

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 26, 2018

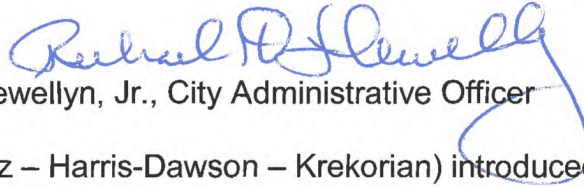
CAO File No. 0220-05386-0003

Council File No. 16-0109-S2

Council District: All

To: City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Motion (Koretz – Harris-Dawson – Krekorian) introduced March 7, 2018

Subject: **TARGETED LOCAL HIRE PROGRAM – REVIEW OF CONTRACTED SERVICES**

RECOMMENDATION

That the Council note and file this report, insomuch as it is provided for informational purposes only. If the Council chooses to add additional full-time positions to departments to reduce contracting for specific services, it is recommended this action be considered in collaboration with the relevant departments as part of the Council's deliberations on the 2018-19 Budget, so that the operational and fiscal impact can be considered alongside all other funding requests.

SUMMARY

A Council Motion (Motion, C.F. 16-0109-S2, Koretz – Harris-Dawson – Krekorian) requested that the City Administrative Officer and Personnel Department (Personnel) prepare a report on contracted services to evaluate which contracted services could be performed by Targeted Local Hire (TLH) Program applicants. This report provides a preliminary review of the City's contracts for four services, including a) custodial contracts administered by the Department of General Services, b) contracts for graffiti abatement administered by the Board of Public Works, c) contracts for call center support in the Department of Public Works, Bureau of Sanitation (LASAN), and d) contracts for tree trimming services administered by the Department of Public Works, Bureau of Street Services.

As TLH applicants are only hired into entry level positions, it is unlikely any City contract could be entirely replaced with City staff hired through the TLH Program. The TLH Program targets individuals in under-served populations who may have little to no relevant work experience for the positions into which they are hired, and therefore require training and appropriate supervision for their first year of employment. In order to support the use of TLH applicants, while also ensuring the quality of the work and the safety of the workers, the City would, at a minimum, also have to employ additional staff to train the TLH referrals and supervisory staff to review and manage the work. Therefore, not all work currently contracted could be performed by TLH hires.

For all four of the contracts reviewed as part of this report, it is estimated it would be more costly for the City to perform the services with City employees than to continue contracting for the services.

For the LASAN Call Center operator support currently contracted, the Mayor's 2018-19 Proposed Budget includes 41 new full-time positions to transition the majority of Call Center work to full-time City employees. Therefore, there is no necessary action for the Council to take, beyond approving this item in the Mayor's 2017-18 Proposed Budget, to transition this contract to be performed by City employees. For the remaining three services, it is recommended that the Council allow each of the relevant departments to directly report regarding any proposals to transition contract services to full-time City employees. While this report attempts to summarize the operational and fiscal impact associated with such a transition in accordance with data provided by the departments, such a transition would be a significant change in service provision for the relevant departments. The departments can provide additional insights not captured within this report that the Council may want to consider.

Finally, it is recommended that any changes to departmental position authority as a result of this review of contracting be considered in the context of the 2018-19 Budget. At this time the Council can consider the operational and fiscal impact associated with transitioning contracted services to new full-time positions alongside all other departmental funding requests.

FISCAL IMPACT STATEMENT

As no action is recommended in this report, there is no fiscal impact.

RHL:MAF:11180055c

FINDINGS

Background

A Council Motion (Motion, C.F. 16-0109-S2, Koretz – Harris-Dawson – Krekorian) was recently introduced requesting that the City Administrative Officer (CAO) and Personnel Department (Personnel) prepare a report on a) the feasibility of reducing the City's use of as-needed employment in specific classifications, and instead filling positions on a full-time basis using the Targeted Local Hire (TLH) Program, and b) contracted services to evaluate which contracted services could be performed by TLH Program applicants. This report provides a preliminary review of the City's contracted services; a separate CAO report (C.F. 16-0109-S2, Targeted Local Hire Program – Review of As-Needed Employment Usage) addressing as-needed employment was released on April 11, 2018. This previous report regarding as-needed employment usage included background information on the TLH Program and pathways to civil service employment. This background information is important for the context of this report, but is not repeated herein.

