



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

April 27, 2016

John L. Martin
Airport Director
San Francisco International Airport
International Terminal, 5th Floor
P.O. Box 8097
San Francisco, CA 94128

Attention: Kaitlyn Connors, Budget Director
San Francisco International Airport
Finance Office
P.O. Box 8097
San Francisco, CA 94128

RE: Airport Security Service – FY2016-17 and FY2017-18

The cost information and supplemental data provided by your office on the proposed contract for Airport 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 Fiscal Year (FY) 2016-17 and FY2017-18 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 FY2017-18 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", written over a horizontal line.

Ben Rosenfield,
Controller

Enclosures

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

AIRPORT COMMISSION
 GENERAL AIRPORT 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	26.0	\$ 55,190	\$ 29,981	\$ 2,214,437	\$ 1,738,977
Building and Ground Patrol Officer	8207	5.0	67,101	31,902	\$ 495,018	\$ 388,733
Holiday Pay (if applicable)					55,962	44,210
Night / Shift Differential (if applicable)					50,112	39,589
Overtime Pay (if applicable)					0	0
Other Pay (if applicable)					0	0
Total Personnel Costs		31			2,815,530	2,211,509

ESTIMATED TOTAL CITY COST	2,815,530	2,211,509
LESS: ESTIMATED TOTAL CONTRACT COST	\$ (1,990,612)	\$ (1,987,781)
ESTIMATED SAVINGS	\$ 824,918	\$ 223,728
% of Savings to City Cost	29%	10%

Comments/Assumptions:

1. FY 2007 would be/was the first year these services are/were contracted out.
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.

AIRPORT COMMISSION
 GENERAL AIRPORT 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	26.0	\$ 56,375	\$ 32,208	\$ 2,303,147	\$ 1,808,640
Building and Ground Patrol Officer	8207	5.0	68,542	33,769	\$ 511,552	\$ 401,149
Holiday Pay (if applicable)					57,164	45,160
Night / Shift Differential (if applicable)					51,188	40,439
Overtime Pay (if applicable)					0	0
Other Pay (if applicable)					0	0
Total Personnel Costs		31			2,923,052	2,295,387

ESTIMATED TOTAL CITY COST	2,923,052	2,295,387
LESS: ESTIMATED TOTAL CONTRACT COST	\$ (1,991,215)	\$ (1,988,293)
ESTIMATED SAVINGS	\$ 931,837	\$ 307,094
% of Savings to City Cost	32%	13%

Comments/Assumptions:

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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.