



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

April 27, 2016

Eric Sandler, AGM Business Services & CFO
San Francisco Public Utilities Commission
525 Golden Gate Avenue
San Francisco, CA 94102

Attention: Carlos Jacobo, Budget Director
San Francisco Public Utilities Commission
525 Golden Gate Avenue
San Francisco, CA 94102

RE: Security Services – FY2016-17 and FY2017-18

The cost information and supplemental data provided by your office on the proposed contract for Public Utilities Commission security services 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 FY2016-17 and 2017-18 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 FY2016-17 and 2017-18 budget approval process. Following that legislative approval, 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 "Ben Rosenfield", enclosed in a large, hand-drawn oval.

Ben Rosenfield,
Controller

Enclosures

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

WASTERWATER ENTERPRISE
SECURITY 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
Security Guard	8202	7.2	\$ 55,190	\$ 29,555	\$ 610,161	\$ 518,637
Administrator/Manager	0931	0.1	145,736	54,504	20,024	17,020
Holiday Pay (if applicable)					39,839	33,863
Night / Shift Differential (if applicable)					17,837	15,162
Overtime Pay (if applicable)					0	0
Other Pay (if applicable)					0	0
Total Personnel Costs		7.3			687,862	584,682

ADDITIONAL CITY COSTS (if applicable)

Two-way radios (1 per shift/location) - Two (2) needed	2,502	2,502
Uniforms (2,500/year per person) - Eight (8) needed	6,400	6,400
Annual Certifications	10,000	10,000
	0	0
Total Capital & Operating	18,902	18,902

ESTIMATED TOTAL CITY COST

706,764 603,584

LESS: ESTIMATED TOTAL CONTRACT COST

(334,410) (328,403)

ESTIMATED SAVINGS

\$ 372,354 \$ 275,181

% of Savings to City Cost

53% 46%

Comments/Assumptions:

1. a) FY2012 was the first year these services were contracted out.
b) SEP = Southeast Treatment Plant
c) SECF = Southeast Community Facility
2. Salary levels reflect proposed salary rates effective July 1, 2016. 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 plus an estimate of dependent coverage.

WASTERWATER ENTERPRISE
 SECURITY 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
Security Guard	8202	10.2	\$ 54,979	\$ 32,081	\$ 888,008	\$ 754,807
Administrator/Manager	0931	0.1	145,178	58,976	20,415	17,353
Holiday Pay (if applicable)					57,429	48,815
Night / Shift Differential (if applicable)					25,713	21,856
Overtime Pay (if applicable)					0	0
Other Pay (if applicable)					0	0
Total Personnel Costs		10.3			991,566	842,831

ADDITIONAL CITY COSTS (if applicable)

Two-way radios (1 per shift/location) - four (4) needed	5,004	5,004
Uniforms (2,500/year per person) - twelve (12) needed	9,600	9,600
Annual Certifications	10,000	10,000
	0	0
Total Capital & Operating	24,604	24,604

ESTIMATED TOTAL CITY COST

1,016,170 **867,435**

LESS: ESTIMATED TOTAL CONTRACT COST

(436,236) **(433,174)**

ESTIMATED SAVINGS

\$ 579,933 **\$ 434,261**

% of Savings to City Cost

57% **50%**

Comments/Assumptions:

1. a) FY2012 was the first year these services were contracted out.
 b) SEP = Southeast Treatment Plant
 c) SECF = Southeast Community Facility
2. Salary levels reflect proposed salary rates effective July 1, 2014. 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 plus an estimate of dependent coverage.
5. An increase of 3 FTEs is for the additional coverage required at the Southeast Plant for start of major construction projects.