



REQUEST FOR HOTEL ROOM BLOCK PRICE QUOTES

TO: Interested Hotel Operators

FROM: Trent Rhorer
Executive Director
San Francisco Human Services Agency

DATE: March 19, 2020

Executive Summary

The City and County of San Francisco (the “City”) is taking aggressive steps to slow the spread of the COVID-19 virus. At the same time, the City’s Human Services Agency (“HSA”) is making preparations for the expected increase in the number of affected people in the City and has identified a need to arrange for the use of at least 4,250 hotel rooms for a minimum of the next four months to further the health and safety of (a) approximately 3,500 people who have been exposed to Covid-19 or are under medical quarantine and (b) approximately 750 COVID-19 front-line responders, all as further described below.

This need arises against the backdrop of sharply dropping hotel occupancy and, in some cases, closure of hotels and furloughed hotel workforces. The City recognizes the importance of the hospitality industry to San Francisco’s economy and eventual recovery and would like to structure this public-private partnership as a win-win-win: responsibly addressing the COVID-19 outbreak, providing participating civic-minded hotels with a revenue stream in excess of what the private market can offer during this time, and ensuring work and wages to the City’s hotel labor force to the maximum extent possible.

Response Requested

Interested hotels are invited to provide their response by completing Attachment A – Price Quote Response Form and returning it to Trent Rhorer, San Francisco Human Services Agency Director (trent.rhorer@sfgov.org) by **5:00 p.m. on Saturday, March 21, 2020**. Each respondent should structure its response based on the City’s terms and conditions described below. Respondents will not be bound by their offers until the execution of a final agreement with the City.

Populations to be Housed

HSA is seeking access to hotel rooms for the benefit of two populations.

On the one hand, in order to minimize the spread of the COVID-19 virus, the City plans to provide quarantine rooms to individuals whose current housing situation does not allow them

to self-quarantine at home (the “Isolation Rooms”), such as an individual who resides in a single room occupancy building where there are shared bathrooms and kitchens and isolation is thus impossible. About 19,000 individuals in San Francisco live in this this type of housing. Therefore these hotel rooms would be used to address two groups in particular: those residents who have come in close contact with a COVID-19 positive individual but have not been tested (14 day quarantine) and those residents who have been tested for COVID-19 but do not have a medical need to be hospitalized.

In addition to the quarantine population, HSA anticipates that the pace and volume of health care services needed to address the expected rise in COVID-19 infections will put significant strain on the City’s front-line responders to this crisis (primarily health workers). HSA therefore wants to provide access to hotel rooms (the “Worker Rooms”) for any workers seeking places to stay between their shifts so they can remain healthy or because they have come from other cities to assist San Francisco with our response.

These two populations will require different health protocols which will be set forth and agreed in detail prior to any occupancy, and accordingly respondents will be invited to offer price quotes targeted for each population. See “Proposed Terms and Conditions” below.

Important Note: The City will not offer an agreement for one population or the other; each agreement will offer HSA the flexibility to house either populations in the referenced hotel, subject to appropriate safety protocols and acceptance by the hotel.

Proposed Transaction Structure

As time is of the essence, individualized contract negotiations with each operator are not possible. In the interest of simplicity and efficiency, HSA is seeking price quotes for the City’s purchase of room blocks on the following terms:

1. Minimum Guarantee. Because an agreement with the City to provide rooms to these populations would necessitate keeping other guests out of the hotel, the City is willing to pay a minimum guaranteed payment per day from the beginning of the agreement as quoted under this process and agreed by the parties. The City would expect this payment to align with recent revenue generation trends over the course of March, where occupancy was quite low, so as to leave hotels no worse off than if they remained open to the current limited market.
2. Variable Payment Per Room Block Used. From the date the City exercises its option to purchase a block of rooms until the date such rooms are returned to the hotel per the terms of the agreement, the City will pay the per-room fee as quoted under this process and agreed by the parties.