Charter Section 1022

The Motion discussed creating an evaluation process that departments must complete prior to contracting for services in situations where City employees could potentially perform the work. The City's use of contractors is governed by Charter Section 1022, which reads in part:

“Nothing in this Article shall be deemed or construed as preventing the Council, or a board of commissioners in the case of those departments having control of their own revenues and funds, from entering into contracts for the performance of work when it is determined by the Council or the board of commissioners that the work can be performed more economically or feasibly by independent contractors than by City employees. The authority of the Council set forth in this section may be delegated to departments and officers of the City under rules and procedures as the Council may prescribe.”

The Council adopted a Charter Section 1022 Determinations Policy (C.F. 03-1673) which outlines which types of contracts or contract amendments require a determination to be made in accordance with Charter Section 1022 (1022 Determination). This Charter Section 1022 Determinations Policy is provided as Attachment 1. In brief, this policy indicates that all contracts with a labor component of \$25,000 or more require a 1022 Determination.

To obtain a 1022 Determination, the contracting department submits a request for 1022 Determination to Personnel. Personnel reviews the request and determines whether or not City classifications can perform the work proposed to be contracted. Personnel's determination, which is made in the form of a Contract Review Report, is sent to the requesting department and the CAO. If Personnel determines City classifications do not have the expertise to perform the work proposed to be contracted, the 1022 Determination process is completed. However, if Personnel determines there are some City classifications that can perform the work proposed to be contracted, Personnel will provide a list of the classifications, and their employing departments, in the Contract Review Report.

The department proposing to contract must then contact the departments who employ individuals within those classifications to determine if the other departments have staff available to perform the work proposed to be contracted. If another department indicates they have available staff to perform the work proposed to be contracted, there is no need to continue with the 1022 Determination process as the departments can enter into an agreement to perform the work with City staff. If no departments have available staff, the department proposing to contract then requests a 1022 Determination from CAO.

The CAO then reviews the proposed scope of work for the contract, Personnel's Contract Review Report, and the department's survey of other departments, to make feasibility and/or economic findings regarding the proposal to contract for the services. A proposed scope of work is determined to be more feasible to be performed by a contractor when a) there is insufficient City staff to perform the work and additional staff cannot be employed and trained in a timely manner, b) the work is of a limited scope or intermittent in nature and staff hired for the project would have to be laid off at the completion of the project, c) independent review is needed and/or the contractor has proprietary knowledge the City needs, or d) Council has declared an emergency pursuant to Charter Section 371. A proposed scope of work is determined to be more economical to be performed by a contractor when the contractor's cost is less than the City's cost. The contractor's cost is the sum of both the contractor's quote for the services and the City's cost for the administration of the contract. The City's cost includes a) direct cost of the salaries for the employees who provide the services and managers to review and supervise staff, b) related costs, as calculated using the add/delete rate (for General Fund expenditures) or Cost Allocation Plan (CAP) rate (for special fund expenditures) and c) equipment and expense funding necessary to conduct the work.

When it is determined that it is more feasible or economical to perform the proposed work with City employees as opposed to contract out for the services, the Department may have to request additional resources to provide the services. Most City departments require Council approval to receive additional funding and position authorities. These requests are typically addressed in the City's annual budgetary process, but can also be submitted on an interim basis. Through this process, City departments are able to outline the specific classifications and number of position authorities, as well as salary and expense funding, required to provide the relevant City service.

It should also be noted that a 1022 Determination is only necessary when a department proposes to contract as opposed to using City employees. Departments can propose to provide services, particularly those that are ongoing in nature, by adding additional full-time City positions. Only in the situations when a department proposes to contract does Charter Section 1022 apply.

Notification of Intent to Contract

The City also has an existing process in place to allow input from labor organizations (unions) regarding City contracts. In accordance with applicable provisions of City Memoranda of Understanding (MOUs) and Charter Section 1022 Determination Procedures, all City departments are required to submit a Notification of Intent to Contract to the CAO's Employee Relations Division (CAO-ERD) when the department decides to enter into a new contract or

amend an existing City contract that has a labor component. CAO-ERD then enters the information into the Contract Clearinghouse. The Clearinghouse is used to inform the unions of potential new contracts and amendments to existing contracts so they may determine whether the work being contracted has an impact on their bargaining unit members. In accordance with procedures outlined in applicable MOUs, the unions may request to meet and discuss such proposed contracts. If the meet and discuss process results in a dispute, the MOUs outlines an expedited procedure in lieu of impasse resolution provisions.

