



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

May 29, 2018

Naomi Kelly, Director
General Services Agency – City Administrator
City Hall, Room 362
San Francisco, CA 94102-4683

Attn: Jennifer Johnston, Deputy City Administrator

RE: Contracting for Custodial Services at Various Locations – FY 2018-19

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 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 be "Ben Rosenfield", written over a large, horizontal, oval-shaped scribble.

Ben Rosenfield,
Controller

Enclosures

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

ADM - General Services Agency - City Administrator
 296644 ADM Internal Services - Real Estate Division
 Custodial 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	
Custodian	2708	31.0	\$ 2,011	\$ 2,443	1,626,744	1,976,761	
Custodian Assistant Supervisor	2716	2.0	\$ 2,211	\$ 2,687	115,436	140,275	
Custodian (Temp)	2708	4.5	\$ 2,011	\$ 2,443	236,844	287,804	
Holiday Pay (if applicable)					34,412	41,816	
Night / Shift Differential (if applicable)					118,689	144,227	
Total FTE		37.5					
					Total Salary Costs-->	\$ 1,979,024	\$ 2,404,840
					Total of Other Compensation-->	\$ 153,101	\$ 186,043

FRINGE BENEFITS

	Amount	Low	High
Benefits per FTE (2708)	\$31,748		
Benefits per FTE (2716)	\$33,488		
Benefits per FTE (2708) (Temp)	\$5,050		
Total Fringe Benefits		\$883,802	\$1,073,966

ADDITIONAL CITY COSTS

Materials and Supplies	386,613	386,613
Workers' Compensation	60,249	60,249
	0	0
	0	0
Total Capital & Operating	446,862	446,862

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	\$ 3,462,789	\$ 4,111,711
LESS: ESTIMATED TOTAL CONTRACT COST	\$ 2,446,662	\$ 2,450,830
ESTIMATED SAVINGS	\$ 1,016,127	\$ 1,660,881
% of Savings to City Cost	29%	40%

Comments/Assumptions:

1. FY 2003 was the first year these services were contracted out among these properties.
2. Salary levels reflect rates found in BPMS on May 24, 2018
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term disability, unemployment where applicable.
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
5. Night pay includes 8.5% additional pay for percentage of total work done during night hours (on Prob J Cost Detail tab).