



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

May 27, 2016

Trent Rhorer, Director
City and County of San Francisco Human Services Agency
170 Otis Street
San Francisco, CA 94103

Attention: Dave Curto, Director of Contracts and Facilities

RE: HSA Security – FY 2016-17

The cost information and supplemental data provided by your office on the proposed contract for security services have been reviewed by my staff.

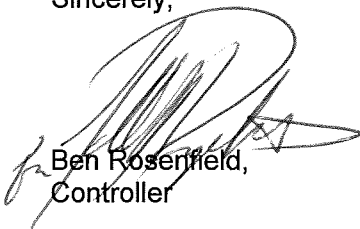
If these services are provided at the proposed contract price, it appears they can be performed at a lower cost than if the work were performed by City employees.

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 2016-17 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

HUMAN SERVICES AGENCY

Security Guard Services - Universal Contract (formerly Guardsmark)

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 | 89.5 | \$ 55,190 | \$ 29,981 | \$ 7,622,773 | \$ 6,479,357 |
| | | | | | - | - |
| | | | | | - | - |
| | | | | | - | - |
| | | | | | - | - |
| Holiday Pay (if applicable) | | | | | 481,899 | 409,615 |
| Night / Shift Differential (if applicable) | | | | | 215,763 | 183,398 |
| Overtime Pay (if applicable) | | | | | - | - |
| Other Pay (if applicable) | | | | | - | - |
| Total Personnel Costs | | 89.5 | | | 8,320,435 | 7,072,370 |

ADDITIONAL CITY COSTS (if applicable)

| | | |
|--|----------------|----------------|
| Added electronic door lock and closed circuit camera systems | 250,000 | 145,000 |
| | 0 | 0 |
| | 0 | 0 |
| | 0 | 0 |
| Total Capital & Operating | 250,000 | 145,000 |

ESTIMATED TOTAL CITY COST

8,570,435 7,217,370

LESS: ESTIMATED TOTAL CONTRACT COST

(6,964,000) (6,330,460)

ESTIMATED SAVINGS

\$ 1,606,435 \$ 886,910

% of Savings to City Cost

19% 12%

Comments/Assumptions:

1. Guardsmark was bought out by Universal Protection Service. Universal is assuming all obligations under the existing agreement.
2. Salary levels reflect proposed salary rates effective October 10, 2015. 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. Universal contract ends on January 31, 2018. Continued security guard services will be procured through a formal solicitation process for the duration of FY 17-18 and subsequent years.