Contractor Performance Evaluation

City departments contracting for services are required to ensure that contractors are performing work in a satisfactory manner. Often City contracts are structured in the form of deliverables, whereby the contractor provides a work product which the City must review and approve prior to authorizing payment for services rendered. This provides a mechanism to ensure contractors are performing work in a satisfactory manner. Other contracts include Service Level Agreements (SLAs), which require a certain standard of performance. If an SLA is not met, there are typically financial impacts to the contractor. In addition, the Standard Provisions for City Contracts, a required attachment to all City contracts, provides mechanisms for the City to suspend or terminate a contract for various reasons, which can include poor work performance.

In addition, in accordance with Los Angeles Administrative Code Section 10.39, all City departments must evaluate contractors on their performance. All personal services and construction contracts must be evaluated in accordance with procedures developed by the Department of Public Works, Bureau of Contract Administration. This evaluation process was recently automated with the implementation of the Financial Management System (FMS) 2.0, which integrated Procurement and Inventory, Vendor Self-Service, and Service Contracts into the existing system, replacing the Supply Management System. Upon expiration of a contract, departments are required to answer a series of questions in FMS about the contractor, and evaluate the contractor's work performance, timeliness, compliance with budget, communication, and the expertise of personnel assigned to the contract. Departments proposing to execute new contracts must review these evaluations for all contractors who previously worked for the City prior to awarding new service contracts.

Items to Consider when Transitioning Work from Contractors to City Staff

The Motion requested a review of City contracts to evaluate which contracted services could be performed by TLH Program applicants. The TLH Program is an alternative pathway to City Civil Service employment available in six entry-level classifications: Administrative Clerk, Custodian, Garage Attendant, Gardener Caretaker, Maintenance Laborer, and Tree Surgeon Assistant. One additional classification, Animal Care Technician, is in the process of being added to the TLH Program. The TLH Program targets individuals in under-served populations who may have little to no relevant work experience for the positions into which they are hired, and therefore require additional training and appropriate supervision for their first year of employment.

As TLH applicants are only hired into entry level positions, it is unlikely any City contract could be entirely replaced with City staff hired through the TLH Program. In addition, the City cannot allow

contractors to supervise City staff. Therefore, the City could not, for example, hire entry-level Tree Surgeon Assistants through the TLH Program to work as part of a crew that also includes contractors working at the more experienced level of Tree Surgeons, Tree Surgeon Supervisors, and Equipment Operators. In order to support the use of TLH applicants, while also ensuring the quality of the work and the safety of the workers, the City would, at a minimum, also have to employ additional staff to train the TLH referrals and supervisory staff to review and manage the work. Therefore, not all work currently contracted could be performed by TLH hires.

In addition, many contracts require that the contractors provide specialized equipment necessary to perform their duties. If the City were to replace the work of the contractor with City staff, the City would also have to invest in this equipment. A cost analysis would need to be done to determine whether it is more appropriate to rent or buy the equipment. If the equipment is purchased, additional consideration will need to be given to ensure the City has sufficient resources available to maintain the equipment. Often the maintenance responsibility for this type of equipment lies with the General Services Department (GSD), and consideration should be given to providing GSD additional staffing resources if additional equipment is procured. In the cost analyses provided as attachments to this report, some of these maintenance costs are preliminarily estimated. However, a more thorough analysis of maintenance costs would need to be completed in coordination with GSD to determine required staffing and expense funding.

Finally, the time to hire all of the staff required to perform the work currently contracted, as well as the time required to procure any necessary equipment, must be considered if the City elects to replace contractors with City staff. It often takes considerable time to procure large equipment and hire a large number of employees, and these tasks must be completed prior to the elimination of any current contracts for the services, to ensure there is no gap in service delivery.

Review of Select City Contracts

According to the Ethics Commission's Departmental Contract Filing System, the City has 9,667 active contracts. It is impossible to review all 9,667 contracts in the deadline requested by the Motion. Instead, this Office, through discussion with Council District 5, the Chief Legislative Analyst, and Personnel, selected four City contracts to review as a first step towards Citywide contract analysis. The four contracted services include a) custodial contracts administered by GSD, b) contracts for graffiti abatement administered by the Board of Public Works (BPW), c) contracts for call center support in the Department of Public Works, Bureau of Sanitation (LASAN), and d) contracts for tree trimming services administered by the Department of Public Works, Bureau of Street Services (BSS).

