

File No. 100746

Committee Item No. 14

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance

Date: June 28, 2010

Board of Supervisors Meeting

Date: _____

Cmte Board

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OTHER

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Completed by: Andrea S. Ausberry

Date Friday, June 25, 2010

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Proposition J Contract/Certification of Specified Contracted-Out Services for Department of
2 Public Health]

3 **Resolution concurring with the Controller's certification that services can be performed**
4 **by private contractor for a lower cost than similar work performed by City and County**
5 **employees for security services at Department of Public Health hospitals and clinics.**

6
7 WHEREAS, The Electorate of the City and County of San Francisco passed
8 Proposition J in November 1976, allowing City and County Departments to contract with
9 private companies for specific services which can be performed for a lower cost than similar
10 work by City and County employees (Charter Section 10.104.15); and,

11 WHEREAS, The Controller has determined that the award of a contract for the services
12 listed below to a private contractor will achieve substantial cost savings for the City; and,

13 WHEREAS, The City and County of San Francisco must reconcile a projected \$483
14 million budget deficit for Fiscal Year 2010-2011 with a Charter obligation to enact a balanced
15 budget each fiscal year; and,

16 WHEREAS, The Mayor has determined that the state of the City's budget for Fiscal
17 Year 2010-2011 as indicated herein has created an emergency situation justifying a
18 Purchaser's award of a contract for security services at Department of Public Health hospitals
19 and clinics; and,

20 WHEREAS, The Controller's certification, which confirms that said services can be
21 performed at lower costs to the City and County by private contractor than by employees of
22 the City and County, is on file with the Clerk of the Board of Supervisors in File No. 100746,
23 which is hereby declared to be part of this resolution as if set forth fully herein; now, therefore,
24 be it

1 RESOLVED, That the Board of Supervisors hereby concurs with the Controller's
 2 certification, and the Mayor's determination of an emergency situation, and approves the
 3 Proposition J Resolution concerning the Purchaser's award of a contract to a private
 4 contractor for the services listed below for the period of July 1, 2010 through June 30, 2011.

Department/Function	City Cost (High)	Contract Cost (High)	SAVINGS	FTEs
Public Health (DPH)				
Hospital and Clinic Security	\$9,704,055	\$3,470,537	\$6,233,517	82.0

Department of Public Health
SEC. 2.15 SUPPLEMENTAL REPORTS REQUIRED

FY 2010-11

Any officer, department or agency seeking Board approval of a contract for personal services under Charter Section 10.104(15) shall submit a supplemental report to the Board of Supervisors in connection with the contract and the Controller's certification.

The report shall summarize the essential terms of the proposed contract and address the following subjects:

1. The department's basis for proposing the Prop J certification;

The Department of Public Health uses security personnel to ensure the safety of patients, staff, and visitors at San Francisco General Hospital, Laguna Honda Hospital, and the community-oriented primary care clinics. In light of the city's budget challenges, the department seeks to maintain the safety and security of our facilities with less expensive private security services.

2. The impact, if any, the contract will have on the provision of services covered by the contract, including a comparison of specific levels of service, in measurable units where applicable, between the current level of service and those proposed under the contract. For contract renewals, a comparison shall be provided between the level of service in the most recent year the service was provided by City employees and the most recent year the service was provided by the contractor;

The new contract seeks to maintain security service levels currently provided by the San Francisco Sheriff's Department.

3. The department's proposed or, for contract renewals, current oversight and reporting requirements for the services covered by the contract;

The oversight and reporting requirements will be contained in our contract. DPH shall assign a security liaison from SFGH, Laguna Honda, and the DPH clinics who will provide oversight and day-to-day management and coordination of all security activities. These activities will be documented through written post orders at each of the sites where security services are provided.

4. The contractor's proposed or, for contract renewals, current wages and benefits for employees covered under the contract, and the contractor's current labor agreements for employees providing the services covered by the contract;

This information is unknown because we have not yet conducted the contracting process. The current estimated annual cost of the security contract of \$3.5 million is based on services bid and awarded for similar City and County hospital security contracts. The contract estimate assumes unarmed security guard wages of \$19.02

**PUBLIC HEALTH
SECURITY GUARD SERVICES FOR SF GENERAL/LAGUNA HONDA HOSPITALS/CLINICS
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
FISCAL YEAR 2010-11**

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
Communications Dispatcher	1705	3.00	1,767	2,148	\$ 138,387	\$ 168,185
Security Guard	8202	8.00	1,390	1,683	290,167	351,506
Sheriff's Lieutenant	8310	1.00	3,653	4,660	95,345	121,632
Sheriff's Sergeant	8308	5.00	3,185	4,065	415,623	530,547
Senior Deputy Sheriff	8306	5.00	2,889	3,688	377,012	481,275
Deputy Sheriff	8304	50.00	2,609	3,327	3,404,807	4,342,137
Sheriff's Cadet	8300	10.00	1,320	1,320	344,535	344,535
Swing Shift Differential (10-8300@8.0%, 50-8304@8.5%)					163,998	203,835
Night Differential (10%) (10-8300, 50-8304)					194,358	241,224
Holiday Pay					133,256	167,245
Premium Pay					131,259	164,739
Total Salary Costs		82.00			5,688,748	7,116,860
FRINGE BENEFITS						
Variable Fringes (3)					1,273,826	1,587,405
Fixed Fringes (4)					999,790	999,790
Total Fringe Benefits					2,273,617	2,587,195
ESTIMATED TOTAL CITY COST					7,962,365	9,704,055
LESS: ESTIMATED TOTAL CONTRACT COST (5) (6) (7)					(3,468,555)	(3,470,537)
ESTIMATED SAVINGS					\$ 4,493,809	\$ 6,233,517
% of Estimated Savings to Estimated City Cost					56%	64%

Comments/Assumptions:

1. These services have not been previously contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2010. 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, and dependent coverage.
5. Contract cost estimated based on services bid and awarded in FY 2008-09 for similar City security contracts.
6. For the purposes of this analysis it is assumed that operating and supply costs will be the same for the City or the contractor, and would not effect the estimated City savings.
7. Estimated contract cost includes 0.1 FTE for contract monitoring.



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *PC* Mayor Gavin Newsom *GN*
RE: Proposition J Contract/Certification of Specified Contracted-Out
Services for Department of Public Health
DATE: June 1, 2010

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is the resolution concurring with the Controller's certification that services can be performed by private contractor for a lower cost than similar work performed by City and County employees for security services at Department of Public Health hospitals and clinics.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

RECEIVED
BOARD OF SUPERVISORS
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BY *PC*

100746

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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

May 14, 2010

Mitch Katz, M.D., Director
Department of Public Health
101 Grove Street
San Francisco, CA 94102

Attention: Gregg Sass
Chief Financial Officer

RE: Contracting for Security Services at SF General and Laguna Honda Hospitals - FY 2010-11

Dear Dr. Katz:

The cost information and supplemental data provided by your office on the proposed contract for security services at San Francisco and Laguna Honda Hospitals, and Public Health Clinics 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 2010-11 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 FY 2010-11 budgetary approval process. Following that legislative approval, we will notify your department and the Purchaser that this Charter requirement has been met.

If it is the department's intention to enter into a multiple year contract, you should note that this Charter section requires annual determination by the Controller and resolution by the Board of Supervisors.

Please contact Nadia Feeser at 415-554-5247 if you have any questions regarding this determination.

Sincerely,



Ben Rosenfield
Controller

Enclosures

cc: Board of Supervisors' Budget Analyst
Human Resources, Employee Relations
Greg Wagner, Mayor's Budget Director