



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Nonprofit Contracting Forum

Monday, March 2, 2020, 1pm – 2pm

Koret Auditorium, Main Library

Agenda

Welcome

Department Updates

Controller's Office staff will present brief updates from departments regarding:

- Current and upcoming funding opportunities
- Funding cycle updates
- Resources for Nonprofit suppliers

City Budget Outlook

Presentation from the Budget and Analysis Division of the Controller's Office on the FY20-21 budget outlook.

New Initiative: Mental Health SF – Department of Public Health

Brief overview of a new initiative focusing on providing help to individuals with serious mental illness and/or substance use disorders who are experiencing homelessness.

New Initiative: Indirect Cost Pilot

The Controller's Office will provide a brief summary of a pilot project to test a proposal to change how indirect costs are negotiated.

Questions, Answers, and Feedback

- Time for attendees to ask questions to department and Controller's Office representatives that are present.
- Controller's Office to request feedback from attendees on Indirect Rate Pilot.



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Post-Forum Questions and Answers

As of March 3, 2020

Mental Health SF: "Will housing, benefits, and legal advocacy be considered under this funding area?"

Response from the Department of Public Health (DPH):

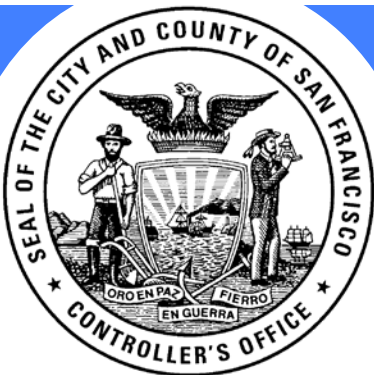
- "Housing, benefits, and legal advocacy - are all important services for the city to support. While Mental Health SF was approved by the Board of Supervisors, there was no funding attached. I expect the coming city budget process will result in funding. The details of what will be included are still being worked out. More to come soon!"

City Budget Outlook: "Will the 3.5% reduction in the general fund trigger budget revisions beginning May 1st for existing grants and contracts?"

Response from the Budget Analysis Division, Controller's Office:

- The general fund reduction is an instruction from the Mayor's Office to departments to make proposals for how they would reduce their General Fund support in the next fiscal year. Departments may propose to reduce their materials and supplies budget, reduce staff, etc., instead of cutting grants and contracts. Between now and June 1, the Mayor's Office will be working to figure out which proposals to accept and which proposals to reject to balance the budget. It is not at all certain that existing grants and contracts would be cut by 3.5% next fiscal year. In addition, in general, grants and professional services contracts are budgeted at certain dollar levels. After the budget process, departments administer the grant making – dependent on the services the departments need, constrained by their budget. So, a hypothetical reduction to a department's grant budget line doesn't necessarily translate into an across-the-board reduction to the size of every existing grant – it could mean prioritizing some services over others, etc. As to process and timeline, after the Mayor's Office proposed their budget by June 1, the Board's Budget and Finance committee hears and amends the budget. The full Board finally adopts the budget in late-July, with Mayor's final approval in early August.

Nonprofit Contracting Forum

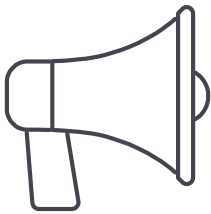


CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
City Performance Unit

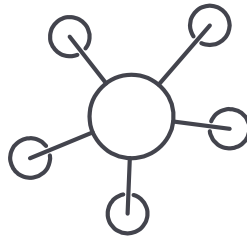
03.02.2020

Why are we here?



Update

Share new policy developments



Coordinate

Work together to improve City services



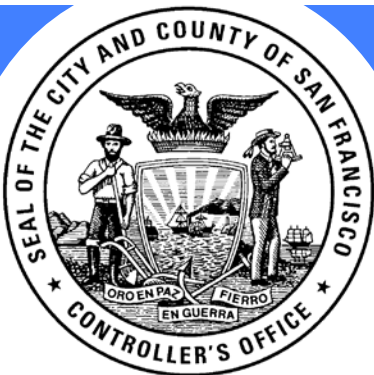
Listen + Learn

Ask and answer questions

AGENDA

1	Department Updates	Laura Marshall, Controller's Office
2	Budget Updates	Carol Lu, Controller's Office
3	New Initiative: Mental Health SF Implementation at DPH	Marlo Simmons, Department of Public Health
4	New Initiative: Indirect Rate Pilot	Francisco Alvarado, Controller's Office
5	Q&A	All

Department Updates



CITY & COUNTY OF SAN FRANCISCO

Current & Future Funding Opportunities

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Dept.	RFP#	Description	Release/Due
Adult Probation	APD2020-01	Public Safety & Community Corrections Organizational Services	Due March 18, 2020
Adult Probation	APD2020-02	Gender Responsive Services	Release date TBD
Sheriff	TBD	Street Environmental Services Program (\$113K)	Release date this FY
Sheriff	TBD	Eviction Assistance (\$210k)	Release date this FY
Sheriff	TBD	Pretrial Services (\$18m)	Release date July/Aug 2020
Human Services	877	Diaper Bank Services	Release March 2020
Human Services	860	Domestic Violence Linkages	Release March 2020
Human Services	883	Supportive Employment Services	Release March 2020

Current & Future Funding Opportunities

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Dept.	RFP#	Description	Release/Due
Human Services	865	Legal Services for Older Adults	Due March 9, 2020
Human Services	863	Transportation for Public Conservator clients	Released Feb. 28
Human Services	871	Home delivered groceries for SRO Buildings	Released Feb. 27
MOHCD	TBD	Funds for capital improvements to buildings where community based services are provided	Release March 2020
OEWD	214	17 service areas: business-facing technical services, city-facing capacity-building services	Due March 26, 2020
OEWD	215	Renewals plus workforce services for monolingual Chinese and Spanish speakers	Released March 2020
OEWD	122	Re-bidding all existing workforce services	Release September 2020
OEWD	216	Economic development services and the renewal of business development programs	Release October 2020

Current & Future Funding Opportunities

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Dept.	RFP#	Description	Release/Due
DCYF		FY19-20 RFP encompasses 4 funding strategies:	Due March 16, 2020
		Pacific Islander Collaborative (\$1.9m)	
		Beacon Community School: Bessie Carmichael School (\$750k)	
		Comprehensive Year-Round & Summer Learning: SOMA Community Based Services (\$130k)	
		Innovation Start Up (nonprofit agencies not currently funded by DCYF to pilot innovative approaches) (\$600k)	

Additional details in the Appendix of this slide deck!

Interested in new funding opportunities?
Want to know which RFPs are currently open?

The San Francisco City Partner Portal is the answer!



Log onto:

<https://sfcitypartner.sfgov.org/pages/index.aspx>

Step by step directions are in the appendix at the end of this presentation.



Human Services Agency: Deadline for budget amendments for exiting grants is March 31, 2020.



Department of Public Works: Quarter 2 program evaluations are ongoing. The department plans to release RFPs for several programs towards the end of the fiscal year.