For each contract, a cost analysis is provided as an attachment. The cost analysis compares one year of contract costs to one year of City costs. For cost comparison purposes, no consideration is given to the likelihood that departments may need to continue to contract for a period of time to ensure uninterrupted service provision while City staff is hired and trained. Estimated 2017-18 costs are used for both the contract and the City staff. Department's 2017-18 Wages and Count salaries are used. In addition, the City's add/delete rate is used for contracts funded by the General Fund and the CAP rate is used for contracts funded by special funds. The add/delete rate provides an estimate of the related costs associated with adding the employees, including

pension costs and FLEX benefits (such as health care). It should be noted that the add/delete rate may not capture the total cost of adding additional employees to the City. Additional costs that may be incurred that are not captured in this rate include items budgeted centrally or provided by other City departments, such as costs for workers compensation, liability payouts, and additional staffing in support departments such as Personnel and GSD. The CAP rate, which is used for contracts funded by special funds, allocates the cost of centrally budgeted items and central City service department functions across all departments. The CAP rate is typically higher than the add/delete rate, as it includes items budgeted centrally that are not included in the add/delete rate. It is the City's practice that special funds reimburse the City for allocated costs using the CAP rate, and therefore the CAP rate is used for special funded contract analysis.

Custodial Services – GSD

GSD currently contracts for custodial and janitorial cleaning services for seven geographic districts and the Los Angeles Mall. The specific custodial duties can differ depending on the facility being serviced. Estimated expenditures on these contracts for 2017-18 are \$6 million. The Department reports that approximately 90 percent of the locations where custodial work is currently contracted are smaller locations that can be cleaned in three hours or less. Therefore, higher costs can accrue and logistical challenges can occur both for employee travel time between multiple locations as well as to provide each location or geographic area with sufficient supervisors, supplies, and equipment. The Department currently primarily uses City employees for large facilities, such as those in the Civic Center area, where supervisors and supplies can be concentrated, and there is no required travel for employees. The Department also primarily uses City employees for Police facilities, due to background check requirements.

A cost analysis for these contracts is provided as Attachment 2. It is estimated that it will cost the City nearly three times as much to perform this work with full-time employees as opposed to contractors. GSD estimates the Department would require an additional 215 positions to perform the work that is currently contracted. Of the 215 positions, 167 are Custodians, which could be hired through the TLH Program. The salaries and benefits of these 215 employees are estimated to cost \$16.52 million. An additional \$3.07 million in expense funding would be required, of which \$1.04 million is a one-time cost for necessary equipment and \$2.02 million represents ongoing expenditures primarily for consumable supplies. Therefore, the total estimated cost to perform these services with City forces is \$19.59 million. The current cost to contract for these services is estimated at \$6.98 million. Therefore, it is approximately \$12.61 million more costly if the City were to perform these services with City employees as opposed to contractors.

Note that the amounts above exclude an offset for revenue received by the Department to provide these custodial services to semi-proprietary and special funded departments, primarily the Library Department and LASAN. Currently, GSD receives General Fund revenue of approximately \$4.69 million in reimbursement for custodial services performed by both City employees and contractors at facilities that reimburse the Department for these services. As these semi-proprietary and special funded departments should reimburse the General Fund for all costs, if the cost of custodial services were to increase through the use of City employees, this reimbursement could potentially increase. However, the exact amount of the potential increase is unknown. It is also unknown if these semi-proprietary and special funded departments would

have the financial capacity to increase these reimbursements without a negative impact on current service levels.

Graffiti Abatement – BPW

The BPW, Office of Community Beautification (OCB) contracts with twelve nonprofit community-based organizations and one private company to provide graffiti removal and community beautification services. OCB contractors remove graffiti from public and private property Citywide, seven days per week using methods including painting over graffiti, high pressure water-blasting, and chemical removal. Approximately 25 percent of the work performed is a result of a request for service, while the other 75 percent of graffiti removed is a result of the contractor's proactive review of the neighborhoods in which they are assigned to work. The contractors currently respond to 76 percent of requests for graffiti abatement services within 24 hours. Through its graffiti removal service, OCB is also able to provide employment to approximately 160 City residents who come from low-income and at-risk communities, who likely represent the same under-served populations targeted through the TLH Program. The contractors are community-based organizations that work with stakeholders, businesses, and other nonprofits to engage them in community beautification. The contractors recruit some court volunteers who work in-lieu of fines or other programs. It is estimated that the OCB will expend \$9.73 million in 2017-18 on these contract graffiti removal services.

