

**San Francisco Health Service System  
PeopleSoft HCM Benefits Optimization  
Phase II Implementation Services**

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<b>Issuing Agency</b>	San Francisco Health Service System (SFHSS)
<b>Contract Owner</b>	City and County of San Francisco (CCSF)
<b>Module</b>	PeopleSoft HCM Benefits Administration
<b>Engagement Type</b>	Phase II Implementation Services
<b>Pricing Model Required</b>	Milestone-Based
<b>Prior Phases Completed</b>	Phase 0 (Scope Initiation) and Phase I (Functional Assessment)
<b>SFHSS Division</b>	Information Systems (IS)

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## **1. Purpose**

The San Francisco Health Service System (SFHSS) administers health and welfare benefits for nearly 140,000 employees, retirees, and eligible dependents across four employers, with PeopleSoft HCM Benefits Administration as the core system of record.

SFHSS has completed Phase 0 (Scope Initiation) and Phase 1 (Functional Assessment) and has identified a prioritized set of configuration, automation, and modernization requirements to address longstanding processing inefficiencies, data integrity gaps, and manual workload across benefits administration, delinquency processing, and open enrollment operations.

This solicitation seeks a qualified vendor to execute Phase II implementation delivering working, tested system outcomes against the defined requirements and milestones in this document. Vendors are expected to execute, not advise.

## **2. Background and Context**

The San Francisco Health Service System (SFHSS) is the module owner for PeopleSoft HCM Benefits Administration within the City and County of San Francisco (CCSF). SFHSS administers health and welfare benefits for active employees, retirees, and their dependents across CCSF departments.

Three organizational constraints are non-negotiable for any vendor engaging on this project:

- The CCSF Controller's Office holds infrastructure-level authority over the PeopleSoft environment. All environment changes (Dev to Test to Production) require Controller's Office coordination. Vendors are responsible for scheduling and tracking this dependency.
- Vendors must include a Future State / To-Be Business Analysis phase as a precondition to configuration. Vendors must account for this in their proposed approach, timeline, and pricing.
- Arrears processing configuration requires coordination with and approval from the CCSF Payroll Department prior to production deployment. Vendors must account for this dependency in their proposed timeline and testing approach.

The scope of services described herein represents SFHSS's current requirements and serves as a guide to the work expected to be performed. It is not a complete listing of all services that may be required. Scope will be finalized through contract negotiations. SFHSS reserves the right to request additional services substantially related in nature during the contract negotiation phase.

### **3. Scope of Work**

Phase II is organized into the following workstreams. Vendors must address all workstreams in their proposals. The **Tier 1** requirements in [Section 4](#) map directly to these workstreams.

#### **A. Benefits Configuration and Optimization**

- Implement approved changes to Benefit Programs, Plans, and Coverage Codes.
- Configure Eligibility Rules, Event Rules, and Processing Schedules.
- Validate payroll integration impacts.
- Deliver fully tested configuration with before/after documentation traceable to requirements.

#### **B. Benefits Automation**

- Automate event-driven processing: hire, life events, status changes.
- Reduce manual intervention through configured workflows.
- Configure Event Classes, Event Rules, and Batch Schedules.
- Deliver automated workflows with documented error-reduction mechanisms.

#### **C. Delinquency Processing Automation**

- Implement a fully automated end-to-end delinquency processing framework (arrearages, refunds, terminations).
- Automate pickup and refund processing within the system.
- Implement automated member notifications aligned with each stage of delinquency processing.

#### **D. Enrollment Modernization**

- Implement Fluid Enrollment.
- Implement Activity Guides for life events.
- Configure document attachments, approvals, notifications, and benefit statements.
- Deliver admin capabilities: WorkCenter, audit tracking, and insights dashboards.

#### **E. Integration and Data Handling**

- Payroll integration alignment.
- Carrier interface validation and integrity.
- Data migration using Data Migration Workbench.
- No one-way or lossy integrations.
- SFHSS administers benefits for multiple employer groups. CCSF and CRT employees are processed through the City's PeopleSoft payroll. Other employer groups (SFUSD and CCD) operate on separate pension or employer payroll systems and interact with SFHSS through interface files. Vendors must account for this multi-employer integration landscape in their proposed approach. For reference, the four employer groups for whom SFHSS administers benefits are: City and County of San Francisco (CCSF); San Francisco Unified School District (SFUSD); City College of San Francisco (CCD); and Superior Court of San Francisco (CRT). SFUSD and CCD operate on separate employer payroll systems and interact with SFHSS through interface files

#### **F. Testing and Validation**

- Vendor must deliver Unit Testing, System Testing, and UAT support.
- Scenario-based testing using real member case types.
- Coverage must include all member types, all event types, and edge cases including dependent duplication and retroactive changes.

## G. Migration and Cutover

- Migration strategy covering Dev to Test to Production environment.
- Cutover checklist with go/no-go criteria.
- Parallel run strategy where applicable.
- Rollback plan.

## 4. Requirements

### 4.1 Tier 1 - Must-Have (Non-Negotiable In-Scope Requirements)

The following 26 requirements are in scope for Phase II. Vendors must demonstrate in their proposal how their solution approach addresses each item. Proposals that do not address all Tier 1 items will not be considered.

ID	Category	Sub-Category	Requirement	Business Need / Outcome
1	Optimization	Benefits Admin	Benefits Start Date control	Establish a governed retroactive processing window to eliminate unnecessary historical data processing and reduce out-of-sequence conditions and retro corrections.
2	Optimization	Benefits Admin	Event processing efficiency	Reduce manual navigation and data entry steps for HIR/TRM/RET processing through consolidated page design and system-applied defaults.
3	Optimization	Benefits Admin	DEPCARE FSA eligibility	Accurately determine FSA eligibility using earnings thresholds or custom attributes rather than salary grade alone, consistent with current

				two-tier compliance implementation.
4	Optimization	Benefits Admin	CCD hire/term handling	Implement event types and enrollment windows specific to the CCD population, including support for mid-year enrollment.
5	Optimization	Event Processing	Event trigger realignment	Restrict event triggers to action/reason combinations with direct eligibility impact, eliminating unnecessary event generation. Requires coordination with Controller's Office for permission to modify non-benefit events.
6	Optimization	Event Processing	Auto-close non-impacting events	Automatically close BAS events that do not affect eligibility, preventing downstream processing blockages.
7	Optimization	Event Processing	Long Void standardization	Replace reliance on Long Void as a processing workaround with a standardized event processing framework.
8	Optimization	Event Processing	Event completion enforcement	Enforce SUBMIT/COMPLETE validation so incomplete events cannot block downstream processing.
9	Optimization	Carrier Interface	Carrier file integrity	Ensure voided or reprocessed events result in complete and consistent records transmitted to carriers, eliminating dropped

				records on re-enrollment.
10	Optimization	Carrier Interface	Re-enrollment sequencing	Implement sequencing controls enforcing correct ordering of termination and re-enrollment transactions to eliminate coverage gaps in carrier data.
11	Delinquency	Processing	End-to-end DQ automation	Implement a fully automated delinquency processing framework, replacing the current highly manual and inconsistent process across arrears, refunds, and terminations.
12	Delinquency	Processing	DQ pickup/refund automation	Automate pickup and refund processing within the system, eliminating manual intervention.
13	Delinquency	Processing	DQ member notifications	Implement automated member notifications aligned with each stage of delinquency processing, replacing delayed and inconsistent manual communications.
14	Optimization	Eligibility Controls	Covered Person Type enforcement	Enforce covered person type classification (spouse vs. child) through configuration rules to ensure correct coverage codes and rate calculations.
15	Optimization	Eligibility Controls	Dual coverage and DSW prevention	Implement cross-record validation controls to detect and prevent dual coverage, including DSW detection for new hires already covered

				under a CCSF-employed spouse.
16	Optimization	Eligibility Controls	Duplicate SSN control	Enforce SSN validation rules with defined exception handling to eliminate enrollment inconsistencies caused by duplicate or missing SSNs.
17	Optimization	Eligibility Controls	DEVA process standardization	Implement a standardized dependent verification process with defined validation rules and audit fields capturing document receipt dates (Birth Certificate, Marriage Certificate, Domestic Partner Certificate, SSN, Divorce Decree).
18	Automation	Workflow & Notifications	Automated member notifications	Implement system-driven notifications integrated with event processing, replacing manual outreach including notifications for open HIR events.
19	Automation	Workflow & Notifications	Approval workflows	Introduce approval-based workflows requiring document validation steps before enrollment is processed.
20	Optimization	Audit & Data Tracking	Post-processing audit controls	Strengthen upstream validation and processing controls to reduce reliance on manual post-processing queries to identify errors.
21	Optimization	Reporting & Tools	Event monitoring and visibility	Implement monitoring tools providing real-time

				visibility into event processing queues and status.
22	Modernization	Document Management	Conditional document attachments	Configure event-based attachment requirements so that document obligations vary appropriately by scenario, reducing appeals related to missing documents.
23	Modernization	Open Enrollment	OE and Life Event conflict management	Configure event coordination logic to manage conflicts between Open Enrollment events and concurrent Life Events.
24	Modernization	Open Enrollment	Post-OE validation controls	Implement stronger validation and processing controls during OE to reduce the volume of post-OE correction queries required.
25	Automation	Workflow & Notifications	Automated letters and communications	Implement a centralized system-driven communication framework replacing manually generated letters and member communications.
26	Automation	Configuration & Calculation	System-based rate and calculation logic	Implement system-based configuration and calculation management to enable retroactive processing where the system calculates, replacing external dependencies.

