

OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield Controller Todd Rydstrom Deputy Controller

April 30, 2018

Ivar C. Satero, Airport Director San Francisco International Airport International Terminal, 5th Floor P.O. Box 8097 San Francisco, CA 94128

Attn: Kaitlyn Connors, Budget Director, San Francisco International Airport

RE: Contracting for Airport Security Service – FY 2018-19 and FY 2019-20

The cost information and supplemental data provided by your office on the proposed contract referenced above has 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 2018-19 and 2019-20 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 Risa Sandler at 415-554-5254 if you have any questions regarding this determination.

Sincerely,

Ben Rosenfield,

Controller

Enclosures

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

Please Fill Out Highlighted Areas Only.

027-Airport Commission Safety and Security Services General Aviation Security Services
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2) FISCAL YEAR 2018-19

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

			Bi-Weekly Rate per FTE			Annual Cost			ost	
Job Class Title	Class	# of Full Time Equivalent Positions		Low		High		Low		High
Security Guard Building and Ground Patrol Officer Airport Operations Supervisor Manager III	8202 8207 9220 0931	26.0 5.0 0.05 0.05	\$	1,846 2,243 3,706 4,638	\$	2,243 2,727 4,504 5,920	\$ \$\$\$\$\$\$\$\$\$	1,247,733 291,634 4,818 6,030 - - - - -	\$ \$\$\$\$\$\$\$	1,516,497 354,567 5,855 7,697 - - - -
Holiday Pay (if applicable) Night / Shift Differential (if applicable) Overtime Pay (if applicable) Other Pay (if applicable)							*	49,958 43,879 0		60,735 53,344
	Total FTE	31.1	_	tal Salary		etc >	. .	1,550,214		1,884,616
		Total of C		r Comper			\$	93,837		114,079

FRINGE BENEFITS

		Amount			
Benefits per FTE (Job Class 8202)	26,769	32,535			
Benefits per FTE (Job Class 8207)	27,979	34,017			
Benefits per FTE (Job Class 9220)	38,409	46,682			
Benefits per FTE (Job Class 0931)	47,019	60,019			
			_		
			Low	Hiç	gh
Total Fringe Benefit	s		\$	840,153 \$	1,021,322

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\$	840,153	Ψ	1,021,

ADDITIONAL CITY COSTS

Facilities, e.g. breakrooms Uniforms Equipment	0 0	0
Total Capital & Operating	0	0

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	\$ 2,484,204	\$ 3,020,017
LESS: ESTIMATED TOTAL CONTRACT COST	\$ 2,227,592	\$ 2,231,691
ESTIMATED SAVINGS	\$ 256,612	\$ 788,326
% of Savings to City Cost	 10%	26%

Comments/Assumptions:

- FY 2007 was the first year these services were contracted out.

 Salary levels reflect proposed salary rates effective July 1, 2018. Costs are represented as annual 12 month costs.

 Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term disability, where applicable.
- Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
 List any other comments or assumptions>

Please Fill Out Highlighted Areas Only.

027-Airport Commission Safety and Security Services General Aviation Security Services
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2) FISCAL YEAR 2019-20

ESTIMATED CITY COSTS:

PROJECTED	PERSONNEL	COSTS
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			Bi-Weekly Rate per FTE				Annua	l Co	st	
Job Class Title	Class	# of Full Time Equivalent Positions		Low		High		Low		High
Security Guard Building and Ground Patrol Officer Airport Operations Supervisor Manager III	8202 8207 9220 0931	26.0 5.0 0.05 0.05	\$	1,846 2,243 3,706 4,638	\$	2,243 2,727 4,504 5,920	* ****	1,247,733 291,634 4,818 6,030		1,516,497 354,567 5,855 7,697 - - -
Holiday Pay (if applicable) Night / Shift Differential (if applicable) Overtime Pay (if applicable) Other Pay (if applicable)	ž						\$	- - 49,958 43,879 0	\$	- 60,735 53,344
Other ay (ii applicable)	Total FTE	31.1				a di anticontrologia	9,000.0	graphic programme and makes		The manager of the second state of the second
			To	tal Salary	Cos	sts>	\$	1,550,214	\$	1,884,616
		Total of C	the	Comper	sati	on>	\$	93,837	\$	114,079

FRINGE BENEFITS

		PRINGE BENEFITS				
	ya Establish payezan	Amount				
Benefits per FTE (Job Class 8202)	27,634	33,587				
Benefits per FTE (Job Class 8207)	28,833	35,055				
Benefits per FTE (Job Class 9220)	39,223	47,672				
Benefits per FTE (Job Class 0931)	48,409	61,793				
			Low		High	
Total Fringe Benefi	ts		\$	867,041	\$ 1	,054,007

ADDITIONAL CITY COSTS

Total Capital & Operating	0	0
	0 0	
Equipment		
Uniforms		
Facilities, e.g. breakrooms		
0931 Manager III (0.05 FTE) - Moved to Personnel Costs Above		
9220 Supervisor (0,05 FTE) - Moved to Personnel Costs Above		

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST LESS: ESTIMATED TOTAL CONTRACT COST	\$ \$	2,511,092 2,318,141	3,052,702 2,322,269
ESTIMATED SAVINGS	\$	192,952	\$ 730,433
% of Savings to City Cost		8%	24%

Comments/Assumptions:

- 1. FY 2007 was the first year these services were contracted out.
- 2. Salary levels reflect proposed salary rates effective July 1, 2018. 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.

 List any other comments or assumptions>

N/A