Real Estate Assistance:

OEWD funds Community Vision to provide professional real estate readiness services such as financial planning, lease negotiation, site identification and evaluation to nonprofits. Financial assistance is available to nonprofits with site control of 3 years or more. Applications for technical assistance are accepted on a rolling basis. The next financial assistance request for proposals will be administered by Community Vision in Fall 2020, with notification in December.

<https://communityvisionca.org/sfsustainability>

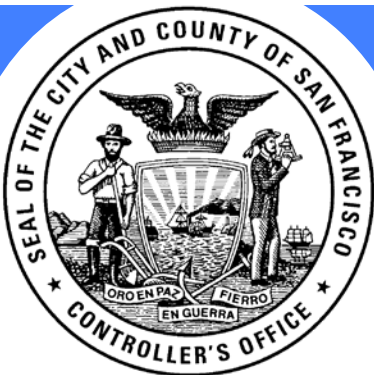


Homelessness and Supportive Housing (HSH):

- Budget Modifications on Hold: All unapproved budget modifications and new requests will be on hold until HSH completes its contract funding model and equity analysis. HSH will be requesting leases, subcontracts, and other documentation to support planning. See appendix for more details on this project.
- Expiring Procurements and Agreements: Most agreements with expiring procurement authorities will be renewed using the Emergency Ordinance until a new procurement is released. Most new procurements to begin in 2021.
- Agreements Funded via HUD Continuum of Care (CoC): HSH will continue to use previous allocations until new project term allocations are received. Final invoices with documentation should be submitted no later than 30 days after the end of the project period.
- **More updates in the Appendix of this slide deck!**

City Budget Outlook

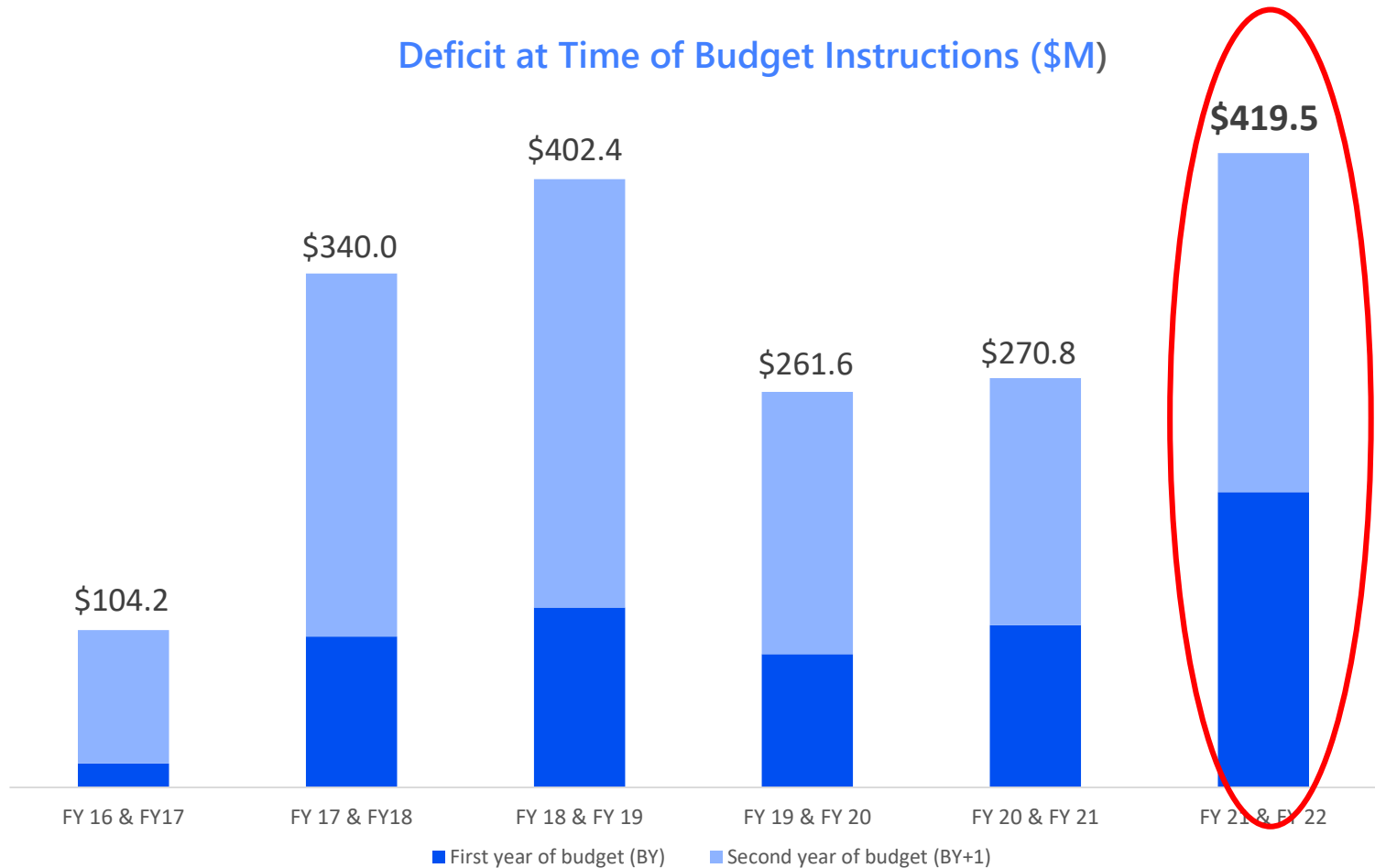
Carol Lu, Budget and Analysis Division,
Controller's Office



