



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**  
**Todd Rydstrom**  
**Deputy Controller**

May 17, 2017

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

Attention: Jennifer Johnston, Deputy City Administrator

RE: Contracting for Custodial Services at Various Locations–FY 2017-18

The cost information and supplemental data provided by your office on the proposed contract for convention facilities management 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 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 "Ben Rosenfield", written over a horizontal line.

Ben Rosenfield,  
Controller

Enclosures

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

General Services Agency - City Administrator, Real Estate  
 Citywide Custodial Services  
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)  
 FISCAL YEAR 2017-18

**ESTIMATED CITY COSTS:**

**PROJECTED PERSONNEL COSTS**

Job Class Title	Class	# of Full Time Equivalent Positions	Hourly Rate	Weekly Rate	Low	High
Custodian	2708	31.0	\$ 2,013	\$ 2,446	\$ 1,628,671	\$ 1,979,321
Custodial Assistant Supervisor	2716	2.0	\$ 2,214	\$ 2,691	\$ 115,555	\$ 140,452
Holiday Pay					\$ 34,453	\$ 41,870
Night / Shift Differential					\$ 111,911	\$ 136,007
<b>Total Salary Costs</b>		<b>33</b>			<b>\$ 1,890,590</b>	<b>\$ 2,297,650</b>

**FRINGE BENEFITS**

2708 Fringe Benefits per FTE	\$ 30,953		
2716 Fringe Benefits per FTE	\$ 32,650		
<b>Total Fringe Benefits (2)</b>		<b>\$ 929,466</b>	<b>\$ 1,024,836</b>

**ADDITIONAL CITY COSTS**

Materials and Supplies	\$ 488,557	\$ 488,557
Temp Salaries and est. MFB	\$ 308,262	\$ 374,630
Worker's Comp and SFGH Medical	\$ 60,249	\$ 60,249
<b>Total Additional City Costs</b>	<b>\$ 857,068</b>	<b>\$ 923,436</b>

**COST COMPARISON SUMMARY**

<b>ESTIMATED TOTAL CITY COST</b>	<b>\$ 3,677,124</b>	<b>\$ 4,245,923</b>
<b>LESS: ESTIMATED TOTAL CONTRACT COST</b>	<b>\$ (2,480,487)</b>	<b>\$ (2,483,331)</b>
<b>ESTIMATED SAVINGS</b>	<b>\$ 1,196,637</b>	<b>\$ 1,762,591</b>
	<b>% of Savings to City Cost</b>	<b>33% 42%</b>

Comments/Assumptions:

1. Salary levels reflect proposed salary rates effective through June 30, 2018. Costs are represented as annual 12 month costs.
2. Fringe benefits includes variable benefits (employer retirement, Social Security, Medicare, unemployment and long-term disability, where applicable) and fixed benefits (health and dental).
3. Temp employees will be needed primarily for coverage while full-time staff are on leave.
4. The estimated contract cost includes 0.15 FTE for contract monitoring.