15/23)	Cohort 3 (9/1/22–6/1/26)	Cohort 4 (10/3/24–6/30/28)
Program	Promoting Recovery & Services for the Prevention of Recidivism (PRSPR)	Supporting Treatment & Reducing Recidivism (STARR)	Supporting Treatment & Reducing Recidivism (STARR)	Housing, Expungement and Recovery through Treatment and Support Services (HEARTTSS)
Award Amount	\$6 Million	\$6 Million	\$6 Million	\$8 million
Amount Passed to CBOs	\$4.9 Million	\$4.3 Million	\$5.5 Million	\$7.5 Million
Withdrawal Management (Detox)	Salvation Army (5 beds)	Salvation Army (10 beds)	Salvation Army (10 beds)	TBD
Residential SUD Treatment	Salvation Army (32 beds)	Salvation Army (40 beds)	Salvation Army (18 beds)	TBD
Case Management	Felton Institute	Felton Institute	Felton Institute	Re-entry: SF Pretrial; Housing: TBD
Housing Support	None	None	None	TBD
Legal Services (Expungement)	None	None	None	Public Defender's Office
Peer Navigation	Richmond Area Multi-Services	None	None	TBD
Matching Funds	\$6 Million	\$2.9 Million	\$3.1 Million	\$1.2 Million

Sources: BLA, DPH, and HSH

Note: TBD refers to items that are to be decided at a later date.

As shown above, the three prior Proposition 47 grant program cohorts have focused on substance use treatment. This proposed fourth grant cohort continues to fund treatment beds but adds funding for transitional housing and legal expungement. The providers, service composition, and units of service are still under development.

Performance

The grant application includes performance goals for each service area; however, the City is revising its service plan for these grant funds and as a result, the performance metrics may differ from what is listed in that document.

Third Party Evaluation

Each cohort is evaluated by Hatchuel Tabernik & Associates (HTA), an external firm retained for all four Prop 47 cycles. HTA submits an evaluation plan and provides quarterly updates

throughout implementation. Process monitoring oversees the startup activities, service utilization data, meeting minutes, and staff or partner interviews, while outcome monitoring uses program records, participant focus groups, and three-year recidivism tracking.

Cohort 3 is still ongoing (September 1, 2022 – June 1, 2026) and results are expected to be available after June 1, 2026. Despite an evaluation plan detailed in the grant application to perform ongoing evaluation and produce quarterly reports to BSCC, a two-year program evaluation by September 2024, and annual updates to the Reentry Council, DPH was unable to provide evaluation data of Cohort 3 to the Budget and Legislative Analyst office.

FISCAL IMPACT

The total grant award amount received from BSCC is \$7,999,999. As of this writing, approximately 87 percent of the award is allocated towards community-based organizations providing direct service to clients. The remaining funds support data collection and analysis, and indirect City costs. The budget breakdown is detailed below in Exhibit 2. Funds will be evenly distributed across three fiscal years.

Exhibit 2: Cohort 4 Total Project Budget (FY 2025-26 – FY 2027-28)

Program Area	Grant Funds	Matching Funds	Total
City Staff (Matching Funds)	\$0	\$151,517	\$151,517
Paralegal at Public Defender	\$537,526	\$0	\$537,526
Pretrial Diversion Project - Intake, Peer Support (HSH and SHF Subgrantee)	\$1,136,325	\$1,037,139	\$2,173,464
SUD/MH Beds - DPH Subgrantee	\$4,927,500	\$0	\$4,927,500
Transitional Housing - SHF Subgrantee	\$293,825	\$0	\$293,825
Housing Case Management – SHF Subgrantee	\$618,166	\$0	\$618,166
Project Evaluation & Monitoring	\$400,000	\$0	\$400,000
Indirect Costs (≤10 %)	\$86,657	\$0	\$86,657
Total	\$7,999,999	\$1,188,656	\$9,188,655

Source: HSH

Funding Source

62 percent of matching funds will come from Homelessness Gross Receipts Tax, 25.2 percent from the General Fund, and 12.7 percent from private and state grants³. The grant does not require an Annual Salary Ordinance amendment.

