File No. 100731 Committee Item No. 8
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE Date 6/1710

Board of Supervisors Meeting Date _____

Cmte	Board	
☐	☐	Motion
☒	☐	Resolution
☐	☐	Ordinance
☐	☐	Legislative Digest
☐	☐	Budget Analyst Report
☐	☐	Legislative Analyst Report
☐	☐	Introduction Form (for hearings)
☒	☐	Department/Agency Cover Letter and/or Report
☐	☐	MOU
☐	☐	Grant Information Form
☐	☐	Grant Budget
☐	☐	Subcontract Budget
☐	☐	Contract/Agreement
☐	☐	Award Letter
☐	☐	Application
☐	☐	Public Correspondence

OTHER (Use back side if additional space is needed)

☐ ☐ _____
☐ ☐ _____
☐ ☐ _____
☐ ☐ _____
☐ ☐ _____

Completed by: Gail Johnson Date 6/11/10
Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

FILE NO. 100731 RESOLUTION NO.

[Proposition J Contract/Certification of Controlled Substance Forensic Testing Services for Police Department]

Resolution concurring with the Controller's certification that services can be performed by private contractor for a lower cost than similar work performed by City and County employees for controlled substance forensic testing services.

WHEREAS, The Electorate of the City and County of San Francisco passed Proposition J in November 1976, allowing City and County Departments to contract with private companies for specific services which can be performed for a lower cost than similar work by City and County employees (Charter Section 10.104.15); and,

WHEREAS, The Controller has determined that the award of a contract for the services listed below to a private contractor will achieve substantial cost savings for the City; and,

WHEREAS, The City and County of San Francisco must reconcile a projected $483 million budget deficit for Fiscal Year 2010-2011 with a Charter obligation to enact a balanced budget each fiscal year; and,

WHEREAS, The Mayor has determined that the state of the City's budget for Fiscal Year 2010-2011 as indicated herein has created an emergency situation justifying a Purchaser's award of a contract for controlled substance forensic testing services; and,

WHEREAS, The Controller's certification, which confirms that said services can be performed at lower costs to the City and County by private contractor than by employees of the City and County, is on file with the Clerk of the Board of Supervisors in File No. 100731, which is hereby declared to be part of this resolution as if set forth fully herein; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby concurs with the Controller's certification, and the Mayor's determination of an emergency situation, and approves the

Proposition J Resolution concerning the Purchaser's award of a contract to a private contractor for the services listed below for the period of July 1, 2010 through June 30, 2011.

Department/Function	City Cost (High)	Contract Cost (High)	SAVINGS	FTEs
Police (POL)				
Controlled Substance Forensic Testing Services	$717,570	$626,448	$91,122	5.0

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

May 18, 2010

Kenneth Bukowski, Chief Financial Officer
San Francisco Police Department
850 Bryant Street, Hall of Justice
San Francisco, CA 94103

RE: Controlled Substance Forensic Testing Services – FY 2010-11

Dear Mr. Bukowski:

The cost information and supplemental data provided by your office on the proposed contract for controlled substance forensic testing services 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 Year 2010-11 and the informational items provided by the department pursuant to San Francisco Administrative Code Section 2.15.

Your department does not need to take further action for Board of Supervisors' approval because this determination will become part of the FY 2010-11 budgetary approval process. Following that legislative approval, we will notify your department and the Purchaser that this Charter requirement has been met.

If it is the department's intention to enter into a multiple year contract, you should note that this Charter section requires annual determination by the Controller and resolution by the Board of Supervisors.

Please contact Nadia Feeser at 415-554-5247 if you have any questions regarding this determination.

Sincerely,

Ben Rosenfield
Controller

Enclosures

cc: Board of Supervisors' Budget Analyst
Human Resources, Employee Relations
Greg Wagner, Mayor's Budget Director

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

Department:	**SF Police Department**
Contract Services:	**Controlled Substances Testing**
Annual Analysis:	**July 1, 2010 to June 30, 2011**

1. The department's basis for proposing the Prop J certification;

   Cost (See attached spreadsheet) – Estimated total city cost to have city employees perform the services is between $600,969 and $717,570. Contracting will cost between $470,734 and $626,448. Contracting out the services will result in an annual savings of up to $130,235. Additionally, Chief Gascón closed the controlled substance section of the crime lab in March 2010 as part of an audit of the section's operations.

2. The impact, if any, the contract will have on the provision of services covered by the contract, including a comparison of specific levels of service, in measurable units where applicable, between the current level of service and those proposed under the contract. For contract renewals, a comparison shall be provided between the level of service in the most recent year the service was provided by City employees and the most recent year the service was provided by the contractor;

   There will be no impact on the provision of services.

3. The department's proposed or, for contract renewals, current oversight and reporting requirements for the services covered by the contract;

   Weekly reports are sent to Crime Lab staff and the SFPD's Fiscal Division.

4. The contractor's proposed or, for contract renewals, current wages and benefits for employees covered under the contract, and the contractor's current labor agreements for employees providing the services covered by the contract;

   The contractor has not been selected.

5. The department's proposed or, for contract renewals, current procedures for ensuring the contractor's ongoing compliance with all applicable contracting requirements, including Administrative Code Chapter 12P (the Minimum Compensation Ordinance), Chapter 12Q (the Health Care Accountability Ordinance); and Section 12B.1(b) (the Equal Benefits Ordinance);

   The contract for these services will be put out to bid through an RFP process in summer 2010.

6. The department's plan for City employees displaced by the contract; and,

   Existing employees have been reassigned within the crime lab.

7. A discussion, including timelines and cost estimates, of under what conditions the service could be provided in the future using City employees. (Added by Ord. 105-04, File No. 040594, App. 6/10/2004)

   See Question #1.

POLICE DEPARTMENT
CONTROLLED SUBSTANCE FORENSIC TESTING SERVICES
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
FISCAL YEAR 2010-11

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
Criminalist II	8260	4.0	3,218	3,912	$ 335,951	$ 408,454
Criminalist III	8262	1.0	4,108	4,992	107,209	130,304
Total Salary Costs		5.0			443,160	538,758
FRINGE BENEFITS						
Variable Fringes (3)					97,362	118,365
Fixed Fringes (4)					60,447	60,447
Total Fringe Benefits					157,809	178,812
ESTIMATED TOTAL CITY COST					**600,969**	**717,570**
LESS: ESTIMATED TOTAL CONTRACT COST (5)					**(470,734)**	**(626,448)**
ESTIMATED SAVINGS					**$ 130,235**	**$ 91,122**
% of Savings to City Cost					**22%**	**13%**

Comments/Assumptions:

1. FY 2010-11 would be the first year these services are contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2010. Costs are represented as annual 12 month costs.
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. Estimated contract cost equals estimated number of annual cases multiplied by cost per case, based on March/April outsourcing. Contract cost also includes 0.2 FTE for contract monitoring.