City Budget Outlook

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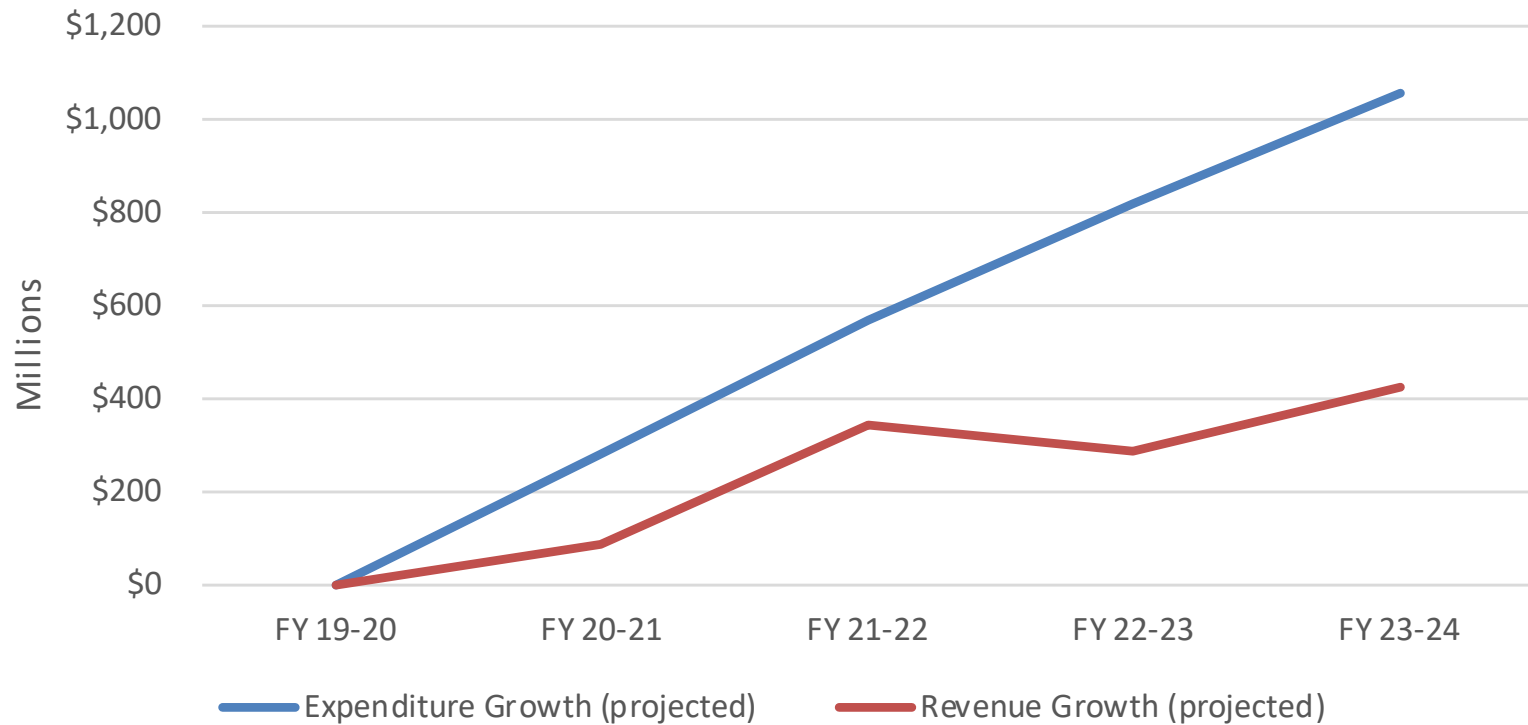
Deficit at Time of Budget Instructions (\$M)



City Budget Outlook

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Mind the gap: rate of revenue growth is slowing, while costs are increasing



City Budget Outlook

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	FY 20-21	FY 21-22	FY 22-23	FY 23-24
<i>SOURCES Increase / (Decrease)</i>	89.0	346.0	289.4	423.6
Uses				
Baselines & Reserves	(45.5)	(54.0)	(127.1)	(163.3)
Salaries & Benefits	(167.9)	(269.6)	(338.5)	(407.5)
Citywide Operating Budget Costs	(66.9)	(167.8)	(235.0)	(314.6)
Departmental Costs	(3.9)	(78.8)	(119.9)	(168.8)
<i>USES (Increase) / Decrease</i>	(284.3)	(570.1)	(820.5)	(1,054.2)
Projected Cumulative Surplus / (Shortfall)	(195.4)	(224.1)	(531.1)	(630.6)
Two Year Deficit	(419.5)			

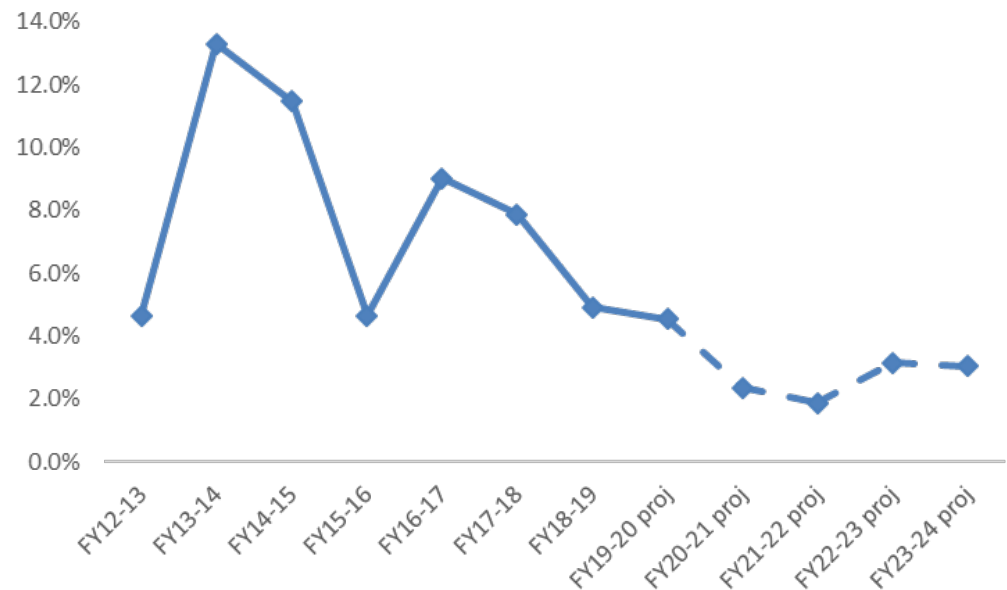
City Budget Outlook - Sources

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Continued, but slowing, revenue growth:

- Moderated business tax growth
- Minimal growth in other local taxes (sales, hotel, parking, etc.)
- Strong current year transfer tax revenue projected to settle at historic average

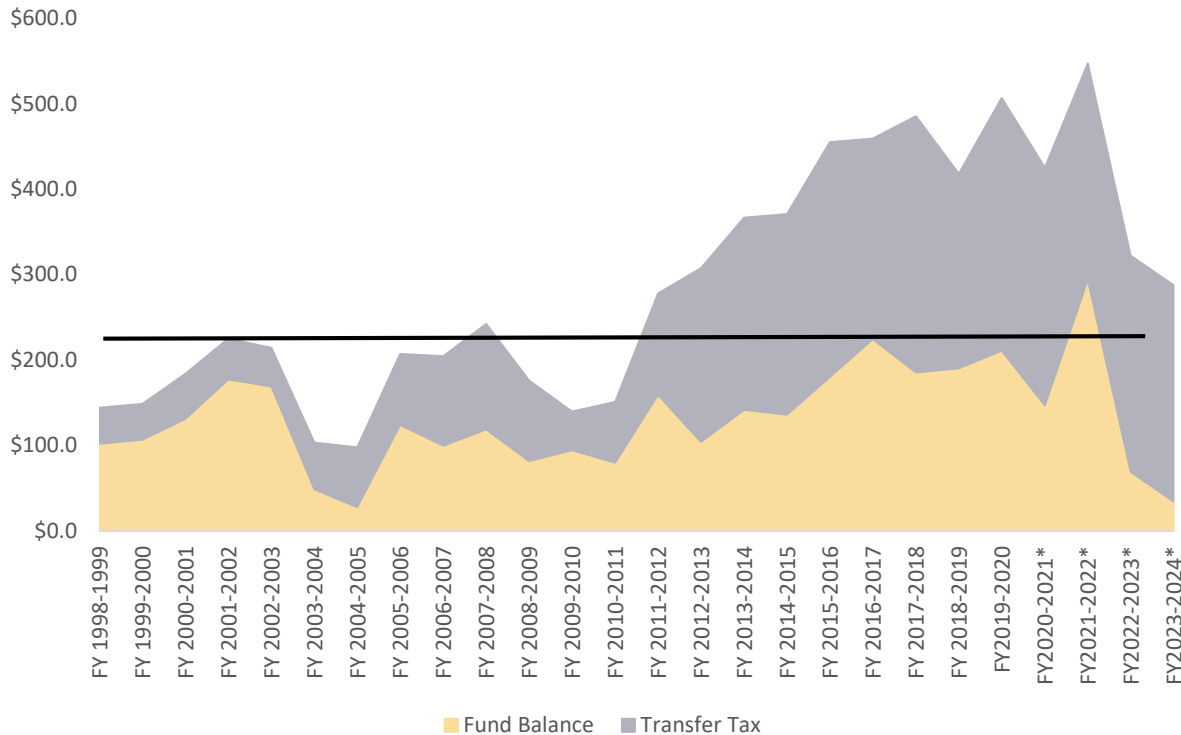
Percent Change in General Fund Tax Revenue



