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

NOTE: Additions are single-underline italics Times New Roman; deletions are strike-through italics Times New Roman. Board amendment additions are double-underlined; Board amendment deletions are strikethrough normal.

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

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

SEC. 16.900. ESTABLISHMENT OF A CAFETERIA PLAN.

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

SEC. 16.901. PURPOSE.

The purpose of this plan is to extend to employees of the City and County of San Francisco, San Francisco Unified School District, the San Francisco Community College District, the Superior Court of California, County of San Francisco and the San Francisco County Transportation Authority (Participating Employers), those types of benefits that ordinarily accrue from participation in a cafeteria plan. The City and County of San Francisco does not and cannot represent or guarantee that any particular federal or state income,
payroll or other tax consequence will occur by reason of an employee's participation in this plan. The participant should consult with his or her own attorney or other representative regarding all tax consequences of participation in this plan.

SEC. 16.902. ADMINISTRATION BY THE DEPARTMENT OF HUMAN RESOURCES
SAN FRANCISCO HEALTH SERVICE SYSTEM.

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

SEC. 16.903. NO COST TO CITY AND COUNTY.

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

SEC. 16.904. VOLUNTARY EMPLOYEE BENEFITS.
Based upon individual authorized deductions, the Controller is hereby authorized to
deduct and collect monies from the salaries or wages of employees of the City and County of
San Francisco, and the San Francisco Community College District, and the Superior Court of
California, County of San Francisco, in accordance with San Francisco Administrative Code
Sections 16.91 and 16.92. Pursuant to Section 125, this voluntary authorized deduction shall
not be revocable by the employee during the cafeteria plan year unless the revocation and
new election are in conformance with Section 125 and the terms of the plan.

SEC. 16.905. CAFETERIA PLAN BENEFITS.

The Board of Supervisors hereby approves the inclusion of those benefit plans
qualifying under the employee cafeteria plan as provided and regulated under Section 125 of
Title 26 of the United States Code as well as the medical care plans adopted by the Health
Service Board and approved by the Board of Supervisors annually under Section A8.422 of
the Charter and Administrative Code Section 16.457/16.703 and which medical plans are on file
with the Clerk of the Board of Supervisors.

SEC. 21.02. DEFINITIONS.

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

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

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

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

(d) "Code" or "this Code" shall mean the most current version of the San

(e) "Commodity" shall mean products, including materials, equipment and
supplies, purchased by the City. "Commodity" shall specifically exclude legal and litigation
related contracts or contracts entered into pursuant to settlement of legal proceedings, and
employee benefits, including, without limitation, health plans, retirement or deferred
compensation benefits, insurance and flexible accounts, provided by or through the City's
Human Resources Department or the Retirement Board.

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

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

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

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

(j) "Minimum Competitive Amount" shall mean (i) for the procurement of
Commodities and Professional Services, the "Minimum Competitive Amount" as defined in
Section 6.40(A) of the Administrative Code, which shall be $100,000 and (ii) for the
procurement of General Services, an amount equivalent to the "Threshold Amount" as defined
in Chapter 6.1(M) of the Administrative Code which shall be $400,000, provided that on
January 1, 2015 and every five years thereafter, the Controller shall recalculate the Minimum
Competitive Amount (and the Threshold Amount from which the Minimum Competitive
Amount for General Services is calculated to reflect any proportional increase in the Urban Regional Consumer Price Index from January 1, 2010, rounded to the nearest $1,000.

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

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

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

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

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

(p) "Purchase Order" shall mean an authorization document designated as such by the Purchaser for the procurement of Commodities or Services, whether issued in a paper or electronic format, including blanket purchase orders for purchases involving multiple payments.
(q) "Purchaser" shall mean the Purchaser of Commodities or Services of the City and County of San Francisco, or his or her designee(s).

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

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

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

(u) "Technology Store" shall mean the City-wide, multiple award contract for the procurement of certain Commodities and Services awarded pursuant to the "Request for Proposal for Computer Hardware, Software, Peripherals and Appropriate Network, Consulting, Maintenance, Training and Support Services," and any successor contracts thereto.
Section 2. Effective Date. This ordinance shall become effective 30 days from the date of passage.

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

By:  
Erik A. Rapoport
Deputy City Attorney
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, Oillaume 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

Date Approved