CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

March 25, 2016

Ed Reiskin, Director of Transportation
Municipal Transportation Agency
One South Van Ness Avenue, 7th Floor
San Francisco, CA 94102-4645

Attn: Sonali Bose, Chief Financial Officer, Municipal Transportation Agency

RE: Contracting for SFMTA Citation Processing Services – FY 2016-17 and FY 2017-18

The cost information and supplemental data provided by your office on the proposed contract referenced above 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 Years 2016-17 and 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

SFMTA-FINANCE AND INFORMATION TECHNOLOGY
CITATION PROCESSING CONTRACT
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
INTERSTATE & SPECIAL COLLECTIONS:					$ -	$ -
IS Business Analyst	1052	2.0	103,077	41,966	290,086	246,573
Senior Administrative Analyst.	1823	1.0	108,548	43,458	152,005	129,205
OPERATING SYSTEM & APPLICATION SOFTWARE MAINTENANCE:						
IS Administrator III	1094	1.0	113,344	44,220	157,564	133,929
IS Engineer - Senior	1043	1.0	141,532	50,343	191,875	163,094
IS Engineer - Principal	1044	1.0	152,285	52,557	204,842	174,115
IS Programmer Analyst	1062	1.0	89,010	38,130	127,140	108,069
IS Programmer Analyst - Senior	1063	1.0	108,224	43,370	151,594	128,855
IS Programmer Analyst - Principal	1064	1.0	125,929	47,131	173,060	147,101
IS Project Director	1070	1.0	152,285	52,557	204,842	174,115
CITATION PROCESSING & COLLECTION:						
Clerk	1404	1.0	57,535	29,290	86,824	73,801
Principal Clerk	1408	1.0	78,851	35,111	113,962	96,868
Account Clerk	1630	3.0	61,765	30,445	276,632	235,137
Principal Account Clerk	1634	1.0	80,764	35,634	116,398	98,938
Senior Management Assistant	1844	1.0	98,172	40,388	138,561	117,777
Cashier II	4321	27.0	64,056	31,071	2,568,424	2,183,161
Cashier III	4322	3.0	71,844	33,198	315,126	267,857
Manager III	9177	1.0	135,226	53,502	188,728	160,419
Holiday Pay (if applicable)						
Night / Shift Differential (if applicable)						
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total Personnel Costs		48.0			5,457,662	4,639,013

	Total Cost High	Total Cost Low
ADDITIONAL CITY COSTS (if applicable)		
Software/Data Conversion	574,000	574,000
Capital Costs	2,161,229	2,161,229
SFMTA Overhead	977,731	977,731
Total Capital & Operating	3,712,960	3,712,960
ESTIMATED TOTAL CITY COST	9,170,622	8,351,972
LESS: ESTIMATED TOTAL CONTRACT COST	(8,527,099)	(8,506,156)
ESTIMATED SAVINGS	$ 643,522	$ (154,184)
% of Savings to City Cost	7%	-2%

Comments/Assumptions:
1. FY 1998 was the first year these services are/were contracted out.
2. Salary rates as posted in DHR website at June 30,2016 x 1.0325, salary rate increse per MOUs
3. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term disability, where
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.

On classesand FTEs identified.:
For the SFMTA to provide this service utilizing city staff it will require the utilization of a broad range of IT classes. These classes would have distinct roles that will need to be provided. The rapid advancement of technology and cost saving opportunities that are associated with those advancements necessitates a dedicated technology team to this effort.

The shown 1823 and 1052 Analysts will be needed to map the business requirements to process design and software requirments for the development team. This is an iterative process that continues for the life of the system.

The shown 109x System administrators and 104x System Engineers would be required to perform the maintenance and oversee operation the citations system. The number of staff is representative for the critical business function this system provides to the SFMTA.

The shown 106x Programmer analysts would be need to implement a software solution to meet the needs of the SFMTA citation unit. The number of developers is potentially understated for the initial ramp up of getting a base application in place for this business need. The 1070 Is Project Director would manage and direct this team.

The shown Citations & Procesing class would be need to perform operational tasks of citations issuance, mailing, late notices (various:late fees, tow, collections activity, etc.), account assignments, payments receiptt, payment processing, payment application, research, responding to inquiries, manual input and tracking of manual citations, and account audit.

Given the complexity of this contract, determining the equivalent city cost is extremely difficult. After interviewing the MTA IT department, and the Department of Technology, it appears that the City does not have sufficient programming expertise to develop a system comparable to the one provided by the contractor. Given best estimates, 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. This is based on an analysis of the best available cost estimates, should the City perform the services instead of a contractor.

SFMTA-FINANCE AND INFORMATION TECHNOLOGY
CITATION PROCESSING CONTRACT
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1)
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
INTERSTATE & SPECIAL COLLECTIONS:					$ -	$ -
IS Business Analyst	1052	2.0	105,290	45,091	300,762	255,647
Senior Administrative Analyst	1823	1.0	110,878	46,711	157,590	133,951
OPERATING SYSTEM & APPLICATION SOFTWARE MAINTENANCE:						
IS Administrator III	1094	1.0	115,778	47,575	163,353	138,850
IS Engineer - Senior	1043	1.0	144,571	54,172	198,743	168,931
IS Engineer - Principal	1044	1.0	155,554	56,624	212,178	180,351
IS Programmer Analyst	1062	1.0	90,921	40,922	131,844	112,067
IS Programmer Analyst - Senior	1063	1.0	110,548	46,616	157,164	133,589
IS Programmer Analyst - Principal	1064	1.0	128,633	50,613	179,246	152,359
IS Project Director	1070	1.0	155,554	56,624	212,178	180,351
CITATION PROCESSING & COLLECTION:						
Clerk	1404	1.0	58,770	31,326	90,096	76,582
Principal Clerk	1408	1.0	80,544	37,651	118,195	100,466
Account Clerk	1630	3.0	63,092	32,582	287,020	243,967
Principal Account Clerk	1634	1.0	82,498	38,219	120,717	102,609
Senior Management Assistant	1844	1.0	100,280	43,384	143,665	122,115
Cashier II	4321	27.0	65,431	33,261	2,664,705	2,265,000
Cashier III	4322	3.0	73,387	35,572	326,877	277,845
Manager III	9177	1.0	138,130	57,427	195,557	166,223
Holiday Pay (if applicable)						
Night / Shift Differential (if applicable)						
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total Personnel Costs		48.0			5,659,887	4,810,904

ADDITIONAL CITY COSTS (if applicable)		
Software/Data Conversion	574,000	574,000
Capital Costs	2,161,229	2,161,229
SFMTA Overhead	1,007,062	1,007,062
Total Capital & Operating	3,742,291	3,742,291

ESTIMATED TOTAL CITY COST	9,402,179	8,553,196
LESS: ESTIMATED TOTAL CONTRACT COST	(8,783,747)	(8,762,051)
ESTIMATED SAVINGS	$ 618,431	$ (208,855)
% of Savings to City Cost	7%	-2%

Comments/Assumptions:
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