City Budget Outlook - Sources

16

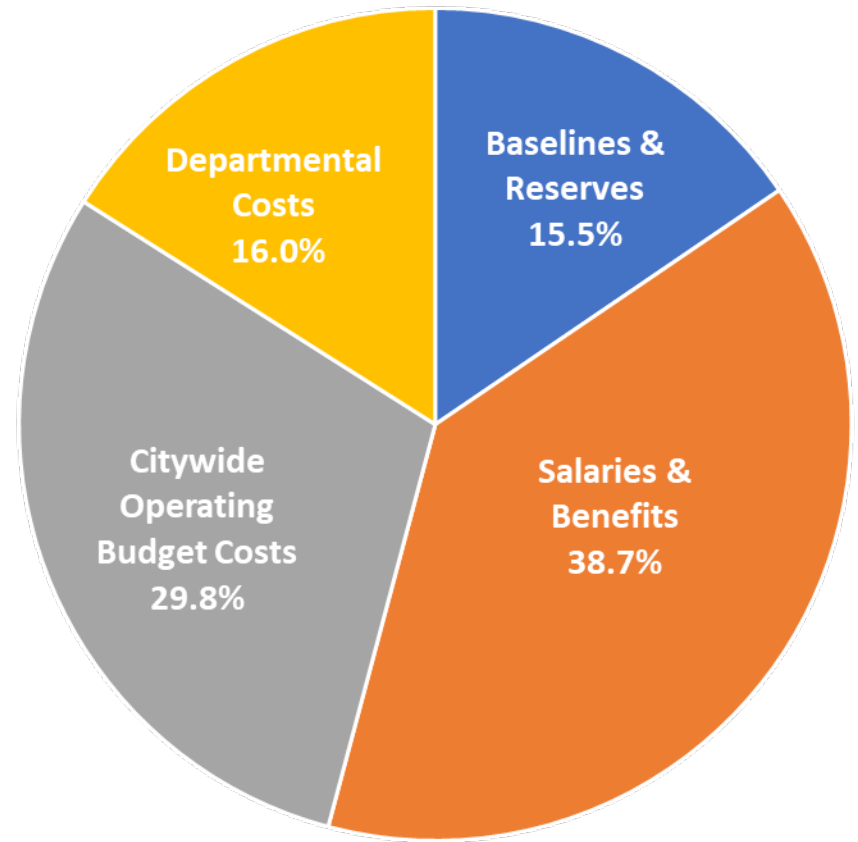
Transfer Tax and Fund Balance



- Recent budgets were balanced with the help of volatile sources such as prior year fund balance and transfer tax.
- When not paired with equal amounts of one-time uses, this will lead to shortfalls absent steps to balance.

Projected Expenditure Growth

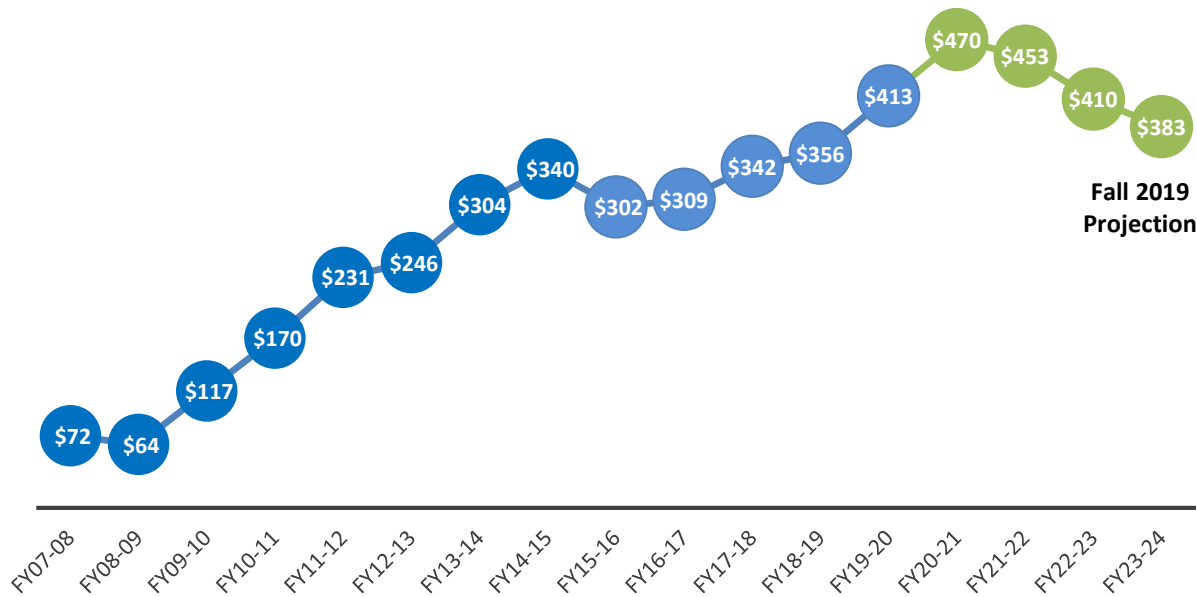
- Salary and benefit growth driven by negotiated and projected wage increases, as well as pension and health cost increases
- Citywide operating costs are largely driven by debt and real estate lease costs, as well as inflation on non-personnel & grants to nonprofits
- Departmental costs include GF support of IHSS program and Free City College.
- Baselines and set asides are driven by formula. When revenues grow, they grow.