³ Matching funds are pre-existing dollars that have already been allocated to existing positions and contracts.

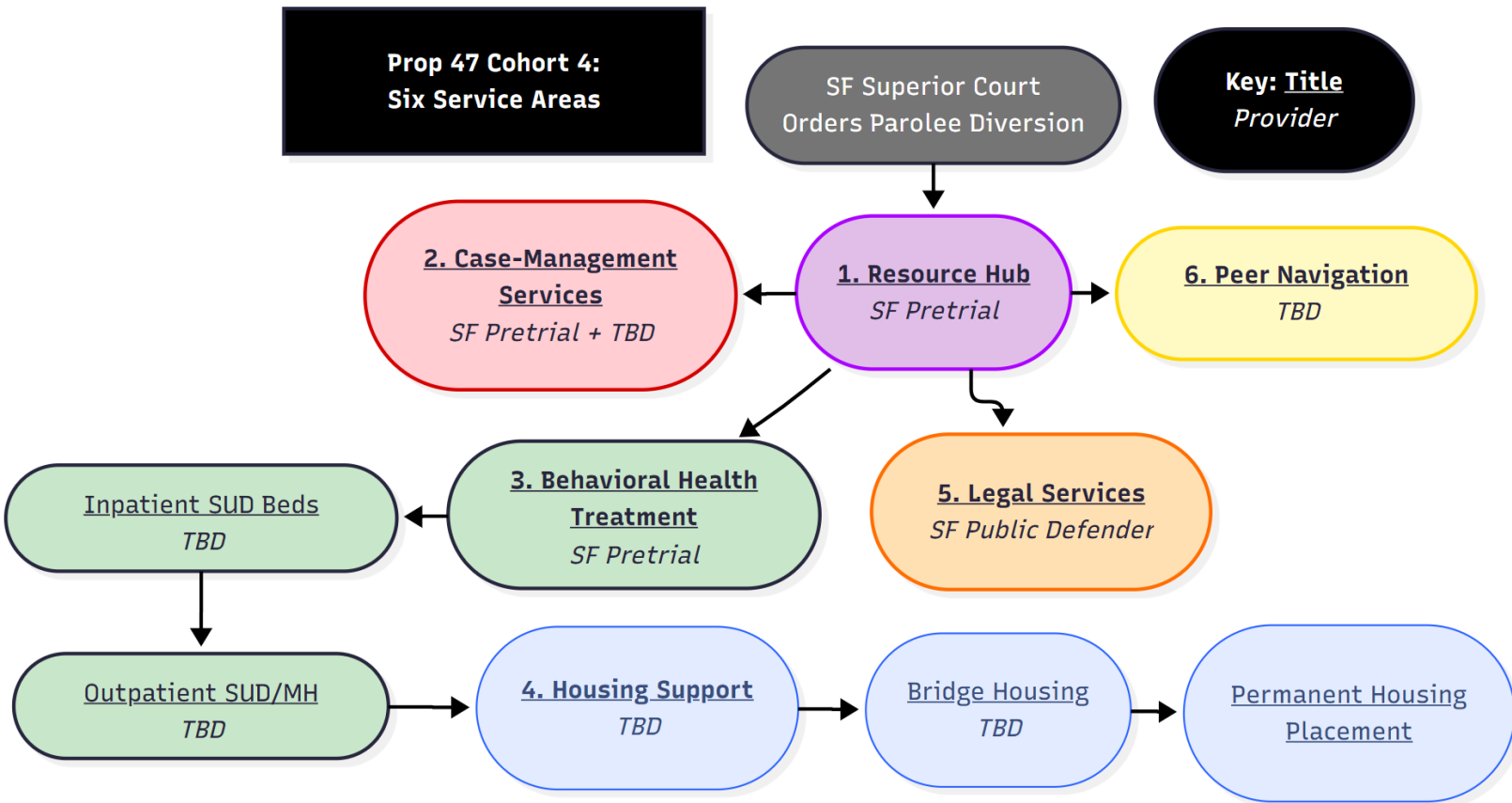
POLICY CONSIDERATION

As noted above, the composition of providers and unit count are still under development and differ from the program structure described in the City's original grant application. The Board of Supervisors should request that HSH, within 60 days of the execution of the grant agreement, provide a written report that identifies the service providers, contract amounts, service type, unit count, location, anticipated start dates, and the procurement process used for each subgrant. The report should be included in the legislative file for this item.

RECOMMENDATIONS

- Request HSH report back on the final grant plan that identifies the service providers, contract amounts, service type, unit count, location, anticipated start dates, the procurement process used for each subgrant. The report should be included in the legislative file for this item.
- Approve the proposed resolution.

APPENDIX A:
Cohort 4 Scope of Work Schematic



Item 8 File 25-0451	Department: Adult Probation
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed resolution would approve the second amendment to the agreement between the San Francisco Adult Probation Department (APD) and The Regents of the University of California, San Francisco (UCSF) for case management services. The amendment extends the grant term by two years, from June 30, 2025 to June 30, 2027, and increases the not-to-exceed amount by \$8,539,019 for a total amount not to exceed \$17,872,321. Key Points - APD awarded this grant in 2022 following a competitive procurement for Community Assessment and Services Center (CASC) providers. The CASC is a behavioral health focused, one-stop clinical reentry center that provides a range of services to clients of APD and other justice-involved San Francisco residents. - The grant provides approximately 230 adults with case management services per year. APD did not establish a data collection methodology to track program completion metrics until FY 2024-25. However, results for the first two quarters of that year show that the grant's program completion metrics were met. Similarly, the participant satisfaction survey was not finalized and implemented until FY 2024-25 due to pandemic delays and staffing changes. In that year, 93 percent of participants in the first two quarters rated the program favorably. Otherwise, the grant's other five goals (relating to service quality) have been collected since FY 2022-23 and have all been met. Fiscal Impact - When factoring the actual expenditures for FY 2022-23 and FY 2023-24, which were less than budgeted, and projected remaining spending, we estimate the Department will spend \$17,100,000 on this grant. This is \$72,321 less than the Department is seeking. - The proposed spending is funded by the General Fund (75 percent) and state funds (25 percent). These revenues fund 21.70 full-time equivalent (FTE) positions at UCSF, including social workers and health care-related positions. Recommendations - Amend the proposed resolution to reduce the not-to-exceed amount to \$17,100,000. - Approve the resolution, as amended.	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

The San Francisco Department of Adult Probation (APD) supervises adults on probation and, with non-profit organizations, provides reentry services. The SFAPD also operates the Community Assessment and Services Center (CASC), which is a behavioral health focused, one-stop clinical reentry center that provides a range of services to clients of APD and other justice-involved San Francisco residents.

The APD population as of April 2025 included 4,921 clients, with 87 percent having a felony conviction(s). The caseload is predominantly male at 88 percent.

The Department currently contracts with The Regents of the University of California, San Francisco (UCSF) for case management services provided at the CASC—a joint operation of APD, UCSF, and other service providers at the CASC.

2011 Criminal Justice Realignment

The Public Safety Realignment Act (AB 109) of 2011 transferred responsibility for supervising certain low-level inmates and parolees from the California Department of Corrections and Rehabilitation to counties. According to the Department's Request for Qualifications (RFQ) for CASC service providers, the 2011 criminal justice realignment transferred responsibility in three key areas:

- **Location of Incarceration for Lower-Level Offenders** (specified non-violent, non-serious, non-sex offenders) transferred from state prison to local county jail, with an expanded role for post-release mandatory supervision;
- **Post-Release Supervision of Lower-Level Offenders** transferred from the state to the county level by creating a new category of supervision called post-release community supervision; and
- **Custody Responsibility** for clients on community supervision who may have committed another crime or failed to comply with the terms of their release and are therefore transferred to local county jail.

Selection & Current Grant

The grant agreement with UCSF was procured after APD issued an RFQ in April 2022, seeking proposals from non-profit agencies to provide behavioral health and reentry services in seven service areas (listed below) through the Department's CASC. Six people served on the selection panel, including representatives from the following agencies: Department of Public Health; Office

of Economic and Workforce Development; District Attorney's Office; Department of Children, Youth and their Families; SFAPD; and a community member with experience in adult probation services.

