



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

May 30, 2014

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

Attention: Kenneth Bukowski, Deputy City Administrator

RE: Contracting for Security Services at Various Locations – FYs 2014-15 and 2015-16

The cost information and supplemental data provided by your office on the proposed contract for security services at various locations have 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 2014-15 and 2015-16 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 415-554-6626 if you have any questions regarding this determination.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield".

Ben Rosenfield,
Controller

Enclosures

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

**GENERAL SERVICES AGENCY - CITY ADMINISTRATOR - REAL ESTATE
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
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)(2)
FISCAL YEAR 2014-15**

**ESTIMATED CITY COSTS:
PROJECTED PERSONNEL COSTS**

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate	Low	High
Security Guard	8202	36.57	1,927 2,342	\$ 1,839,523	\$ 2,235,684
Night Pay Premium (5PM-7AM) 8%				57,400	69,761
Holiday Pay				18,017	21,898
Total Salary Costs		36.57		1,914,940	2,327,343
FRINGE BENEFITS					
Variable Fringes (3)				651,005	791,206
Fixed Fringes (4)				471,670	471,670
Total Fringe Benefits				1,122,675	1,262,876
ESTIMATED TOTAL CITY COST				3,037,615	3,590,218
LESS: ESTIMATED TOTAL CONTRACT COST (5)(6)				(1,386,306)	(1,389,004)
ESTIMATED SAVINGS				\$ 1,651,308	\$ 2,201,215
% of Estimated Savings to Estimated Cost				54%	61%

Comments/Assumptions:

1. These services have been contracted for various times, depending on location.
2. Salary levels reflect rates effective July 1, 2014. If a COLA estimate had been added to inflate anticipated City salary and fringe rates, the savings to the City would be higher.
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement costs, 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.
5. The estimated contract cost includes 0.1 FTE for contract monitoring.
6. 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.

**GENERAL SERVICES AGENCY - CITY ADMINISTRATOR - REAL ESTATE
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
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)(2)
FISCAL YEAR 2015-16**

**ESTIMATED CITY COSTS:
PROJECTED PERSONNEL COSTS**

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate	Low	High
Security Guard	8202	36.57	1,927 2,342	\$ 1,839,523	\$ 2,235,684
Night Pay Premium (5PM-7AM) 8%				57,400	69,761
Holiday Pay				18,017	21,898
Total Salary Costs		36.57		1,914,940	2,327,343
FRINGE BENEFITS					
Variable Fringes (3)				618,997	752,305
Fixed Fringes (4)				486,702	486,702
Total Fringe Benefits				1,105,699	1,239,007
ESTIMATED TOTAL CITY COST				3,020,639	3,566,350
LESS: ESTIMATED TOTAL CONTRACT COST (5)(6)				(1,463,555)	(1,466,216)
ESTIMATED SAVINGS				\$ 1,557,084	\$ 2,100,134
% of Estimated Savings to Estimated Cost				52%	59%

Comments/Assumptions:

1. These services have been contracted for various times, depending on location.
2. Salary levels reflect rates effective July 1, 2014. If a COLA estimate had been added to inflate anticipated City salary and fringe rates, the savings to the City would be higher.
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement costs, 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.
5. The estimated contract cost includes 0.1 FTE for contract monitoring.
6. 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.