City Budget Outlook - Uses

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Projected Employer Pension Contributions (\$M)



Pension obligations have increased nearly 7-fold between FY 2007-08 and FY 2020-21:

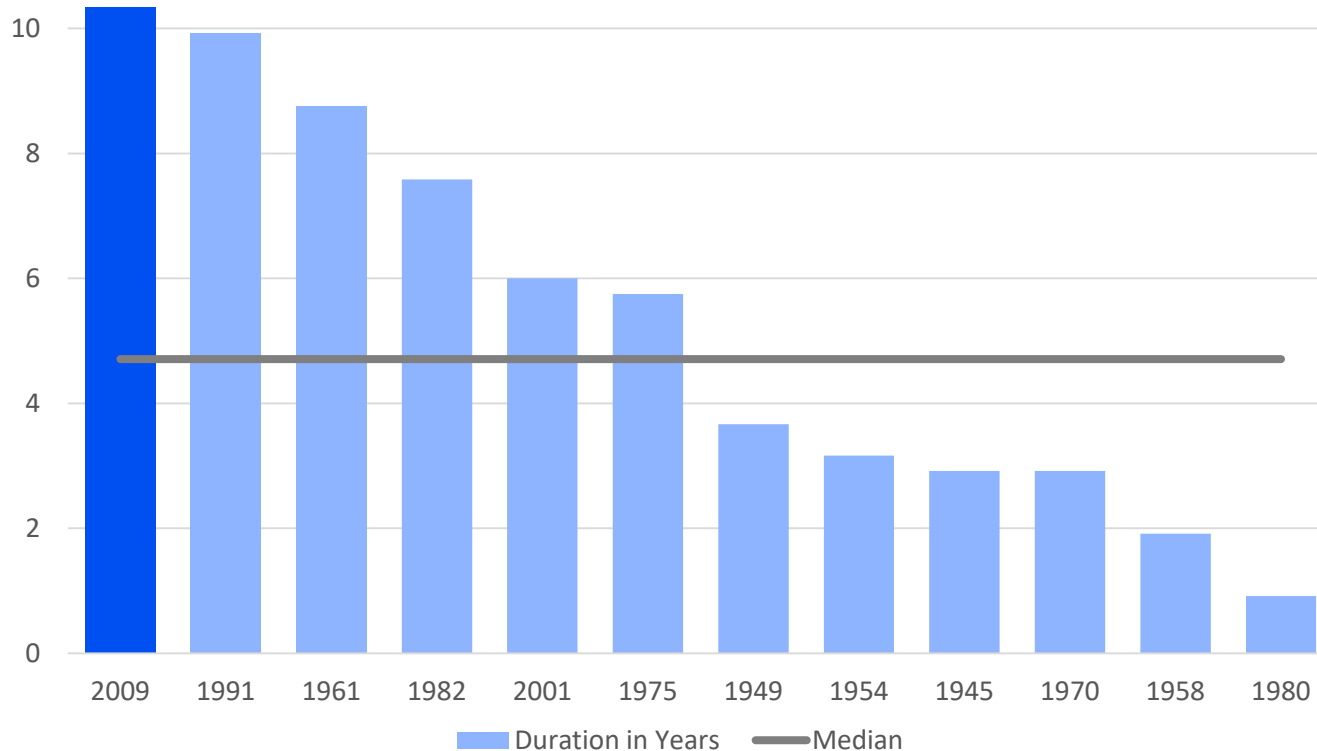
- Fall 2018 discount rate change
- Returns below assumption
- Supplemental COLAs (2014, 2017, 2018, 2019)

City Budget Outlook

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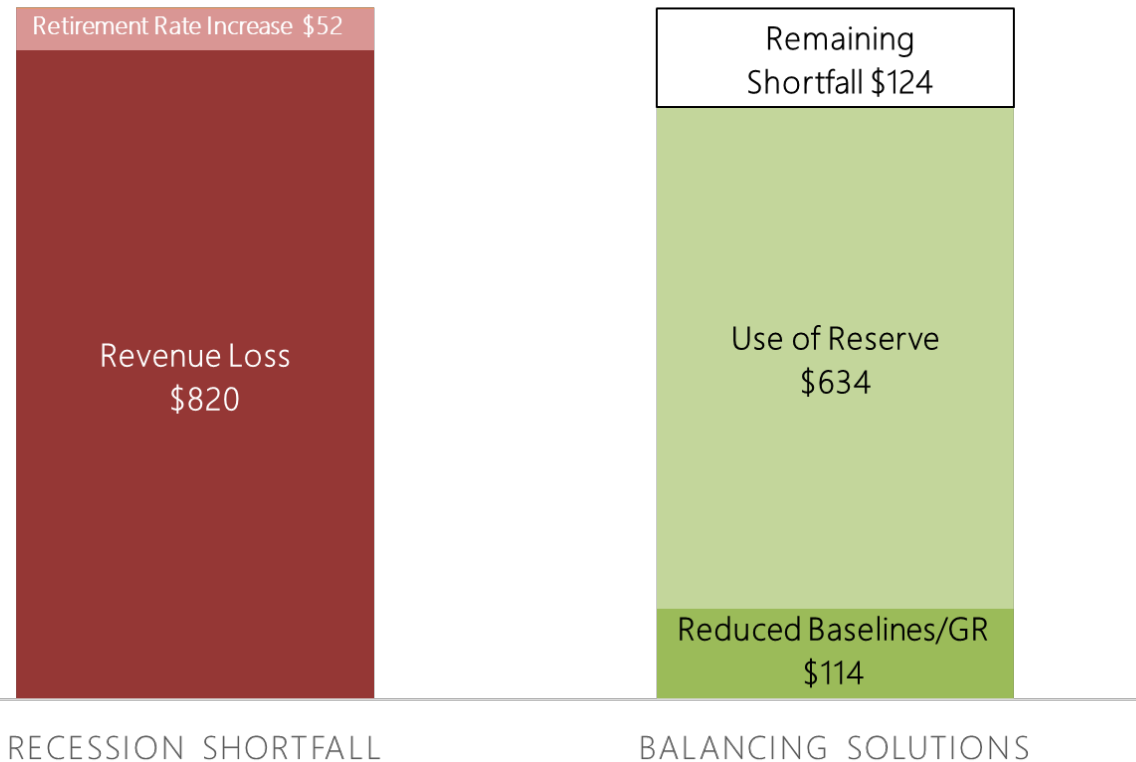
Our current expansion is the longest since 1945

Length of economic expansion in years by start year, sorted longest to shortest



City Budget Outlook – Recession Scenario

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- Recessions trigger additional employer contributions to the retirement system
- Reserves and reduced baseline funding requirements solves 86% of the shortfall
- Remaining gap closed through expenditure reductions

Budget Instructions to Departments

- 3.5% reduction in General Fund support (growing to 7% in second year)
- Departments instructed not to load new General Fund supported positions or budget enhancements in the budget system.
- Focus on accountability and equitable outcomes.
- Demonstrate the effective use of resources, help identify programs and funding that can be reprioritized.
- Mayor's policy priorities: housing, shelter, clean and safe streets, healthy and vibrant neighborhoods.

