

1 [Administrative Code - Health Service System Contracting Authority; Employee Benefit
2 Cafeteria Plan]

3 **Ordinance amending Sections 16.900 through 16.905 and 21.02 of the San Francisco**
4 **Administrative Code, to update provisions regarding: 1) the San Francisco Health**
5 **Service System's contracting authority; and 2) the City's employee benefit Cafeteria**
6 **Plan.**

7
8 NOTE: Additions are *single-underline italics Times New Roman*;
9 deletions are ~~*strike-through italics Times New Roman*~~.
10 Board amendment additions are double-underlined;
11 Board amendment deletions are ~~strikethrough normal~~.

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

13 Section 1. The San Francisco Administrative Code is hereby amended by amending
14 Sections 16.900 through 16.905 and 21.02 to read as follows:

15 **SEC. 16.900. ESTABLISHMENT OF A CAFETERIA PLAN.**

16 The ~~Department of Human Resources~~ San Francisco Health Service System may establish an
17 employee cafeteria plan as provided and regulated under Section 125 of Title 26 of the United
18 States Internal Revenue Code.

19 **SEC. 16.901. PURPOSE.**

20 The purpose of this plan is to extend to employees of the City and County of San
21 Francisco, San Francisco Unified School District, ~~and the~~ San Francisco Community College
22 District, ~~and the~~ Superior Court of California, County of San Francisco and the San Francisco
23 County Transportation Authority (Participating Employers), those types of benefits that
24 ordinarily accrue from participation in a cafeteria plan. The City and County of San Francisco
25 does not and cannot represent or guarantee that any particular federal or state income,

1 payroll or other tax consequence will occur by reason of an employee's participation in this
2 plan. The participant should consult with his or her own attorney or other representative
3 regarding all tax consequences of participation in this plan.

4 **SEC. 16.902. ADMINISTRATION BY THE ~~DEPARTMENT OF HUMAN RESOURCES~~ SAN**
5 **FRANCISCO HEALTH SERVICE SYSTEM.**

6 The cafeteria plan established pursuant to this Article may be administered by the
7 ~~Department of Human Resources~~ the San Francisco Health Service System which may prescribe such
8 forms, and adopt such rules and regulations as are necessary to carry out the purposes of the
9 plan. The San Francisco Health Service System shall also have the authority to amend the plan to
10 ensure compliance with applicable laws and regulations, to reflect changes in benefit offerings by the
11 City and County of San Francisco or Participating Employers, and to make modifications for the
12 reasonable administration of the plan. The ~~Department of Human Resources~~ the San Francisco Health
13 Service System may contract with a financially responsible independent contractor to administer
14 and coordinate the plan.

15 **SEC. 16.903. NO COST TO CITY AND COUNTY.**

16 This cafeteria plan shall be administered free of direct cost to, or appropriation by, the
17 City and County of San Francisco or the Participating Employers. Except as herein provided, all
18 such costs shall be borne by the participants or by any plan administrator appointed
19 hereunder, except to the extent that any subsequent ordinance or appropriation might provide
20 expressly to the contrary. Nothing contained in this Section shall be deemed to prohibit the
21 inclusion of a hold harmless provision in any contract between the City and any plan
22 administrator appointed hereunder, which provision has been approved by the City's Risk
23 Manager pursuant to Administrative Code Section 1.24.

24 **SEC. 16.904. VOLUNTARY EMPLOYEE BENEFITS.**

1 Based upon individual authorized deductions, the Controller is hereby authorized to
2 deduct and collect monies from the salaries or wages of employees of the City and County of
3 San Francisco, ~~and the San Francisco Community College District, and the Superior Court of~~
4 California, County of San Francisco, in accordance with San Francisco Administrative Code
5 Sections 16.91 and 16.92. Pursuant to Section 125, this voluntary authorized deduction shall
6 not be revocable by the employee during the cafeteria plan year unless the revocation and
7 new election are in conformance with Section 125 and the terms of the plan.

8 **SEC. 16.905. CAFETERIA PLAN BENEFITS.**

9 The Board of Supervisors hereby approves the inclusion of those benefit plans
10 qualifying under the employee cafeteria plan as provided and regulated under Section 125 of
11 Title 26 of the United States Code as well as the medical care plans adopted by the Health
12 Service Board and approved by the Board of Supervisors annually under Section A8.422 of
13 the Charter and Administrative Code Section ~~16.157~~16.703 and which medical plans are on file
14 with the Clerk of the Board of Supervisors.

15 **SEC. 21.02. DEFINITIONS.**

16 As used in this Chapter the following words shall have the following respective
17 meanings:

18 (a) "Bid" shall mean a bid, quotation, or other offer, other than a Proposal, from a
19 person or entity to sell a Commodity or Service to the City at a specified price.

20 (b) "Bidder" shall mean any person or entity which submits a Bid.

21 (c) "City" shall mean the City and County of San Francisco.

22 (d) "Code" or "this Code" shall mean the most current version of the San
23 Francisco Charter and the San Francisco Municipal Code.

24 (e) "Commodity" shall mean products, including materials, equipment and
25 supplies, purchased by the City. "Commodity" shall specifically exclude legal and litigation

1 related contracts or contracts entered into pursuant to settlement of legal proceedings, and
2 employee benefits, including, without limitation, health plans, retirement or deferred
3 compensation benefits, insurance and flexible accounts, provided by or through the City's
4 Human Resources Department or the Retirement Board.

