



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 Paratransit 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,

A handwritten signature in black ink, appearing to be "B. Rosenfield", written over a large, light-colored oval shape.

Ben Rosenfield,
Controller

Enclosures

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

Municipal Transportation Agency, Accessible Services
 Paratransit Services
 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	148.0	\$ 66,373	\$ 31,724	\$ 14,518,427	\$ 12,340,663
Chauffeur (5)	7312	131.0	\$ 53,099	\$ 25,379	\$ 10,280,616	\$ 8,738,524
Auto Mechanic Assistant Supervisor	7382	2.0	\$ 103,993	\$ 42,979	\$ 293,944	\$ 249,852
Auto Mechanic	7381	12.0	\$ 86,315	\$ 38,356	\$ 1,496,056	\$ 1,271,648
Auto Service Worker	7410	8.0	\$ 69,958	\$ 32,493	\$ 819,603	\$ 696,663
Senior Parts Storekeeper	1931	1.0	\$ 76,937	\$ 33,995	\$ 110,933	\$ 94,293
Transit Car Cleaner	9102	7.0	\$ 66,778	\$ 31,299	\$ 686,539	\$ 583,558
Transit Supervisor	9139	12.0	\$ 96,933	\$ 40,850	\$ 1,653,394	\$ 1,405,385
Manager III	9177	2.0	\$ 135,226	\$ 52,458	\$ 375,370	\$ 319,064
Transit Manager I	9140	4.0	\$ 114,422	\$ 44,940	\$ 637,448	\$ 541,831
Transportation Safety Specialist	9520	1.0	\$ 120,486	\$ 46,397	\$ 166,882	\$ 141,850
Communications Dispatcher II	1705	28.0	\$ 70,443	\$ 32,272	\$ 2,876,009	\$ 2,444,607
Executive Secretary I	1450	2.0	\$ 78,851	\$ 34,503	\$ 226,708	\$ 192,702
Senior Transit Information Clerk	9124	5.0	\$ 76,183	\$ 33,795	\$ 549,890	\$ 467,406
Senior Payroll and Personnel Clerk	1222	2.0	\$ 80,764	\$ 35,011	\$ 231,550	\$ 196,817
Accountant VI	1657	1.0	\$ 120,836	\$ 45,150	\$ 165,986	\$ 141,088
Accountant II	1652	2.0	\$ 86,207	\$ 36,700	\$ 245,816	\$ 208,943
Senior Clerk	1406	7.0	\$ 59,690	\$ 29,418	\$ 623,760	\$ 530,196
Senior Account Clerk	1632	3.0	\$ 71,521	\$ 32,558	\$ 312,236	\$ 265,400
Holiday Pay (if applicable)					\$ 778,877	\$ 662,045
Night / Shift Differential (if applicable)					\$ 703,226	\$ 597,742
Overtime Pay (if applicable)					\$ -	\$ -
Other Pay: 9163 (Uniform \$300/person/year Shoes \$250/year)					\$ 81,400	\$ 81,400
Other Pay: 7312 (Uniform \$300/person/year Shoes \$250/year)					\$ 72,050	\$ 72,050
Other Pay: 7410 (Shoes \$250/person/year)					\$ 2,000	\$ 2,000
Other Pay: 7381 and 7382 (Tool \$600/person/year)					\$ 8,400	\$ 8,400
Other Pay: 9140 (Shoes \$150/person/year)					\$ 600	\$ 600
Other Pay: 9139 (Shoes \$150/person/year)					\$ 1,800	\$ 1,800
Total Personnel Costs			378.0		\$ 37,919,518	\$ 32,256,528

ADDITIONAL CITY COSTS (if applicable)

	Quantity	Unit Cost		
Sedan, 4 door midsize	200	\$28,000	5,600,000	5,600,000
Van, Type A, life equipped	49	\$56,000	2,744,000	2,744,000
Van, Type B, lift equipped	64	\$60,000	3,840,000	3,840,000
Minivans, ramp equipped	25	\$45,000	1,125,000	1,125,000
2 way radios	338	\$50	16,900	16,900
Mobile Data Computers	200	\$1,900	380,000	380,000
Straight line depreciation over 4 years			(10,279,425)	(10,279,425)
Sub-Total Capital			3,426,475	3,426,475
Fuel: (Est mpg is 6.61 at \$3.58/ gal)			1,358,394	1,358,394
Parts (Est at \$2,467 per vehicle) (6)			858,861	858,861
Claims (Est at 3.9% of salaries and capital cost: 2.5% payout/.9% City Attorney/.5% added exposure in paratransit)			1,098,376	953,665
Sub-Total Operating			3,315,631	3,170,920
Total Capital & Operating			6,742,106	6,597,395

ESTIMATED TOTAL CITY COST

LESS: ESTIMATED TOTAL CONTRACT COST

ESTIMATED SAVINGS

% of Savings to City Cost

44,661,624	38,853,922
(24,350,932)	(24,323,724)
\$ 20,310,692	\$ 14,530,198
45%	37%

Comments/Assumptions:

1. FY 1984 was the first year these services were contracted out.
2. Salary rates as posted in DHR website at June 30,2016 with 3.25% salary rate increase 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.
5. Classification has been abolished; this analysis assumes the class would be reestablished with a compensation rate equivalent to related classes, estimated to be at 80% of the Transit Operator class.
6. Assumed 3% CPI adjustment for FY16-17 automotive parts
7. Estimated trips per year: approximately 860,000 trips

Municipal Transportation Agency, Accessible Services
 Paratransit Services
 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
Transit Operators	9163	148.0	\$ 68,033	\$ 34,582	\$ 15,187,109	\$ 12,909,042
Chauffeur (5)	7312	131.0	\$ 54,427	\$ 27,666	\$ 10,754,115	\$ 9,140,998
Auto Mechanic Assistant Supervisor	7382	2.0	\$ 106,226	\$ 47,016	\$ 306,484	\$ 260,511
Auto Mechanic	7381	12.0	\$ 88,169	\$ 41,841	\$ 1,560,114	\$ 1,326,097
Auto Service Worker	7410	8.0	\$ 71,460	\$ 35,380	\$ 854,715	\$ 726,508
Senior Parts Storekeeper	1931	1.0	\$ 78,589	\$ 37,083	\$ 115,673	\$ 98,322
Transit Car Cleaner	9102	7.0	\$ 68,212	\$ 34,069	\$ 715,964	\$ 608,570
Transit Supervisor	9139	12.0	\$ 99,014	\$ 44,641	\$ 1,723,867	\$ 1,465,287
Manager III	9177	2.0	\$ 138,130	\$ 57,427	\$ 391,114	\$ 332,446
Transit Manager I	9140	4.0	\$ 116,879	\$ 49,267	\$ 664,585	\$ 564,897
Transportation Safety Specialist	9520	1.0	\$ 123,073	\$ 50,753	\$ 173,825	\$ 147,752
Communications Dispatcher II	1705	28.0	\$ 71,955	\$ 35,156	\$ 2,999,127	\$ 2,549,258
Executive Secretary I	1450	2.0	\$ 80,544	\$ 37,651	\$ 236,390	\$ 200,931
Senior Transit Information Clerk	9124	5.0	\$ 77,818	\$ 36,860	\$ 573,390	\$ 487,382
Senior Payroll and Personnel Clerk	1222	2.0	\$ 82,498	\$ 38,219	\$ 241,434	\$ 205,219
Accountant VI	1657	1.0	\$ 123,430	\$ 49,452	\$ 172,882	\$ 146,950
Accountant II	1652	2.0	\$ 88,058	\$ 40,092	\$ 256,301	\$ 217,855
Senior Clerk	1406	7.0	\$ 60,972	\$ 31,966	\$ 650,567	\$ 552,982
Senior Account Clerk	1632	3.0	\$ 73,056	\$ 35,476	\$ 325,598	\$ 276,758
Holiday Pay (if applicable)					\$ 797,616	\$ 677,973
Night / Shift Differential (if applicable)					\$ 720,129	\$ 612,110
Overtime Pay (if applicable)					\$ -	\$ -
Other Pay: 9163 (Uniform \$300/person/year Shoes \$250/year)					\$ 81,400	\$ 81,400
Other Pay: 7312 (Uniform \$300/person/year Shoes \$250/year)					\$ 72,050	\$ 72,050
Other Pay: 7410 (Shoes \$250/person/year)					\$ 2,000	\$ 2,000
Other Pay: 7381 and 7382 (Tool \$600/person/year)					\$ 8,400	\$ 8,400
Other Pay: 9140 (Shoes \$150/person/year)					\$ 600	\$ 600
Other Pay: 9139 (Shoes \$150/person/year)					\$ 1,800	\$ 1,800
Total Personnel Costs		378.0			\$ 39,587,246	\$ 33,674,096

ADDITIONAL CITY COSTS (if applicable)

	Quantity	Unit Cost		
Sedan, 4 door midsize	200	\$28,000	5,600,000	5,600,000
Van, Type A, life equipped	49	\$56,000	2,744,000	2,744,000
Van, Type B, lift equipped	64	\$60,000	3,840,000	3,840,000
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2 way radios	338	\$50	16,900	16,900
Mobile Data Computers	200	\$1,900	380,000	380,000
Straight line depreciation over 4 years			(10,279,425)	(10,279,425)
Sub-Total Capital			3,426,475	3,426,475
Fuel: (Est mpg is 6.61 at \$3.69/ gal)			1,400,132	1,400,132
Parts (Est at \$2,467 per vehicle) (6)			858,861	858,861
Claims (Est at 3.9% of salaries and capital cost: 2.5% payout/.9% City Attorney/.5% added exposure in paratransit)			1,121,403	973,238
Sub-Total Operating			3,380,397	3,232,231
Total Capital & Operating			6,806,872	6,658,706
ESTIMATED TOTAL CITY COST			46,394,118	40,332,803
LESS: ESTIMATED TOTAL CONTRACT COST			(25,227,019)	(25,198,677)
ESTIMATED SAVINGS			\$ 21,167,098	\$ 15,134,125
% of Savings to City Cost			46%	38%

Comments/Assumptions:

1. FY 1984 was the first year these services were contracted out.
2. Salary rates as posted in DHR website at June 30,2016 x 1.0325, salary rate increase per MOUs
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4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
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