A cost analysis for this contract is provided as Attachment 3. It is estimated the City would need to hire 143 positions to perform the work currently being performed by the contractors. The 143 positions include 26 Administrative Clerks which could be filled through the TLH Program, and 82 Maintenance and Construction Helpers, some of which may be able to be filled in-lieu with Maintenance Laborers hired through the TLH Program. The estimated annual cost for the salaries and benefits of the City employees is \$12.36 million. In addition, the City would incur significant additional costs to purchase and maintain vehicles, rent additional warehouse space, and buy equipment and materials, estimated at a total of \$8.25 million. The \$8.25 million includes \$4.37 million in one-time costs for the purchase of vehicles and \$3.88 million in on-going costs. Therefore, the total estimated City cost is \$20.61 million, or nearly the double the current cost to contract (\$10.8 million). However, the City's cost to contract for these services may increase in coming years by over \$4 million in compliance with prevailing wage law. A resolution (C.F. 18-0002-S51; Englander - Rodriguez) was recently introduced to support State legislation that would exempt the City's OCB contractors from prevailing wage requirements. If the City does have to meet prevailing wage requirements, it is still more costly to use City forces by approximately \$6 million.

Call Center Support – LASAN

LASAN operates a 24/7 Call Center with its primary site located at the Public Works Building and a backup site at the Hyperion Water Reclamation Plant. The LASAN's Call Center receives an average of 4,000 calls per day and the Communications Information Representatives (CIR) handle these calls in English and Spanish. Currently, LASAN staffs the Call Center with a mixture of City staff, including both full-time and as-needed employees, and contractors. It is estimated

LASAN will expend approximately \$2 million in 2017-18 for contracted call center operators. The Call Center, including this contract, is currently funded by a variety of special funds.

CIRs, the classification for call center operators, is not a classification available through the TLH Program. However, the CIR classification can be a promotional opportunity for Administrative Clerks, which can be hired through the TLH Program.

The majority of the calls taken by the call center operators are related to scheduling a bulky item pickup or solid waste billing questions. The Call Center saw a significant increase in call volumes this year due to the implementation of the City's Exclusive Franchise System for commercial and multi-family properties on July 1, 2017. The CIRs receive and log customer complaints and requests for service and ensure franchise haulers address the complaints and provide services in accordance with the provisions established in the franchise agreements. This recent increase in workload is temporary and is expected to stabilize at a lower level in the coming months.

Call Center data has shown that LASAN receives the highest call volumes on Mondays, which is also a common day for City employees to take vacation time, or be on a regular day off (RDO) if on a 9/80 schedule, and therefore is a day during which the LASAN faces challenges in maintaining a fully staffed Call Center. Therefore, LASAN uses as-needed and contracted staff to replace employees on leave as well as to augment existing staffing levels. It is anticipated LASAN will need to maintain some level of contract and/or as-needed employment to address these types of peak workload. However, at the request of LASAN, the Mayor's 2018-19 Proposed Budget provides an additional 41 full-time CIR positions in order to perform the majority of Call Center work with full-time City employees. The LASAN has encouraged their as-needed and contract employees to take Civil Service exams and gain full-time City employment as CIRs.

A cost analysis for this contract is provided as Attachment 4. It is estimated that it will cost the City almost three times as much to perform this work with full-time employees as opposed to contractors. On a per-employee basis, the annualized cost for a contracted CIR is approximately \$45,968, inclusive. The City's cost is \$56,480 for salary, plus an additional \$87,149 for special fund related cost reimbursement, for a total of \$143,629. When adjusting this rate to assume the total cost to add 41 City staff CIRs and reflect the cost reductions for the City staff currently involved in administration of the contract, the total estimated annual City cost is \$5.89 million, compared to an estimated \$2.08 million in equivalent contract expenditures, for an additional annual cost of \$3.81 million.

Tree Trimming – BSS

The CAO previously prepared a comprehensive report (C.F. 15-0467-S3) dated October 21, 2016 reviewing City tree issues. This report provides additional information regarding tree trimming services that is not included herein.

BSS currently has contracts with nine contractors to perform tree trimming and pruning services in the City. The estimated expenditures on these nine contracts will total \$4.4 million in 2017-18. The BSS has previously indicated that a hybrid model of City staff and contractors completing this work is ideal. Currently the split is approximately 70 percent contractors and 30 percent City staff.

The Bureau has indicated a goal of moving towards a workload division of 50 percent contractors and 50 percent City staff. This 50/50 model would require the addition of two more tree trimming crews. BSS requested one additional tree trimming crew in the Bureau's 2018-19 budget submission. A tree trimming crew is comprised of one Tree Surgeon Supervisor I, one Equipment Operator, one Heavy Duty Truck Operator, three Tree Surgeons, and two Tree Surgeon Assistants. The Tree Surgeon Assistants could be hired through the TLH Program.

