

File No. 100738

Committee Item No. 7

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance

Date: June 28, 2010

Board of Supervisors Meeting

Date: _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
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Completed by: Andrea S. Ausberry

Date Friday, June 25, 2010

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Proposition J Contract/Certification of Specified Contracted-Out Services for San Francisco
2 County Jail]

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 health services at San Francisco Jail.**

6
7 WHEREAS, The Electorate of the City and County of San Francisco passed
8 Proposition J in November 1976, allowing City and County Departments to contract with
9 private companies for specific services which can be performed for a lower cost than similar
10 work by City and County employees (Charter Section 10.104.15); and,

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

13 WHEREAS, The City and County of San Francisco must reconcile a projected \$483
14 million budget deficit for Fiscal Year 2010-2011 with a Charter obligation to enact a balanced
15 budget each fiscal year; and,

16 WHEREAS, The Mayor has determined that the state of the City's budget for Fiscal
17 Year 2010-2011 as indicated herein has created an emergency situation justifying a
18 Purchaser's award of a contract for health services at San Francisco Jail; and,

19 WHEREAS, The Controller's certification, which confirms that said services can be
20 performed at lower costs to the City and County by private contractor than by employees of
21 the City and County, is on file with the Clerk of the Board of Supervisors in File No. 100738,
22 which is hereby declared to be part of this resolution as if set forth fully herein; now, therefore,
23 be it,

24 **RESOLVED**, That the Board of Supervisors hereby concurs with the Controller's
25 certification, and the Mayor's determination of an emergency situation, and approves the

1 Proposition J Resolution concerning the Purchaser's award of a contract to a private
2 contractor for the services listed below for the period of July 1, 2010 through June 30, 2011.

Department/Function	City Cost (High)	Contract Cost (High)	SAVINGS	FTEs
Sheriff				
Jail Health Services	\$27,408,613	\$14,176,711	\$13,231,902	151.7

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Sheriff
CONTRACT SERVICES: Jail Medical Services for Inmates
ANNUAL ANALYSIS: July 1, 2010 – June 30, 2011

1. The department's basis for proposing the Prop J certification;

The department proposes to contract out jail medical services to bring its costs into line with industry practices and jail medical costs in other jurisdiction. The department has surveyed surrounding counties and determined that there are significant savings to contracting out jail medical while maintaining adequate staffing levels.

2. The impact, if any, the contract will have on the provision of services covered by the contract, including a comparison of specific levels of service, in measurable units where applicable, between the current level of service and those proposed under the contract. For contract renewals, a comparison shall be provided between the level of service in the most recent year the service was provided by City employees and the most recent year the service was provided by the contractor;

The department will specify the units of services and types of services to be provided in the request for proposal and contract to ensure that inmate population receive proper care as specified under Title XV. The department will require that a proposed contractor hold industry accreditation and experience to provide quality services.

3. The department's proposed or, for contract renewals, current oversight and reporting requirements for the services covered by the contract;

The department's Chief Financial Officer along with its contract analyst will monitor the reporting requirements for the services covered by the contract.

4. The contractor's proposed or, for contract renewals, current wages and benefits for employees covered under the contract, and the contractor's current labor agreements for employees providing the services covered by the contract;

The department's Proposition J proposal assumes that the contractor will offer employees the same wages and benefits as the City.

5. The department's proposed or, for contract renewals, current procedures for ensuring the contractor's ongoing compliance with all applicable contracting requirements, including Administrative Code Chapter 12P (the Minimum Compensation Ordinance), Chapter 12Q (the Health Care Accountability Ordinance); and Section 12B.1 (b) (the Equal Benefits Ordinance);

All applicable contracting requirements will be stipulated in the request for proposal and included in the contract. The department will monitor the contractor for compliance on a yearly basis. The department will maintain the right to audit the contractor at any time.