## 4.2 Tier 2 - Future Roadmap (Non-Binding, For Vendor Awareness)

### Note to Vendors

*The following items represent known future-state requirements that are out of scope for this engagement. They are provided for informational purposes only so that vendors can demonstrate awareness of the broader optimization roadmap in their proposed architecture and approach.*

*Inclusion of Tier 2 items in a proposal does not create contractual obligation for SFHSS. Any work beyond Tier 1 requires a separate competitive procurement process.*

ID	Category	Sub-Category	Requirement	Business Need / Outcome
1	Optimization	Benefits Admin	Out-of-sequence event controls	Implement controls restricting reprocessing to validated scenarios, addressing future-dated and overlapping events. Dependent on root cause analysis of event sources including Human Resources Department owned job data.
2	Optimization	Benefits Admin	Processing error / reprocessing risk	Implement system controls preventing reprocessing from overwriting valid enrollments. Related to item 2; candidates for consolidation.
3	Optimization	Benefits Admin	Disability retiree retro processing	Implement carrier-aligned retroactive processing rules for disability retirements within carrier limitations.
4	Optimization	Benefits Admin	Court order dependent handling	Automate relationship updates for court-ordered dependents within the event processing flow.
5	Delinquency	Processing	Plan-level termination logic	Implement event processing to support selective plan-level terminations (e.g., medical vs. dental/vision) during delinquency processing.

6	Optimization	Leave / Status	LOA event handling	Configure a dedicated LOA event type to flag employees on leave without disrupting active payroll, addressing current gap where departments do not consistently apply leave status.
7	Modernization	User Experience	Navigation consolidation	Implement consolidated processing views to reduce multi-page navigation risk for staff and members.
8	Modernization	User Experience	Page layout optimization	Redesign page layouts to prioritize key fields for day-to-day processing. Candidate for in-house implementation.
9	Modernization	User Experience	DSW and query usability	Redesign queries and DSW reporting outputs for operational user readability.
10	Modernization	Open Enrollment	Configuration migration controls	Implement a controlled migration process for OE configuration changes across environments, replacing manual re-keying.
11	Modernization	Open Enrollment	Payroll testing framework	Establish a payroll testing framework for OE configuration validation before production. Requires coordination with Controller's Office.
12	Automation	Processing Controls	Governed execution controls	Implement controlled execution mechanisms restricting manual job execution to approved exceptions with full audit trail.
13	Automation	Processing Framework	Job sequencing and orchestration	Implement dependency-driven job orchestration enforcing correct sequencing to prevent conflicts and aborts.

14	Automation	Reporting & Output	Standardized report generation	Standardize report generation and automate scheduling and delivery, replacing inconsistent manual outputs.
15	Automation	Financial Processing	PeopleSoft-based financial workflows	Implement end-to-end financial processing within PeopleSoft, replacing Excel-based workflows. Requires further scope definition.

## 5. Deliverables and Payment Milestone Gates

*Payment is tied directly and exclusively to SFHSS written acceptance of deliverables. No acceptance, no payment. Milestone payments are released only upon full acceptance of all deliverables within that milestone. Acceptance requires: (1) deliverable meets defined functional requirements, (2) all associated test cases pass with documented results, (3) no critical defects outstanding, (4) written business sign-off from SFHSS obtained.*

#	Deliverable	Description	Payment Gate
1	Project Kickoff and Validation	Validated Phase 1 outputs; onboarding complete; project plan with WBS, resource loading, and milestone-tied timeline approved by SFHSS.	Milestone 1 - no subsequent work begins until SFHSS written approval of project plan.
2	To-Be Documentation	Completed Future State / To-Be design validated and signed off by SFHSS.	Milestone 2 - no configuration work begins until SFHSS written sign-off on To-Be documentation.
3	Functional and Technical Specifications	Specifications for each in-scope item prior to build. No black-box configuration; all design decisions documented.	Milestone 3 - per workstream, prior to configuration start.
4	Configured System Modules	Working, tested configuration for each in-scope workstream with before/after documentation traceable to Tier 1 requirements. Not presentations or status reports.	Milestone 4 - per workstream, upon unit and system testing completion.

5	Testing Artifacts	Complete test scripts, test results, and defect logs covering all member types, event types, and edge cases including dependent duplication and retroactive changes.	Milestone 5 - all critical defects resolved before UAT sign-off.
6	Go-Live Plan	Migration strategy (Dev to Test to Prod), cutover checklist with go/no-go criteria, parallel run strategy where applicable, and rollback plan.	Milestone 6 - approved by SFHSS before any production deployment.
7	Post Go-Live Support Plan	Defined support window (minimum 60 days), escalation path, runbooks, admin training materials, and handoff criteria for SFHSS operational ownership.	Milestone 7 - agreed at contract execution; materials delivered before go-live.

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