Mental Health SF

Marlo Simmons

Acting Director, Behavioral Health Services,
Department of Public Health



San Francisco
Health Network

Mental Health SF



Compromise legislation passed by the San Francisco Board of Supervisors on Dec. 10, 2019

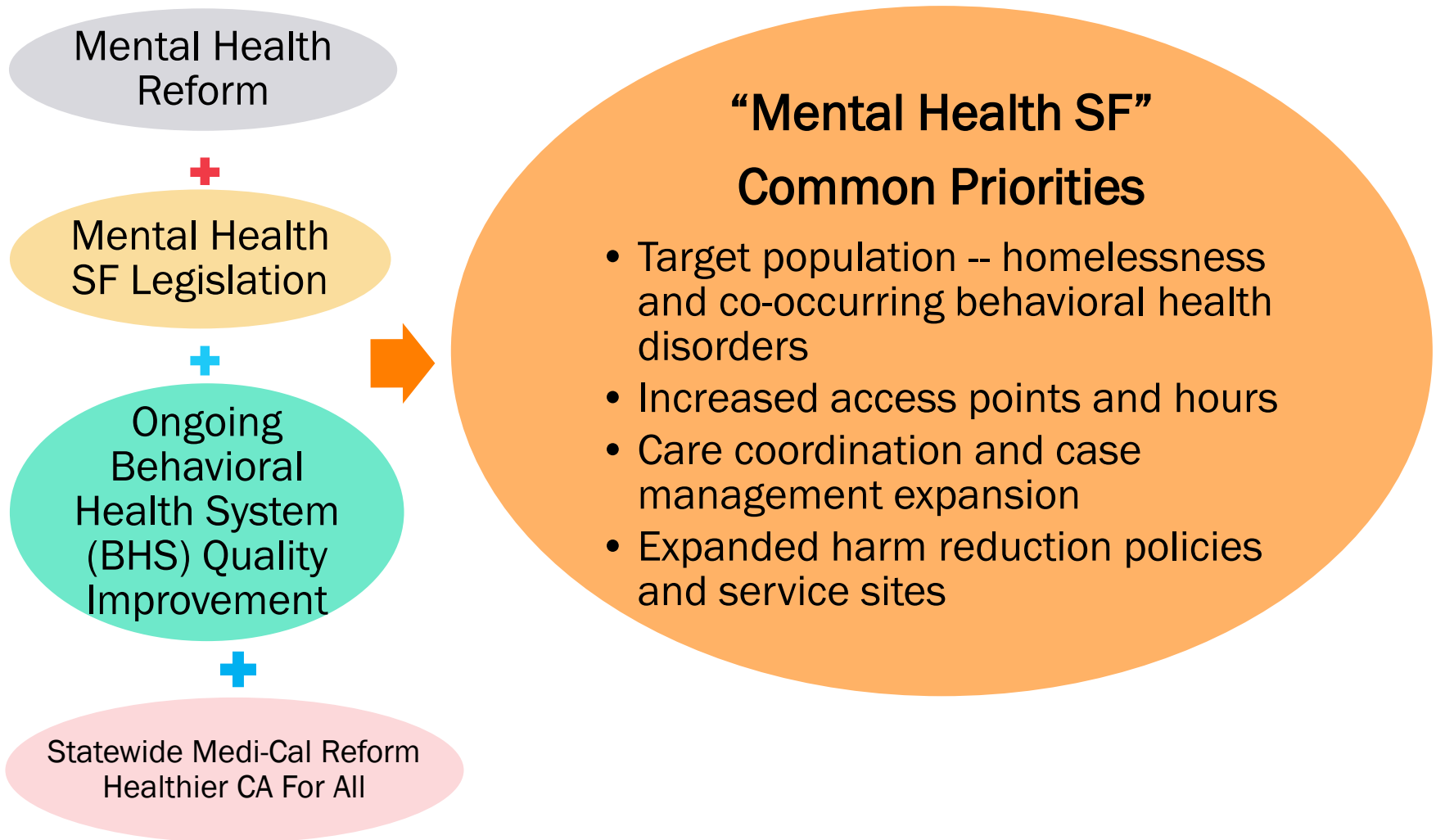


Primary focus is to help people with serious mental illness and/or substance use disorders who are experiencing homelessness

Mental Health SF: Principles

- Prioritize people experiencing homelessness, who are incarcerated, and/or who are in crisis
- Low barrier
- Consumer focused
- Harm reduction
- Treatment on demand
- Involuntary treatment (when needed)
- Integrated services (mental health/substance use)
- Coordinated communication
- Culturally competent services and language access
- Data and research driven
- Housing (HSH)

Strategic Alignment



Vision

For our clients

People experiencing homelessness, and individuals who are justice system-involved, have low-barrier access to welcoming, high-quality behavioral health care that matches their needs.

For our system of care

Design a system of care grounded in evidence-based practices that reduces harm, increases recovery, and is suited to efficiently deliver behavioral health services to people experiencing homelessness.

Mental Health SF: Programs/Services



Mental Health Service Center

24/7 assessment, diagnosis,
treatment (or referral), case
management

Urgent Care

Pharmacy

Transportation



Office of Coordinated Care

Coordinate multiple levels of case
management and navigation
services

Develop and maintain 'real-time'
inventory of city-funded
behavioral health programs and
capacity

Coordinate with Jail Health and
Psychiatric Emergency Services

Manage data collection and
analysis

Mental Health SF: Programs/Services



Crisis Response Team

Intervene with people on the street experiencing a substance use or mental health crisis

Coordination among all City outreach teams



Service expansion

Crisis residential

Drug Sobering Center

Crisis response street team

Secure inpatient

Transitional residential treatment beds

Long-term supportive housing

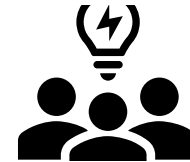
Mental Health SF



Office of Private Health Insurance Accountability

Support SF residents to access private insurance mental health benefits (navigators)

Educate privately insured residents about city-funded services available to them (suicide hotline, support groups, etc.)



Implementation working group (membership)

SUD (2)

Labor

Client (2)

