# REQUEST FOR PROPOSALS FOR
San Francisco Health Service System
Change, Intervention and
Diabetes Prevention Program

**RFPQ#HSS2019.W1**

**CONTACT:** Michael Visconti, michael.visconti@sfgov.org, (415) 554-1711

## Background:
The San Francisco Health Service System (SFHSS) executes all process phases related to benefit operations and administration of benefits for over 120,000 individuals, including both active and retired employees of the City and County of San Francisco, the San Francisco Unified School District, the Community College of San Francisco, and the San Francisco Superior Court, and their covered dependents (SFHSS Members).

## Minimum Contract Term:
One (1) year with a one (1) year SFHSS option to extend.

## Estimated Budget for Year 1 (only):
$50,000

## Intent of this Request for Proposals (RFP):
The San Francisco Health Service System seeks proposals from qualified Contractors to provide an in-person Diabetes Prevention Program that is supported by in-person and webinar-based offerings in the format of seminars and associated group exercise classes.

These services will be used to create a wrap-around program that incorporates current SFHSS and Medical Plan Provider resources. It is the intent of SFHSS to identify the most responsible and qualified Contractor and to negotiate a contract for the services described herein.

## Subcontracting/Sub-consulting Requirement:
The City strongly encourages responses from qualified LBEs. Pursuant to Admin Code Chapter 14B rating bonuses will be in effect for any Respondents who are certified as a Small- or Micro-LBE.

## Proposed Schedule:
- **RFP Issued:** 10/30/2019
- **Deadline for Questions:** 11/12/2019 (2PM PT)
- **Deadline for Proposals:** 11/26/2019 (2PM PT)
- **Estimated Start Date:** January 2020
- **Estimated Program Launch:** March 2020

## RFP Questions and Communications:
To ensure fair and equal access to information about this RFP, any and all communications must be directed to michael.visconti@sfgov.org. Unauthorized communications may be cause for disqualification and rejection of Proposal(s). Questions must be in writing and received by the Deadline for RFP Questions. No questions will be accepted after this time, except with respect to any questions regarding Approved Supplier status with the City and County of San Francisco.

## Banned States:
Pursuant to Administrative Code Sec. 12X.5, the City and County of San Francisco may not enter into any agreement with a Contractor or Supplier with its headquarters in a state on the Anti-LGBT State Ban List, or where any work under the agreement will be performed in any such state. The list can be found at: [https://sfgsa.org/chapter-12x-anti-lgbt-state-ban-list](https://sfgsa.org/chapter-12x-anti-lgbt-state-ban-list).

## Requirement to be an Approved Supplier:
All respondents to this RFP must certify to become an Approved Supplier within ten (10) days of award or selection by SFHSS. This includes completing a 12B Equal Benefits Declaration. Serious respondents to this RFP should review the Approved Supplier and 12B process in detail here: [https://sfcitypartner.sfgov.org/pages/become-a-supplier.aspx](https://sfcitypartner.sfgov.org/pages/become-a-supplier.aspx)
1. Introduction

1.1 The San Francisco Health Service System

1.1.1 The San Francisco Health Service System.

SFHSS is dedicated to providing outstanding health and other employee benefits to SFHSS Members, preserving and improving sustainable, quality health benefits, enhancing the well-being of employees, retirees and their families, and adhering to the highest standards of customer service.

1.1.2. SFHSS Member Population.

SFHSS currently administers non-pension benefits for over 120,000 individuals, which includes both active and retired employees of the City and County of San Francisco (CCSF), San Francisco Unified School District (SFUSD), Community College District (CCD), the San Francisco Superior Court (Courts), and their covered dependents. Non-pension benefits are comprised of health, dental and vision benefits, as well as certain additional benefits made available to SFHSS Members. Retirees are classified as either eligible for Medicare (Medicare Retirees) or ineligible (Non-Medicare Retirees). The SFHSS Member population is diverse and multifaceted, covering varying work locations, a wide range of working conditions and responsibilities, working status (full-time, part-time, day and night shift workers, seasonal or nine-months), living varying distances from their place of work, and comprising a wide range of demographic factors. Further information can be found in the annual SFHSS Demographics Report, available at https://sfhss.org/news/2019-demographics-report.

1.1.3. SFHSS Wellbeing Division.

SFHSS supports our Members with a robust and mature in-house well-being program and dedicated staff. Partnership with our current SFHSS Medical Plan Providers is integral to the success of the Well-Being Division. The Well-Being Division has several core functions, including: (i) an in-house non-clinical Employee Assistance Program (EAP), (ii) developing employee wellbeing communities and expanding department-level well-being buy-in (through imbedded employees City-wide, also known as Wellbeing Champions, and department and division specific Well-Being@Work initiatives), (iii) retiree-support services, (iv) healthy behavior campaigns and challenges, (v) targeted interventions and activities (flu clinics, health screenings, seminars, coaching, and group exercise classes), and (vi) staffing a centrally located Wellness Center available to all Members.

1.1.4. Medical Plan Providers.

Current SFHSS Active and Early Retire Members may select one of the following plans or waive medical coverage entirely:

- A self-funded PPO plan (ASO-PPO) (UnitedHealthcare)
- Four (4) fully insured HMO plans (Kaiser Permanente Northern California, and KP HMO plans for pre-Medicare-eligible retirees in the Washington, Northwest, and Hawaii Regions)
- Two (2) Flex-funded HMO plans with fully insured, capitated and self-insured components with Accountable Care Organization (ACO) network
partnerships (Blue Shield of California Access+ and Blue Shield of California TRIO)

Retired SFHSS Members eligible for Medicare may select one of the following plans or waive medical coverage entirely:
- Kaiser Permanente Senior Advantage HMO
- UnitedHealthcare Medicare Advantage PPO

1.1.5. Prior Diabetes Prevention Programs and Medical Plan Provider Resources.

SFHSS conducted a diabetes prevention pilot study in 2016 through a partnership with Kaiser Permanente’s research division. This study explored the effectiveness of Diabetes Prevention Program (DPP) outcomes, participation and retention using two program methods: in-person and online. The results of the study showed higher outcomes and retention for the in-person participants. SFHSS then developed an implementation model to bring the in-person DPP to our worksites as of Fall 2018. Using our existing relationship with Kaiser Permanente and YMCA of San Francisco, we have successfully launched seven cohorts at different City and County of San Francisco worksites since the program was first launched. These programs are supported by onsite activities and SFHSS well-being resources that are coordinated by our well-being team. Onsite activities supporting this program include group exercise, educational seminars, onsite screenings, and health coaching. Our goal is to develop a comprehensive and long-lasting program with a vendor to leverage SFHSS resources, promote the program, encourage participation, ensure retention of participants, and individually support all DPP participants with their goals and successful outcomes.

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2. Scope of Work

This scope of work is a guide to the work SFHSS expects to be performed by the selected Contractor. It is not a complete listing of all services that may be required. Selected Contractor will work closely with the SFHSS Well-being Division staff, in addition to collaboration with SFHSS Operations and Communications staff, as required.

2.1 Subject-Matter Expertise and Consultation Services

2.1.1 Asset Map and Gap Analysis

SFHSS will review available SFHSS, City, and Medical Plan Provider resources used to address and support healthy behavior change including but not limited to diabetes and pre-diabetes-related resources. These may include current and prior campaigns, equipment (such as BMI Machines), classes, and other individual or group-based support services. Prior to the start of services, SFHSS will provide Contractor with an inventory of all such resources for review.

Contractor will develop a detailed written asset map to outline the well-being topic areas that the resources support, and how they support the treatment and/or management of diabetes and diabetic symptoms and complications, as well as the identification and management of members identified as pre-diabetic or at risk for developing diabetes. Contractor will provide a detailed written summary of all gaps in such resources and approach to addressing and eliminating such gaps in support and coverage.

2.1.2 Change, Intervention and Diabetes Prevention Program Design and Development

Contractor will lead planning and development meetings with SFHSS with the end goal of providing the following deliverables for SFHSS review and approval:

- written Change, Intervention and Diabetes Prevention Program (the “Program”) launch procedure and structured roll-out schedule;
- Program tools to align with and serve the diverse SFHSS Member Population and accommodating community diversity, varying work and home environments, divergent socio-economic profiles, unique demographic profiles, availability/unavailability and/or accessibility/inaccessibility of similar programs, and community readiness;
- Program communications strategy leveraging existing resources;
- Program intervention strategy;
- Wrap-around model for inclusion of a comprehensive Diabetes Prevention Program akin to the Center for Disease Control and Prevention’s National Diabetes Prevention Program1;
- Specific Diabetes Prevention Program component;
- Targeted outcomes for both the overarching Program and DPP component specifically and reasoning for each outcome; and
- A periodic (monthly, quarterly and annual) evaluation plan for the Program and DPP.