**PROP J ANALYSIS
SHERIFF
JAIL HEALTH SERVICES
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)(2)
FISCAL YEAR 2010-11**

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
Clerk	1404	1.0	1,447	1,755	\$ 37,764	\$ 45,805
Clinical Pharmacist	2454	1.0	4,223	5,391	110,231	140,702
Dental Aide	2202	2.0	1,893	2,301	98,830	120,090
Dentist	2210	1.4	4,329	5,660	158,193	206,811
Health Worker III	2587	2.0	1,794	2,181	93,652	113,866
Health Worker IV	2588	1.0	2,097	2,549	54,742	66,517
IS Business Analyst-Principal	1054	1.0	3,547	3,948	92,582	103,052
IS Engineer-Journey	1042	1.0	3,279	3,651	85,585	95,294
Licensed Vocational Nurse	2312	25.5	2,017	2,452	1,344,711	1,634,635
Manager I	0922	0.8	3,130	3,995	65,362	83,405
Manager II	0923	1.0	3,357	4,284	87,628	111,825
Manager III	0931	1.0	3,623	4,624	94,573	120,687
Manager V	0933	1.0	4,194	5,353	109,460	139,706
Manager VIII	0943	1.0	5,458	6,966	142,444	181,802
Medical Records Clerk	2110	3.0	1,704	2,072	133,458	162,210
Nurse Manager	2322	2.0	4,314	6,282	225,193	327,906
Nurse Practitioner	2328	7.6	4,606	6,520	907,635	1,284,799
Nursing Supervisor	2324	1.0	4,800	6,988	125,292	182,400
Pharmacist	2450	2.2	3,831	4,889	224,000	285,841
Pharmacy Technician	2409	5.3	2,207	2,683	305,307	371,145
Physician Specialist	2230	0.3	4,656	6,240	31,599	42,343
Porter	2736	8.0	1,511	1,834	315,459	382,972
Porter Assistant Supervisor	2738	1.0	1,660	2,017	43,316	52,651
Principal Clerk	1408	1.0	1,978	2,405	51,631	62,758
Registered Nurse	2320	59.4	3,718	4,884	5,760,283	7,566,762
Senior Accountant	1652	1.0	2,297	2,792	59,955	72,859
Storekeeper	1934	1.0	1,647	2,002	42,992	52,253
Senior Physician Specialist	2232	2.4	5,134	6,717	321,613	420,732
Supervising Physician Specialist	2233	1.0	5,526	7,224	144,237	188,549
Unit Clerk	1428	2.0	1,750	2,127	91,362	111,028
Temporary Miscellaneous		12.9			1,495,805	1,495,805
Holiday Pay					175,204	175,204
Overtime Pay					507,224	507,224
Premium Pay					728,307	728,307
Total Salary Costs		151.70			14,265,627	17,637,943
FRINGE BENEFITS						
Variable Fringes (3)					3,448,443	4,402,901
Fixed Fringes (4)					1,717,436	1,717,436
Total Fringe Benefits					5,165,879	6,120,337
ESTIMATED CAPITAL & OPERATING COSTS						
Materials and Supplies					3,096,912	3,096,912
Professional and Specialized Services					76,042	76,042
Services of Other Departments					477,379	477,379
Total Capital & Operating					3,650,333	3,650,333
ESTIMATED TOTAL CITY COST					23,081,839	27,408,613
LESS: ESTIMATED TOTAL CONTRACT COST (5)					(12,029,083)	(14,176,711)
ESTIMATED SAVINGS					\$ 11,052,756	\$ 13,231,902
% of Estimated Savings to Estimated City Cost					48%	48%

Comments/Assumptions:

1. FY 2010-11 would be the first year these services are contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2010. Costs are represented as annual 12 month costs.
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement costs, employee retirement pick-up, and long-term disability, where applicable.
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
5. Contract cost determined using staffing levels for Alameda County, which contracts out jail health services. Staffing costs include both fixed costs (positions that must be provided regardless of the number of inmates) and variable costs (staffing that fluctuates with the number of inmates). Pharmacy costs are also included as well as 1.0 FTE for contract management and oversight.

**PROP J ANALYSIS: SHERIFF
ESTIMATE OF CONTRACT COST FOR JAIL HEALTH
FISCAL YEAR 2010-11**

ESTIMATED SALARY COSTS: (1)

