



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

March 14, 2018

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 Parking Meter Payment Collection Services – FY 2018-19 and FY 2019-20

The cost information and supplemental data provided by your office on the proposed contract referenced above has 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 2018-19 and 2019-20 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,

A handwritten signature in black ink, appearing to be "BR", enclosed within a large, hand-drawn oval.

Ben Rosenfield,
Controller

Enclosures

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

SFMTA - Financial Information & Technology

Parking Meter Coin Collection, Counting and Data Management Services

COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)

FISCAL YEAR 2018-19

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
Manager IV, SFMTA (Collections)	9174	0.25	4,895	5,898	31,941	38,483
Manager III, SFMTA (Collections)	9177	1	4,540	5,470	118,494	142,764
Analyst (Collections)	1824	1	4,219	5,083	110,115	132,668
Transit Revenue Supervisor (Collections)	9118	4	3,397	4,093	354,660	427,302
Principal Fare Collections Receiver (Collections)	9117	2	3,267	3,936	170,529	205,456
Senior Fare Collections Receiver (Collections)	9116	10	2,597	3,128	677,713	816,522
Fare Collections Receiver (Collections)	9110	13	2,243	2,703	761,111	917,001
Senior Fare Collections Receiver (Counting)	9116	1	2,597	3,128	67,771	81,652
Fare Collections Receiver (Counting)	9110	3	2,243	2,703	175,641	211,616

Holiday Pay (if applicable)	70,043	84,390
Night / Shift Differential (if applicable)	62,481	75,279

Overtime Pay (if applicable)

Other Pay (if applicable)

Total FTE 35.25

Total Salary Costs---> 2,538,018 2,973,464

Total of Other Compensation---> 132,524 159,668

FRINGE BENEFITS		Amount
9174		62,287
9177		59,855
1824		52,676
9118		45,398
9117		44,216
9116		38,134
9110		34,928
9116		38,134
9110		34,928

Benefits per FTE (Job Class #####)

	Low	High
Total Fringe Benefits	1,234,880	1,376,445

ADDITIONAL CITY COSTS

	CPI - non personnel: 3.27%	
Rent	148,709	148,709
Utilities	24,785	24,785
Uniform	41,308	41,308
Vehicles	144,000	144,000
Radios	18,589	18,589

SFMTA - Financial Information & Technology
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 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
 FISCAL YEAR 2018-19

Gas	39,656	39,656
Total Capital & Operating	417,046	417,046

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST (includes 84.7% overhead on salaries and benefits)	7,518,113	8,610,995
LESS: ESTIMATED TOTAL CONTRACT COST	3,747,813	3,758,285
ESTIMATED SAVINGS	3,770,300	4,852,710
% of Savings to City Cost	50%	56%

Comments/Assumptions:

- (1) Position salaries and fringe costs, plus non-labor costs if performed in-house.
- (2) FY 1978 was the first year these services were contracted out. Contract costs are based on FY16 contract plus contract monitoring costs
- (3) Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long term disability, when applicable.
- (4) Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
- (5) Holiday pay calculated at time and half for 11 holidays for 50% of the Fare collections staff.
- (6) Premium pay calculated at 8.5% of salary at 1/3 of Fare Collection staff qualifying.
- (7) Additional City Costs
 - Rent \$12,000/month with 3.27% CPI
 - Utilities \$2,000/month with 3.27% CPI
 - Uniform \$800/staff for 50 staff with 3.27% CPI
 - Vehicles 12 vehicles at \$45,000 /5 years
 - Radios
 - Gas
- (9) Overhead rate per SFMTA Indirect Cost Allocation Plan, costs of indirect services provided by central service divisions of the SFMTA, ratio between indirect and direct costs.

CALCULATIONS WITH OVERHEAD ADDED

ESTIMATED TOTAL CITY COST with overhead	4,322,468	4,926,622
SFMTA Overhead @ 84.7% applied to salaries & fringes ⁽⁹⁾	3,195,644	3,684,372
Total cost with Overhead	7,518,113	8,610,995
LESS: ESTIMATED TOTAL CONTRACT COST	3,747,813	3,758,285
ESTIMATED SAVINGS	3,770,300	4,852,710
% of Savings to City Cost	50%	56%

SFMTA - Financial Information & Technology
 Parking Meter Coin Collection, Counting and Data Management Services
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
 FISCAL YEAR 2019-20

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
Manager IV, SFMTA (Collections)	9174	0.25	5,097	6,141	33,258	40,070
Manager III, SFMTA (Collections)	9177	1	4,727	5,696	123,382	148,653
Analyst (Collections)	1824	1	4,393	5,293	114,657	138,140
Transit Revenue Supervisor (Collections)	9118	4	3,537	4,262	369,290	444,927
Principal Fare Collections Receiver (Collections)	9117	2	3,402	4,098	177,563	213,931
Senior Fare Collections Receiver (Collections)	9116	10	2,704	3,257	705,668	850,202
Fare Collections Receiver (Collections)	9110	13	2,336	2,814	792,505	954,826
Senior Fare Collections Receiver (Counting)	9116	1	2,704	3,257	70,567	85,020
Fare Collections Receiver (Counting)	9110	3	2,336	2,814	182,886	220,344

Holiday Pay (if applicable)	72,932	87,870
Night / Shift Differential (if applicable)	65,058	78,384

Overtime Pay (if applicable)
 Other Pay (if applicable)

Total FTE	35.25		
Total Salary Costs---		2,642,708	3,096,115
Total of Other Compensation---		137,991	166,254

FRINGE BENEFITS		Amount
9174		65,617
9177		63,084
1824		55,380
9118		47,783
9117		46,552
9116		40,220
9110		36,881
9116		40,220
9110		36,881

Benefits per FTE (Job Class #####)

	Low	High
Total Fringe Benefits	1,297,506	1,451,626

ADDITIONAL CITY COSTS

	CPI - non personnel: 3.33%	
Rent	148,795	148,795
Utilities	24,799	24,799
Uniform	41,332	41,332
Vehicles	144,000	144,000

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 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
 FISCAL YEAR 2019-20

Radios	18,599	18,599
Gas	39,679	39,679
Total Capital & Operating	417,205	417,205

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST (includes 84.7% overhead on salaries and benefits)	7,832,769	8,983,135
LESS: ESTIMATED TOTAL CONTRACT COST	3,873,210	3,884,185
ESTIMATED SAVINGS	3,959,560	5,098,950
% of Savings to City Cost	51%	57%

Comments/Assumptions:

- (1) Position salaries and fringe costs, plus non-labor costs if performed in-house.
- (2) FY 1978 was the first year these services were contracted out. Contract costs are based on FY16 contract plus contract monitoring costs
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 - Utilites \$2,000/month with 3.33% CPI
 - Uniform \$800/staff for 50 staff with 3.33% CPI
 - Vehicles 12 vehicles at \$45,000 /5 years
 - Radios
 - Gas
- (9) Overhead rate per SFMTA Indirect Cost Allocation Plan, costs of indirect services provided by central service divisions of the SFMTA, ratio between indirect and direct costs.

ESTIMATED TOTAL CITY COST with overhead	4,495,409	5,131,199
SFMTA Overhead @84.7% applied to salaries & fringes ⁽⁹⁾	3,337,361	3,851,936
ESTIMATED TOTAL CITY COST with overhead	7,832,769	8,983,135
LESS: ESTIMATED TOTAL CONTRACT COST	3,873,210	3,884,185
ESTIMATED SAVINGS	3,959,560	5,098,950
% of Savings to City Cost	51%	57%