



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

March 14, 2018

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 Transit Shelter Services – FY 2018-19 and FY 2019-20

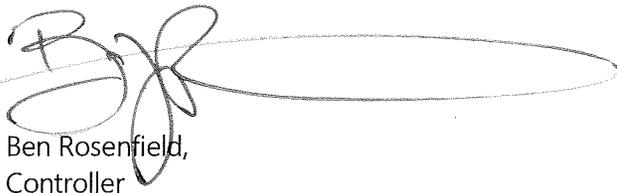
The cost information and supplemental data provided by your office on the proposed contract referenced above has been reviewed by my staff.

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

SFMTA FINANCE & INFORMATION TECHNOLOGY
 TRANSIT SHELTER MAINTENANCE & ADVERTISING SERVICES
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
 FISCAL YEAR 2018-19

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate per FTE		Annual Cost	
			Low	High	Low	High
General Laborer	7514	1.5	\$ 2,291	\$ 2,750	\$ 89,677	\$ 107,655
Track Maintenance Worker	7540	1.5	2,337	2,805	91,485	109,826
Holiday Pay (if applicable)					\$ 3,832	\$ 4,601
Night / Shift Differential (if applicable)					\$ 5,128	\$ 6,156
Overtime Pay (if applicable)						
Other Pay (if applicable)						
	Total FTE	3.0				
Total Salary Costs--->					181,161	217,481
Total of Other Compensation--->					8,960	10,756

FRINGE BENEFITS

	Amount		
7514	35,113		
7540	35,530		
		Low	High
Total Fringe Benefits		95,784	105,965

ADDITIONAL CITY COSTS

Materials & Supplies (5)	144,578	144,578
Safety Equipment (6)	5,164	5,164
Vehicle Maintenance (7)	1,033	1,033
Overhead at 52.2% of salaries and benefits	144,565	168,838
Total Capital & Operating	295,339	319,613

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	581,245	653,814
LESS: ESTIMATED TOTAL CONTRACT COST	389,884	400,948
ESTIMATED SAVINGS	\$ 191,360	\$ 252,867
% of Savings to City Cost	33%	39%

Comments/Assumptions:

1. FY 2007-08 was the first year these services were contracted out.
2. Variable fringe benefits consist of Social Security, Medicare, employer retirement, employee retirement pick-up and long-term
3. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
4. Materials and supplies would be the costs for the cleaning materials, glass, protective film for the glass, paint for railing, etc.. Assumes a 4% cost increase (CPI) from FY18
5. Safety equipment is personal protective gear for the workers. Assumes a 3.27% increase (CPI) from FY18.
6. Vehicle maintenance is the usual type of maintenance for City vehicles. Assumes as 3.27% increase (CPI) from FY18.
7. Total Contract Costs 1% increase in Contract Cost from FY18 (Controller's approved low at \$374,857 and high at \$378,627) Prop J submission.

SFMTA
 SFMTA FINANCE & INFORMATION TECHNOLOGY
 TRANSIT SHELTER MAINTENANCE & ADVERTISING SERVICES
 COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES (1) (2)
 FISCAL YEAR 2019-20

ESTIMATED CITY COSTS:

PROJECTED PERSONNEL COSTS

Job Class Title	Class	# of Full Time Equivalent Positions	Bi-Weekly Rate per FTE		Annual Cost	
			Low	High	Low	High
General Laborer	7514	1.5	\$ 2,385	\$ 2,863	\$ 93,376	\$ 112,097
Track Maintenance Worker	7540	1.5	2,433	2,921	95,258	114,356
Holiday Pay (if applicable)					\$ 3,990	\$ 4,790
Night / Shift Differential (if applicable)					\$ 5,339	\$ 6,410
Overtime Pay (if applicable)						
Other Pay (if applicable)						
Total FTE		3.0				
Total Salary Costs---->					188,635	226,452
Total of Other Compensation---->					9,330	11,200

FRINGE BENEFITS

	Amount		
7514	37,067		
7540	37,502		
Total Fringe Benefits		Low	High
		100,689	111,854

ADDITIONAL CITY COSTS

Materials & Supplies (5)	144,662	144,662
Safety Equipment (6)	5,167	5,167
Vehicle Maintenance (7)	1,033	1,033
Overhead at 52.2% of salaries and benefits	151,027	176,595
Total Capital & Operating	301,888	327,457

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	600,541	676,963
LESS: ESTIMATED TOTAL CONTRACT COST	394,126	405,589
ESTIMATED SAVINGS	\$ 206,416	\$ 271,373
% of Savings to City Cost	34%	40%

Comments/Assumptions:

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4. Materials and supplies would be the costs for the cleaning materials, glass, protective film for the glass, paint for railing, etc.. Assumes a 4% cost increase (CPI) from FY18
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7. Total Contract Costs 1% increase in Contract Cost from FY18.