



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

May 29, 2013

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

Attention: Kenneth Bukowski
Linda Yeung
Deputy Director

RE: Contracting for Security Services at Various Locations – FYs 2013-14 and 2014-15

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 2013-14 and 2014-15 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 2013-14**

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
Security Guard	8202	27.60	1,543	1,871	\$1,111,515	\$1,347,794
Night Pay (5PM-7AM) 8.5%					8,964	10,870
Holiday Pay					70,268	85,205
Total Salary Costs		27.60			1,190,748	1,443,869
FRINGE BENEFITS						
Variable Fringes (3)					377,061	457,214
Fixed Fringes (4)					368,515	368,515
Total Fringe Benefits					745,576	825,729
ESTIMATED TOTAL CITY COST					1,936,324	2,269,598
LESS: ESTIMATED TOTAL CONTRACT COST (5) (6)					(1,106,689)	(1,109,318)
ESTIMATED SAVINGS					\$ 829,635	\$1,160,280
% of Estimated Savings to Estimated Cost					43%	51%

Comments/Assumptions:

1. These services have been contracted for various times, depending on location.
2. Salary levels reflect salary rates effective March 31, 2013.
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 2014-15**

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
Security Guard	8202	27.60	1,590	1,927	\$ 1,145,084	\$ 1,388,278
Night Pay (5PM-7AM) 8.5%					9,235	11,196
Holiday Pay					72,390	87,765
Total Salary Costs		27.60			1,226,710	1,487,239
FRINGE BENEFITS						
Variable Fringes (3)					461,734	559,797
Fixed Fringes (4)					388,856	388,856
Total Fringe Benefits					850,590	948,654
ESTIMATED TOTAL CITY COST					2,077,300	2,435,892
LESS: ESTIMATED TOTAL CONTRACT COST (5) (6)					(1,150,413)	(1,153,041)
ESTIMATED SAVINGS					\$ 926,887	\$ 1,282,851
% of Estimated Savings to Estimated Cost					45%	53%

Comments/Assumptions:

1. These services have been contracted for various times, depending on location.
2. Salary levels reflect salary rates effective for FY 14-15
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.