



City and County of San Francisco
Edwin M. Lee
Mayor

San Francisco Department of Public Health

Barbara A. Garcia, MPA
Director of Health

February 22, 2016

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Attached please find an original and two copies of proposed resolution for Board of Supervisors approval to accept a distribution of Vizient, Inc. common stock by and through the Department of Public Health for Zuckerberg San Francisco General Hospital and Trauma Center (ZSFG) and Laguna Honda Hospital and Rehabilitation Center (LHH).

The distribution of these shares of common stock resulted from ZSFG and LHH's membership in the University HealthSystem Consortium (UHC), a member-owned alliance of the nation's leading academic medical centers that provides discounted services and medical supplies and materials. (The Department of Public Health's authority to be a member of UHC is described in SF Administrative Code Section 21A.2.) UHC merged with VHA, Inc., the national health care network of not-for-profit hospitals, to form Vizient, Inc., a member-owned health care services company. As a result of this merger, UHC members were allocated stock in Vizient, Inc. based on the member's participation and patronage. These shares must be accepted by March 31, 2016.

This resolution also asks for Board approval to allow the Director of Health to enter into an agreement with Vizient, Inc., with City Attorney approval as to form, that describes the terms and conditions for the distribution of the Vizient stock, which will be held in trust for DPH by the Office of the Treasurer and Tax Collector of the City and County of San Francisco.

One copy of each of the following accompanying documents is also attached:

- Bylaws of Vizient, Inc.
- Certificate of Incorporation of Vizient, Inc.
- Joinder to Stockholder's Agreement for ZSFG
- Joinder to Stockholder's Agreement for LHH
- Stockholder's Agreement for ZSFG
- Stockholder's Agreement for LHH

Please feel free to contact me with any questions or for additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Colleen M. Chawla".

Colleen M. Chawla
Deputy Director of Health