A cost analysis for these contracts is provided as Attachment 5. The current contract cost for tree trimming services throughout the City averages \$169 per tree. Assuming an annual tree trimming workload of 26,180 trees, plus the City's cost for City staff to administer the contract including a quality review of the contractor's work (\$798,239), the total cost to contract for this service is approximately \$5.22 million. The Bureau estimates it would take six additional tree trimming crews of eight staff to perform the contracted work with City employees. To hire six crews of eight full-time City employees, or 48 new City staff, the total estimated cost would be \$4.91 million in salaries and benefits. In addition, the one-time costs to procure necessary equipment (\$6.91 million) and required ongoing expense funding (\$771,498) would total \$7.68 million. Therefore, the total City cost is approximately \$12.59 million, or approximately \$7.37 million more than the contract cost. It should be noted that this cost analysis incorporates the cost to purchase a significant amount of equipment, totaling \$6.91 million, that would only be necessary the first year of a transition to City forces. While the City would incur ongoing maintenance costs for this equipment that are currently unknown, this ongoing maintenance cost would be less than the one-time procurement cost, although periodic replacements will also be required.

As previously indicated, the BSS has suggested than an optimal division of tree trimming workload would be 50 percent City staff and 50 percent contract support. If the Council elected to add two additional crews to achieve this 50/50 balance, a total of 15 positions would need to be added to the Bureau. While two crews consists 16 positions, the Bureau could reassign one of the existing Tree Surgeon Supervisor Is that is currently conducting quality control checks of contractor performance to a crew to reduce by one the number of new positions required. The cost for the 15 positions would be \$1.51 million for both salaries and benefits. An additional \$257,166 in ongoing expense funding and \$2.30 million in one-time equipment would be necessary, for a total cost of \$4.07 million. A reduction in Contractual Services expense funding of \$1.47 million could be made to partially offset these additional costs to transition this work to City staff, for a net cost increase of \$2.60 million.

Next Steps

Four different City services that are currently performed by contract are summarized above. For each of the four services, it would be more costly for the City to transition these contracted services to be performed by City employees.

For the LASAN Call Center operators, the Mayor's 2017-18 Proposed Budget includes 41 new CIRs to reduce the use of contract and as-needed employment usage, and instead to perform the majority of the Call Center work with full-time City employees. Therefore, there is no necessary action for the Council to take, beyond approving this item in the Mayor's 2017-18 Proposed Budget, to transition this contract to be performed by City employees. For the remaining three

contracts, if the Council would like to transition this work to City employees, it is recommended the following steps occur:

- a) It is recommended the Council allow the relevant departments to report directly regarding the operational impact of transitioning the contract services to full-time City employees. While this report attempts to summarize the operational and fiscal impact associated with such a transition in accordance with data provided by the departments, such a transition would be a significant change in service provision for the relevant departments. The departments can provide additional insights not captured within this report that the Council may want to consider.
- b) If a transition to City forces is proposed for a contracted service that will require the purchase of additional large equipment, GSD should be directed to report regarding the ongoing resources necessary to maintain the equipment, including required staffing and expense funding.
- c) The departments must submit proposed position descriptions and organizational charts to Personnel to determine the appropriate full-time classification to be added to the department based on the duties being performed. While classifications are listed in Attachments 2, 3, and 5, these are proposed classifications based on a preliminary evaluation conducted by the relevant department. Based on an analysis of the duties to be performed by the new proposed City employees, it is possible a different classification, which may or may not be available through the TLH Program, would be more appropriate. Personnel would need the position descriptions and organizational charts to make this determination.
- d) Ongoing funding must be identified to support the new full-time positions and the associated one-time equipment and ongoing expense costs. If the Council would like to proceed with adding the additional positions and reducing contracting for these services, it is recommended this funding identification occur as part of the deliberations on the 2018-19 Budget. Due to the need for ongoing service provision while departments hire new staff and procure necessary equipment, it is estimated that services would need to continue to be contracted for, at minimum, the first six months of 2018-19 while a transition occurs.
- e) Full-time position authority, for the classifications determined in Step A, above, must be added. Again, it is recommended position authority be reviewed as part of the Council's adoption of the 2018-19 Budget. It is also recommended the Council consider adding resolution authority for any approved positions, as opposed to regular authority, to facilitate the ongoing tracking of the workload and hiring for these positions.
- f) The Board of Civil Service Commissioners must allocate the new positions, as is required of all new full-time City positions. Personnel facilitates this allocation process.
- g) Finally, the department can hire the new employees. Some of the new positions may be hired through the TLH Program.