1 https://www.cdc.gov/diabetes/prevention/index.html
2.2   Project Management and Program Communications

2.2.1.  Project Manager

Contractor will designate a single project manager to oversee all services for SFHSS. At the request of SFHSS, and upon reasonable notice, SFHSS may request a new project manager. The project manager shall have no less than five (5) years of professional experience supporting or facilitating Diabetes Prevention Programs and/or comprehensive workplace wellness initiatives.

The project manager shall lead a kick-off meeting at the start of the project and introduce all key Contractor team members (Key Staff), resources and overall strategy to SFHSS and any City stakeholders.

The project manager shall be responsible for receiving all communications, materials, requests, and data and shall be responsible for providing prompt service, responses and make themselves available by telephone and email to SFHSS during our normal business hours, 8 AM to 5 PM, Monday through Friday, excluding federal and City holidays.

2.2.2.  Program Communications

In support of the Program, Contractor will develop Member-facing written and electronic communications materials that addresses multiple languages including English, Mandarin and Cantonese, and Spanish.

Communications deliverables may include various forms of media and will leverage:
- SFHSS Bulk Email system MailChimp (email copywriting and editing for promotions, monthly flyer, and email header/footer)
- SFHSS Print and Mail Vendors (posters, postcards, educational handouts, assessment worksheets)
- SFHSS Digital and Social Media including Facebook (https://www.facebook.com/pg/SanFranciscoHSS/posts/), YouTube (https://www.youtube.com/channel/UCyzigy9eS2mQP-0JRUU6Mg) and the SFHSS Website (https://sfhss.org/).

2.3   PROGRAM MANAGEMENT

Pursuant to the program proposed and developed under Section 2.1.2, Contractor will manage a comprehensive Change, Intervention and Diabetes Prevention Program (Program) including a specific Diabetes Prevention Program (DPP).

The DPP will provide in-person, cohort-based diabetes prevention support through a combination of educational presentations (such as seminars and workshops), group exercise programs (with both low- and high- impact options), and online resources, tools and a communications platform aimed at increasing participation and reducing dropouts by program participants.

2.4   EVALUATION AND FUTURE-STATE
Contractor will develop, for SFHSS review and approval, periodic monthly, quarterly and annual evaluation protocols and procedures, as well as both qualitative and quantitative measurement criteria to assess effectiveness and efficacy of the Program and DPP. Measurement will include, but will not be limited to, deidentified program utilization data, member feedback, and member success stories.

At each periodic evaluation period, Contractor will schedule live and/or remote (e.g. teleconference or WebEx) discussions (as determined by SFHSS) to review all data, identify best-practices, and modify Contractor’s approach to the Program as necessary to accomplish pre-established Program goals.

### 2.5 PROPOSED PROJECT SCHEDULE

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<thead>
<tr>
<th>Task(s), Deliverables and Milestones</th>
<th>Section(s)</th>
<th>Timeline</th>
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<tbody>
<tr>
<td>Kick-Off Meeting and Project Manager Selection and Introduction</td>
<td>2.2.1</td>
<td>Week 1*</td>
</tr>
<tr>
<td>Asset Map and Gap Analysis</td>
<td>2.1.1</td>
<td>Weeks 2-3</td>
</tr>
<tr>
<td>Program Design and Development</td>
<td>2.1.2</td>
<td>Weeks 4-8</td>
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<tr>
<td>Program Go-Live</td>
<td>2.3</td>
<td>Week 9</td>
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*SFHSS intends for Week 1 to begin between Monday, January 27, 2020 and Monday, February 24, 2020. However, depending on the duration of this RFP and design of the program, this may be modified by SFHSS in consultation with the selected Contractor.

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3. Response Requirements

3.1 Submission of Proposals and Questions

3.1.1. Submission Deadline.

Proposals and all related materials must be received by 2:00 PM PT on Tuesday, November 26, 2019 (Deadline for Proposals). Proposals must be delivered via e-mail to the following address:

Michael Visconti
Manager, Contracts Administration
michael.visconti@sfgov.org

Late submissions will not be considered.

3.2.2. Respondent Questions and Deadline.

Respondents shall submit any questions regarding this RFP in writing by Tuesday, November 12, 2019 (Deadline for RFP Questions). Questions must be delivered by e-mail to the following address:

Michael Visconti
Manager, Contracts Administration
michael.visconti@sfgov.org

Respondents shall provide specific information to enable SFHSS to identify and respond to their questions.

At its discretion, SFHSS may contact an inquiring Respondent to seek clarification regarding any inquiry received.

Any Respondent that fails to report a known or suspected problem with the RFP or fails to seek clarification or correction of the RFP, shall submit a proposal at their own risk.

SFHSS will publish answers to all submitted questions to the SFHSS website http://sfhss.org and the current list of SFHSS active procurement vehicles (https://sfhss.org/RFPs) as well as via email to all prospective Respondents that submitted any question(s), by or before November 18, 2019.

3.2 Proposal Package

Complete but concise Proposals are recommended for ease of review by the Evaluation Panel. Proposals should provide a straightforward, concise description of the Respondent’s capabilities to satisfy the requirements of the RFP. Marketing and sales type information should be excluded. All parts, pages, figures, and tables should be numbered and clearly labeled.

3.3 Proposal Format
To be eligible for evaluation, Proposals must adhere to the following format:

3.3.1. **Section 1: Cover Letter.**

Respondent shall identify Respondent's name; corporate structure including parent company and subsidiaries, if applicable; home office and branch office(s), if any, and subcontractors or consultants, to be providing services; office locations; as well as the name, address, email and telephone number of a principal contact for information regarding the Proposal.

*Please note that in accordance with City Ordinance No. 189-16 (file No. 1604425), SFHSS is banned from contracting with States with anti-LGBT laws. Under Administrative Code Section 12X.5(a) SFHSS and the City may not enter into any Contract with a Contractor that has its United States headquarters in a state on the Covered State List or where any or all of the work on the Contract will be performed in a state on the Covered State List. The current state list is available here: [https://sfgsa.org/chapter-12x-anti-lgbt-state-ban-list](https://sfgsa.org/chapter-12x-anti-lgbt-state-ban-list).*

3.3.2. **Section 2: Table of Contents.**

Respondent shall list all materials included in the proposal, clearly identifying the relevant sections and page numbers of the Proposal and the corresponding section(s) of this RFP.

3.3.3. **Section 3: Executive Summary.**

- Respondent shall state its understanding that the Proposal, and all supporting materials, will be used by SFHSS to evaluate whether Respondent may be considered for the Services detailed herein.

- Respondent shall include a statement that its Proposal is a firm and irrevocable offer for sixty (60) days following the date of submission to SFHSS of its Proposal.

- Respondent shall disclose whether any proposed services will be provided by Respondent's personnel, including employees and/or consultants, located outside of the United States, and if so, the location and names of such personnel and/or facilities.

- Respondent shall disclose engagements where Respondent, or Respondent's personnel, is/are currently performing services for the City and County of San Francisco or any City Department.

- Respondent shall provide information on the circumstances and status of any non-routine investigation, examination, complaint, disciplinary action or other proceeding commenced by any current client, prior client, state or federal regulatory body, or professional organization over the past three (3) years to which Respondent was a party, either as the principal subject or as an enjoined party, including but not limited to violations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
Respondent shall provide detailed information about Respondent’s background, the services it provides, including, but not limited to, its ownership structure, recent acquisitions or mergers, or any known future acquisitions or mergers.

Respondent shall provide a detailed description of Respondent’s overall approach to the services described in Section 2 (Scope of Work) – generally described in this RFP – as well as a timeline and/or calendar of services and key administrative or regulatory dates.

3.3.4. Section 4: Project Manager and Key Staff.

Respondent shall identify the proposed Project Manager responsible for overseeing the provision of the services and shall identify prospective support staff performing consequential and significant work (Key Staff).

Respondent shall detail its proposed team structure, including staffing levels, hours of availability, and proposed distribution of work. Please identify if Project Manager or any Key Staff are classified or may be properly classified as independent contractors.

Respondent shall include location of Project Manager and Key Staff. Background information shall be provided in detail, including total accumulated years of experience, years working with Respondent, education, professional certification and accreditation, and special areas of expertise including DPP administration, and/or workplace wellness program development, implementation and management. Experience listed shall include entities for which services were performed, the type of services performed, the length of engagement, and size and complexity of the projects.

3.3.5. Section 5: Approach/Strategy to Services

Using the services described in Section 2 (Scope of Work) and this RFP as a guide, describe Respondent’s approach to designing and managing the Program for SFHSS and what distinguishes Respondent, Respondent’s Project Manager, Key Staff, facilities, experience, and/or processes and procedures. Include any warranties and guarantees for any or all Services or materials related to Services.