The RFQ solicited non-profit organizations in the following seven service areas:

- Program Area 1: Clinical Case Management (Forensic Assertive Community Treatment) and Medication Management
- Program Area 2: Reentry Case Management
- Program Area 3: Mentoring
- Program Area 4: Life Skills
- Program Area 5: Psycho-Education/Outpatient Treatment Services
- Program Area 6: Group Facilitation and Reentry Support Networking
- Program Area 7: Outreach and Community Engagement

Agencies whose proposal received a total score of 70 points or more from the selection panel were determined to be pre-qualified agencies, meaning they are eligible for contract negotiations. UCSF responded to the RFQ for Program Areas 1 (Clinical Case Management and Medication Management), 2 (Reentry Case Management), and 5 (Psycho-Education/Outpatient Treatment Services) and was deemed pre-qualified for all three program areas. Responses for Program Areas 1, 2, and 5 were evaluated on the following four areas for a total of 100 points possible in each area.

- Organizational Overview (10 points)
- Work Plan (60 points)
- Staffing Structure (20 points)
- Budget Template (10 points)

For Program Area 1, UCSF's proposal received 95.33 points out of a total possible of 100 points and was the only non-profit organization to respond. Similarly, for Program Area 5, UCSF's proposal received 96.33 points and was the only non-profit organization to respond. In Program Area 2, a total of five organizations responded: UCSF, Bayview Senior Services, Felton Institute, Five Keys Schools & Programs, and Mentoring Men's Movement. The proposal from Mentoring Men's Movement received 64.67 out of 100 and was therefore deemed to be not pre-qualified. The other four proposals received scores of 70 or higher, and were all determined to be pre-qualified. UCSF scored the highest with 96.33 points out of a possible 100. In addition to contracting with UCSF for Program Area 2 (Reentry Case Management), the Department contracted with Bayview Senior Services to provide case management services to seniors under supervision by APD.

Contract History

Following the RFQ, APD awarded UCSF a grant to fund the three service areas: clinical case management, reentry case management, and outpatient treatment. The original grant had a one-year term, from November 2022 through October 2023, and a value of \$3,379,590. In November 2023, APD amended the grant to extend the term through June 2025 and increase the value to \$9,333,302.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the second amendment to the agreement between APD and UCSF for case management services. The amendment extends the grant term by two years, from June 30, 2025 to June 30, 2027, and increases the not-to-exceed amount by \$8,539,019 for a total amount not to exceed \$17,872,321.

Services Provided

The grant funds UCSF to provide case management for justice involved adults, including:

- reentry service referrals, admissions, and waitlist management
- intake assessments
- treatment planning
- medication support
- individual and group therapy for mental health, substance use, and life skills
- benefit enrollment

Performance Monitoring

The grant includes program compliance and outcome goals, detailed in Exhibit 1 below. As shown below, in FY 2023-24, APD's program review found that the program was in full compliance with all requirements for client files and had met compliance goals related to referral tracking, assessments, treatment plans, and caseload utilization during the year.

UCSF provided case management to a total of 231 unduplicated clients in FY 2022-23 and a total of 234 unduplicated clients in FY 2023-24.

The Department reports that it did not establish a data collection methodology to track the two performance metrics associated with program completion for FY 2022-23 and FY 2023-24. In FY 2024-25, results for the first two quarters show that both program completion metrics were met. Similarly, the participant satisfaction survey was not finalized and implemented until FY 2024-25 due to pandemic delays and staffing changes. In that year, 93 percent of participants in the first two quarters rated the program favorably. Otherwise, the other five metrics have been collected since FY 2022-23 and have all been met in each of the three fiscal years provided by the department (FY 2022-23 through FY 2024-25).

