



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

March 14, 2018

Ed Reiskin, Director of Transportation
Municipal Transportation Agency
One South Van Ness Avenue, 7th Floor
San Francisco, CA 94102-4645

Attn: Sonali Bose, Chief Financial Officer, Municipal Transportation Agency

RE: Contracting for SFMTA Citation Processing Services – FY 2018-29 and FY 2019-20

The cost information and supplemental data provided by your office on the proposed contract referenced above has been reviewed by my staff.

If these services are provided at the proposed contract price, it appears they can be performed at a lower cost than if the work were performed by City employees.

The requirements of Charter Section 10.104.15 relative to the Controller's findings that work or services can be practically performed under private contract at a lesser cost than similar work performed by employees of the City and County of San Francisco have been satisfied. Attached is a statement of projected cost and estimated savings for Fiscal Years 2018-19 and 2019-20 and the informational items provided by the department pursuant to San Francisco Administrative Code Section 2.15.

Following the approval of the Board of Supervisors, we will notify your department and the Purchaser that this Charter requirement has been met. Please contact Risa Sandler at 415-554-5254 if you have any questions regarding this determination.

Sincerely,

A handwritten signature in black ink, appearing to be "Ben Rosenfield", written over a large, empty oval shape.

Ben Rosenfield,
Controller

Enclosures

cc: Board of Supervisors' Budget Analyst
Human Resources, Employee Relations

SFMTA
 CITATION PROCESSING AND COLLECTIONS
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)

FISCAL YEAR 2018-19

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate per FTE		Annual Cost	
			Low	High	Low	High
IS Business Analyst	1052	2.00	3,476	4,173	181,451	217,829
Senior Administrative Analyst	1823	1.00	3,658	4,392	95,477	114,618
IS Administrator III	1094	1.00	3,898	4,680	101,746	122,144
IS Engineer - Senior	1043	1.00	4,774	5,732	124,611	149,593
IS Engineer - Principal	1044	1.00	5,137	6,167	134,070	160,948
IS Programmer Analyst	1062	1.00	3,002	3,604	78,345	94,051
IS Programmer Analyst - Senior	1063	1.00	3,650	4,382	95,276	114,377
IS Programmer Analyst - Principal	1064	1.00	4,248	5,099	110,869	133,097
IS Project Director	1070	1.00	5,137	6,167	134,070	160,948
Clerk	1404	1.00	1,940	2,329	50,639	60,791
Principal Clerk	1408	1.00	2,657	3,190	69,355	83,259
Account Clerk	1630	3.0	2,082	2,499	163,025	195,708
Principal Account Clerk	1634	1.0	2,723	3,269	71,072	85,321
Senior Management Assistant	1844	1.0	3,310	3,974	86,398	103,719
Cashier II	4321	27.0	2,161	2,594	1,522,637	1,827,896
Cashier III	4322	3.0	2,423	2,909	189,727	227,764
Manager III	9177	1.0	4,556	5,470	118,923	142,764
Holiday Pay (if applicable)						
Night / Shift Differential (if applicable)						
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total FTE		48.0				
Total Salary Costs--->					3,327,690	3,994,826
Total of Other Compensation--->					-	-

FRINGE BENEFITS

	Amount	
1052	46,471	
1823	48,115	
1,093	-	
1,094	49,694	
1043	56,446	
1044	58,959	
1062	42,188	
1063	48,045	
1064	52,795	
1070	58,959	
1404	32,115	
1408	38,598	
1630	33,398	
1634	39,193	
1844	44,502	
4321	34,108	
4322	36,481	
9177	59,855	
Total Fringe Benefits		Low High 1,663,764 1,852,970

SFMTA
 CITATION PROCESSING AND COLLECTIONS
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)

FISCAL YEAR 2018-19

ADDITIONAL CITY COSTS

Software/Data Conversion	766,776	1,014,164
Capital and material costs	1,143,300	1,143,300
Mis (handheld devices/accessories, data cards)	240,000	240,000
Pay-by-phone/800#/Credit Card Fees	944,367	944,367
Residential Permit Parking Fullfillment, Freight and Postage	155,429	155,429
SFMTA Transit Operations Overhead of 84.7% applying to salary and fringe	4,221,161	4,953,083
Total Capital & Operating	7,477,633	8,450,343

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	12,469,087	14,298,139
LESS: ESTIMATED TOTAL CONTRACT COST	10,806,482	11,071,383
ESTIMATED SAVINGS	<u>1,662,605</u>	<u>3,226,756</u>
% of Savings to City Cost	13%	23%

Comments/Assumptions:

1. FY 1998 was the first year these services are/were contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2018. Costs are represented as annual 12 month costs.
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term disability, where applicable.
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.