Police/fire/EMT

BH Forensics - clinician

TAY – clinician

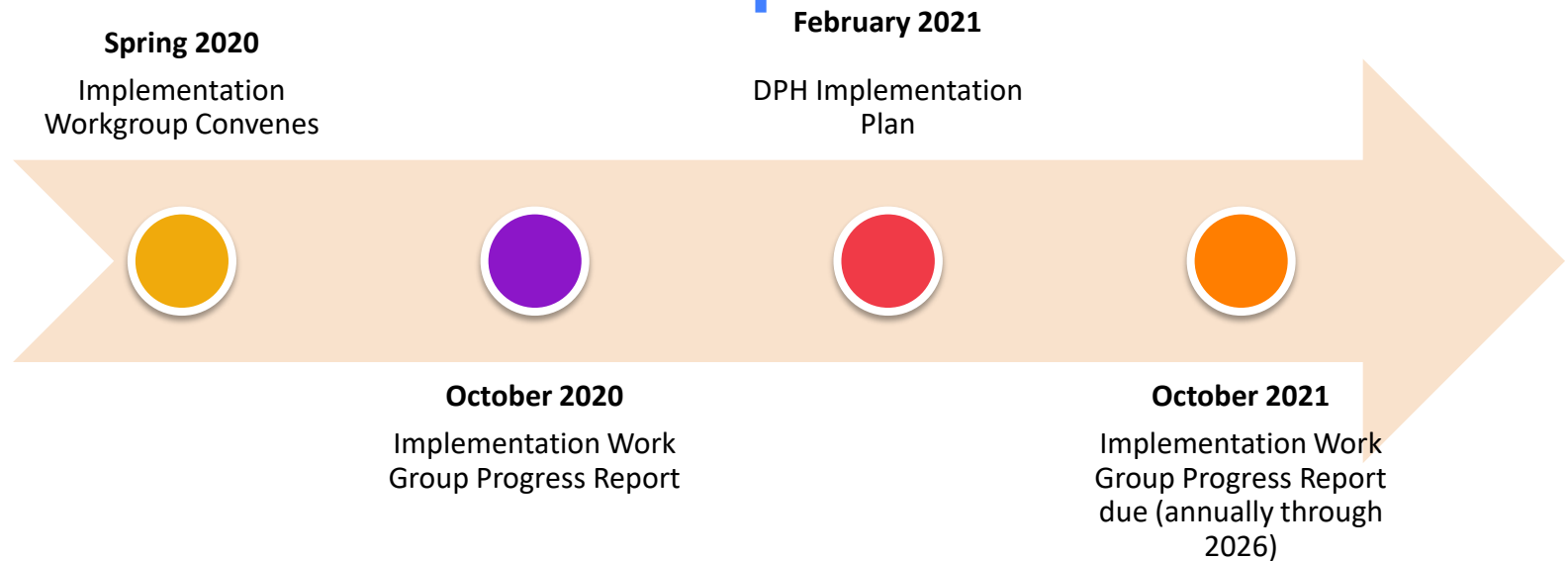
Residential treatment

Dual dx – clinician – DPH

Supportive housing provider

DPH rep

Mental Health SF: Timeline of Reports



Moving Forward: Common Themes



EFFICIENCY



COORDINATION
OF CARE



QUALITY
IMPROVEMENT



EQUITY



TIMELY ACCESS

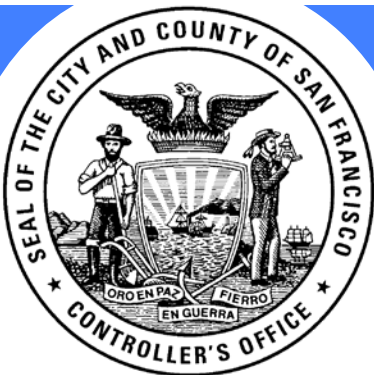
**We cannot solve our problems
with the same thinking
we used when we created them.**

-Albert Einstein



© 2011, TheGlobe.com

Indirect Cost Pilot



CITY & COUNTY OF SAN FRANCISCO

Background:

- The Mayor's Nonprofit Working Group of FY16-17 **identified the limitations** of a flat indirect cost rate (typically 12-15%) applied to nonprofit contracts and grants.
 - This rate **often does not support nonprofits** to cover the actual costs of administering City-funded programs.
- The Controller's Office facilitated a process during FY18-19 to **develop three new proposals** for how the City could treat indirect costs in nonprofit contracts and grants.

Indirect Rates - Proposals

The collaborative process of FY18-19 resulted in three proposals:

Option 1: Standardized Rate

- Standard rate with cap

Option 2: Department-wide Negotiated Rate

- Negotiated rate that applies to all contracts a department has with a nonprofit

Option 3: Citywide Negotiated Rate

- Fully-negotiated, Citywide rate that applies to all contracts regardless of department or funding source

Too little? Too much?

Option 1 : Standardized Rate (15%)

- Most contracts already at 15%.
 - Nonprofits having difficulty operating programs with a 15% indirect rate.
- Wouldn't help most nonprofits.

Does too little

Option 3: Citywide Negotiated Rate

- Departments would be required to implement indirect rate negotiated by other departments.
- Contract complexity varies by department; Citywide rate might not take all the complexity into account.
- Increased amount of inter-departmental cooperation needed during negotiations; could cause delays.

→ Departments should handle negotiations by themselves before asking them to negotiate for each other.

Does too much

Best Option

Option 2: Department-wide Negotiated Rate

- Allows departments to account for contract complexities.
- Increases rate standardization.
- Allows nonprofits to ask for higher indirect rates if needed.
- Intermediate step towards a Citywide Negotiated Rate.

Just right

- The Controller's Office chose to test Option 2 and will work with City departments to launch a pilot program this spring.

What a Pilot Can Tell Us

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Time

The Pilot can help answer:

- Is there an increased workload?
- Can staff manage the increase?
- Do negotiations extend the contracting timeline?



Fairness

The Pilot can help answer:

- Do negotiations lead to different rates across nonprofits and/or between departments? If so, why?
- Are smaller departments and nonprofits put at a disadvantage by the negotiating process?
- What elements of the negotiation process should be standardized within and across departments?



Cost

The Pilot can help answer:

- What rates result from the negotiation?
- What would it cost to scale the pilot Citywide?
- How should the City address mixed funding sources when negotiating an agency-wide indirect rate?



Training

- What training is needed for both department and nonprofit staff to be successful and prepared?

Pilot Program Preliminary Timeline

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Select Departments

COMPLETE!

Select 1 large and 1 medium sized department with multiple contracts with selected nonprofits

HSA & MOHCD



Select Nonprofits

IN PROGRESS!

Select up to 8 nonprofits with multiple contracts with pilot departments



Train Participants

Develop training for department and nonprofit staff on true cost budgeting, cost guidelines, allowable costs prior to negotiations



Modify Contracts

Each department negotiates a rate that applies to all contracts each selected nonprofit has with that department



Pending Policies and Tools

- Time to Pay Dashboard
- Audit Requirements
- Invoice Template and Review Policy
- Advance Payment
- Budget Flexibility

Questions, Answers, and Feedback

Please ask for the microphone or use an index card

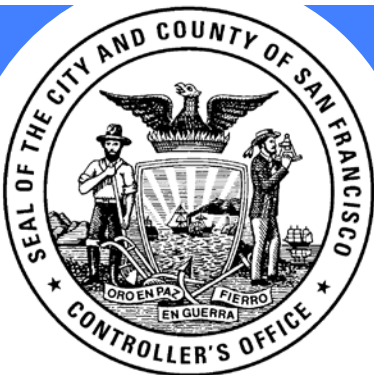
Questions for Audience about the Indirect Rate Pilot Program:

- What would an approach like a “department-wide indirect rate” mean for your organization?
- Do you see this as potentially beneficial compared to your current experience of indirect rates?
- Are there any other questions about the process we should use the pilot to explore?

Thank you!

Slides will be posted at: www.sfcontroller.org/nonprofits
You can email Francisco.Alvarado@sfgov.org with questions.

Please take the survey we will send later this week!



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

Additional RFP/RFQ Information

- Link to DCYF RFQ [here](#).
- Link to OEWD RFQ 214 [here](#).
 - For more information on OEWD's funding opportunities. Please contact Marissa Bloom at owd.procurement@sfgov.org

Instructions for Using the City Partner Portal

Log onto:

<https://sfcitypartner.sfgov.org/pages/index.aspx>

Partner with the City

Explore. Bid. Manage. Get Paid.

Find an Opportunity

View and Bid on Events

Anyone can view City business opportunities. Jump ahead to search now.

