



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

March 25, 2016

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 Security Services – FY 2016-17 and FY 2017-18

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 2016-17 and 2017-18 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 Theresa Kao at 415-554-5253 if you have any questions regarding this determination.

Sincerely,

A handwritten signature in black ink, appearing to be "BR", enclosed in a large, loopy oval shape.

Ben Rosenfield,
Controller

Enclosures

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

SFMTA - Finance & Information Technology
 SECURITY SERVICES & ASSOCIATED ADMINISTRATION
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
 FISCAL YEAR 2016-17

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Salary Cost (3)	Benefit Cost (6) (7)	Total Cost High	Total Cost Low
Client Manager	9172	1.0	\$ 125,902	\$ 50,643	\$ 176,546	\$ 150,064
ADA Observer (2)	8202	3.0	\$ 55,190	\$ 29,555	\$ 254,234	\$ 216,099
Badging Clerk	1406	1.0	\$ 59,690	\$ 29,418	\$ 89,109	\$ 75,742
Administrative Support	1408	1.0	\$ 78,851	\$ 34,503	\$ 113,354	\$ 96,351
Video Surveillance Supervisor	1410	1.0	\$ 90,357	\$ 37,557	\$ 127,915	\$ 108,727
Video Surveillance Assistants	1408	13.0	\$ 78,851	\$ 34,503	\$ 1,473,600	\$ 1,252,560
Security Operations Coordinator	8202	1.0	\$ 55,190	\$ 29,555	\$ 84,745	\$ 72,033
Field Supervisor	8202	5.0	\$ 55,190	\$ 29,555	\$ 423,723	\$ 360,164
Armed Security Guards	8202	15.0	\$ 55,190	\$ 29,555	\$ 1,271,169	\$ 1,080,493
Unarmed Security Guards	8202	47.0	\$ 55,190	\$ 29,555	\$ 3,982,995	\$ 3,385,546
Holiday Pay (if applicable) (4)					\$ 110,708	\$ 94,102
Night / Shift Differential (if applicable) (5)					\$ 145,384	\$ 123,576
Overtime Pay (if applicable)					\$ -	\$ -
Total Personnel Costs		88.0			\$ 8,253,480	\$ 7,015,458

ADDITIONAL CITY COSTS (if applicable)

Total Capital & Operating

0 0
 0 0

ESTIMATED TOTAL CITY COST

8,253,480 7,015,458

LESS: ESTIMATED TOTAL CONTRACT COST

(6,162,160) (6,160,331)

ESTIMATED SAVINGS

\$ 2,091,320 \$ 855,127

% of Savings to City Cost

25% 12%

Comments/Assumptions:

1. FY 2008 was the first year these services were contracted out.
2. In order to better reflect the function and wage of Cypress Security contractors, we included 8202 Class outside of SFMTA
3. Salary rates as posted in DHR website at June 30,2016 x 1.0325, salary rate increase per MOUs
4. Holiday pay is calculated based on the following assumption: 11 days of holiday pay at a rate of time and a half for eight hours, for applicable class.
5. Night /Shift Differential is calculated the same as previous years: the sum of personnel costs times 2.7%. This is to account for the fact that not all employees would be obtaining this rate differential.
6. Variable fringe benefits consist of Social Security and Medicare (7.7%), employer retirement (24%), unemployment (.25%), and long-term disability (.39%) for a total of 32.3%. Employee retirement pick-up is not applicable.
7. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage for a total of 14.7%.
8. The estimated cost does not include materials, weapons, services, vehicle and capital.

SFMTA - Finance & Information Technology
 SECURITY SERVICES & ASSOCIATED ADMINISTRATION
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
 FISCAL YEAR 2017-18

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Salary Cost (3)	Benefit Cost (6) (7)	Total Cost High	Total Cost Low
Client Manager	9172	1.0	\$ 128,606	\$ 55,334	\$ 183,940	\$ 156,349
ADA Observer (2)	8202	3.0	\$ 56,375	\$ 32,534	\$ 266,727	\$ 226,718
Badging Clerk	1406	1.0	\$ 60,972	\$ 31,966	\$ 92,938	\$ 78,997
Administrative Support	1408	1.0	\$ 80,544	\$ 37,651	\$ 118,195	\$ 100,466
Video Surveillance Supervisor	1410	1.0	\$ 92,298	\$ 41,065	\$ 133,363	\$ 113,358
Video Surveillance Assistants	1408	13.0	\$ 80,544	\$ 37,651	\$ 1,536,532	\$ 1,306,052
Security Operations Coordinator	8202	1.0	\$ 56,375	\$ 32,534	\$ 88,909	\$ 75,573
Field Supervisor	8202	5.0	\$ 56,375	\$ 32,534	\$ 444,544	\$ 377,863
Armed Security Guards	8202	15.0	\$ 56,375	\$ 32,534	\$ 1,333,633	\$ 1,133,588
Unarmed Security Guards	8202	47.0	\$ 56,375	\$ 32,534	\$ 4,178,717	\$ 3,551,910

Holiday Pay (if applicable) (4)		\$ 113,085	\$ 96,122
Night / Shift Differential (if applicable) (5)		\$ 148,505	\$ 126,230
Overtime Pay (if applicable)		\$ -	\$ -
Total Personnel Costs	88.0	\$ 8,639,088	\$ 7,343,225

ADDITIONAL CITY COSTS (if applicable)

Total Capital & Operating	0	0
	0	0

ESTIMATED TOTAL CITY COST

8,639,088 **7,343,225**

LESS: ESTIMATED TOTAL CONTRACT COST

(6,162,680) **(6,160,772)**

ESTIMATED SAVINGS

\$ 2,476,408 **\$ 1,182,452**

% of Savings to City Cost

29% **16%**

Comments/Assumptions:

1. FY 2008 was the first year these services were contracted out.
2. In order to better reflect the function and wage of Cypress Security contractors, we included 8202 Class outside of SFMTA
3. Salary rates as posted in DHR website at June 30,2016 x 1.0325, salary rate increase per MOUs and 3.5% increase in FY18.
4. Holiday pay is calculated based on the following assumption: 11 days of holiday pay at a rate of time and a half for eight hours, for applicable class.
5. Night /Shift Differential is calculated the same as previous years: the sum of personnel costs times 2.7%. This is to account for the fact that not all employees would be obtaining this rate differential.
6. Variable fringe benefits consist of Social Security and Medicare (7.7%), employer retirement (24%), unemployment (.25%), and long-term disability (.39%) for a total of 32.3%. Employee retirement pick-up is not applicable.
7. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage for a total of 14.7%.
8. The estimated cost does not include materials, weapons, services, vehicle and capital.