3.3.7. Section 7: Pricing for Services.

Respondent shall provide a total not-to-exceed cost estimate for the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Services prior to Go-Live</td>
<td>$________</td>
</tr>
<tr>
<td>Year 1 (12 months) of Program, all costs associated with the first twelve months of the program from the date the Program goes live</td>
<td>$________</td>
</tr>
<tr>
<td>Year 2</td>
<td>$________</td>
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<tr>
<td>Year 3 (estimate)</td>
<td>$________</td>
</tr>
<tr>
<td>Year 4 (estimate)</td>
<td>$________</td>
</tr>
<tr>
<td>Year 5 (estimate)</td>
<td>$________</td>
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</tbody>
</table>
o Any incidental costs, fixed costs, or overhead, is excluded from the above, shall be clearly identified and segregated.

o If the hourly rate for the Project Manager and/or Key Staff is excluded from the above per-unit pricing, clearly identify the estimated hours for each deliverable.

3.3.8. Section 8: Contract Form and Specifications.

Appendix A contains the general form and content of the contract SFHSS anticipates using for the agreement with the selected Respondent (Contractor). Appendix B hereto is the general form and content SFHSS anticipates using for the Business Associates Agreement (BAA).

o In submitting a Proposal, the Respondent will be deemed to have reviewed each clause in Appendix A and Appendix B. Respondent's Proposal shall identify any objection(s) and/or inclusion(s) to the terms and conditions of Appendix A and Appendix B, set forth the basis for the objection(s) and/or inclusion(s), and provides substitute language to make the clause(s) acceptable to Respondent or to address an issue Respondent feels is not addressed by Appendix A and Appendix B.

o Respondent shall address limitation of liability for services performed by the Respondent through affirmative response that no such limitations of liability will be imposed, or by responding that limitation of liability shall apply and providing proposed contract language.

o Respondent shall provide in its Proposal the amount of insurance coverage carried as defined in Appendix A, Article 5 (Insurance and Indemnity).

3.4 Proposal Provisions

3.4.1. Disposition of Proposals, Public Disclosure and Confidentiality.

Public Disclosure. Upon opening, all Proposals to this RFP shall become the exclusive property of SFHSS and may be subject to public disclosure pursuant to the San Francisco Sunshine Ordinance (San Francisco Administrative Code §67.24(e)). In accordance with San Francisco Sunshine Ordinance, contracts, contractors' bids, responses to requests for proposals and all other records of communications between the San Francisco Health Service System Board, the officers and employees of the San Francisco Health Service System, members of the Evaluation Panel, and persons or firms seeking contracts, including but not limited to respondents, prospective bidders, and incumbent providers of print and mail services, shall be open to inspection immediately after a contract has been awarded. Nothing in this request for proposals requires the disclosure of the net worth of a private person or organization or other proprietary financial data submitted for qualification for a contract or other benefit until, and unless, that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

Confidentiality. If a Respondent believes that any portion of its Proposal is exempt from public disclosure under the San Francisco Sunshine Ordinance, such portion may be marked “CONFIDENTIAL”. SFHSS and the Board will deny public disclosure of any portions so designated. The submittal of a Proposal with portions marked
CONFIDENTIAL shall constitute the Respondent’s agreement, in consideration for SFHSS’ willingness to receive such response, to reimburse SFHSS for, and to indemnify, defend, and hold harmless SFHSS, the Board, the City and County of San Francisco, its officers, fiduciaries, employees, and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys’ fees, expenses and court costs of any nature whatsoever (collectively, “Claims”) arising from or relating to SFHSS’ nondisclosure of any such designated portions of a Proposal; and (b) any and all Claims arising from or relating to SFHSS’ public disclosure of any such designated portions of a Proposal if disclosure is deemed required by law or by court order.

3.4.2. Conflict of Interest.

SFHSS cautions Respondents that the California Government Code Section 1090 conflict of interest prohibition pertaining to public officials and government employees has been interpreted to prohibit some independent contractors from being financially interested in any contract that they help create. It is the sole responsibility of each Respondent, and their employees/contractors, to determine whether such a conflict of interest exists, in regard to this RFP.

Respondent, and staff, will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City’s Charter, Article III (Conduct of Government Officials and Employees), Chapter 2 (Conflict of Interest and Other Prohibited Activities) of City’s Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. Respondent will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such potential conflicts during the term of the Agreement.

Individuals who will perform work for SFHSS on behalf of Respondent might be deemed Contractors under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful Respondent that the City has selected Respondent.

3.4.3. Cancelation.

Should Respondent wish to cancel, revise, or rescind its Proposal, a written letter so stating must be received by SFHSS before the Deadline for Proposals.

Should respondent wish to revise a Proposal, the revised Proposal must be received before the Deadline for Proposals.

In no case will a statement of intent to submit a revised Proposal, or commencement of a revision process, extend the Deadline for Proposals for any Respondent.

At any time during the Proposal evaluation process, SFHSS may require a Respondent to provide oral or written clarification regarding its Proposal. Nonetheless, SFHSS reserves the right to make an award without further clarifications of Proposals received.
3.4.4. **Validity of Response.**

Any Proposal must remain valid for a period of not less than sixty (60) days from the date of submission. This includes pricing, as well as the proposed staffing assignments of the Project Manager and Key Staff.

3.4.6. **Expenses.**

There is no expressed or implied obligation for SFHSS to reimburse any Respondent for expenses incurred in preparing their Proposals. Such costs, if applicable, should not be included in the Response. SFHSS reserves the right to retain the Response and use any information or ideas contained therein.

3.4.7. **Communications.**

Respondents will direct all communications, in writing, to:

*Michael Visconti*

*Manager, Contracts Administration*  
*San Francisco Health Service System*  
*Email: michael.visconti@sfgov.org*

Respondents are precluded from contacting other SFHSS staff, members of the Evaluation Board, and/or other City and County of San Francisco staff regarding the RFP or the Proposals.

3.4.8. **Rejection of Proposal.**

At its sole discretion, SFHSS reserves the right to reject any Response for reasons including, but not limited to:

- Failure to respond in the format required, both in content and sequence;
- Failure to submit the response by the specified deadline;
- Failure to answer any question in this RFP;
- Failure to meet a qualification or requirement;
- False or misleading statements; and/or
- Any other reason which, in SFHSS’ opinion, the response fails to meet the conditions and requirements of this Request for Proposal, including, but not limited to a violation of Section 3.4.3 (Conflict of Interest), Section 3.4.8 (Communications) or Section 3.4.11. (Campaign Reform Ordinance).

3.4.9. **No Offer to Contract.**

Issuance of this RFP in no way constitutes a commitment by SFHSS, the Board, or the City, to award a contract. SFHSS reserves the right to reject any or all Proposals received. Acceptance of a Proposal neither commits SFHSS to award a contract to any Respondent, even if all requirements stated in this RFP are met, nor limits our
right to negotiate in our best interest. SFHSS reserves the right to contract with a vendor for reasons other than lowest price.

3.4.10. Objections to the RFP Terms.

Should a Respondent, including a prospective Respondent, object on any ground to any provision or legal requirement set forth in this RFP, Respondent must, not more than seven (7) working days before the Deadline for Proposals, provide written notice to SFHSS setting forth with specificity the grounds for the objection(s). The failure of a Respondent to object within the time allowed, and in the manner set forth in this paragraph, shall constitute a complete and irrevocable waiver of any such objection(s).

3.4.11. Campaign Reform Ordinance.

Respondents must comply with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which states:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three months have elapsed from the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

If a Respondent is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period Respondent is prohibited from making contributions to:

- The officer’s re-election campaign;
- A candidate for that officer’s office; and/or
- A committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any City officer or employee about a particular contract, or a City officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (1) a vendor contacts a City officer or employee to promote himself or herself as a candidate for a contract; and (2) a City officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to this RFP, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:
Criminal. Any person who knowingly or willfully violates Section 1.126 is subject to a fine of up to $5,000 and a jail term of not more than six months, or both.

Civil. Any person who intentionally or negligently violates Section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to $5,000.

Administrative. Any person who intentionally or negligently violates Section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to $5,000 for each violation.

For further information, Respondents should contact the San Francisco Ethics Commission at (415) 581-2300.

3.4.12. Reservations of Rights by the City.

The issuance of this RFP does not constitute an agreement by SFHSS, the Board, or the City to enter into any contract. SFHSS expressly reserves the right at any time to:

- Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- Reject any or all Proposals;
- Reissue a Request for Proposals, Request for Qualifications or similar procurement;
- Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
- Procure any services specified in this RFP by any other means; or
- Determine that no contract will be pursued.

3.4.13. Local Business Enterprise.

The requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the “LBE Ordinance”) shall apply to this RFP. For more information, please go to the Contract Monitoring Division (CMD) webpage at http://sfgov.org/cmd/.

The 10% Micro-LBE and Small-LBE rating bonus provisions applies to this project because the anticipated Agreement amount is less than $10 Million. Micro-LBEs and Small-LBEs that apply for the rating bonus must be certified by the proposal due date. If they are not certified by the bid due date, the rating bonus will not be granted. The 2% SBA-LBE rating bonus provisions applies to this project because the anticipated Agreement amount is less than $20 Million.
However, the 2% rating bonus for SBA-LBEs shall not be applied if it would adversely affect a Micro-LBE or Small-LBE. SBA-LBEs that apply for the rating bonus must be certified by the proposal due date. If they are not certified by the bid due date, the rating bonus will not be granted.