Get Started

Announcements

Announcements

February 19, 2020:

As part of the [ongoing review of corruption charges](#) against former Public Works Director Mohammad Nuru, the Controller's Office has

[Read More](#)

Sign Up

Register your organization to start placing bids with the City.

Sign Up



Click on
"Get Started"



Need Support?

Feel free to contact us with your questions.

[Connect with Support](#)

“Event Name” is generated by Central Contracts and
“Event ID” is generated by PeopleSoft when the RFP
is inputted into this system.

View Events and Place Bids

Department

Event Name *(case-sensitive)* Event ID Event Status

Tip: Search by
department

EVENTS

Sort By



EXT MTA | SFMTA-2020-52 LRV4 CARBON INSERTS
Format : Sell | Type : RFx

Event ID: SFGOV-0000003639
Due 03/17/2020 11:00 AM PDT



EXT AIR | 11055.66 TBP 0035 SFO BAA-PCC Panel
Format : Sell | Type : RFx

Event ID: SFGOV-0000003636
Due 03/06/2020 02:00 PM PST



EXT GSA | Parks and Open Space Improvements
Format : Sell | Type : RFx

Event ID: SFGOV-0000003635
Due 03/06/2020 05:00 PM PST



EXT GSA | Architectural Services for 730 Stanyan
Format : Sell | Type : RFx

Event ID: SFGOV-0000003631
Due 03/23/2020 08:00 AM PDT



EXT AIR | 11105.61 ITB Viaduct Seismic Jt Repairs
Format : Sell | Type : RFx

Event ID: SFGOV-0000003628
Due 03/25/2020 02:00 PM PDT



EXT MTA | SFMTA-2020-51 Main Body Crew Truck
Format : Sell | Type : RFx

Event ID: SFGOV-0000003627

List of all
RFPs
currently
posted

View Events and Place Bids

Department

Human Services Agency ▼

Event Name *(case-sensitive)*

Event ID

Event Status ▼

Advanced Search Criteria

Search

EVENTS

Sort By



EXT HSA | Revised RFP 870 for Natura
Format : Sell | Type : RFx

Click on the RFP
you'd like more
information on

Event ID: SFGOV-0000003564
Due 03/06/2020 05:00 PM PST



EXT HSA | RFP 866 Legal Services for Adults
Format : Sell | Type : RFx

Event ID: SFGOV-0000003555
Due 03/09/2020 05:00 PM PDT



EXT HSA | RFP 865 Legal Services for Older Adults
Format : Sell | Type : RFx

Event ID: SFGOV-0000003554
Due 03/09/2020 05:00 PM PDT

EXT HSA | RFP 865 Legal Services for Older Adults

Due by: 03/09/2020 05:00 PM PDT

Start Date: 02/04/2020 11:47AM PST

Click "See Attachments" to download full RFP package

Bid Package

[See Attachments](#)

To ensure that your bid is successfully placed please review the attachments and submit the required documents.

[Find Partner](#)

[View Partner Requests](#)

Contact Information

Steve Kim

Phone: 415 557-6335

Email: steve.kim@sfgov.org

Details

The City and County of San Francisco Human Services Agency (HSA) Department of Disability and Aging Services (DAS) Office of Community Partnerships (OCP) announces its intent to seek proposals from qualified agencies, organizations, and individuals interested in providing Legal Services for Older Adults (60+).

The available funding for this RFP is estimated to be \$1,476,000, annually. The City intends to fund multiple grantees from this total funding source in order to maintain its network of legal services providers. It is through this network of provider that the City is best able to reach the culturally and geographically diverse older adult population of San Francisco. The source of funding for these services includes federal, state, and local funds. Funding for this RFP includes California Department of Aging (CDA) funds. Contractors will be required to follow CDA rules and regulations referenced in Section VII.J. Payment for all services provided in accordance with provisions under this grant shall be contingent upon the availability of funds. The City shall not guarantee any minimum amount of funding for these services. DAS/OCP Legal Services contracts are separated into two contract types, Legal Services for Older Adults (60+) and Legal Services for Younger Adults with Disabilities. This is due to client eligibility restrictions within the Older Americans Act (Federal) funding that supports the Legal Services for Older Adults contracts. The funding and contracts offered for services through this Request for Proposal are limited to Legal Services for Older Adults.

Pre-Proposal Conference: February 13, 2020 at 2:00 pm Office of Contract Management, Human Services Agency, 1650 Mission Street, Suite 300, San Francisco, CA

Event ID: SFGOV-0000003554

Format/Type: Sell Event RFx

Round: 1

Version: 3

Payment Terms

0

Edits to Submitted Bids: Allowed

Multiple Bids: Allowed

View Events and Place Bids

No event met your search criteria. Please change your search criteria and try again (remember that Event Name is case sensitive).

Department

All

Event Name *(case-sensitive)*

Event ID

[Advanced Search Criteria](#)

Search

Awarded
Cancelled
Not Awarded
Pending Award
Not Started

Please note: DCYF and PUC RFPs are not available through this portal.

To view DCYF RFPs, please visit

<https://www.dcyf.org/>

To view PUC RFPs, please visit

<https://sfwater.org/index.aspx?page=5>

Important! Portal only includes RFPs that are currently **public and open for submissions**.

- Searching for RFPs that have been “Awarded”, “Cancelled”, “Not Awarded”, or “Pending Award” **will return this error screen**.

Contract and Budget Updates from Department of Homelessness and Supportive Housing (HSH)



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Contract & Budget Updates

Winter 2020



Equity Analysis

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• HSH goals are to :

1. Ensure alignment of programmatic resources to achieve greater efficiency, equity, and impact; and
2. Enable HSH to make data-driven decisions about resources.

The results will provide HSH with a framework and holistic approach when making funding decisions.

Therefore, HSH will be holding all unapproved budget modifications and any new requests until the work concludes.



Some Changes

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- HSH will be requesting copies of leases between nonprofits and landlords, for master leased buildings. This will help us better plan.
- HSH will be requesting detailed budget information for subcontracted services, especially property management and support services.
- HSH will be requesting copies of subcontracts.



Budget Revisions & Invoice Submissions

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- As a reminder, please visit the Provider Updates section of the HSH website to review the policy and procedure for budget revisions.
- Please make sure to submit timely invoices, on a monthly basis.
 - Contract Managers are reaching out to providers with overdue invoices.



Expiring Procurements & Agreements

55

- Most agreements with expiring procurement authorities will be renewed using the Emergency Ordinance until a new procurement is released.
 - New procurements will begin in 2021, with the exception of ESG funded programs, which will be procured fall/winter 2019.
- HSH's goal is to continue executing amended agreements before expiration.
 - To ensure we continue to meet this goal, we ask that providers promptly respond to Contract and Program Manager requests.



HUD Continuum of Care (CoC) Funded Agreements

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- Until we receive the new project term allocations, we will use your previous allocation. We will send a funding notification once the allocation is finalized.
- We ask that CoC funded providers submit all final invoices and proper supporting documentation no later than 30 days after the end of the project period.
- Timely submittal of invoices and necessary documentation ensure that we are able to draw down and leverage HUD funding.