5 (f) "Contractor" shall mean any corporation, partnership, individual, sole
6 proprietorship, joint venture or other legal entity which enters into a contract to sell
7 Commodities or Services to the City.

8 (g) "Contracting Officer" shall mean the City employee who is authorized to
9 execute a contract, which may be either the Department head or a person designated in
10 writing by the Department head, board or commission as having the authority to sign contracts
11 for the Department. A designation of authority to sign contracts on behalf of a Department
12 may specify authority to sign a single contract, specified classes of contracts, or all contracts
13 entered into by a Department.

14 (h) "Electronic" shall mean electrical, digital, magnetic, optical, electromagnetic or
15 other similar technology for conveying documents or authorizations, excluding facsimile.

16 (i) "General Services" shall mean those services that are not Professional
17 Services. General Services include, but are not limited to, janitorial, security guard, pest
18 control, parking lot management, and landscaping services.

19 (j) "Minimum Competitive Amount" shall mean (i) for the procurement of
20 Commodities and Professional Services, the "Minimum Competitive Amount" as defined in
21 Section 6.40(A) of the Administrative Code, which shall be \$100,000 and (ii) for the
22 procurement of General Services, an amount equivalent to the "Threshold Amount" as defined
23 in Chapter 6.1(M) of the Administrative Code which shall be \$400,000, provided that on
24 January 1, 2015 and every five years thereafter, the Controller shall recalculate the Minimum
25 Competitive Amount (and the Threshold Amount from which the Minimum Competitive

1 Amount for General Services is calculated) to reflect any proportional increase in the Urban
2 Regional Consumer Price Index from January 1, 2010, rounded to the nearest \$1,000.

3 (k) "Offer" shall mean a Bid or Proposal submitted to the City in response to an
4 invitation for Bids or a Request for Proposals. "Offer" may include a response to a request for
5 qualifications if no further ranking prior to Contractor selection is contemplated by the
6 procurement process.

7 (l) "Offeror" shall mean a person or entity that submits an Offer to the City to
8 provide Commodities or Services.

9 (m) "Professional Services" shall mean those services which require extended
10 analysis, the exercise of discretion and independent judgment in their performance, and/or the
11 application of an advanced, specialized type of knowledge, expertise, or training customarily
12 acquired either by a prolonged course of study or equivalent experience in the field.
13 Professional service providers include, but are not limited to, licensed professionals such as
14 architects, engineers, and accountants, and non-licensed professionals such as software
15 developers and financial consultants.

16 (n) "Proposal" shall mean a response to a request for Proposals issued by the
17 City for Commodities or Services, or a response to a request for qualifications if no further
18 ranking prior to Contractor selection is contemplated by the procurement process.

19 (o) "Proposer" shall mean a person or entity that submits a Proposal in response
20 to a request for Proposals issued by the City.

21 (p) "Purchase Order" shall mean an authorization document designated as such
22 by the Purchaser for the procurement of Commodities or Services, whether issued in a paper
23 or electronic format, including blanket purchase orders for purchases involving multiple
24 payments.

1 (q) "Purchaser" shall mean the Purchaser of Commodities or Services of the City
2 and County of San Francisco, or his or her designee(s).

3 (r) "Quotation" shall mean an Offer to supply Commodities or Services to the City
4 for a specified price (and possibly subject to other terms and conditions) which is acquired
5 without the use of advertising to solicit Bids.

6 (s) "Services" shall mean Professional Services and General Services. "Services"
7 shall specifically exclude grants to a nonprofit entity to provide services to the community,
8 which may include incidental purchases of commodities; legal and litigation related services or
9 contracts entered into pursuant to settlement of legal proceedings; and services related to
10 employee benefits, including, without limitation, health plans, retirement or deferred
11 compensation benefits, insurance and flexible accounts, provided by or through the *City's*
12 *Human Resources Department* *the San Francisco Health Service System* or the Retirement Board.

13 (t) "Solicitation" shall mean an invitation for Bids, request for Quotations, request
14 for qualifications, or request for Proposals issued by the City for the purpose of soliciting Bids,
15 Quotations, or Proposals to perform a City contract.

16 (u) "Technology Store" shall mean the City-wide, multiple award contract for the
17 procurement of certain Commodities and Services awarded pursuant to the "Request for
18 Proposal for Computer Hardware, Software, Peripherals and Appropriate Network,
19 Consulting, Maintenance, Training and Support Services," and any successor contracts
20 thereto.

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1 Section 2. Effective Date. This ordinance shall become effective 30 days from the date of
2 passage.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: Erik A. Rapoport
7 Erik A. Rapoport
8 Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 111246

Date Passed: January 10, 2012

Ordinance amending the San Francisco Administrative Code Sections 16.900 through 16.905 and 21.02 to update provisions regarding: 1) the San Francisco Health Service System's contracting authority; and 2) the City's Employee Benefit Cafeteria Plan.

December 07, 2011 Budget and Finance Committee - RECOMMENDED

December 13, 2011 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

January 10, 2012 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 111246

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
1/10/2012 by the Board of Supervisors of the
City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved