



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

May 17, 2017

John Arntz, Director
Department of Elections
City Hall - 1 Dr. Carlton B. Goodlett Place, Room 48
San Francisco, CA 94102

Attention: Nataliya Kuzina, Deputy Director

RE: Ballot Preparation – FY 2017-18

The cost information and supplemental data provided by your office on the proposed contract for Assembly of Vote By Mail Envelope (VBM) services have been reviewed by my staff.

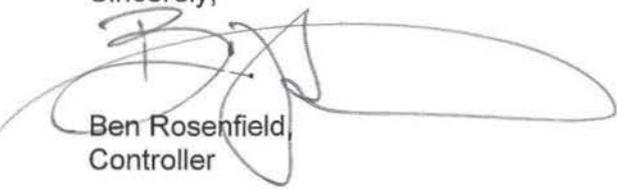
If these services are provided at the proposed contract price, it appears they can be performed at a lower cost than if the work were performed by City employees.

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 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,



Ben Rosenfield,
Controller

Enclosures

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

Department of Elections
 Assembly of Vote-By-Mail Packets
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
 FISCAL YEAR 2017-18

The Department's Assembly of Vote-by-Mail Packets Prop J contract for FY 2017-18 was approved during the last year's budget cycle and none of the assumptions/costs have changed. The Department is seeking approval for the Assembly of Vote-by-Mail Packets Prop J contract for FY 2018-19.

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Weekly Rate		Low	High
Junior Clerk	1402	18.0	\$ 1,716	\$ 2,084	\$ 806,167	\$ 978,918
Chief Clerk	1410	0.1	\$ 2,932	\$ 3,564	\$ 7,654	\$ 9,302
Junior Management Assistant	1840	0.1	\$ 2,448	\$ 2,977	\$ 6,390	\$ 7,769
Total Salary Costs		18.2			\$ 820,211	\$ 995,988

FRINGE BENEFITS

Fringe Benefits per FTE (1402)	\$ 30,715		
Fringe Benefits per FTE (1410)	\$ 39,493		
Fringe Benefits per FTE (1840)	\$ 35,285		
Total Fringe Benefits		\$ 517,244	\$ 560,345

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	\$ 1,337,455	\$ 1,556,334
LESS: ESTIMATED TOTAL CONTRACT COST	\$ 262,199	\$ 280,193
ESTIMATED SAVINGS	\$ 1,075,255	\$ 1,276,141
	% of Savings to City Cost	80% 82%

Comments/Assumptions:

1. FY2007-08 was the first year these services were contracted.
2. Salary levels reflect proposed salary rates effective July 1, 2017. Costs are represented as annual 12 month costs.
3. Fringe benefits includes variable benefits (employer retirement, Social Security, Medicare, unemployment, and long-term).
4. The Department estimates that for the November 2018 Consolidated General election, the assembly and preparation of approximately 392,000 vote-by-mail packets, each consisting of a 5-card ballot and an insert, would take approximately 38,207 hours if performed by the Department employees. To calculate the cost over 26 pay periods, the total number of hours anticipated to complete the project was divided by 2,080 work hours in a FY, resulting in 18.2 FTEs.