



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 Towing 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 & Information Technology
TOWING 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
Management & Administration						
MIS Administrator III	1023	1.0	\$ 113,344	\$ 43,345	\$ 156,690	\$ 133,186
Senior Payroll & Personnel Clerk	1222	1.0	\$ 80,764	\$ 35,011	\$ 115,775	\$ 98,409
Accountant IV	1657	1.0	\$ 120,836	\$ 45,150	\$ 165,986	\$ 141,088
Senior Administrative Analyst	1823	1.0	\$ 108,548	\$ 42,621	\$ 151,168	\$ 128,493
Dispatch & Customer Processing						
Clerk	1404	3.0	\$ 57,535	\$ 28,846	\$ 259,142	\$ 220,270
Account Clerk	1630	3.0	\$ 61,765	\$ 29,969	\$ 275,203	\$ 233,922
Principal Account Clerk	1634	1.0	\$ 80,764	\$ 35,011	\$ 115,775	\$ 98,409
Senior Accountant	1652	1.0	\$ 86,207	\$ 36,700	\$ 122,908	\$ 104,472
Communications Dispatcher I	1704	7.0	\$ 63,598	\$ 30,455	\$ 658,372	\$ 559,616
Communications Dispatcher II	1705	1.0	\$ 70,443	\$ 32,272	\$ 102,715	\$ 87,307
Senior Management Assistant	1844	1.0	\$ 98,172	\$ 39,631	\$ 137,804	\$ 117,133
Cashier II	4321	7.0	\$ 64,056	\$ 30,577	\$ 662,430	\$ 563,065
Cashier III	4322	3.0	\$ 71,844	\$ 32,644	\$ 313,463	\$ 266,444
Collection Supervisor	4366	3.0	\$ 85,884	\$ 36,370	\$ 366,762	\$ 311,748
Vehicle Storage & Disposal						
Sr Materials & Supplies Supervisor	1926	2.0	\$ 64,864	\$ 30,791	\$ 191,312	\$ 162,615
Storekeeper	1934	10.0	\$ 62,978	\$ 30,291	\$ 932,688	\$ 792,785
Senior Storekeeper	1936	3.0	\$ 67,101	\$ 31,385	\$ 295,458	\$ 251,140
Assistant Materials Coordinator	1942	1.0	\$ 105,934	\$ 40,029	\$ 145,962	\$ 124,068
Purchaser	1952	2.0	\$ 91,516	\$ 38,107	\$ 259,247	\$ 220,360
Security Guard	8202	4.0	\$ 55,190	\$ 29,555	\$ 338,978	\$ 288,132
Towing Services						
Truck Driver	7355	50.0	\$ 87,151	\$ 38,635	\$ 6,289,280	\$ 5,345,888
Automobile Mechanic-Asst Supvsr	7382	1.0	\$ 103,993	\$ 42,979	\$ 146,972	\$ 124,926
Automobile Mechanic	7381	5.0	\$ 86,315	\$ 38,356	\$ 623,357	\$ 529,853
Holiday Pay (if applicable)					\$ -	\$ -
Night / Shift Differential (if applicable)					\$ 31,986	\$ 27,188
Overtime Pay (if applicable)					\$ -	\$ -
Total Personnel Costs		112.0			\$ 12,859,432	\$ 10,930,517

ADDITIONAL CITY COSTS (if applicable)

Postage+supplies+uniforms	66,172	66,172
Credit card and check processing	325,249	325,249
Specialized Software	368,168	368,168
Vehicles-Trucks (66 *\$75,000/5 years)	990,000	990,000
Fuel (125 miles/day/truck, assume 10mi/gal at \$3.58.gallon)	797,445	797,445
Communications (handheld devices)	15,000	15,000
Utilities	42,000	42,000
Total Capital & Operating	2,604,033	2,604,033

ESTIMATED TOTAL CITY COST

15,463,465 13,534,550

LESS: ESTIMATED TOTAL CONTRACT COST

(12,367,174) (12,359,665)

ESTIMATED SAVINGS

\$ 3,096,291 \$ 1,174,885

% of Savings to City Cost

20% 9%

Comments/Assumptions:

1. FY 2005 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
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 plus an estimate of dependent coverage.