Exhibit 1: UCSF Outcome Objectives for FY 2023-24

Measure	Outcome	FY 2023-24 Actual
Referral Tracking	100% of referrals will be tracked on the SFAPD All Referrals Tracking document	100%
Assessments	100% of assessed clients will be assigned to the appropriate level of case management (clinical case management or reentry case management)	100%
Treatment Plans	100% of assessed (completed intake) case managed clients will receive an individual treatment plan	100%
Caseload Utilization	Clinical case management caseloads shall be at 15:1 ratio and will not drop below 90% capacity	97.5%
	Reentry case management caseloads shall be at 25:1 ratio and will not drop below 90% capacity	95.5%
Program Completion	60% of assessed (completed intake) clients assigned to clinical case management will complete phases 1-3	Not Tracked in FY 2023-24
	70% of assessed (completed intake) clients assigned to reentry case management will complete phases 1-3	Not Tracked in FY 2023-24
Participant Satisfaction Survey	A minimum of 85% of participants surveyed will rate the program as good or excellent	Not Tracked in FY 2023-24

Source: APD

Fiscal and Compliance Monitoring

The Department reports that they follow the Controller's Office fiscal monitoring program policies and guidelines. The Department also provided a copy of their internal financial policies and procedures; however, no specific financial monitoring form is required to be completed for the grant.

FISCAL IMPACT

The proposed resolution would increase the not-to-exceed amount of the grant by \$8,539,019 to \$17,872,321. However, when factoring the actual expenditures for FY 2022-23 and FY 2023-24, which were slightly less than budgeted, the Department would need to increase the grant by \$17,078,536, as shown in Exhibit 2 below. This is \$793,785 less than the Department is seeking. We recommend that the proposed resolution be amended to reflect the lower amount needed to extend the grantee's agreement for two additional fiscal years.

Exhibit 2: UCSF Sources and Uses for Case Management Services

	Actuals		Budget	Proposed		
	FY 2022-23 (Nov-June)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
SOURCES						
Community Corrections Performance Incentives (SB 678)	\$0	\$361,949	\$872,532	\$914,622	\$936,573	3,085,676
Realignment (AB 109)	400,000					400,000
General Fund	1,364,348	2,873,099	2,750,706	3,263,195	3,341,514	13,592,861
TOTAL*	1,764,348	3,235,048	3,623,237	4,177,817	4,278,087	17,078,536
USES						
Personnel	1,456,959	2,689,485	3,000,890	3,106,085	3,180,545	13,433,964
Operating Expenses	118,351	198,950	234,144	285,000	291,928	1,128,374
Subtotal	1,575,311	2,888,435	3,235,033	3,391,085	3,472,473	14,562,337
Indirect Cost (12%)	189,037	346,612	388,204	406,930	416,697	1,747,480
Contingency (10%)				379,802	388,917	768,719
TOTAL*	\$1,764,348	\$3,235,048	\$3,623,237	\$4,177,817	\$4,278,087	\$17,078,536

Source: APD

As shown in Exhibit 2, there are three funding sources for the grant, including General Fund, state realignment funds, and state funds to support effective supervision and treatment interventions known as Community Corrections Performance Incentives Act of 2009 (SB 678) funds. These revenues fund 21.70 full-time equivalent (FTE) positions at UCSF, including 14.00 FTE clinical social workers or social worker associates and a 0.50 FTE employment specialist; 5.60 FTE health care-related positions; and 1.60 FTE administrative positions.

Actual Spending

Spending was below budget in the initial eight months of the grant agreement, with UCSF spending 78 percent, or, \$1.8 million of the total budget of \$2.2 million. Expenditures were 91 percent of the budget in FY 2023-24, or, \$3.2 million out of \$3.5 million. Assuming UCSF fully spends the FY 2023-24 grant budget of \$3.6 million, plus actual and proposed spending on the grant, we expect the total grant authority needed to extend the agreement to be \$17,078,536. Therefore, we recommend APD reduce the not to exceed amount of the grant from \$17,872,321 to \$17,100,000 and the Board of Supervisors amend the resolution to reflect a new not to exceed amount of \$17,100,000.

RECOMMENDATIONS

1. Amend the proposed resolution to reduce the not-to-exceed amount to \$17,100,000.
2. Approve the resolution, as amended.