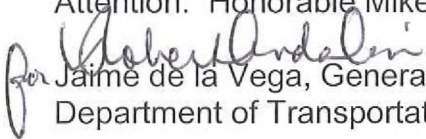


CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: October 17, 2013

To: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Mike Bonin, Transportation Committee

From:  Jaime de la Vega, General Manager
Department of Transportation

Subject: **AMENDMENT TO PARKING METER COLLECTION AND COIN COUNTING SERVICES (C.F. 10-2449) REPORT DATED OCTOBER 4, 2013**

The department is submitting an amendment to the cost analysis of the above-noted report, along with a revised contract cost analysis form.

In response to questions regarding the October 4 report, specifically the step levels and Cost Allocation Plan (CAP), LADOT and the Office of the City Administrative Officer (CAO) reviewed the methodology and determined that it was more precise to use the following step levels and CAP rate

- The **promotional positions**, Chief Transportation Investigator, Management Analyst II and Sr. Management Analyst I are to be recalculated at **Step 3**.
- The **existing positions**: Maintenance Laborer, Sr. Transportation Investigator and Clerk Typist are to be calculated at **Step 5**.
- The **new positions**, Sr. Parking Meter Collector and Parking Meter collector are to be calculated at **Step 1**.
 - **Note:** The October 4 report calculated all staff at Step 5.
- **CAP 34**, which is based on gross salary for fringe benefits, central services, department admin & support and compensated time off is also corrected to be **105.47%**.
 - **Note:** The CAP rate used in the October 4 report was CAP 32 which was calculated at 128.54%.

As such, the cost analysis changes as follows:

City Staff

Using **city staff** for both coin counting and collections over a 5-year period, including one-time costs, totals \$23,514,822 as follows:.

| | |
|---------------------|-------------------|
| City staff | \$22,759,583 |
| Other costs | <u>\$ 755,239</u> |
| Total in-house cost | \$23,514,822 |

Contracting

Contracting out coin counting and collections, based on the range of BAFO pricing received during the procurement process is approximately \$20,794,044 over a 5-year period as follows:

| | |
|------------------------------------|----------------|
| Projected contractor Labor Costs | \$15,000,000 |
| City Contract Administration Costs | \$ 5,627,044 |
| Other contract costs | <u>167,000</u> |
| Total proposed contract cost | \$20,794,044 |

Final Analysis

The analysis by DOT and the CAO's office shows that contracting out both coin counting and collection services saves the city \$2.7 million over 5 years rather than the previously reported \$3.1 million.

CONTRACT COST ANALYSIS FORM

PSG Fund

| | |
|--|---|
| DEPARTMENT/BUREAU: Department of Transportation DIVISION SECTION: Meters | CONTACT: Wayne Garcia PHONE: (213) 972-4925 |
| WORK TO BE PERFORMED: Meter Collection & Coin Counting Services | CONTRACT START & END DATES (include info on renewal options): |
| TYPE OF CONTRACT: NEW (<input checked="" type="checkbox"/>) AMENDMENT (<input type="checkbox"/> If amending contract, please provide the following: Orig. Contract Start Date: End Date: Amount of Orig Contract & All Prior Amendments (labor component only): | SOURCE OF FUNDS: |

1. COST OF CITY FORCES REQUIRED TO PERFORM PROPOSED CONTRACTED WORK

a. Positions Required (list all)

| A Position Title (Unhide formatted rows below/attach sheets as necessary) | B No. of Positions | C Monthly Salary of Each Position (Step 5) | D Total Monthly Salary Cost [D = B x C] | E Overhead Rate [D x % from Table 2] [Insert rate from Table 2 in box below] | F Duration (in mos.) | G TOTALS [G = (D + E) x F] |
|---|-----------------------|--|---|---|----------------------------|----------------------------------|
| | | | | 105% | | |
| METER COLLECTION | | | | | | |
| Parking Meter Collector | 29 | \$3,379 | \$97,993 | \$103,354 | 60 | \$12,080,812 |
| Sr. Parking Meter Collector | 2 | \$3,649 | \$7,298 | \$7,697 | 60 | \$899,658 |
| Chief Transportation Investigator | 0.5 | \$7,042 | \$3,521 | \$3,713 | 60 | \$434,062 |
| Sr. Transportation Investigator | 2 | \$7,016 | \$14,031 | \$14,799 | 60 | \$1,729,814 |
| Sr. Management Analyst I | 0.5 | \$7,694 | \$3,847 | \$4,058 | 60 | \$474,283 |
| Management Analyst II | 0.5 | \$6,515 | \$3,257 | \$3,435 | 60 | \$401,564 |
| Clerk Typist | 0.5 | \$4,025 | \$2,012 | \$2,122 | 60 | \$248,082 |
| <i>Subtotal Meter Collection</i> | | | | | | \$16,268,275 |
| COIN COUNTING | | | | | | |
| Maintenance Laborer | 6 | \$4,331 | \$25,985 | \$27,407 | 60 | \$3,203,503 |
| Chief Transportation Investigator | 0.5 | \$7,042 | \$3,521 | \$3,713 | 60 | \$434,062 |
| Sr. Transportation Investigator | 2 | \$7,016 | \$14,031 | \$14,799 | 60 | \$1,729,814 |
| Sr. Management Analyst I | 0.5 | \$7,694 | \$3,847 | \$4,058 | 60 | \$474,283 |
| Management Analyst II | 0.5 | \$6,515 | \$3,257 | \$3,435 | 60 | \$401,564 |
| Clerk Typist | 0.5 | \$4,025 | \$2,012 | \$2,122 | 60 | \$248,082 |
| <i>Subtotal Coin Counting</i> | | | | | | \$6,491,308 |
| Total Salary & Overhead Costs | | | | | | \$22,759,583 |

b. Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item)

| | |
|--------------------------------------|---------------|
| METER COLLECTION | \$ 755,239 |
| Uniform & Rain Gear | \$ 13,149 |
| Shoes | \$ 4,185 |
| Uniform Maintenance | \$ 70,525 |
| COIN COUNTING | |
| Coin Bags | \$ 96,000.00 |
| Coin Canisters & Accessories | \$ 214,200.00 |
| Security Seals | \$ 66,600.00 |
| Wireless Barcode Scanner | \$ 6,250.00 |
| Counting Equipment/Scale Maintenance | \$ 147,250.00 |
| Disinfectant Wipes - Safety | \$ 2,800.00 |
| Armored Courier | \$ 134,280.00 |

| | |
|---|------------------|
| TOTAL ESTIMATED IN-HOUSE COSTS (a + b) | \$ 23,514,822 |
| Total Estimated Revenue Generated by City Forces (if applicable) | \$ 201,400,000 |
| NET IN-HOUSE COST (COSTS MINUS REVENUE) | \$ (177,885,178) |

CONTRACT COST ANALYSIS FORM

PSG Fund

2. CONTRACTOR LABOR COSTS AND CITY COST TO ADMINISTER THE PROPOSED CONTRACT

a. Total Proposed Contractor Labor Costs \$ 15,000,000

b. Total City Contract Administration Costs (Totals from 2.b.1) \$ 5,627,044

1. Positions Required (list all)

| A Position Title (Unhide formatted rows below/ attach additional sheets as necessary) | B No. of Positions | C Hourly Rate of Each Position (Use step 5) | D Est.Avg. # of Hrs. per Position per Month to Admin. Contract | E Total Monthly Salary Cost [E = B x C x D] | F Overhead Rate [D x % from Table 2] [Insert rate from Table 2 in box below] <div style="background-color: #cccccc; text-align: center;">105%</div> | G Duration (in mos.) | H TOTALS [H = (E + F) x G] |
|---|--------------------------|--|--|--|--|----------------------------|----------------------------------|
| Ch. Trans. Investigator | 1 | \$40.47 | 174 | \$7,042 | \$7,427 | 60 | \$868,125 |
| Sr. Trans. Investigator | 4 | \$40.32 | 174 | \$28,063 | \$29,598 | 60 | \$3,459,628 |
| Management Analyst II | 1 | \$37.44 | 174 | \$6,515 | \$6,871 | 60 | \$803,128 |
| Clerk Typist | 1 | \$23.13 | 174 | \$4,025 | \$4,245 | 60 | \$496,163 |
| Total Salary & Overhead Costs | | | | | | | \$ 5,627,044 |

c. Total Other Contract Costs (if needed; attach separate sheet with \$ amount for each item) \$ 167,000

Collector Canisters - 400 \$150,000

Canister Carts - 40 \$ 17,000

TOTAL PROPOSED CONTRACT COSTS (a + b + c) \$ 20,794,044

Total Estimated Revenue Generated by Contractor (If Applicable) \$ 201,400,000

NET COST OF CONTRACT (COSTS MINUS REVENUE) \$ (180,605,956)

ESTIMATED COST DIFFERENCE CONTRACT VS. CITY FORCES \$ 2,720,778

COMMENTS: Please note that the estimated in-house cost does not include OSHA/ADA compliance requirements, electrical, installation of data/computer equipment, routine maintenance, office equipment, monthly cellular phone services, software & hardware for