



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

April 27, 2016

John L. Martin
Airport Director
San Francisco International Airport
International Terminal, 5th Floor
P.O. Box 8097
San Francisco, CA 94128

Attention: Kaitlyn Connors, Budget Director
San Francisco International Airport
Finance Office
P.O. Box 8097
San Francisco, CA 94128

RE: Airport Shuttle Bus Service – FY2016-17 and FY 2017-18

The cost information and supplemental data provided by your office on the proposed contract for airport shuttle bus 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 (FY) 2016-17 and FY2017-18 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 FY2016-17 and FY2017-18 budget approval process. Following that legislative approval, 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

AIRPORT COMMISSION
 AIRPORT SHUTTLE BUS SERVICE
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
 FISCAL YEAR 2016-17

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Salary Cost (2)	Benefit Cost (3) (4)	Total Cost High	Total Cost Low
Transit Operators	9163	84.0	\$ 66,373	\$ 31,724	\$ 8,240,188	\$ 6,427,347
Transit Supervisor	9139	5.0	96,933	40,850	688,914	\$ 540,658
Transit Manager II	9141	1.0	129,325	48,152	177,476	\$ 139,221
Transit Manager I	9140	1.0	114,422	44,940	159,362	\$ 125,008
Automotive Mechanic	7381	4.0	86,315	38,356	498,685	\$ 498,685
Transit Car Cleaner	9102	2.0	66,778	31,299	196,154	\$ 153,805
Manager IV, MTA	9174	1.0	145,736	54,504	200,241	\$ 156,188
Holiday Pay (if applicable)					413,375	338,968
Night / Shift Differential (if applicable)					185,082	151,767
Overtime Pay (if applicable)					0	0
Other Pay (if applicable)					0	0
Total Personnel Costs		98.0			10,759,478	8,531,647

ADDITIONAL CITY COSTS (if applicable)

Fuel, Lubricants and Utilities (same as contractor)	844,603	844,603
Bus Maintenance (same as contractor)	891,800	891,800
Liability Insurance (same as contractor)	184,405	184,405
Property Insurance (same as contractor)	6,040	6,040
Unanticipated Operational Expenses (same as contractor)	260,100	260,100
Emergency Contingency (same as contractor)	209,670	209,670
Total Capital & Operating	2,396,618	2,396,618

ESTIMATED TOTAL CITY COST

13,156,096 10,928,265

LESS: ESTIMATED TOTAL CONTRACT COST

\$(10,487,305) \$(10,555,292)

ESTIMATED SAVINGS

\$ 2,668,792 \$ 372,973

% of Savings to City Cost

20% 3%

Comments/Assumptions:

1. This service has been contracted out since 1975
2. Salary levels reflect proposed salary rates effective July 1, 2016. Costs are represented as annual 12 month costs.
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement.
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
5. Estimated City capital and operating costs are included in the estimated total contract cost.
6. The Estimated Contract Cost for annual service is based upon contractor's bid for services and contract monitoring costs.
7. Shuttle bus contract to be renewed July 1, 2016.

AIRPORT COMMISSION
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
 AIRPORT SHUTTLE BUS SERVICE
 FISCAL YEAR 2017-18

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Salary Cost (2)	Benefit Cost (3) (4)	Total Cost High	Total Cost Low
Transit Operators	9163	84.0	\$ 68,033	\$ 34,582	\$ 8,619,710	\$ 6,723,374
Transit Supervisor	9139	5.0	99,014	44,641	\$ 718,278	\$ 563,703
Transit Manager II	9141	1.0	132,101	52,772	184,874	\$ 145,024
Transit Manager I	9140	1.0	116,879	49,267	166,146	\$ 130,329
Automotive Mechanic	7381	4.0	88,169	41,841	520,038	\$ 520,099
Transit Car Cleaner	9102	2.0	68,212	34,069	204,561	\$ 160,397
Manager IV, MTA	9174	1.0	145,178	40,850	186,028	\$ 145,102
Holiday Pay (if applicable)					423,497	347,267
Night / Shift Differential (if applicable)					189,614	155,483
Overtime Pay (if applicable)					0	0
Other Pay (if applicable)					0	0
Total Personnel Costs		98.0			11,212,745	8,890,778

ADDITIONAL CITY COSTS (if applicable)

Fuel, Lubricants and Utilities (same as contractor)	861,495	861,495
Bus Maintenance (same as contractor)	909,636	909,636
Liability Insurance (same as contractor)	188,093	188,093
Property Insurance (same as contractor)	6,161	6,161
Unanticipated Operational Expenses (same as contractor)	265,302	265,302
Emergency Contingency (same as contractor)	316,877	316,877
Total Capital & Operating	2,547,564	2,547,564

ESTIMATED TOTAL CITY COST

13,760,309 11,438,341

LESS: ESTIMATED TOTAL CONTRACT COST

\$(10,849,663) \$(10,845,524)

ESTIMATED SAVINGS

\$ 2,910,646 \$ 592,818

% of Savings to City Cost

21% 5%

Comments/Assumptions:

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3. Variable fringe benefits consist of Social Security, Medicare, employer retirement.
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
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