LBE firms must submit Form 2A with their proposal to be considered for the ratings bonus. http://sfgov.org/cmd/file/371 (pages 10 and 11).

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4. Evaluation

This section describes the guidelines used for analyzing and evaluating Responses. SFHSS intends to select a Respondent that provides the best overall qualifications, inclusive of fee considerations. This RFP does not in any way limit SFHSS’ right to solicit contracts for similar or identical services if, in the sole and absolute discretion of SFHSS, it determines the responses received are inadequate to satisfy its needs.

4.1 Evaluation Team

City representatives will serve as the Evaluation Team responsible for evaluating Respondents and rating each Proposal.

4.2 Minimum Qualifications

Any Response that does not demonstrate that the Respondent meets these minimum qualifications by the Deadline for Proposals will be considered non-responsive, and will not be evaluated or eligible for award of any subsequent contract(s).

- Respondent has submitted a Proposal for delivering services and deliverables outlined in this RFP, including but not limited to Section 2 (Scope of Work).
- Respondent and Respondent Project Manager must have at least five (5) years of experience supporting or facilitating Diabetes Prevention Programs and/or comprehensive workplace wellness initiatives.
- Respondent must become an Approved Supplier with the City and County of San Francisco within ten (10) days post award. Respondents are not required to have an SF City Supplier ID at the time of bid. Find out how to become an Approved Supplier at: https://sfcitypartner.sfgov.org/pages/become-a-supplier.aspx.

4.3 Reassignment of Personnel following Award

4.3.1 Consent to Reassign Personnel.

Contractor shall not reassign personnel assigned to the contract during the term of the contract without prior notification to SFHSS and the Board. If Contractor personnel is unable to perform duties due to illness, resignation, or other factors beyond Contractor’s control, Contractor shall make every reasonable effort to provide suitable substitute personnel for review and approval by SFHSS (see 4.3.2 Substitute Personnel below).

4.3.2 Substitute Personnel.

Contractor shall coordinate with SFHSS regarding the selection of Substitute Personnel including, but not limited to in-person interviews with proposed Substitute Personnel. Substitute Personnel shall not automatically receive the hourly rate of the individual or position being replaced. SFHSS and Contractor shall negotiate the
hourly rate of any substitute personnel into the contract. The hourly rate negotiated shall depend, in part, upon the experience and individual skills of the proposed substitute personnel. The negotiated rate cannot exceed the hourly rate stated in the contract.

4.3.3. Removal of Personnel.

SFHSS reserves the right to request Contractor personnel be removed from performing any services upon written notice to the Contractor including, but not limited to, for actual or perceived conflict(s) of interest. If Contractor personnel is removed, Contractor shall assign Substitute Personnel.

4.4. Other Terms and Conditions

4.4.1. The selection of any Respondent for contract negotiations shall not imply acceptance by SFHSS of all terms of the response, which may be subject to further negotiation and approvals before SFHSS may be legally bound thereby.

4.4.2. Respondents agree to become an Approved Supplier within ten (10) days of award or selection by SFHSS. Respondents accept that failure to become an Approved Supplier for any reason within ten (10) days of award or selection by SFHSS may result in disqualification.

4.4.3. Respondents agree to meet the applicable terms of the City-approved service contract (Appendix A) and the Business Associates Agreement (Appendix B). If a satisfactory contract cannot be negotiated in a reasonable time with the selected Respondent, then the City and HSS, in its sole discretion, may terminate negotiations and begin contract negotiations with any other remaining Respondents, or reissue a subsequent RFP, a Request for Quote, a Request for Qualifications, or a mini-RFP, or it may determine that the project will not be pursued.

4.5. Protest Procedures

4.5.1. Protest of Non-Responsiveness Determination.

Within five (5) working days of SFHSS’ issuance of a notice of non-responsiveness, any Respondent that has submitted a Proposal and believes that SFHSS has incorrectly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by SFHSS on or before the fifth working day following SFHSS’ issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every ground asserted for the protest. The protest must be signed by an individual authorized to represent Respondent, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify all facts and evidence that would support and/or justify the protest.

4.5.2. Protest of Contract Award.

Within five (5) working days of approval by the Board contract, any firm that has submitted a responsive proposal and believes that SFHSS has incorrectly selected
another Respondent for award may submit a written notice of protest. Such notice of protest must be received by SFHSS on or before the fifth working day after approval by the Board.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent Respondent, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify all facts and evidence that would support and/or justify the protest.

4.5.3. Delivery of Protests.

Respondents are responsible for delivery to, and confirm receipt by, SFHSS of any protest by the deadlines specified in Section 4.5 (Protest Procedures). If a protest is mailed, the protesting Respondent bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date SFHSS received the protest. Protests or notice of protests made orally, e.g., by telephone, will not be considered.

Protests must be delivered to:

Michael Visconti  
Manager, Contracts Administration  
San Francisco Health Service System  
1145 Market Street, 3rd Floor  
San Francisco, CA 94103
RFP Appendix A – Agreement

City and County of San Francisco
Office of Contract Administration
Purchasing Division
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4685

Agreement between the City and County of San Francisco and

[Insert name of contractor]
[Insert agreement number (if applicable)]

This Agreement is made this [insert day] day of [insert month], [insert year], in the City and County of San Francisco (“City), State of California, by and between [name and address of Contractor] (“Contractor”) and City.

Recitals

WHEREAS, the San Francisco Health Service System (“Department” or “SFHSS”) wishes to [services]; and,  
WHEREAS, a Request for Proposal (“RFP”) was issued on [date], and City selected Contractor pursuant to the RFP; and  
WHEREAS, there is no Local Business Entity (“LBE”) subcontracting participation requirement for this Agreement; and  
WHEREAS, Contractor represents and warrants that it is qualified to perform the Services required by City as set forth under this Agreement; and  
WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved file No. 0135-16-8 on April 4, 2016, which granted the Health Service System continuing approval for benefit related contracts for Personal Services Contracts;  

Now, THEREFORE, the parties agree as follows:

Article 1 Definitions

The following definitions apply to this Agreement:

1.1 "Agreement" means this contract document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into this Agreement by reference as provided herein.

1.2 "City" or "the City" means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or
the Director’s designated agent, hereinafter referred to as “Purchasing” and [insert name of department].

1.3 "CMD" means the Contract Monitoring Division of the City.

1.4 "Confidential Information" means confidential City information including, but not limited to, personally-identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, "Proprietary or Confidential Information") that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (Chapter 12M).

1.5 "Contractor" or "Consultant" means [name and address of contractor].

1.6 "Deliverables" means Contractor's work product resulting from the Services provided by Contractor to City during the course of Contractor's performance of the Agreement, including without limitation, the work product described in the “Scope of Services” attached as Appendix A.

1.7 "Effective Date" means the date upon which the City's Controller certifies the availability of funds for this Agreement as provided in Section 3.1.

1.8 "Mandatory City Requirements" means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.9 "Party" and "Parties" mean the City and Contractor either collectively or individually.

1.10 "Services" means the work performed by Contractor under this Agreement as specifically described in the "Scope of Services" attached as Appendix A, including all services, labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Agreement.

**Article 2   Term of the Agreement**

2.1 The term of this Agreement shall commence on [Contractor's start date] and expire on [expiration date], unless earlier terminated as otherwise provided herein.

2.2 The City has two (2) options to renew the Agreement for a period of one year each. The City may extend this Agreement beyond the expiration date by exercising an option at the City’s sole and absolute discretion and by modifying this Agreement as provided in Section 11.5, “Modification of this Agreement.”

**Article 3   Financial Matters**
3.1 **Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

3.2 **Guaranteed Maximum Costs.** The City’s payment obligation to Contractor cannot at any time exceed the amount certified by City's Controller for the purpose and period stated in such certification. Absent an authorized Emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is the City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, "Modification of this Agreement."

3.3 **Compensation.**

3.3.1 **Payment.** Contractor shall provide an invoice to the City on a monthly basis for Services completed in the immediate preceding month, unless a different schedule is set out in Appendix B, "Calculation of Charges." Compensation shall be made for Services identified in the invoice that the Executive Director, in his or her sole discretion, concludes has been satisfactorily performed. Payment shall be made within 30 calendar days of receipt of the invoice, unless the City notifies the Contractor that a dispute as to the invoice exists. In no event shall the amount of this Agreement exceed [dollar amount]. The breakdown of charges associated with this Agreement appears in Appendix B, “Calculation of Charges,” attached hereto and incorporated by reference as though fully set forth herein. A portion of payment may be withheld until conclusion of the Agreement if agreed to by both parties as retainage, described in Appendix B. In no event shall City be liable for interest or late charges for any late payments.

