

1 [Administrative Code - Department of Public Health Group Purchasing Organizations]

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3 **Ordinance amending the Administrative Code to authorize the Department of Public**
 4 **Health to participate in Group Purchasing Organizations for procurement of**
 5 **commodities, information technology products and related services, and general and**
 6 **professional services related to operation of its facilities.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 10 **Board amendment additions** are in double-underlined Arial font.
 11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 12 **Asterisks (* * * *)** indicate the omission of unchanged Code
 13 subsections or parts of tables.

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

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14 Section 1. The Administrative Code is hereby amended by adding Chapter 21A and
 15 Section 21A.1, and revising and renumbering (as Section 21A.2) existing Section 21.43, to
 16 read as follows:

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CHAPTER 21A. HEALTH-RELATED COMMODITIES AND SERVICES

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SEC. 21A.1. SCOPE OF CHAPTER.

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(a) Agreements for Commodities and Services for the Department of Public Health (“DPH”)

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may be entered into and procured under the requirements of this Chapter 21A where expressly stated in
 21 this Chapter.

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(b) Unless expressly stated otherwise in Chapter 21A, Chapter 21, as well as any other

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applicable Charter or Code requirement, shall apply to Commodities and Services contracts procured
 24 by DPH.

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(c) As used in this Chapter 21A, all words shall have the same meanings as in Chapter 21.

1 **SEC. ~~21.43~~ 21A.2. MEMBERSHIP IN UNIVERSITY HEALTHSYSTEMS CONSORTIUM**
2 **AND UNIVERSITY HEALTHSYSTEMS CONSORTIUM SERVICES CORPORATION. GROUP**
3 **PURCHASING ORGANIZATIONS.**

4 (a) Findings.

5 (1) In 1997, the City authorized the Department of Public Health (“DPH”) to join the
6 University HealthSystem Consortium (“UHC”) and University HealthSystem Consortium Services
7 Corporation (“UHCSC”), and utilize all programs and services offered by UHC and UHCSC including
8 Novation, a Group Purchasing Organization (“GPO”), to obtain discounts on goods and materials.
9 (Enacted as Admin. Code Section 15.104, renumbered as Admin. Code Section 21.43 in 2014.)

10 (2) GPOs obtain cost savings by pooling their members’ purchasing power, conducting
11 a competitive bidding process for a vast array of goods and services for health care organizations, and
12 negotiating lower prices from their participating vendors.

13 (3) Membership in GPOs allows DPH to procure goods and services such as medical
14 supplies and information technology on a timely and cost-effective basis, thereby facilitating improved
15 quality of care, and saving DPH millions of dollars each fiscal year.

16 (4) On March 14, 2013, the Controller issued a City services audit report evaluating the
17 ways in which DPH could improve its contracting practices to achieve greater cost savings. One of the
18 Controller’s recommendations was to centralize purchasing information and functions to maximize
19 DPH’s purchasing options. This report is on file with the Clerk of the Board of Supervisors in File No.
20 150567.

21 (5) Currently, DPH is authorized only to be a member of UHC, which prevents DPH
22 from using other GPOs and comparing costs to determine whether DPH is getting the best prices.

23 (6) Since this Section 21A.2 (then numbered Section 21.43) was enacted, information
24 technology has become an integral part of nearly every piece of medical equipment, and is essential to
25 safe and effective patient care. Clarifying that DPH can procure information technology products and

1 services through a number of GPOs will ensure that DPH will have access to competitive pricing for a
2 wide array of goods and services.

3 (b) The Director of Health ("Director") is hereby authorized to apply and pay for
4 membership of ~~the Department of Public Health~~ ("DPH") in the ~~University HealthSystems~~
5 ~~Consortium UHC~~, and the ~~University HealthSystems Consortium Services Corporation~~ UHCSC, and
6 their successors, and other entities that offer GPOs. Upon obtaining membership, DPH is
7 authorized to utilize all programs and services provided offered by the ~~University HealthSystems~~
8 ~~Consortium UHC~~, and the ~~University HealthSystems Consortium Services Corporation~~ UHCSC, and
9 their successors, and other entities that offer GPOs, including, but not limited to, the ~~P~~urchasing
10 ~~P~~rogram and the clinical and financial databases. The Director ~~of Health~~ is authorized to
11 enter into and execute written membership agreements on behalf of the City and County of San
12 Francisco ("City") with the ~~University HealthSystems Consortium UHC~~, and the ~~University~~
13 ~~HealthSystems Consortium Services Corporation~~ UHCSC, and their successors, and other entities that
14 offer GPOs. The Director ~~of Health~~, or person designated in writing by the Director, is also
15 authorized to enter into and execute written agreements, including but not limited to operating
16 lease agreements for equipment, ~~and execute purchase orders~~ on behalf of the City ~~and County of~~
17 ~~San Francisco~~ with suppliers of commodities, information technology products and related services,
18 equipment maintenance, general and professional services ~~goods and materials~~, and/or finance
19 entities affiliated with those suppliers, selected by the UHC, the University HealthSystems
20 ~~Consortium Services Corporation~~ UHCSC, and their successors, or other entities that offer GPOs,
21 through ~~its~~ their competitive bidding processes. Subject to applicable provisions of the City Charter,
22 ~~Said such~~ agreements ~~and purchase orders~~ shall be governed by the GPO's terms of the University
23 ~~Health Systems Consortium Services Corporation's~~ standard terms and conditions. DPH may
24 consult with the Office of Public Finance on agreements to which a supplier's finance entity is
25 a party.

1 (c) The Director shall evaluate all GPO memberships every five (5) years beginning in 2020,
2 and provide the Health Commission with a report of such evaluation by January 31, 2020, and by
3 January 31 of every fifth year thereafter to determine which GPO membership(s) offer DPH the best
4 value.

5 Section 2. Effective Date. This ordinance shall become effective 30 days after
6 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
7 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
8 of Supervisors overrides the Mayor’s veto of the ordinance.

9 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
10 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
11 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
12 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
13 additions, and Board amendment deletions in accordance with the “Note” that appears under
14 the official title of the ordinance.

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16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA, City Attorney

18 By: _____
19 Virginia Dario Elizondo
20 Deputy City Attorney

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