



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

May 30, 2014

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

Attention: Kenneth Bukowski, Deputy City Administrator

RE: Contracting for Custodial Services at Various Locations – FYs 2014-15 & 2015-16

The cost information and supplemental data provided by your office on the proposed contract for janitorial services at various locations 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 2015-16 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 415-554-6626 if you have any questions regarding this determination.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield".

Ben Rosenfield,
Controller

Enclosures

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

PROP J SUBMISSION
GENERAL SERVICES AGENCY - CITY ADMINISTRATOR, REAL ESTATE
CITYWIDE CUSTODIAL SERVICES, excluding City Hall
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
 FISCAL YEAR 2014-15

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
Custodian	2708	31.64	1,729	2,100	1,427,429	1,733,671
Custodian Assistant Supervisor	2716	2.00	1,900	2,310	99,164	120,567
Holiday Pay					34,743	42,200
Premium Pay					127,089	154,365
Total Salary Costs		33.64			1,688,424	2,050,803
FRINGE BENEFITS						
Variable Fringes (2)					548,486	601,307
Fixed Fringes (3)					433,788	433,788
Total Fringe Benefits					982,274	1,035,095
ADDITIONAL CITY COSTS						
Temp Salaries and est. MFB (4)					432,031	432,031
Worker's Comp & SFGH Medical					377,236	377,236
Total Additional Costs					809,267	809,267
ESTIMATED CAPITAL & OPERATING COSTS						
Materials and Supplies--Cleaning and Paper Products					293,037	293,037
Total Capital & Operating					293,037	293,037
ESTIMATED TOTAL CITY COST					3,773,002	4,188,201
LESS: ESTIMATED TOTAL CONTRACT COST (5)					(1,910,458)	(1,913,614)
ESTIMATED ANNUAL SAVINGS					\$ 1,862,544	\$ 2,274,588
% of Savings to City Cost					49%	54%

Comments/Assumptions:

- Salary levels reflect proposed salary rates effective July 1, 2012. Costs are represented as annual 12 month costs
- Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term disability, where applicable.
- Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
- Temp will be needed primarily for coverage during full time staff on leave. At some locations, where minimal service is needed (say a 4 hour shift only), temp staff supplants use of permanent staff, to minimize transportation requirement between sites if we used full time staff.
- The Estimated Contract Cost for annual service is based upon contract for services at 1 South Van Ness. Contract management and monitoring would be performed by existing staff.

PROP J SUBMISSION
GENERAL SERVICES AGENCY -- CITY ADMINISTRATOR, REAL ESTATE
CITYWIDE CUSTODIAL SERVICES
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
FISCAL YEAR 2015-16

PROJECTED PERSONNEL COSTS	Class	Positions	BW Rate		Low	High
Custodian	2708	31.00	1,727	2,099	1,397,316	1,698,301
Custodian Assistant Supervisor	2716	2.00	1,899	2,309	99,128	120,530
Holiday Pay					29,445	35,788
Premium Pay					96,014	116,698
Total Salary Costs		33.00			1,621,902	1,971,317
FRINGE BENEFITS						
Variable Fringes (2)					508,891	614,306
Fixed Fringes (3)					439,131	439,131
Total Fringe Benefits					948,022	1,053,437
ADDITIONAL CITY COSTS						
Temp Salaries and est. MFB (4)					264,473	321,441
Worker's Comp & SFGH Medical					95,054	95,054
Total Additional Costs					359,527	416,495
ESTIMATED CAPITAL & OPERATING COSTS						
Materials and Supplies--Cleaning and Paper Products					430,692	430,692
Total Capital & Operating					430,692	430,692
ESTIMATED TOTAL CITY COST					3,360,143	3,871,940
LESS: ESTIMATED TOTAL CONTRACT COST (5)					(2,249,435)	(2,252,578)
ESTIMATED ANNUAL SAVINGS					\$ 1,110,708	\$ 1,619,363
% of Savings to City Cost					33%	42%

Comments/Assumptions:

1. Salary levels reflect actual salary rates effective July 1, 2014. Costs are represented as annual 12 month costs. If a COLA estimate had been added to inflate anticipated City salary and fringe rates, the savings to the City would be higher.
2. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-
3. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
4. Temp employees will be needed primarily for coverage while fulltime staff are on leave.
5. The estimated contract cost includes 0.15 FTE for contract monitoring.