3.3.2 **Payment Limited to Satisfactory Services.** Contractor is not entitled to any payments from City until SFHSS approves Services, including any furnished Deliverables, as satisfying all of the requirements of this Agreement. Payments to Contractor by City shall not excuse Contractor from its obligation to replace unsatisfactory Deliverables, including equipment, components, materials, or Services even if the unsatisfactory character of such
Deliverables, equipment, components, materials, or Services may not have been apparent or detected at the time such payment was made. Deliverables, equipment, components, materials and Services that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay at no cost to the City.

3.3.3 **Withhold Payments.** If Contractor fails to provide Services in accordance with Contractor's obligations under this Agreement, the City may withhold any and all payments due Contractor until such failure to perform is cured, and Contractor shall not stop work as a result of City's withholding of payments as provided herein.

3.3.4 **Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller and City, and must include a unique invoice number. Payment shall be made by City as specified in 3.3.6 or in such alternate manner as the Parties have mutually agreed upon in writing.

3.3.5 **LBE Payment and Utilization Tracking System.** Contractor must submit all required payment information using the City’s Financial System as required by CMD to enable the City to monitor Contractor's compliance with the LBE subcontracting commitments in this Agreement. Contractor shall pay its LBE subcontractors within three working days after receiving payment from the City, except as otherwise authorized by the LBE Ordinance. The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor’s submission of all required CMD payment information. Failure to submit all required payment information to the City’s Financial System with each payment request may result in the Controller withholding 20% of the payment due pursuant to that invoice until the required payment information is provided. Following City’s payment of an invoice, Contractor has ten calendar days to acknowledge using the City’s Financial System that all subcontractors have been paid. Self-Service Training for suppliers is located at this link: [https://sfcitypartner.sfgov.org/Training/TrainingGuide](https://sfcitypartner.sfgov.org/Training/TrainingGuide).

3.3.6 **Getting paid by the City for goods and/or services.**

(a) All City vendors receiving new contracts, contract renewals, or contract extensions must sign up to receive electronic payments through the City's Automated Clearing House (ACH) payments service/provider. Electronic payments are processed every business day and are safe and secure. To sign up for electronic payments, visit [www.sfgov.org/ach](http://www.sfgov.org/ach).

(b) The following information is required to sign up: (i) The enrollee must be their company's authorized financial representative, (ii) the company's legal name, main telephone number and all physical and remittance addresses used by the company, (iii) the company's U.S. federal employer identification number (EIN) or Social Security number (if they are a sole proprietor), and (iv) the company's bank account information, including routing and account numbers.

3.4 **Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its Services. Contractor will permit City to audit, examine and make excerpts and
transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not fewer than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any Federal agency having an interest in the subject matter of this Agreement shall have the same rights as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

3.5 **Submitting False Claims.** The full text of San Francisco Administrative Code Chapter 21, Section 21.35, including the enforcement and penalty provisions, is incorporated into this Agreement. Pursuant to San Francisco Administrative Code §21.35, any contractor or subcontractor who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor or subcontractor will be deemed to have submitted a false claim to the City if the contractor or subcontractor: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

3.6 **Reserved (“Payment of Prevailing Wages”)**

**Article 4 Services and Resources**

4.1 **Services Contractor Agrees to Perform.** Contractor agrees to perform the Services stated in Appendix A, “Scope of Services.” Officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Services beyond the Scope of Services listed in Appendix A, unless Appendix A is modified as provided in Section 11.5, "Modification of this Agreement."

4.2 **Qualified Personnel.** Contractor shall utilize only competent personnel under the supervision of, and in the employment of, Contractor (or Contractor's authorized subcontractors) to perform the Services. Contractor will comply with City’s reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City’s request, must be supervised by Contractor. Contractor shall commit adequate resources to allow timely completion within the project schedule specified in this Agreement.

4.3 **Subcontracting.**

4.3.1 Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All Subcontracts must incorporate the terms of Article
10 “Additional Requirements Incorporated by Reference” of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void.

4.3.2 City's execution of this Agreement constitutes its approval of the subcontractors listed below.

4.4 **Independent Contractor; Payment of Employment Taxes and Other Expenses.**

4.4.1 **Independent Contractor.** For the purposes of this Section 4.4, "Contractor" shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor, its agents, and employees will not represent or hold themselves out to be employees of the City at any time. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor’s performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor’s work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor’s compliance with this section. Should City determine that Contractor, or any agent or employee of Contractor, is not performing in accordance with the requirements of this Agreement, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor’s receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor, or any agent or employee of Contractor, warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

4.4.2 **Payment of Employment Taxes and Other Expenses.** Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall
be reduced by amounts equal to both the employee and employer portions of the tax due (and 
offsetting any credits for amounts already paid by Contractor which can be applied against this 
liability). City shall then forward those amounts to the relevant taxing authority. Should a 
relevant taxing authority determine a liability for past services performed by Contractor for City, 
upon notification of such fact by City, Contractor shall promptly remit such amount due or 
arrange with City to have the amount due withheld from future payments to Contractor under 
this Agreement (again, offsetting any amounts already paid by Contractor which can be applied 
as a credit against such liability). A determination of employment status pursuant to this Section 
4.4 shall be solely limited to the purposes of the particular tax in question, and for all other 
purposes of this Agreement, Contractor shall not be considered an employee of City.

Notwithstanding the foregoing, Contractor agrees to indemnify and save harmless City and its 
officers, agents and employees from, and, if requested, shall defend them against any and all 
claims, losses, costs, damages, and expenses, including attorneys’ fees, arising from this section.

4.5 Assignment. The Services to be performed by Contractor are personal in 
character. Neither this Agreement, nor any duties or obligations hereunder, may be directly or 
indirectly assigned, novated, hypothecated, transferred, or delegated by Contractor, or, where the 
Contractor is a joint venture, a joint venture partner, (collectively referred to as an 
“Assignment”) unless first approved by City by written instrument executed and approved in the 
same manner as this Agreement in accordance with the Administrative Code. The City’s 
approval of any such Assignment is subject to the Contractor demonstrating to City’s reasonable 
satisfaction that the proposed transferee is: (i) reputable and capable, financially and otherwise, 
of performing each of Contractor’s obligations under this Agreement and any other documents to 
be assigned, (ii) not forbidden by applicable law from transacting business or entering into 
contracts with City; and (iii) subject to the jurisdiction of the courts of the State of California. A 
change of ownership or control of Contractor or a sale or transfer of substantially all of the assets 
of Contractor shall be deemed an Assignment for purposes of this Agreement. Contractor shall 
immediately notify City about any Assignment. Any purported Assignment made in violation of 
this provision shall be null and void.

4.6 Warranty. Contractor warrants to City that the Services will be performed with 
the degree of skill and care that is required by current, good and sound professional procedures 
and practices, and in conformance with generally accepted professional standards prevailing at 
the time the Services are performed so as to ensure that all Services performed are correct and 
appropriate for the purposes contemplated in this Agreement.

4.7 Liquidated Damages. By entering into this Agreement, Contractor agrees that in 
the event the Services are delayed beyond the scheduled milestones and timelines as provided in 
Appendix A, City will suffer actual damages that will be impractical or extremely difficult to 
determine. Contractor agrees that the sum of [insert whole dollar amount in words and 
numbers -- no pennies and no “.00”] per calendar day for each day of delay beyond scheduled 
milestones and timelines is not a penalty, but is a reasonable estimate of the loss that City will 
incure based on the delay, established in light of the circumstances existing at the time this 
Agreement was awarded. City may deduct a sum representing the liquidated damages from any
money due to Contractor under this Agreement or any other contract between City and Contractor. Such deductions shall not be considered a penalty, but rather agreed upon monetary damages sustained by City because of Contractor’s failure to furnish deliverables to City within the time fixed or such extensions of time permitted in writing by City.

**Article 5  **  **Insurance and Indemnity**

5.1  **Insurance.**

5.1.1  **Required Coverages.** Without in any way limiting Contractor’s liability pursuant to the “Indemnification” section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(a) Workers’ Compensation, in statutory amounts, with Employers’ Liability Limits not less than $1,000,000 each accident, injury, or illness; and

(b) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(c) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence, “Combined Single Limit” for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Professional Liability Insurance, applicable to Contractor’s profession, with limits not less than $1,000,000 for each claim with respect to negligent acts, errors or omissions in connection with the Services.

(e) Reserved (“Technology Errors and Omissions Liability Coverage”)

(f) Reserved (“Cyber and Privacy Coverage”).

5.1.2  Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

5.1.3  Contractor’s Commercial General Liability and Commercial Automobile Liability Insurance policies shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

5.1.4  All policies shall be endorsed to provide thirty (30) days’ advance written notice to the City of cancellation for any reason, intended non-renewal, or reduction in coverages. Notices shall be sent to the City address set forth in Section 11.1, entitled “Notices to the Parties.”

5.1.5  Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this
Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

5.1.6 Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

5.1.7 Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

5.1.8 Before commencing any Services, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

5.1.9 The Workers’ Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

5.1.10 If Contractor will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Contractor as additional insureds.

5.2 Indemnification. Contractor shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise) arising from or in any way connected with any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personally identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from Contractor's execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; so long as such injury, violation, loss, or strict liability (as set forth in subsections (i) – (v) above) arises directly or indirectly from Contractor’s performance of this Agreement, including, but not limited to, Contractor’s use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not
contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors, or either’s agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City’s costs of investigating any claims against the City.

In addition to Contractor’s obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys’ fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor's Services.

### Article 6 Liability of the Parties

6.1 **Liability of City.** CITY’S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, “PAYMENT,” OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

6.2 **Liability for Use of Equipment.** City shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented or loaned by City.

6.3 **Liability for Incidental and Consequential Damages.** Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor’s acts or omissions.

### Article 7 Payment of Taxes

7.1 **Contractor to Pay All Taxes.** Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Services delivered pursuant hereto. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to promptly provide information requested by the City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.
7.2 **Possessory Interest Taxes.** Contractor acknowledges that this Agreement may create a “possessory interest” for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

7.2.1 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest.

7.2.2 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a “change in ownership” for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

7.2.3 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

7.2.4 Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

7.3 **Withholding.** Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

**Article 8  Termination and Default**

8.1 **Termination for Convenience**

8.1.1 City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

8.1.2 Upon receipt of the notice of termination, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination
of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions may include any or all of the following, without limitation:

(a) Halting the performance of all Services under this Agreement on the date(s) and in the manner specified by City.

(b) Terminating all existing orders and subcontracts, and not placing any further orders or subcontracts for materials, Services, equipment or other items.

(c) At City’s direction, assigning to City any or all of Contractor’s right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(d) Subject to City’s approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(e) Completing performance of any Services that City designates to be completed prior to the date of termination specified by City.

(f) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

8.1.3 Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(a) The reasonable cost to Contractor, without profit, for all Services prior to the specified termination date, for which Services City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor’s direct costs for Services. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(b) A reasonable allowance for profit on the cost of the Services described in the immediately preceding subsection (a), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all Services under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(c) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(d) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the Services or other work.

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically
listed in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Services under this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys’ fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under Section 8.1.3.

8.1.5 In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for Services covered by Contractor’s final invoice; (ii) any claim which City may have against Contractor in connection with this Agreement; (iii) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection 8.1.4; and (iv) in instances in which, in the opinion of the City, the cost of any Service performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected Services, the difference between the invoiced amount and City’s estimate of the reasonable cost of performing the invoiced Services in compliance with the requirements of this Agreement.

8.1.6 City’s payment obligation under this Section shall survive termination of this Agreement.

8.2 Termination for Default; Remedies.

8.2.1 Each of the following shall constitute an immediate event of default (“Event of Default”) under this Agreement:

(a) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

<table>
<thead>
<tr>
<th>3.5</th>
<th>Submitting False Claims.</th>
<th>10.10</th>
<th>Alcohol and Drug-Free Workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5</td>
<td>Assignment</td>
<td>11.10</td>
<td>Compliance with Laws</td>
</tr>
<tr>
<td>Article 5</td>
<td>Insurance and Indemnity</td>
<td>Article 13</td>
<td>Data and Security</td>
</tr>
<tr>
<td>Article 7</td>
<td>Payment of Taxes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within ten days after written notice thereof from City to Contractor. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five days for Contractor to cure the default.

(c) Contractor (i) is generally not paying its debts as they become due; (ii) files, or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors’ relief law of any jurisdiction; (iii) makes an assignment for the benefit of its creditors; (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any
substantial part of Contractor’s property; or (v) takes action for the purpose of any of the foregoing.

(d) A court or government authority enters an order (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor’s property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors’ relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Contractor.

8.2.2 On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, where applicable, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with the City.

8.2.3 All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

8.2.4 Any notice of default must be sent by registered mail to the address set forth in Article 11.

8.3 Non-Waiver of Rights. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

8.4 Rights and Duties upon Termination or Expiration.

8.4.1 This Section and the following Sections of this Agreement listed below, shall survive termination or expiration of this Agreement:

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<thead>
<tr>
<th>3.3.2</th>
<th>Payment Limited to Satisfactory Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4</td>
<td>Audit and Inspection of Records</td>
</tr>
<tr>
<td>9.2</td>
<td>Works for Hire</td>
</tr>
<tr>
<td>11.6</td>
<td>Dispute Resolution Procedure</td>
</tr>
</tbody>
</table>
8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City.

**Article 9** **Rights In Deliverables**

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors, in the Deliverables, including any drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors for the purposes of this agreement, shall become the property of and will be transmitted to City. However, unless expressly prohibited elsewhere in this Agreement, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** If, in connection with Services, Contractor or its subcontractors creates Deliverables including, without limitation, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes, or any other original works of authorship, whether in digital or any other format, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works shall be the property of the City. If any Deliverables created by Contractor or its subcontractor(s) under this Agreement are ever determined not to be works for hire under U.S. law, Contractor hereby assigns all Contractor's copyrights to such Deliverables to the City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon subcontractor(s). With City's prior written approval, Contractor and its subcontractor(s) may retain and use copies of such works for reference and as documentation of their respective experience and capabilities.

**Article 10** **Additional Requirements Incorporated by Reference**
10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Article and elsewhere in the Agreement ("Mandatory City Requirements") are available at http://www.amlegal.com/codes/client/san-francisco_ca/.

10.2 **Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City’s Charter; Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Agreement.

10.3 **Prohibition on Use of Public Funds for Political Activity.** In performing the Services, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

10.4 **Consideration of Salary History.** Contractor shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." Contractor is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Chapter 12K. Information about and the text of Chapter 12K is available on the web at https://sfgov.org/olse/consideration-salary-history. Contractor is required to comply with all of the applicable provisions of 12K, irrespective of the listing of obligations in this Section.

10.5 **Nondiscrimination Requirements.**

10.5.1 **Non Discrimination in Contracts.** Contractor shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Contractor is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

10.5.2 **Nondiscrimination in the Provision of Employee Benefits.** San Francisco Administrative Code 12B.2. Contractor does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real
property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

10.6 **Reserved (“Local Business Enterprise and Non-Discrimination in Contracting Ordinance”).**

10.7 **Minimum Compensation Ordinance.** If Administrative Code Chapter 12P applies to this contract, Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Chapter 12P. Information about and the text of the Chapter 12P is available on the web at http://sfgov.org/olse/mco. Contractor is required to comply with all of the applicable provisions of 12P, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Chapter 12P.

10.8 **Health Care Accountability Ordinance.** If Administrative Code Chapter 12Q applies to this contract, Contractor shall comply with the requirements of Chapter 12Q. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission. Information about and the text of the Chapter 12Q, as well as the Health Commission’s minimum standards, is available on the web at http://sfgov.org/olse/hcao. Contractor is subject to the enforcement and penalty provisions in Chapter 12Q. Any Subcontract entered into by Contractor shall require any Subcontractor with 20 or more employees to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section.

10.9 **First Source Hiring Program.** Contractor must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Agreement, and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

10.10 **Alcohol and Drug-Free Workplace.** City reserves the right to deny access to, or require Contractor to remove from, City facilities personnel of any Contractor or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs City's ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.
10.11 **Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor’s board of directors; Contractor’s chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10% in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

10.12 **Reserved (“Slavery Era Disclosure”).**

10.13 **Reserved (“Working with Minors”).**

10.14 **Consideration of Criminal History in Hiring and Employment Decisions.**

10.14.1 Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (“Chapter 12T”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at http://sfgov.org/olse/fco. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

10.14.2 The requirements of Chapter 12T shall only apply to a Contractor’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.
10.15 **Reserved (“Public Access to Nonprofit Records and Meetings””).**

10.16 **Reserved (“Food Service Waste Reduction Requirements”).**

10.17 **Reserved (“Distribution of Beverages and Water”).**

10.18 **Tropical Hardwood and Virgin Redwood Ban.** Pursuant to San Francisco Environment Code Section 804(b), the City urges Contractor not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

10.19 **Reserved (“Preservative Treated Wood Products”).**

**Article 11 General Provisions**

11.1 **Notices to the Parties.** Unless otherwise indicated in this Agreement, all written communications sent by the Parties may be by U.S. mail or e-mail, and shall be addressed as follows:

To City: Abbie Yant, RN, MA
Executive Director
San Francisco Health Service System
1145 Market Street, #300
San Francisco, California 94103
abbie.yant@sfgov.org

To Contractor: [name of contractor, mailing address, e-mail address]

Any notice of default must be sent by registered mail. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party. If email notification is used, the sender must specify a receipt notice.

11.2 **Compliance with Americans with Disabilities Act.** Contractor shall provide the Services in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

11.3 **Incorporation of Recitals.** The matters recited above are hereby incorporated into and made part of this Agreement.

11.4 **Sunshine Ordinance.** Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services, and City's payment are subject to the California Public Records Act, (California Government Code §6250 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

11.5 **Modification of this Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except as noted in Section 11.1, “Notices to Parties,” regarding change in personnel or place, and except by written instrument executed and
approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

11.6 **Dispute Resolution Procedure.**

11.6.1 **Negotiation; Alternative Dispute Resolution.** The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. If the Parties are unable to resolve the dispute, then, pursuant to San Francisco Administrative Code Section 21.36, Contractor may submit to the Contracting Officer a written request for administrative review and documentation of the Contractor's claim(s). Upon such request, the Contracting Officer shall promptly issue an administrative decision in writing, stating the reasons for the action taken and informing the Contractor of its right to judicial review. If agreed by both Parties in writing, disputes may be resolved by a mutually agreed-upon alternative dispute resolution process. If the parties do not mutually agree to an alternative dispute resolution process or such efforts do not resolve the dispute, then either Party may pursue any remedy available under California law. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of the City. Neither Party will be entitled to legal fees or costs for matters resolved under this section.

11.6.2 **Government Code Claim Requirement.** No suit for money or damages may be brought against the City until a written claim therefor has been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

11.7 **Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

11.8 **Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

11.9 **Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, “Modification of this Agreement.”

11.10 **Compliance with Laws.** Contractor shall keep itself fully informed of the City’s Charter, codes, ordinances and duly adopted rules and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times
comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

11.11 Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (ii) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

11.12 Cooperative Drafting. This Agreement has been drafted through a cooperative effort of City and Contractor, and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No Party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

11.13 Order of Precedence. Contractor agrees to perform the services described below in accordance with the terms and conditions of this Agreement, implementing task orders, the RFP, and Contractor's proposal dated [Insert Date of Proposal]. The RFP and Contractor's proposal are incorporated by reference as though fully set forth herein. Should there be a conflict of terms or conditions, this Agreement and any implementing task orders shall control over the RFP and the Contractor’s proposal. If the Appendices to this Agreement include any standard printed terms from the Contractor, Contractor agrees that in the event of discrepancy, inconsistency, gap, ambiguity, or conflicting language between the City’s terms and Contractor's printed terms attached, the City’s terms shall take precedence, followed by the procurement issued by the department, Contractor’s proposal, and Contractor’s printed terms, respectively.

11.14 Notification of Legal Requests. Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests (“Legal Requests”) related to all data given to Contractor by City in the performance of this Agreement (“City Data” or “Data”), or which in any way might reasonably require access to City’s Data, and in no event later than 24 hours after it receives the request. Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with the City’s instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

Article 12 Department Specific Terms

12.1 Reserved.

Article 13 Data and Security

13.1 Nondisclosure of Private, Proprietary or Confidential Information.

13.1.1 Protection of Private Information. If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of San Francisco Administrative
Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

13.1.2 Confidential Information. In the performance of Services, Contractor may have access to City's proprietary or Confidential Information, the disclosure of which to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or Confidential Information.

13.2 Reserved (“Payment Card Industry (“PCI”) Requirements”).

13.3 Business Associate Agreement. This Agreement may require the exchange of information covered by the U.S. Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). A Business Associate Agreement (“BAA”) executed by the parties is attached as Appendix B.

13.4 Management of City Data and Confidential Information

13.4.1 Access to City Data. City shall at all times have access to and control of all data given to Contractor by City in the performance of this Agreement (“City Data” or “Data”), and shall be able to retrieve it in a readable format, in electronic form and/or print, at any time, at no additional cost.

13.4.2 Use of City Data and Confidential Information. Contractor agrees to hold City's Confidential Information received from or created on behalf of the City in strictest confidence. Contractor shall not use or disclose City's Data or Confidential Information except as permitted or required by the Agreement or as otherwise authorized in writing by the City. Any work using, or sharing or storage of, City's Confidential Information outside the United States is subject to prior written authorization by the City. Access to City's Confidential Information must be strictly controlled and limited to Contractor’s staff assigned to this project on a need-to-know basis only. Contractor is provided a limited non-exclusive license to use the City Data or Confidential Information solely for performing its obligations under the Agreement and not for Contractor’s own purposes or later use. Nothing herein shall be construed to confer any license or right to the City Data or Confidential Information, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data or Confidential Information by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase “unauthorized use” means the data mining or processing of data, stored or transmitted by the service, for commercial purposes, advertising or advertising-related purposes, or for any purpose other than security or service delivery analysis that is not explicitly authorized.

13.4.3 Disposition of Confidential Information. Upon termination of Agreement or request of City, Contractor shall within forty-eight (48) hours return all
Confidential Information which includes all original media. Once Contractor has received written confirmation from City that Confidential Information has been successfully transferred to City, Contractor shall within ten (10) business days purge all Confidential Information from its servers, any hosted environment Contractor has used in performance of this Agreement, work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge.

Article 14    MacBride And Signature

14.1 MacBride Principles - Northern Ireland. The provisions of San Francisco Administrative Code §12F are incorporated herein by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

➤ [SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY

Recommended by:

[Vendor name]

Abbie Yant, RN, MA
Executive Director
San Francisco Health Service System

Approved as to Form:

Dennis J. Herrera
City Attorney

By: ________________________________
  Gustin Guibert
  Deputy City Attorney

[contractor authorized representative]
[title]
[address]
[city, state, ZIP]

City vendor number: [City Approved Supplier Number]
This Business Associate Agreement (“BAA”) supplements and is made a part of the agreement by and between the City and County of San Francisco, the Covered Entity (“CE”), and [name of contractor] (“Contractor”), the Business Associate (“BA”), dated [insert date] (CMS #____) (“Agreement”). To the extent that the terms of the Agreement are inconsistent with the terms of this BAA, the terms of this BAA shall control.

RECITALS

A. CE, by and through the San Francisco Health Service System (“SFHSS”), wishes to disclose certain information to BA pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).

B. For purposes of the Agreement and this BAA, CE requires Contractor, even if Contractor is also a covered entity under HIPAA, to comply with the terms and conditions of this BAA as a BA of CE.

C. CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and regulations promulgated there under by the U.S. Department of Health and Human Services (the “HIPAA Regulations”) and other applicable laws, including, but not limited to, California Civil Code §§ 56, et seq., California Health and Safety Code § 1280.15, California Civil Code §§ 1798, et seq., California Welfare & Institutions Code §§5328, et seq., and the regulations promulgated there under (the “California Regulations”).

D. As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into an agreement containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(a) and (e) and 164.504(e) of the Code of Federal Regulations (“C.F.R.”) and contained in this BAA.

E. BA enters into agreements with CE that require the CE to disclose certain identifiable health information to BA. The parties desire to enter into this BAA to permit BA to have access to such information and comply with the BA requirements of HIPAA, the HITECH Act, and the corresponding Regulations.

In consideration of the mutual promises below and the exchange of information pursuant to this BAA, the parties agree as follows:

1. Definitions.

   a. **Breach** means the unauthorized acquisition, access, use, or disclosure of PHI that compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information, and shall have the meaning given to such term under the HITECH Act and
HIPAA Regulations [42 U.S.C. Section 17921 and 45 C.F.R. Section 164.402], as well as California Civil Code Sections 1798.29 and 1798.82.

b. **Breach Notification Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Part 164, Subpart D.

c. **Business Associate** is a person or entity that performs certain functions or activities that involve the use or disclosure of protected health information received from a covered entity, but other than in the capacity of a member of the workforce of such covered entity or arrangement, and shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.

d. **Covered Entity** means a health plan, a health care clearinghouse, or a health care provider who transmits any information in electronic form in connection with a transaction covered under HIPAA Regulations, and shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.

e. **Data Aggregation** means the combining of Protected Information by the BA with the Protected Information received by the BA in its capacity as a BA of another CE, to permit data analyses that relate to the health care operations of the respective covered entities, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

f. **Designated Record Set** means a group of records maintained by or for a CE, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

g. **Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media and shall have the meaning given to such term under HIPAA and the HIPAA Regulations, including, but not limited to, 45 C.F.R. Section 160.103. For the purposes of this BAA, Electronic PHI includes all computerized data, as defined in California Civil Code Sections 1798.29 and 1798.82.

h. **Electronic Health Record** means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given to such term under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

i. **Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

j. **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

k. **Protected Health Information or PHI** means any information, including electronic PHI, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an
individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Sections 160.103 and 164.501. For the purposes of this BAA, PHI includes all medical information and health insurance information as defined in California Civil Code Sections 56.05 and 1798.82.

1. **Protected Information** shall mean PHI provided by CE to BA or created, maintained, received or transmitted by BA on CE’s behalf.

m. **Security Incident** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, and shall have the meaning given to such term under the Security Rule, including, but not limited to, 45 C.F.R. Section 164.304.

n. **Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

o. **Unsecured PHI** means PHI that is not secured by a technology standard that renders PHI unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute, and shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h) and 45 C.F.R. Section 164.402.

2. **Obligations of Business Associate.**

a. **User Training.** The BA shall provide, and shall ensure that BA subcontractors provide, training on PHI privacy and security, including HIPAA and HITECH and its regulations, to each employee or agent that will access, use or disclose Protected Information, upon hire and/or prior to accessing, using or disclosing Protected Information for the first time, and at least annually thereafter during the term of the Agreement. BA shall maintain, and shall ensure that BA subcontractors maintain, records indicating the name of each employee or agent and date on which the PHI privacy and security trainings were completed. BA shall retain, and ensure that BA subcontractors retain, such records for a period of seven years after the Agreement terminates and shall make all such records available to CE within 15 calendar days of a written request by CE.

b. **Permitted Uses.** BA may use, access, and/or disclose Protected Information only for the purpose of performing BA’s obligations for, or on behalf of, the City and as permitted or required under the Agreement and BAA, or as required by law. Further, BA shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of CE [45 C.F.R. Sections 164.502, 164.504(e)(2), and 164.504(e)(4)(i)].
c. **Permitted Disclosures.** BA shall disclose Protected Information only for the purpose of performing BA’s obligations for, or on behalf of, the City and as permitted or required under the Agreement and BAA, or as required by law. BA shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by CE. However, BA may disclose Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of CE. If BA discloses Protected Information to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential as provided pursuant to this BAA and used or disclosed only as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches, security incidents, or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2 (n) of this BAA, to the extent it has obtained knowledge of such occurrences [42 U.S.C. Section 17932; 45 C.F.R. Section 164.504(e)]. BA may disclose PHI to a BA that is a subcontractor and may allow the subcontractor to create, receive, maintain, or transmit Protected Information on its behalf, if the BA obtains satisfactory assurances, in accordance with 45 C.F.R. Section 164.504(e)(1), that the subcontractor will appropriately safeguard the information [45 C.F.R. Section 164.502(e)(1)(ii)].

d. **Prohibited Uses and Disclosures.** BA shall not use or disclose Protected Information other than as permitted or required by the Agreement and BAA, or as required by law. BA shall not use or disclose Protected Information for fundraising or marketing purposes. BA shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the Protected Information solely relates [42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(1)(vi)]. BA shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of CE and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2), and the HIPAA regulations, 45 C.F.R. Section 164.502(a)(5)(ii); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Agreement.

e. **Appropriate Safeguards.** BA shall take the appropriate security measures to protect the confidentiality, integrity and availability of PHI that it creates, receives, maintains, or transmits on behalf of the CE, and shall prevent any use or disclosure of PHI other than as permitted by the Agreement or this BAA, including, but not limited to, administrative, physical and technical safeguards in accordance with the Security Rule, including, but not limited to, 45 C.F.R. Sections 164.306, 164.308, 164.310, 164.312, 164.314 164.316, and 164.504(e)(2)(ii)(B). BA shall comply with the policies and procedures and documentation requirements of the Security Rule, including, but not limited to, 45 C.F.R. Section 164.316, and 42 U.S.C. Section 17931. BA is responsible for any civil penalties assessed due to an audit or investigation of BA, in accordance with 42 U.S.C. Section 17934(c).
f. **Business Associate’s Subcontractors and Agents.** BA shall ensure that any agents and subcontractors that create, receive, maintain or transmit Protected Information on behalf of BA, agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI and implement the safeguards required by paragraph 2.f. above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2) through (e)(5); 45 C.F.R. Section 164.308(b)]. BA shall mitigate the effects of any such violation.

g. **Accounting of Disclosures.** Within ten (10) calendar days of a request by CE for an accounting of disclosures of Protected Information or upon any disclosure of Protected Information for which CE is required to account to an individual, BA and its agents and subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including but not limited to 42 U.S.C. Section 17935 (c), as determined by CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents and subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BA maintains an Electronic Health Record. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual’s authorization, or a copy of the written request for disclosure [45 C.F.R. 164.528(b)(2)]. If an individual or an individual’s representative submits a request for an accounting directly to BA or its agents or subcontractors, BA shall forward the request to CE in writing within five (5) calendar days.

h. **Access to Protected Information.** BA shall make Protected Information maintained by BA or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within (5) days of request by CE to enable CE to fulfill its obligations under state law [Health and Safety Code Section 123110] and the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524 [45 C.F.R. Section 164.504(e)(2)(ii)(E)]. If BA maintains Protected Information in electronic format, BA shall provide such information in electronic format as necessary to enable CE to fulfill its obligations under the HITECH Act and HIPAA Regulations, including, but not limited to, 42 U.S.C. Section 17935(e) and 45 C.F.R. 164.524.

i. **Amendment of Protected Information.** Within ten (10) days of a request by CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA and its agents and subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment or other documentation to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If an individual requests an amendment of Protected
Information directly from BA or its agents or subcontractors, BA must notify CE in writing within five (5) days of the request and of any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors [45 C.F.R. Section 164.504(e)(2)(ii)(F)].

j. **Governmental Access to Records.** BA shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services (the “Secretary”) for purposes of determining BA’s compliance with HIPAA [45 C.F.R. Section 164.504(e)(2)(ii)(I)]. BA shall provide CE a copy of any Protected Information and other documents and records that BA provides to the Secretary concurrently with providing such Protected Information to the Secretary.

k. **Minimum Necessary.** BA, its agents and subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the intended purpose of such use, disclosure, or request. [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)]. BA understands and agrees that the definition of “minimum necessary” is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes “minimum necessary” to accomplish the intended purpose in accordance with HIPAA and HIPAA Regulations.

l. **Data Ownership.** BA acknowledges that BA has no ownership rights with respect to the Protected Information.

m. **Notification of Breach.** BA shall notify CE within 5 calendar days of any breach of Protected Information; any use or disclosure of Protected Information not permitted by the BAA; any Security Incident (except as otherwise provided below) related to Protected Information, and any use or disclosure of data in violation of any applicable federal or state laws by BA or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the BA to have been, accessed, acquired, used, or disclosed, as well as any other available information that CE is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including, but not limited to 45 C.F.R. Section 164.404 through 164.408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BA shall take (i) prompt corrective action to cure any deficiencies and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws. [42 U.S.C. Section 17921; 42 U.S.C. Section 17932; 45 C.F.R. 164.410; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.F.R. Section 164.308(b)]

n. **Breach Pattern or Practice by Business Associate’s Subcontractors and Agents.** Pursuant to 42 U.S.C. Section 17934(b) and 45 C.F.R. Section 164.504(e)(1)(iii), if the BA knows of a pattern of activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent’s obligations under the Agreement or this BAA, the BA must take reasonable steps to cure the breach or end the violation. If the steps
are unsuccessful, the BA must terminate the contractual arrangement with its subcontractor or agent, if feasible. BA shall provide written notice to CE of any pattern of activity or practice of a subcontractor or agent that BA believes constitutes a material breach or violation of the subcontractor or agent’s obligations under the Contract or this BAA within five (5) calendar days of discovery and shall meet with CE to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

3. Termination.

a. Material Breach. A breach by BA of any provision of this BAA, as determined by CE, shall constitute a material breach of the Agreement and this BAA and shall provide grounds for immediate termination of the Agreement and this BAA, any provision in the AGREEMENT to the contrary notwithstanding. [45 C.F.R. Section 164.504(e)(2)(iii).]

b. Judicial or Administrative Proceedings. CE may terminate the Agreement and this BAA, effective immediately, if (i) BA is named as defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws or (ii) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

c. Effect of Termination. Upon termination of the Agreement and this BAA for any reason, BA shall, at the option of CE, return or destroy all Protected Information that BA and its agents and subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections and satisfy the obligations of Section 2 of this BAA to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible [45 C.F.R. Section 164.504(e)(2)(ii)(J)]. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed in accordance with the Secretary’s guidance regarding proper destruction of PHI.

d. Civil and Criminal Penalties. BA understands and agrees that it is subject to civil or criminal penalties applicable to BA for unauthorized use, access or disclosure of Protected Information in accordance with the HIPAA Regulations and the HITECH Act including, but not limited to, 42 U.S.C. 17934 (c).

e. Disclaimer. CE makes no warranty or representation that compliance by BA with this BAA, HIPAA, the HITECH Act, or the HIPAA Regulations or corresponding California law provisions will be adequate or satisfactory for BA’s own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

4. Amendment to Comply with Law.

The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this BAA may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA,
the HITECH Act, the HIPAA regulations and other applicable state or federal laws relating to the security or confidentiality of PHI. The parties understand and agree that CE must receive satisfactory written assurance from BA that BA will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the updated standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable state or federal laws. CE may terminate the Agreement upon thirty (30) days written notice in the event (i) BA does not promptly enter into negotiations to amend the Agreement or this BAA when requested by CE pursuant to this section or (ii) BA does not enter into an amendment to the Agreement or this BAA providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

5. Reimbursement for Fines or Penalties.

In the event that CE pays a fine to a state or federal regulatory agency, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible use or disclosure of PHI by BA or its subcontractors or agents, then BA shall reimburse CE in the amount of such fine or penalties or damages within thirty (30) calendar days from City’s written notice to BA of such fines, penalties or damages.