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
FIXED STAFFING: (2)						
Manager I	0922	1.00	3,130	3,995	\$ 81,703	\$ 104,257
Manager II	0923	2.00	3,357	4,284	175,255	223,649
Manager III	0931	4.00	3,623	4,624	378,292	482,748
Manager IV	0932	2.00	3,887	4,960	202,888	258,899
Secretary	1446	3.00	1,816	2,207	142,196	172,815
Medical Records Clerk	2110	15.80	1,704	2,072	702,877	854,309
Medical Records Supervisor	2114	1.00	2,234	2,715	58,302	70,874
Dental Aide	2202	1.00	1,893	2,301	49,415	60,045
Dentist	2210	1.00	4,329	5,660	112,995	147,722
Senior Physician Specialist	2232	4.60	5,134	6,717	616,425	806,402
Medical Director	2235	1.00	6,108	7,425	159,422	193,801
Holiday/Premium Pay					167,150	181,216
Total Salary Cost		36.40			2,846,919	3,556,737
Variable Fringes					665,364	832,389
Fixed Fringes					471,697	471,697
Total					3,983,980	4,860,823
VARIABLE STAFFING: (3)						
Licensed Vocational Nurse	2312	42.90	2,017	2,452	\$ 2,258,736	\$ 2,745,726
Bacteriological Laboratory Assistant	2416	1.20	1,764	2,143	55,235	67,125
Health Worker III	2587	6.80	1,794	2,181	318,416	387,144
Registered Nurse	2320	35.58	3,718	4,884	3,452,676	4,535,468
Nurse Manager	2322	2.60	4,314	6,282	292,751	426,278
Nurse Practitioner	2328	3.00	4,606	6,520	360,650	510,516
Holiday/Premium Pay					405,044	448,198
Total Salary Cost		92.08			7,143,508	9,120,455
Variable Fringes					2,001,258	2,566,089
Fixed Fringes					1,119,107	1,119,107
Total					10,263,874	12,805,651
ESTIMATED TOTAL FIXED SALARY COST					\$ 3,983,980	\$ 4,860,823
ESTIMATED VARIABLE SALARY COST PER INMATE					2,274	2,838
Number of Inmates CCSF					2,200	2,200
ESTIMATED TOTAL SALARY COST					8,987,420	11,103,330
PHARMACY COSTS: (4)					2,910,963	2,910,963
TOTAL CONTRACT COST:					\$ 11,898,383	\$ 14,014,293

Comments/Assumptions:

1. FTE positions reflect current staffing levels for Alameda County, which currently contracts out jail health services.
2. Fixed staff positions include FTE positions required regardless of the number of inmates.
3. Variable staff positions fluctuate with the number of inmates.
4. Pharmacy costs reflect what San Francisco currently pays for these services.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

May 25, 2010

Sheriff Michael Hennessey
City Hall, Room 456
1 Carlton B. Goodlett Place
San Francisco, CA 94102

Attention: Maureen Gannon
Chief Financial Officer

RE: Contracting for Jail Health Services - FY 2010-11

Dear Sheriff Hennessey:

The cost information and supplemental data provided by your office on the proposed contract for jail health services have been reviewed by my staff.

If these services are provided at the proposed contract price, it appears they can be performed at a lower cost than if the work were performed by City employees.

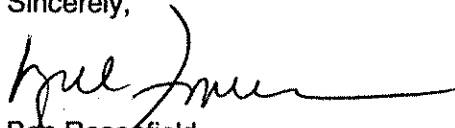
The requirements of Charter Section 10.104.15 relative to the Controller's findings that "work or services can be practically performed under private contract at a lesser cost than similar work performed by employees of the City and County of San Francisco" have been satisfied. Attached is a statement of projected cost and estimated savings for Fiscal Year 2010-11 and the informational items provided by the department pursuant to San Francisco Administrative Code Section 2.15.

Your department does not need to take further action for Board of Supervisors' approval because this determination will become part of the FY 2010-11 budget approval process. Following that legislative approval, we will notify your department and the Purchaser that this Charter requirement has been met.

If it is your department's intention to enter into a multiple year contract, you should note that this Charter section requires annual determination by the Controller and resolution by the Board of Supervisors.

Please contact Nadia Feeser at 415-554-5247 if you have any questions regarding this determination.

Sincerely,



Ben Rosenfield,
Controller

Enclosures

cc: Board of Supervisors' Budget Analyst
Human Resources, Employee Relations
Greg Wagner, Mayor's Budget Director

Office of the Mayor
City & County of San Francisco



Gavin Newsom

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *RV* Mayor Gavin Newsom *ST*
RE: Proposition J Contract/Certification of Specified Contracted-Out
Services for San Francisco County Jail
DATE: June 1, 2010

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is the resolution concurring with the Controller's certification that services can be performed by private contractor for a lower cost than similar work performed by City and County employees for health services at San Francisco Jail.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

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