CHARTER SECTION 1022 DETERMINATIONS POLICY

Adopted By the Council on July 20, 2004 (C.F 03-1673)

Contracts and contract amendments requiring Charter Section 1022 determinations:

- New contracts with more than an incidental labor component (as defined below), including those in which departments “piggyback” on an existing contract. (Piggybacking on a contract means that the awarding department does not have to select the contractor through another competitive bid or request for proposal process. However, the new contract is still subject to all City contracting requirements and approvals.); and,
- Contract amendments that add a new labor component or increase an existing labor component (through either additional staff or the extension of the term of the contract) by more than an incidental amount (as defined below) above that anticipated at the time the contract was approved.
- Amendments to contracts originally exempted from a Charter Section 1022 determination because they had an incidental labor component, if the cumulative value of the labor components in the contract and the amendment exceed an incidental amount (as defined below).

Contracts and contract amendments not requiring Charter Section 1022 determinations:

- Contractor requires use of its staff or specially trained and certified persons to install, maintain or service equipment or other product in order to maintain warranties, patent rights or due to other rational basis; or the labor component cannot reasonably be separated from the other contract elements.
- Contracts awarded on the basis of urgent necessity pursuant to Charter Sections 371(e)(5) and (6).
- Contracts and contract amendments that have an incidental labor component. Incidental labor component is defined as labor having a cost that is less than \$25,000 for the term of the contract, including amendments and options for contract extensions.

**CONTRACT COST ANALYSIS
Standard Form**

Attachment 2

| | |
|---|---|
| DEPARTMENT/BUREAU: General Services | CONTACT: |
| DIVISION / SECTION: Custodial Services | PHONE: |
| WORK TO BE PERFORMED: | CONTRACT START & END DATES (include info on options to renew): |
| To provide custodial/janitorial cleaning services for seven districts and the LA City Mall. | This cost analysis compares the costs for one year of service delivery. |
| TYPE OF CONTRACT: NEW <input type="checkbox"/> AMENDMENT <input type="checkbox"/> | SOURCE OF FUNDS: |
| If amending contract, please provide the following: | General Fund |
| Orig. Contract Start Date: _____ End Date: _____ | |
| Amount of Orig Contract (Labor Component Only) & All Prior Amendments: | |

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

a. Positions Required (list all)

| A Position Title <small>(Unhide formatted rows below/attach sheets as necessary)</small> | B No. of Positions | C Monthly Salary of Each Position | D Total Monthly Salary Cost <small>[D = B x C]</small> | E Overhead Rates <small>[E = D x from Table 1] [Insert rate from Table 1 in box below]</small> | F FLEX Costs <small>[F = (B x from Table 1)] [Insert monthly amount from Table 1 in box below]</small> | G Duration <small>(in mos.)</small> | H TOTALS <small>[H = (D + E + F) x G]</small> |
|--|-----------------------|--------------------------------------|--|--|--|---|---|
| | | | | 28.7% | \$ 1,127.33 | | |
| Custodian (3156-0) | 167 | \$3,908 | 652,649.92 | 187,441.06 | 188,264.67 | 12 | \$ 12,340,268 |
| Senior Custodian I (3157-1) | 25 | \$4,283 | 107,085.42 | 30,754.93 | 28,183.33 | 12 | \$ 1,992,284 |
| Senior Custodian II (3157-2) | 3 | \$4,421 | 13,262.75 | 3,809.06 | 3,382.00 | 12 | \$ 245,446 |
| Custodian Supervisor (3176-0) | 13 | \$4,724 | 61,406.58 | 17,635.97 | 14,655.33 | 12 | \$ 1,124,375 |
| Head Custodian Supervisor (3178-0) | 3 | \$5,606 | 16,817.50 | 4,829.99 | 3,382.00 | 12 | \$ 300,354 |
| Chief Custodian Supervisor II (3182-2) | 1 | \$6,461 | 6,461.25 | 1,855.67 | 1,127.33 | 12 | \$ 113,331 |
| Accounting Clerk (1223-0) | 1 | \$5,786 | 5,786.08 | 1,661.76 | 1,127.33 | 12 | \$ 102,902 |
| Management Analyst (9184-0) | 1 | \$8,242 | 8,241.50 | 2,366.96 | 1,127.33 | 12 | \$ 140,830 |
| Sr. Management Analyst I (9171-1) | 1 | \$9,673 | 9,673.08 | 2,778.11 | 1,127.33 | 12 | \$ 162,942 |
| Total Salary & Overhead Costs | | | | | | | \$16,522,731 |