SFMTA - Finance & Information Technology
TOWING 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
Management & Administration						
MIS Administrator III	1023	1.0	\$ 115,778	\$ 47,575	\$ 163,353	\$ 138,850
Senior Payroll & Personnel Clerk	1222	1.0	\$ 82,498	\$ 38,219	\$ 120,717	\$ 102,609
Accountant IV	1657	1.0	\$ 123,430	\$ 49,452	\$ 172,882	\$ 146,950
Senior Administrative Analyst	1823	1.0	\$ 110,878	\$ 46,711	\$ 157,590	\$ 133,951
Dispatch & Customer Processing						
Clerk	1404	3.0	\$ 58,770	\$ 31,326	\$ 270,289	\$ 229,746
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 Accountant	1652	1.0	\$ 88,058	\$ 40,092	\$ 128,150	\$ 108,928
Communications Dispatcher I	1704	7.0	\$ 64,963	\$ 33,126	\$ 686,622	\$ 583,629
Communications Dispatcher II	1705	1.0	\$ 71,955	\$ 35,156	\$ 107,112	\$ 91,045
Senior Management Assistant	1844	1.0	\$ 100,280	\$ 43,384	\$ 143,665	\$ 122,115
Cashier II	4321	7.0	\$ 65,431	\$ 33,261	\$ 690,850	\$ 587,222
Cashier III	4322	3.0	\$ 73,387	\$ 35,572	\$ 326,877	\$ 277,845
Collection Supervisor	4366	3.0	\$ 87,728	\$ 39,738	\$ 382,399	\$ 325,039
Vehicle Storage & Disposal						
Sr Materials & Supplies Supervisor	1926	2.0	\$ 66,257	\$ 33,501	\$ 199,517	\$ 169,589
Storekeeper	1934	10.0	\$ 64,330	\$ 32,942	\$ 972,719	\$ 826,811
Senior Storekeeper	1936	3.0	\$ 68,542	\$ 34,165	\$ 308,121	\$ 261,902
Assistant Materials Coordinator	1942	1.0	\$ 108,208	\$ 43,942	\$ 152,150	\$ 129,327
Purchaser	1952	2.0	\$ 93,481	\$ 41,665	\$ 270,292	\$ 229,748
Security Guard	8202	4.0	\$ 56,375	\$ 32,534	\$ 355,636	\$ 302,290
Towing Services						
Truck Driver	7355	50.0	\$ 89,022	\$ 42,139	\$ 6,558,052	\$ 5,574,344
Automobile Mechanic-Asst Supvsr	7382	1.0	\$ 106,226	\$ 47,016	\$ 153,242	\$ 130,255
Automobile Mechanic	7381	5.0	\$ 88,169	\$ 41,841	\$ 650,047	\$ 552,540
Holiday Pay (if applicable)					\$ -	\$ -
Night / Shift Differential (if applicable)					\$ 32,672	\$ 27,772
Overtime Pay (if applicable)					\$ -	\$ -
Total Personnel Costs		112.0			\$ 13,410,688	\$ 11,399,085

ADDITIONAL CITY COSTS (if applicable) (5)

Postage+supplies+uniforms					68,157	68,157
Credit card and check processing					325,249	325,249
Specialized Software					379,213	379,213
Vehicles-Trucks (66 *\$75,000/5 years)					990,000	990,000
Fuel (125 miles/day/truck, assume 10mi/gal at \$3.58.gallon)					797,445	797,445
Communications (handheld devices)					15,450	15,450
Utilities					43,260	43,260
Total Capital & Operating					2,618,773	2,618,773

ESTIMATED TOTAL CITY COST

16,029,461 14,017,858

LESS: ESTIMATED TOTAL CONTRACT COST

(12,738,791) (12,730,966)

ESTIMATED SAVINGS

\$ 3,290,670 \$ 1,286,892

% of Savings to City Cost

21% 9%

Comments/Assumptions:

1. FY 2005 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 for FY17 and 3.5% increase in FY18
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 plus an estimate of dependent coverage.
5. Applicable non-labor costs with 3% CPI increase for FY18