



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

July 31, 2020

Jeffrey Tumlin, Director of Transportation
Municipal Transportation Agency
One South Van Ness Avenue, 7th Floor
San Francisco, CA 94102

Attention: Leo Levenson, Chief Financial Officer

RE: Contracting for SFMTA Transit Shelter Services – FY 2020-21 & FY 2021-22

The cost information and supplemental data provided by your office on the proposed contract referenced above 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 2020-21 and 2021-22 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,

/s/

Ben Rosenfield,
Controller

Enclosures

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

SFMTA FINANCE & INFORMATION TECHNOLOGY
 TRANSIT SHELTER MAINTENANCE & ADVERTISING SERVICES
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
FISCAL YEAR 2020-21

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
General Laborer	7514	1.5	\$ 2,362	\$ 2,871	\$ 92,471	\$ 112,400
Track Maintenance Worker	7540	1.5	\$ 2,410	\$ 2,929	94,340	114,670
Holiday Pay (if applicable)					\$ 3,952	\$ 4,803
Night / Shift Differential (if applicable)					\$ 5,288	\$ 6,427
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total FTE		3.0				
Total Salary Costs--->					186,811	227,070
Total of Other Compensation--->					9,239	11,231

FRINGE BENEFITS

	Amount		
7514	38,047		
7540	38,515		
Total Fringe Benefits		Low	High
		103,179	114,843

ADDITIONAL CITY COSTS

Materials & Supplies (5)	149,364	149,364
Safety Equipment (6)	5,335	5,335
Vehicle Maintenance (7)	1,067	1,067
Overhead at 59.4% of salaries and benefits	172,254	203,096
Total Capital & Operating	328,020	358,862

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	627,250	712,006
LESS: ESTIMATED TOTAL CONTRACT COST	406,063	413,405
ESTIMATED SAVINGS	<u>\$ 221,187</u>	<u>\$ 298,601</u>
% of Savings to City Cost	35%	42%

Comments/Assumptions:

1. FY 2007-08 was the first year these services were contracted out.
2. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term
3. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
4. Materials and supplies would be the costs for the cleaning materials, glass, protective film for the glass, paint for railing, etc.. Assumes a 3.31% cost increase (CPI) from FY20
5. Safety equipment is personal protective gear for the workers. Assumes a 3.31% increase (CPI) from FY20
6. Vehicle maintenance is the usual type of maintenance for City vehicles. Assumes as 4% increase (CPI) from FY20
7. Total Contract Costs 3.31% increase in Contract Cost from FY20.

SFMTA
 SFMTA FINANCE & INFORMATION TECHNOLOGY
 TRANSIT SHELTER MAINTENANCE & ADVERTISING SERVICES
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
 FISCAL YEAR 2021-22

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
General Laborer	7514	1.5	\$ 2,362	\$ 2,871	\$ 92,471	\$ 112,400
Track Maintenance Worker	7540	1.5	\$ 2,410	\$ 2,929	94,340	114,670
Holiday Pay (if applicable)					\$ 3,952	\$ 4,803
Night / Shift Differential (if applicable)					\$ 5,288	\$ 6,427
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total FTE		3.0				
Total Salary Costs--->					186,811	227,070
Total of Other Compensation--->					9,239	11,231

FRINGE BENEFITS

	Amount	Low	High
7514	39,161		
7540	39,636		
Total Fringe Benefits		105,971	118,194

ADDITIONAL CITY COSTS

Materials & Supplies (5)	153,994	153,994
Safety Equipment (6)	5,500	5,500
Vehicle Maintenance (7)	1,100	1,117
Overhead at 59.4% of salaries and benefits	173,913	205,087
Total Capital & Operating	334,507	365,698

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	636,528	722,193
LESS: ESTIMATED TOTAL CONTRACT COST	421,778	429,302
ESTIMATED SAVINGS	\$ 214,750	\$ 292,892
% of Savings to City Cost	34%	41%

Comments/Assumptions:

1. FY 2007-08 was the first year these services were contracted out.
2. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term
3. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
4. Materials and supplies would be the costs for the cleaning materials, glass, protective film for the glass, paint for railing, etc.. Assumes a 3.10% cost increase (CPI) from FY21
5. Safety equipment is personal protective gear for the workers. Assumes a 3.10% increase (CPI) from FY21
6. Vehicle maintenance is the usual type of maintenance for City vehicles. Assumes as 3.10% increase (CPI) from FY21
7. Total Contract Costs 3.1% increase in Contract Cost from FY21