

# Annual DPH Sole Source Reports

## Health Commission Meeting

### 8/18/25

- ▶ For Discussion (Health Commission approval not required):
  - ▶ (1) San Francisco Administrative Code, Chapter 67.24 (Sunshine Ordinance) Annual DPH Sole Source Waiver Usage Report submitted to the Board of Supervisors annually.
  - ▶ (2) San Francisco Administrative Code, Chapter 21G requirement to provide to the Board of Supervisors a listing of each grant (contractual agreement) that the Granting Agency (DPH) awarded during the preceding calendar year without following an open and competitive process.
  - ▶ (3) San Francisco Administrative Code, Chapter 21A.4 requirement by January 31<sup>st</sup>, DPH to provide to the Health Commission an annual report that identifies each agreement that DPH executed in the prior fiscal year, under the authority of Subsection B.
  - ▶ (4) San Francisco Administrative Code, Section 1.25 Government Entity Agreement (G2G), in consultation with City Attorney, authorized to publish and maintain a list of contract agreements, list shall serve the purpose of reference.
  - ▶ (5) San Francisco Administrative Code, Chapter 21B Core Initiatives; shall submit to the Board of Supervisors a report of contract agreements every three months.

# (Report 1) Chapter 67.24 Sunshine Ordinance Sole Source Report

(DPH FY24-25 Sole Source Waiver Report)

# S.F. Administrative Code, Chapter 67.24: “*The Sunshine Ordinance*” DPH Sole Source Usage Report

- ▶ This ordinance requires that:
  - ▶ At the end of each fiscal year, each City department must provide to the Board of Supervisors a list of all professional sole source contracts (selected without a solicitation) entered into during the fiscal year.
  - ▶ Most Sole Source waivers are subject to approval by the Office of Contract Administration (OCA) (with some exceptions, e.g. DPH’s Chapter 21.42 authority, Section 1.25 Government Entity Agreements and 21A.4 (bed ordinance)). Each year, OCA prepares a report of all of their approved prior year sole source waivers. In FY22-23, it was requested that City departments tie their annual submissions to the OCA report which is more comprehensive than the Ordinance. This added additional categories that DPH hasn’t traditionally included:
    - ▶ Baseline: Contracts **entered into** during FY24-25, which were selected without competitive solicitations.
    - ▶ New: Sole Source waiver modifications processed in FY24-25 to existing contracts
    - ▶ New: Sole Source waiver approvals for commodities
    - ▶ New: Sole Source waiver modifications for existing commodities
    - ▶ Modification: Previously, DPH reported all existing/ongoing sole source approved contracts, in addition to the required new contracts entered into during the subject fiscal year. Clarification determined this was in excess of the required information, so has not been included, with the exception of Modifications that occurred in FY24-25 to existing contracts.

## Chapter 67.24 Sole Source Waiver Reporting Categories

SF Admin. Code	Sole Source Waiver Criteria	Sole Source Approval Requirements
Chapter 21.5	<p>The Admin Code provides that commodities or services available only from a sole source shall be procured in accordance with the City Purchaser's regulations.</p> <p>There are four acceptable justifications (and one caveat) for sole source contracting approval:</p> <ul style="list-style-type: none"><li>➤ Goods or Services are available from only one source</li><li>➤ Only one prospective vendor is willing to enter into a contract with the City</li><li>➤ Item has design and/or performance features that are essential to the Department and no other source satisfies the City's requirements</li><li>➤ Licensed or patented good or service</li><li>➤ Other- If justifiable under a different reason. (e.g. contract pilot projects with a term of two years or less)</li></ul>	<p>The DPH Contracts Office must submit a sole source waiver request, with supporting documentation to the City's Office of Contract Administration (OCA) for approval.</p> <p>If denied, a solicitation will be required before the services can be contracted.</p>
Chapter 21.30	Vendors with proprietary rights to software and hardware and for associated maintenance agreements will be treated as a sole source contract.	Same as above

# Sole Source Waiver Reporting Categories continued (Chapter 67.24 BOS Sole Source Report)

SF Admin. Code	Sole Source Waiver Criteria	Sole Source Approval Requirements
<b>Chapter 21.42</b>	<p>In 2006, the Board of Supervisors amended Administrative Code Chapter 21 to add Section 21.42 Professional Services Contracts for Health and Behavioral Health Services and Support.</p> <ul style="list-style-type: none"><li>➤ Authorizing the <u>SF Health Commission</u> to designate as sole source, for professional service contracts for health, behavioral health and support services provided by <u>non-profit organizations</u> when recommended by the Department.</li><li>➤ This legislation was enacted to cover a potential gap period between the expiration of an authorized contract term, and the completion of a new RFP process.</li></ul>	<ul style="list-style-type: none"><li>○ Justify how services are unique to DPH.</li><li>○ Justify how services are consistent with DPH missions and goals.</li><li>○ Survey the availability of non-profit providers to deliver service. Explain how service requires specialized knowledge, training, personnel, facilities or other resources that are known to be provided by a limited number of non-profit contractors.</li><li>○ If denied, a solicitation will be required before services can be contracted.</li></ul> <p><b>In development:</b></p> <ul style="list-style-type: none"><li>○ New 21.42 waiver request form.</li></ul>

