



**OFFICE OF THE CONTROLLER**  
**CITY AND COUNTY OF SAN FRANCISCO**

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

May 29, 2018

Naomi Kelly, Director  
General Services Agency – City Administrator  
City Hall, Room 362  
San Francisco, CA 94102-4683

Attn: Jennifer Johnston, Deputy City Administrator

RE: Contracting for Real Estate Security Services – FY 2018-19

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 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 blue ink, appearing to read "B. Rosenfield", enclosed within a blue oval scribble.

Ben Rosenfield,  
Controller

Enclosures

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

**GENERAL SERVICES AGENCY - CITY ADMINISTRATOR**

**Real Estate Division**

SECURITY SERVICES: 1650 MISSION STREET, 1660 MISSION STREET, 25 VAN NESS AVENUE, 30 VAN NESS AVENUE, ONE SOUTH VAN NESS, ALEMANY/UNITED NATIONS PLAZA MARKETS, & 196 OTIS STREET

**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
Security Guard	8202	37.4	\$ 1,846	\$ 2,243	\$ 1,803,991	\$ 2,192,574
Holiday Pay					49,870	60,612
Night / Shift Differential					35,906	43,641
Total FTE		37.4				
Total Salary Costs-->					\$ 1,803,991	\$ 2,192,574
Total of Other Compensation-->					\$ 85,776.62	\$ 104,253.06

**FRINGE BENEFITS**

	Amount	
Benefits per FTE (Job Class 8202)	32,535	
Total Fringe Benefits		Low High \$ 1,108,677 \$ 1,218,333

**COST COMPARISON SUMMARY**

<b>ESTIMATED TOTAL CITY COST</b>	\$ 2,998,444	\$ 3,515,160
<b>LESS: ESTIMATED TOTAL CONTRACT COST</b>	\$ 1,556,566	\$ 1,713,684
<b>ESTIMATED SAVINGS</b>	\$ 1,441,878	\$ 1,801,476
<b>% of Savings to City Cost</b>	48%	51%

Comments/Assumptions:

1. These services have been contracted out for various time periods, depending on location.
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
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
5. Both the City and contract cost estimates exclude operating costs that would be the same under either scenario. This does not affect the estimated cost savings.