



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

May 30, 2014

Marc Touitou
Director
Department of Technology
1 South Van Ness Ave.
2nd Floor
San Francisco, CA 94103

Attention: Elaine Benvenuti, Acting Chief Financial Officer

RE: Mainframe System Support – FYs 2014-15 and 2015-16

The cost information and supplemental data provided by your office on the proposed contract for Mainframe System Support 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 2014-15 and 2015-16 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 cursive script, appearing to read "Ben Rosenfield".

Ben Rosenfield,
Controller

Enclosures

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

Please Fill Out Highlighted Areas Only.

DEPARTMENT OF TECHNOLOGY

Data Center Monitoring Mainframe Support

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

FISCAL YEAR 2014-15

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate		Low	High
Information Systems Manager	0941	0.5	\$ 4,952	\$ 6,321	\$ 64,624	\$ 82,489
IS Engineer-Principal	1044	3.8	4,225	5,314	419,036	527,043
Holiday Pay (if applicable) 1044					13,296	16,723
Night / Shift Differential (if applicable)					0	0
Overtime Pay (if applicable)					0	0
Other Pay (if applicable) (Prem standby 1044s)					131,472	165,360
Total Salary Costs		4.3			628,428	791,615

FRINGE BENEFITS

Variable Fringes (3)		156,865	197,658
Fixed Fringes (4)		57,473	57,473
Total Fringe Benefits		214,338	255,131

ADDITIONAL CITY COSTS (if applicable)

Specialized Training		158,400	158,400
Trident OSEM Software Purchase		49,200	49,200
Trident Annual Maintenance		7,380	7,380
		0	0
Total Capital & Operating		214,980	214,980

ESTIMATED TOTAL CITY COST

1,057,746 1,261,726

LESS: ESTIMATED TOTAL CONTRACT COST

(840,004) (866,800)

ESTIMATED SAVINGS

\$ 217,742 \$ 394,926

% of Savings to City Cost

21% 31%

Comments/Assumptions:

1. FY 2004-2005 was the first year these services were contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2014. Costs are represented as annual 12 month costs.
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
5. In-house mainframe systems operations required contract services for specialized and as-needed services that could not be met by existing staffing and expertise levels. It is estimated staff will need 6 months training to be able to operate the system independently.
6. Trident Services, Inc. provides installation, configuration, maintenance and support of systems, collection of data for billing, and management of staff and projects.

Please Fill Out Highlighted Areas Only.

**DEPARTMENT OF TECHNOLOGY
Data Center Monitoring Mainframe Support**

COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)(2)
FISCAL YEAR 2015-16

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate		Low	High
Information Systems Manager	0941	0.5	\$ 4,952	\$ 6,321	\$ 64,624	\$ 82,489
IS Engineer-Principal	1044	3.8	4,225	5,314	419,036	527,043
					0	0
Holiday Pay (if applicable) 1044					13,296	16,723
Night / Shift Differential (if applicable)					0	0
Overtime Pay (if applicable)					0	0
Other Pay (if applicable) (Prem standby 1044s)					131,472	165,360
Total Salary Costs		4.3			628,428	791,615

FRINGE BENEFITS

Variable Fringes (3)		142,694	179,799
Fixed Fringes (4)		57,782	57,782
Total Fringe Benefits		200,476	237,581

ADDITIONAL CITY COSTS (if applicable)

Specialized Training		158,400	158,400
Trident OSEM Software Purchase		49,200	49,200
Trident Annual Maintenance		7,380	7,380
		0	0
Total Capital & Operating		214,980	214,980

ESTIMATED TOTAL CITY COST

1,043,884 1,244,176

LESS: ESTIMATED TOTAL CONTRACT COST

(840,004) (866,800)

ESTIMATED SAVINGS

\$ 203,880 \$ 377,376

% of Savings to City Cost

20% 30%

Comments/Assumptions:

1. FY 2004-2005 was the first year these services were contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2014. Costs are represented as annual 12 month costs.
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term
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5. In-house mainframe systems operations required contract services for specialized and as-needed services that could not be met by existing staffing and expertise levels. It is estimated staff will need 6 months training to be able to operate the system independently.
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