OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

May 30, 2019

Linda Gerull, CIO
Department of Technology
1 South Van Ness Ave. 2nd Floor
San Francisco, CA 94103

Attention: Elaine Benvenuti, Deputy Director, Finance & Administration, CFO/CAO

RE: Mainframe System Support – FY 2019-20

The cost information and supplemental data provided by your office on the proposed contract for Mainframe System Support 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 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

Department of Technology
232339 - DT SD Service Delivery
COMPARATIVE COSTS OF CONTRACTING VS IN-HOUSE 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
Information Systems Manager	0941	0.5	$ 5,930	$ 7,568	77,687	99,137
IS Engineer - Senior	1043	2.0	$ 4,705	$ 5,918	246,562	310,103
IS Engineer - Principal	1044	3.0	$ 5,061	$ 6,366	397,814	500,400
Clerk Typist	1424	0.5	$ 2,058	$ 2,501	26,960	32,767
Other Pay (if applicable)	n/a	n/a			150,926	189,846

Total FTE	6.0		
Total Salary Costs--->		$ 749,023.95	$ 942,406.94
Total of Other Compensation--->		$ 138,399.84	$ 174,089.62

FRINGE BENEFITS

	Job Class	$ Amount		
Benefits per FTE--Job Class #:	0941	73,855		
Benefits per FTE--Job Class #:	1043	59,287		
Benefits per FTE--Job Class #:	1044	61,956		
Benefits per FTE--Job Class #:	1424	33,902		
			Low	High
Total Fringe Benefits			$ 313,511	$ 358,320

ADDITIONAL CITY COSTS

Specialized Training			$ 158,400	$	158,400
Trident OSEM Software Purchase			$ 49,200	$	49,200
Trident Annual Maintenance			$ 7,380	$	7,380
			$ -	$	-
Total Capital & Operating			$ 214,980	$	214,980

COST COMPARISON SUMMARY

ESTIMATED TOTAL CITY COST	$ 1,415,914.46	$ 1,689,796.69
LESS: ESTIMATED TOTAL CONTRACT COST	$ 978,000.00	$ 1,027,140.00
ESTIMATED SAVINGS	$ 437,914	$ 662,657
% of Savings to City Cost	31%	39%

Comments/Assumptions:
1. FY 2004-2005 would be/was the first year these services are/were contracted out.
2. Salary levels reflect proposed salary rates effective July 1, 2019. 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
4. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
5. In-house mainframe systems operations required contract services for specialized and as-needed services that could not be met by
6. Trident Services, Inc. provides installation, configuration, maintenance and support of systems, collection of data for billing, and
7. The services are 24 hours/day, 7 days/week that requires employees to standby during the non regular business hours for