



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 Towing Services – FY 2018-19 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 "BR", enclosed within a large, hand-drawn oval.

Ben Rosenfield,
Controller

Enclosures

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

SFMTA
 SFMTA-FINANCE AND INFORMATION TECHNOLOGY
 TOWING SERVICES
 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
MIS Administrator III	1023	1.0			99,423	119,787
Senior Payroll & Personnel Clerk	1222	1.0			70,821	85,327
Accountant IV	1657	1.0			105,935	127,633
Principal Administrative Analyst	1824	1.0	\$ -		110,115	132,668
Clerk	1404	3.0	\$ -		231,333	278,715
Account Clerk	1630	3.0	\$ -		155,964	187,908
Principal Account Clerk	1634	1.0	\$ -		70,816	85,321
Senior Accountant	1652	1.0	\$ -		75,640	91,132
Communications Dispatcher I	1704	7.0	\$ -		390,223	470,148
Communications Dispatcher II	1705	1.0	\$ -		61,814	74,475
Senior Management Assistant	1844	1.0	\$ -		86,087	103,719
Cashier II	4321	7.0	\$ -		393,337	473,900
Cashier III	4322	3.0	\$ -		189,043	227,763
Sr Materials & Supplies Supervisor	1926	2.0	\$ -		113,670	136,952
Storekeeper	1934	10.0	\$ -		552,133	665,220
Senior Storekeeper	1936	3.0	\$ -		176,573	212,739
Assistant Materials Coordinator	1942	1.0	\$ -		92,866	111,887
Purchaser	1952	2.0	\$ -		160,393	193,244
Security Guard	8202	6.0	\$ -		290,468	349,962
Collection Supervisor	4366	1.0	\$ -		75,307	90,731
Truck Driver	7355	50.0	\$ -		3,821,984	4,604,800
Automobile Mechanic-Asst Supvsr (3)	7382	1.0	\$ -		91,210	109,892
Automobile Mechanic (3)	7381	5.0	\$ -		378,534	456,065
Holiday Pay (if applicable)						
Night / Shift Differential (if applicable)					26,091	31,435
Overtime Pay (if applicable)						
Other Pay (if applicable)						
	Total FTE	112.0				
					Total Salary Costs---	7,793,690
					Total of Other Compensation---	31,435

FRINGE BENEFITS

	Amount
1023	49,027
1222	39,193
1657	51,250
1824	52,676
1404	32,115
1630	33,398
1634	39,193
1652	41,347
1704	33,954
1705	36,063
1844	44,502
4321	34,108

SFMTA
 SFMTA-FINANCE AND INFORMATION TECHNOLOGY
 TOWING SERVICES
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)

FISCAL YEAR 2018-19

4322	36,481
1926	34,333
1934	33,768
1936	35,036
1942	47,328
1952	42,929
8202	33,373
4366	40,754
7355	43,233
7382	48,559
7381	43,242
Benefits per FTE (Job Class ####)	
	Low High
Total Fringe Benefits	3,985,510 4,447,719

ADDITIONAL CITY COSTS

Postage+supplies+uniforms	66,172	66,172
Specialized Software	368,168	368,168
Vehicles - tow trucks (66 *\$75,000/5 years)	990,000	990,000
Fuel (125 miles/day/truck, assume 10mi/gal at \$3.58.gallon)	797,445	797,445
Communications (handheld devices)	15,000	15,000
Utilities	42,000	42,000
Dues and Subscriptions	51,265	51,265
Fees (facility transfer, auction, lien process)	523,185	523,185
Equipment	853,230	853,230
Overhead, at 84.7% applied to salaries and fringe benefits	9,976,983	11,720,538
Total Capital & Operating	13,683,447	15,427,002

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	25,488,738	29,296,145
LESS: ESTIMATED TOTAL CONTRACT COST	12,671,075	12,679,476
ESTIMATED SAVINGS	12,817,663	16,616,668
% of Savings to City Cost	50%	57%

Comments/Assumptions:

1. FY 2005 was the first year these services
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.

SFMTA-FINANCE AND INFORMATION TECHNOLOGY
TOWING SERVICES
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
MIS Administrator III	1023	1.0	\$ 3,981	\$ 4,779	103,898	124,728
Senior Payroll & Personnel Clerk	1222	1.0	\$ 2,835	\$ 3,404	74,004	88,840
Accountant IV	1657	1.0	\$ 4,242	\$ 5,092	110,704	132,898
Principal Administrative Analyst	1824	1.0	\$ 4,409	\$ 5,293	115,071	138,140
Clerk	1404	3.0	\$ 2,020	\$ 2,425	158,182	189,894
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 Accountant	1652	1.0	\$ 3,029	\$ 3,636	79,045	94,891
Communications Dispatcher I	1704	7.0	\$ 2,232	\$ 2,679	407,789	489,543
Communications Dispatcher II	1705	1.0	\$ 2,475	\$ 2,971	64,597	77,547
Senior Management Assistant	1844	1.0	\$ 3,447	\$ 4,138	89,962	107,997
Cashier II	4321	7.0	\$ 2,250	\$ 2,701	411,041	493,446
Cashier III	4322	3.0	\$ 2,523	\$ 3,029	197,553	237,159
Sr Materials & Supplies Supervisor	1926	2.0	\$ 2,276	\$ 2,732	118,787	142,602
Storekeeper	1934	10.0	\$ 2,211	\$ 2,654	576,981	692,654
Senior Storekeeper	1936	3.0	\$ 2,357	\$ 2,829	184,522	221,516
Assistant Materials Coordinator	1942	1.0	\$ 3,718	\$ 4,464	97,046	116,502
Purchaser	1952	2.0	\$ 3,211	\$ 3,855	167,613	201,216
Security Guard	8202	6.0	\$ 1,938	\$ 2,327	303,542	364,396
Collection Supervisor	4366	1.0	\$ 3,015	\$ 3,620	78,696	94,473
Truck Driver	7355	50.0	\$ 3,061	\$ 3,674	3,994,037	4,794,763
Automobile Mechanic-Asst Supvsr (3)	7382	1.0	\$ 3,652	\$ 4,384	95,316	114,425
Automobile Mechanic (3)	7381	5.0	\$ 3,031	\$ 3,639	395,571	474,875
Holiday Pay (if applicable)						
Night / Shift Differential (if applicable)					27,265	32,732
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total FTE		112.0				
Total Salary Costs--->					8,067,712	9,685,129
Total of Other Compensation--->					27,265	32,732

FRINGE BENEFITS

	Amount
1023	51,580
1222	41,322
1657	53,894
1824	55,380
1404	33,952
1630	35,288
1634	41,322
1652	43,583

1704	35,867
1705	38,064
1844	46,850
4321	36,028
4322	38,498
1926	36,262
1934	35,674
1936	36,994
1942	49,811
1952	45,231
8202	35,262
4366	42,948
7355	45,599
7382	51,166
7381	45,630

Benefits per FTE (Job Class #####)		
	Low	High
Total Fringe Benefits	4,189,656	4,692,793

ADDITIONAL CITY COSTS		
Postage+supplies+uniforms	66,172	66,172
Specialized Software	368,168	368,168
Vehicles - tow trucks (66 *\$75,000/5 years)	990,000	990,000
Fuel (125 miles/day/truck, assume 10mi/gal at \$3.58.gallon with 3.33% CPI)	824,000	824,000
Communications (handheld devices)	15,000	15,000
Utilities	42,000	42,000
Dues and Subscriptions	51,265	51,265
Fees (facility transfer, auction, lien process)	523,185	523,185
Equipment	853,230	853,230
MTA overhead 84.7% applied to salaries and fringe benefits	10,381,991	12,178,099
Total Capital & Operating	14,115,010	15,911,118

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	26,399,644	30,321,771
LESS: ESTIMATED TOTAL CONTRACT COST	12,676,759	13,162,196
ESTIMATED SAVINGS	13,722,885	17,159,575
% of Savings to City Cost	52%	57%

Comments/Assumptions:

1. FY 2005 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.