# Sole Source Waiver Reporting Categories continued

## (Chapter 21G BOS Sole Source Report)

SF Admin. Code	Sole Source Waiver Criteria	Sole Source Approval Requirements
<b>Chapter 21G</b>	<p>San Francisco Administrative Code, Chapter 21G Sole Source Grant Agreements</p> <ul style="list-style-type: none"><li>➤ On May 17, 2022, the Health Commission approved the Department's use of grant agreements, and the process and format that would be used for obtaining approval by the Health Commission for sole source waivers.</li><li>➤ The FY24-25 21G Sole Source Agreement Report identifies all sole source agreements. The report is separated into two categories to identify whether (1) the agreement was exempted from the need for sole source waiver approval, and (2) the agreement required approval of a sole source waiver by the Health Commission, via designee, prior to initiating the agreement.</li></ul>	<p>The DPH Contracts Office must submit a Grant Solicitation Waiver to the Health Commission Secretary for approval on behalf of the Health Commission. The request will provide estimated timeline for services to go out to bid, sufficient justification for sole source, and specify why waiver of competitive solicitation requirements should be approved.</p> <p>If denied, a solicitation will be required before the services can be contracted.</p>

## Sole Source Reporting Categories continued (Chapter 21A.4 Reporting Requirement)

SF Admin. Code	Sole Source Waiver Criteria	Sole Source Approval Requirements
<b>Chapter 21A.4 (bed ordinance)</b>	<p>In February 2024, the Board of Supervisors amended the Administrative Code to add section 21A.4 to Chapter 21A.</p> <ul style="list-style-type: none"><li>➤ This authorized the Department of Public Health to procure behavioral health and public health residential care and treatment services for patients of the Department without adhering to the competitive solicitation or Local Business Enterprise requirements of the Municipal Code.</li><li>➤ This legislation was enacted for the Department to quickly procure services from readily available service providers to meet imminent need.</li></ul>	<p>By January 31 of each year, DPH shall submit to the Health Commission an annual report that includes:</p> <ul style="list-style-type: none"><li>○ Each agreement executed in prior fiscal year under authority.</li><li>○ Name of Service Provider.</li><li>○ Services to be provided under agreement.</li><li>○ Amount of funds conveyed.</li><li>○ Duration of the agreement.</li><li>○ Any measurable outcomes of the agreement.</li></ul>

## Sole Source Waiver Reporting Categories continued (Section 1.25 Government Entity Agreements)

SF Admin. Code	Sole Source Waiver Criteria	Sole Source Approval Requirements
<b>Section 1.25 (G2G)</b>	<p>In May 2024 the Board of Supervisors amended the Administrative Code to add Section 1.25 Government Entity Agreements (G2G).</p> <p>This provides:</p> <ul style="list-style-type: none"><li>➤ streamlined City contracting process</li><li>➤ authorizing City departments to enter into agreements with other governmental entities</li><li>➤ exempting contracting requirements or obligations imposed on contractors in the Municipal Code</li><li>➤ while still requiring that departments exercise discretion to ensure that final agreements benefit and protect the City</li></ul>	<p>Agreements with Government Entities, are not subject to the provisions in the Municipality Code (Chapter 2A.IX, Chapter 6, Chapter 21, and Chapter 23).</p>



## Sole Source Waiver Reporting Categories continued (Chapter 21B Core Initiatives)

SF Admin. Code	Sole Source Waiver Criteria	Sole Source Approval Requirements
<b>Chapter 21B</b>	<p>Chapter 21B Core Initiatives Addressing Homelessness, Drug Overdoses and Substance Use Disorders, Mental Health Needs, Integrated Health Needs, and Public Safety Hiring.</p> <p>The intent of Chapter 21B:</p> <ul style="list-style-type: none"><li>➤ To Expedite the City's response to these challenges</li><li>➤ Expand the City's capacity to meet these challenges</li><li>➤ To give city tools to quickly and effectively implement the Core Initiatives to that it can continue to be accountable to, and responsive to the needs of it's residents</li></ul>	<p>Waiver for competitive bidding: DPH shall provide the Mayor an advance written justification explaining why the Contract or Lease is necessary to support the Core Initiative, and shall provide a copy of the justification to the Board of Supervisors</p>