For the SFMTA to provide this service utilizing city staff it will require the utilization of a broad range of IT classes. These classes would have distinct roles that will need to be provided. The rapid advancement of technology and cost saving opportunities that are associated with those advancements necessitates a dedicated technology team to this effort.

The shown 1823 and 1052 Analysts will be needed to map the business requirements to process design and software requirements for the development team. This is an iterative process that continues for the life of the system.

The shown 109x System administrators and 104x System Engineers would be required to perform the maintenance and oversee operation the citations system. The number of staff is representative for the critical business function this system provides to the SFMTA.

The shown 106x Programmer analysts would be need to implement a software solution to meet the needs of the SFMTA citation unit. The number of developers is potentially understated for the initial ramp up of getting a base application in place for this business need. The 1070 Is Project Director would manage and direct this team.

The shown Citations Processing and Collections class would be need to perform operational tasks of citations issuance, mailing, late notices (various:late fees, tow, collections activity, etc.), account assignments, payments receiptt, payment processing, payment application, research, responding to inquiries, manual input and tracking of manual citations, and account audit.

Pay by phone-credit card fees are approx. \$79k/month for a total of close to \$944k/year. Would be the same on both City and Contractor side.

SFMTA
 CITATION PROCESSING AND COLLECTIONS
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)

FISCAL YEAR 2019-20

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate per FTE		Annual Cost	
			Low	High	Low	High
IS Business Analyst	1052	2.00	3,619	4,345	188,936	226,814
Senior Administrative Analyst	1823	1.00	3,809	4,573	99,415	119,346
IS Administrator III	1094	1.00	4,059	4,873	105,942	127,182
IS Engineer - Senior	1043	1.00	4,971	5,968	129,751	155,764
IS Engineer - Principal	1044	1.00	5,349	6,421	139,600	167,587
IS Programmer Analyst	1062	1.00	3,126	3,752	81,576	97,931
IS Programmer Analyst - Senior	1063	1.00	3,801	4,563	99,206	119,095
IS Programmer Analyst - Principal	1064	1.00	4,423	5,310	115,443	138,587
IS Project Director	1070	1.00	5,349	6,421	139,600	167,587
Clerk	1404	1.00	2,020	2,425	52,727	63,298
Principal Clerk	1408	1.00	2,767	3,322	72,216	86,693
Account Clerk	1630	3.0	2,168	2,603	169,749	203,781
Principal Account Clerk	1634	1.0	2,835	3,404	74,004	88,840
Senior Management Assistant	1844	1.0	3,447	4,138	89,962	107,997
Cashier II	4321	27.0	2,250	2,701	1,585,444	1,903,294
Cashier III	4322	3.0	2,523	3,029	197,553	237,159
Manager III	9177	1.0	4,744	5,696	123,828	148,653
Holiday Pay (if applicable)						
Night / Shift Differential (if applicable)						
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total FTE		48.0				
Total Salary Costs--->					3,464,952	4,159,607
Total of Other Compensation--->					-	-

FRINGE BENEFITS

	Amount
1052	48,919
1823	50,630
1,093	-
1,094	52,275
1043	59,327
1044	61,944
1062	44,459
1063	50,558
1064	55,506
1070	61,944
1404	33,952
1408	40,703
1630	35,288
1634	41,322
1844	46,850
4321	36,028
4322	38,498
9177	63,084

Low High

SFMTA
 CITATION PROCESSING AND COLLECTIONS
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)

FISCAL YEAR 2019-20

Total Fringe Benefits	1,748,351	1,954,515
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ADDITIONAL CITY COSTS

Software/Data Conversion	766,776	1,014,164
Capital and material costs	1,155,788	1,155,788
Mis (handheld devices/accessories, data cards)	240,000	240,000
Pay-by-phone/800#/Credit Card Fees	944,367	944,367
Residential Permit Parking Fullfillment, Freight and Postage	155,429	155,429
SFMTA Transit Operations Overhead of 84.7% applying to salary and fringe	4,415,668	5,178,661
Total Capital & Operating	7,678,027	8,688,408

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	12,891,330	14,802,530
LESS: ESTIMATED TOTAL CONTRACT COST	11,482,045	11,755,816
ESTIMATED SAVINGS	1,409,285	3,046,713
% of Savings to City Cost	11%	21%

Comments/Assumptions:

1. FY 1998 was the first year these services are/were contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2018. Costs are represented as annual 12 month costs.
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4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.

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