For simplicity, and to maximize the benefits to the hotel workforce in the City, HSA seeks, and respondents’ price quotes should assume, hotel room blocks that would be accompanied by the full suite of hotel services, subject to negotiated exceptions regarding linen and food service as further described in “Proposed Terms and Conditions” below as well as any other limitations specific to a particular respondent hotel. Specific additions or deletions from the scope of services can be negotiated based on responses, and as part of that negotiation room

prices would be adjusted accordingly if changes to the scope affect the underlying cost to deliver the required service.

Proposed Terms and Conditions

Respondents' price quotes should be developed and submitted according to the following conditions:

Transaction term	Description
Term of agreement	Minimum four months from commencement of agreement with an option for to extend the term on a month-to-month basis.
Minimum Guarantee	Payable on a monthly basis according to Respondent's price quote, as further negotiated and agreed by the parties
Variable Payment	Variable costs are incurred per day and payable on a monthly basis for each room block according to Respondent's price quote and type of resident (Isolation Room or Worker Room) once it is requested and agreed per the process noted below
Size of Room Block	For ease of administration, HSA seeks the ability to purchase room blocks in a minimum quantity of 100 rooms at a time (or whatever number of rooms are remaining in a hotel, if the remainder is less than 100 rooms). HSA would also be able to purchase significantly more than 100 rooms at a time if conditions require. In all cases, such purchase would be subject to the "Room Block Purchase Process" noted below.
Room Block Purchase Process	The specific process will be detailed in each final agreement, but HSA seeks a streamlined process for each purchase of room blocks: <ol style="list-style-type: none"> 1. Notice 2. Inspection 3. Agreement on safety protocols and services for population to be housed
Food service	Price quotes for Isolation Room Blocks should reflect the inclusion of three meals of room service a day for each resident. Price quotes for Worker Room Blocks should reflect no room service.
Linen Service	SF Department of Public Health (SFDPH) will be responsible for linen cleaning in isolation rooms. NOTE: Hotel staff may

Transaction term	Description
	<p>provide linen cleaning subject to staff agreement and receipt of appropriate training.</p> <p>Hotel staff will provide linen service for first responder rooms.</p>
Room Cleaning Protocols during Agreement	<p>SFDPH will be responsible for room cleaning upon departure of the quarantine guest. There will be no daily room cleaning of quarantine guest rooms.</p> <p>The hotel will provide daily cleaning for first responder rooms.</p>
Room Block Termination Protocols	<p>At the end of the term of the agreement, SFDPH will be responsible for cleaning the entire hotel premises and rooms.</p>
Services provided by the Hotel and the City	<p>Subject to negotiation upon receipt of responses, reflecting specific services available at the respondent hotel and the ability of HSA to provide desired services not available from the respondent hotel. HSA will supply security officers for Isolation Rooms to ensure quarantine rules are followed.</p>
General Terms	<p>The City would propose to enter this agreement using the terms set forth in Attachment B. [Please note that Attachment B will be sent under separate cover as it is pending final legal review.</p>

Selection Process

This Request for Price Quotes is intended to create a speedy and efficient process for purchasing blocks of rooms as the impact of the COVID-19 virus accelerates over the coming days. HSA will review responses and contact respondents on a rolling basis as it deems appropriate. Respondents will be selected for negotiations based on a number of factors, including price, the degree to which the respondent is willing to adhere to all of the City's proposed agreement terms, the speed with which the rooms can be made available, the location or other characteristics of the hotel in relation to the population to be served, and other factors. No one factor will be dispositive.

Conclusion

HSA and the City greatly appreciate the willingness of the City's hotel operators and labor force to collaborate on this critical strategy to combat the spread of COVID-19 and care for those in the City who contract or are exposed to the disease either as part of the health care workforce or in the general public. It is our hope that this partnership will prove to be a major victory for both the City's health care effort and its economy during this challenging time.

