



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

May 31, 2018

Linda Gerull, CIO
Department of Technology
1 South Van Ness Ave. 2nd Floor
San Francisco, CA 94103

Attention: Leo Levenson, Deputy Director, Finance & Administration, CFO/CAO

RE: Mainframe System Support – FY 2018-19

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 Year 2018-19 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 read "B. Rosenfield", written over a horizontal line.

Ben Rosenfield,
Controller

Enclosures

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

TIS
 Data Center Monitoring
 Mainframe System Support
 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
Information Systems Manager	0941	0.25	\$ 5,766	\$ 7,358	\$ 37,479	\$ 47,829
IS Engineer-Senior	1043	1.75	4,575	5,754	208,174	261,788
IS Engineer-Principal	1044	2.75	4,921	6,190	351,876	442,607
Clerk Typist	1424	0.25	2,001	2,432	13,008	15,807
Other Pay (Stanby pay and others)					146,656	184,471
Total FTE		5.0				
Total Salary Costs-->					\$ 610,537	\$ 768,030
Total of Other Compensation-->					\$ 146,656	\$ 184,471

FRINGE BENEFITS

	Amount	
Benefits per FTE (Job Class 0941)	\$ 67,298	
Benefits per FTE (Job Class 1043)	53,990	
Benefits per FTE (Job Class 1044)	56,339	
Benefits per FTE (Job Class 1424)	31,667	
Total Fringe Benefits		Low High \$ 240,897 \$ 274,156

ADDITIONAL CITY COSTS

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

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	\$ 1,213,070	\$ 1,441,638
LESS: ESTIMATED TOTAL CONTRACT COST	\$ 951,839	\$ 1,002,343
ESTIMATED SAVINGS	\$ 261,231	\$ 439,295
% of Savings to City Cost	22%	30%

Comments/Assumptions:

1. FY 2004-2005 would be/was the first year these services are/were contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2018. 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 disability, where applicable.
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.
7. The services are 24 hours/day, 7 days/week that requires employees to standby during the non regular business hours for emergency incidents.