File No. 100737

Committee Item No. 4
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance **Date:** June 28, 2010

Board of Supervisors Meeting **Date:** _____

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OTHER (Use back side if additional space is needed)

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Completed by: Andrea S. Ausberry **Date** Friday, June 25, 2010
Completed by: _____ **Date** _____

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

[Proposition J Contract/Certification of Body Removal Services Under City Administrator]

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 body removal services under the City Administrator.

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 body removal 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. 100737 , 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
General Services Agency – City Administrator (ADM) Body Removal Services– Medical Examiner	$111,553	$80,985	$30,568	1.0

CITY AI COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

May 14, 2010

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

Attention: Ara Minasian,
Deputy Director

RE: Body Removal Services – FY 2010-11

Dear Mr. Lee:

The cost information and supplemental data provided by your office on the proposed contract for body removal 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 budget approval process. Following that legislative approval, we will notify your department and the Purchaser that this Charter requirement has been met.

If it is your 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

PROP J QUESTIONS
ADM-Medical Examiner
Annual Analysis: July 1, 2010 – June 30, 2011

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

The Medical Examiner's Investigators (approximately 12 FTE: 1-2577 Investigator 1, 9-2578 Investigator II, 2-2579 Investigator III) each have approximately 21 scheduled days off per year resulting in at least 210 shifts which might be replaced by a Removal Service. Based on the number of removals done per year, this is approximately 1.3 removals per shift. This results in a net savings of approximately $35,000 per year which assumes a cost of as-needed Investigators (2577) of $300 per shift and a Removal Service cost of approximately $50,000 per year.

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.

Service is not projected to be affected.

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

None

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.

None.

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).

No current contract in place.

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

No permanent positions will be displaced.

GENERAL SERVICES AGENCY - CITY ADMINISTRATOR
CHIEF MEDICAL EXAMINER, REMOVAL OF DECEASED PERSONS
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
FISCAL YEAR 2010-11

ESTIMATED CITY COSTS:

Projected Personnel Costs	Class	Positions	BW Rate		Low	High
Medical Examiner's Investigator (2)	2577	1.0	2,241	2,724	$ 58,480	$ 71,093
Night Differential					5,848	7,109
Total Salaries		1.0			64,328	78,202
Fringe Benefits						
Variable Fringes (3)					17,743	21,570
Fixed Fringes (4)					11,781	11,781
Total Fringe Benefits					29,524	33,351
ESTIMATED TOTAL CITY COST					**93,852**	**111,553**
LESS: ESTIMATED CONTRACT COST (5) (6)					**(65,304)**	**(80,985)**
ESTIMATED SAVINGS					**$ 28,548**	**$ 30,568**
% of Estimated Savings to Estimated City Cost					**30%**	**27%**

Comments/Assumptions:

1. Body removal was first contracted out in FY 2005-06.
2. Salary levels reflect salary rates effective July 1, 2010.
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. Both the City and contract cost estimates do not include non-personal operating costs that are assumed to be the same under either scenario. This does not affect the estimated cost savings.
6. Estimated contract cost includes 0.1 FTE for contract monitoring.

Office of the Mayor
City & County of San Francisco

Gavin Newsom

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Gavin Newsom
RE: Proposition J Contract/Certification of Body Removal Services Under City Administrator
DATE: June 1, 2010

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is the 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 body removal services under the City Administrator.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

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