

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Government Audit and Oversight Committee

FROM: Budget and Legislative Analyst



SUBJECT: June 11, 2021 Special Government Audit and Oversight Committee Meeting

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Item 4 File 21-0449	Department: Department of Public Health (DPH)
EXECUTIVE SUMMARY	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve Amendment No. 1 to the COVID-19 isolation and quarantine services contract between the Department of Public Health (DPH) and HealthRIGHT 360, extending the contract term by one year through June 2022, and increasing the not-to-exceed amount of the contract by \$11,989,390, for a total not to exceed \$21,767,146. <p>Key Points</p> <ul style="list-style-type: none"> • Following a Request for Qualifications (RFQ), DPH awarded a COVID-19 isolation and quarantine service contract to HealthRIGHT 360 for a term of nine months, from October 2020 through June 2021, and an amount not to exceed \$9,777,756. • Under the contract, HealthRIGHT 360 provides isolation and quarantine services to people who are homeless or live in a congregate setting and cannot isolate safely in their housing setting. Isolation and quarantine services are provided to people who test positive for COVID-19 or have a known contact with someone who had tested positive for COVID-19. HealthRIGHT 360 staff provides patient screening, medical, and behavioral health services on site, as well as linkages to other health providers. • Under the proposed one-year contract extension, HealthRIGHT 360 will serve up to 1,043 unduplicated clients for 14 days each, or approximately 14,600 bed days. If COVID-19 case rates continue to decline, DPH would direct HealthRIGHT 360 to scale down the program, resulting in reduced costs, or terminate the contract if services are no longer required. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed Amendment No. 1 would increase the not-to-exceed amount of the contract by \$11,989,390, for a total not to exceed \$21,767,146. DPH anticipates receiving reimbursement from the Federal Emergency Management Agency (FEMA) for the full cost of the contract. <p>Recommendation</p> <ul style="list-style-type: none"> • 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 July 2020, the Department of Homelessness and Supportive Housing (HSH) issued a Request for Qualifications (RFQ) to establish a prequalified list of service providers to operate isolation and quarantine sites for people who test positive for COVID-19 or are under investigation for COVID-19 infection. Three proposers were deemed to be prequalified. Subsequently, the Department of Public Health (DPH) reviewed proposals from the three prequalified proposers and scored them, as shown in Table 1 below.

Table 1: Scores of Prequalified Proposers

Proposer	Score (out of 150)
HealthRIGHT 360	142.00
Bay Area Community Services	129.25
Episcopal Community Services	128.50

HealthRIGHT 360 was determined to be the highest scoring responsive and responsible proposer and was awarded a contract. In December 2020, DPH retroactively executed a contract with HealthRIGHT 360 for a term of nine months, from October 2020 through June 2021, and amount not to exceed \$9,777,756.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Amendment No. 1 to the COVID-19 isolation and quarantine services contract between DPH and HealthRIGHT 360, extending the contract by one year through June 2022, and increasing the not-to-exceed amount by \$11,989,390, for a total not to exceed \$21,767,146.

Under the contract, HealthRIGHT 360 provides isolation and quarantine services to people who are homeless or live in a congregate setting and cannot isolate safely in their housing setting. Isolation and quarantine services are provided to people who test positive for COVID-19 or have a known contact with someone who had tested positive for COVID-19. HealthRIGHT 360 staff provides patient screening, medical, and behavioral health services on site, as well as linkages to other health providers. HealthRIGHT360 employs approximately 96.33 full-time equivalent (FTE) employees for this program.

As of May 25, 2021, San Francisco has a daily COVID-19 case rate of 2.1 per 100,000 population and a test positivity rate of 0.5 percent. Approximately 78 percent of San Francisco residents at least 16 years old have received at least one COVID-19 vaccine dose, and 66 percent are fully vaccinated. According to Ms. Michelle Ruggels, DPH Business Office Director, DPH has continued

the same service estimates from the original one-year term to the proposed one-year contract extension, or that HealthRIGHT 360 will serve a maximum of approximately 1,043 unduplicated clients for 14 days each, for a total of approximately 14,600 bed days. However, assuming COVID-19 case rates continue to decline, DPH will direct HealthRIGHT 360 to scale down, resulting in reduced costs, and if isolation and quarantine services are no longer required, DPH would terminate the contract. Ms. Ruggels also noted that reimbursement is based on the actual costs each month to operate the program.

According to Ms. Ruggels, DPH staff deployed to COVID-19 response are working closely with HR360 on an ongoing basis to monitor the agency's performance towards meeting the City's COVID-19 response objectives.

FISCAL IMPACT

The proposed Amendment No. 1 would increase the not-to-exceed amount of the contract by \$11,989,390, for a total not to exceed \$21,767,146. The contract budget is shown in Table 2 below.

Table 2: Contract Budget

Item	Original Contract	Proposed Increase	Total
Salaries	\$5,139,000	\$6,852,000	\$11,991,000
Employee Benefits	1,670,175	2,226,900	3,897,075
Operating Costs ¹	782,250	1,043,000	1,825,250
Indirect Costs ²	1,138,714	1,518,285	2,656,999
Contingency	1,047,617	349,205	1,396,822
Total Not-to-Exceed	\$9,777,756	\$11,989,390	\$21,767,146

According to Ms. Ruggels, actual contract expenditures to date are unknown because HealthRIGHT 360 has not submitted invoices since December 2020. Ms. Ruggels anticipates that DPH will receive reimbursement from the Federal Emergency Management Agency (FEMA) for the full cost of the contract.

RECOMMENDATION

Approve the proposed resolution.

¹ Operating costs include utilities, building repair and maintenance, supplies, computer hardware/software, training, insurance, hazardous waste disposal, personal protective equipment (PPE), and transportation.

² Indirect costs include allocated salaries and benefits of HealthRIGHT 360 administrative staff, rent, utilities, building repair and maintenance, office supplies, insurance, training, travel, equipment rentals, payroll services, IT licenses, and program licenses.