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

| | |
|--|---------------------|
| Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item) | \$ 3,068,947 |
| Custodial Supplies (ongoing) | \$ 1,253,180 |
| Overtime (ongoing) | \$ 100,000 |
| Bonuses (ongoing) | \$ 537,077 |
| Equipment (one-time) | \$ 353,465 |
| Uniforms (ongoing) | \$ 50,000 |
| Startup supplies (one-time) | \$ 91,225 |
| Maintenance of equipment (ongoing) | \$ 20,000 |
| Vehicles (20) (one-time) | \$ 600,000 |
| Fuel and vehicle maintenance (ongoing) | \$ 64,000 |

| | |
|---|----------------------|
| TOTAL ESTIMATED IN-HOUSE COSTS (a + b) | \$ 19,591,678 |
| Total Estimated Revenue Generated by City Forces (if applicable) | \$ 4,698,445 |
| NET IN-HOUSE COSTS (COSTS MINUS REVENUE) | \$ 14,893,233 |

**CONTRACT COST ANALYSIS
Standard Form**

| 2. CONTRACTOR LABOR COSTS AND CITY COST TO ADMINISTER THE PROPOSED CONTRACT | | | | | | | | |
|---|------------------|------------------------------|--|---|---|---|--------------------|------------------------------|
| a. Total Proposed Contractor Labor Costs | | | | | | | | \$ 6,000,000 |
| b. Total City Contract Administration Costs (Totals from 2.b.1) | | | | | | | | \$ 976,011 |
| 1. Positions Required (list all) | | | | | | | | |
| A | B | C | D | E | F | G | H | I |
| Position Title (Unhide formatted rows below/attach sheets as necessary) | No. of Positions | Hourly Rate of Each Position | Est.Avg. # of Hrs. per Position per Month to Admin. Contract | Total Monthly Salary Cost [E = B x C x D] | Overhead Rates [F = E x Table 1] [Insert rate from Table 1 in box below] | Monthly FLEX Costs [G=(B x D x from Table 1)] [Insert hourly amount from Table 1 in box below] | Duration (in mos.) | TOTALS [I = (E + F + G) x H] |
| | | | | | 28.7% | \$ 6.48 | | |
| Management Analyst | 3 | \$ 47.36 | 174 | \$ 24,725 | \$ 7,101 | \$ 3,383 | 12 | \$ 422,495.24 |
| Accounting Clerk | 2 | \$ 33.25 | 174 | \$ 11,572 | \$ 3,324 | \$ 2,255 | 12 | \$ 205,808.80 |
| Senior Management Analyst I | 1 | \$ 55.59 | 174 | \$ 9,673 | \$ 2,778 | \$ 1,128 | 12 | \$ 162,944.55 |
| Senior Management Analyst II | 1 | \$ 63.71 | 174 | \$ 11,086 | \$ 3,184 | \$ 1,128 | 12 | \$ 184,762.59 |
| Total Salary & Overhead Costs | | | | | | | | \$ 976,011 |
| c. Total Other Contract Costs (if needed; attach separate sheet with \$ amount for each item) | | | | | | | | \$ - |
| | | | | | | | | |
| TOTAL PROPOSED CONTRACT COSTS (a + b + c) | | | | | | | | \$ 6,976,011 |
| Total Estimated Revenue Generated by Contractor | | | | | | | | \$ 4,698,445 |
| NET COST OF CONTRACT (COSTS MINUS REVENUE) | | | | | | | | \$ 2,277,566 |
| ESTIMATED COST DIFFERENCE CONTRACT VS. CITY FORCES | | | | | | | | \$ 12,615,667 |
| COMMENTS: | | | | | | | | |
| a) Costs do not reflect Compensated Time Off and do not include overtime and as-needed staffing costs for emergency response services. | | | | | | | | |
| b) LAPD facilities require extensive background checks where contracted staff are limited to work, and use of City employees is necessary. | | | | | | | | |
| c) Total Estimated Revenue Generated by Contractor and Total Estimated Revenue Generated by City Forces reflects the estimated reimbursement by the Library and various special funded departments for custodial services currently performed by both contractors and City employees. | | | | | | | | |

CONTRACT COST ANALYSIS Standard Form

Attachment 3

| | |
|--|---|
| DEPARTMENT/BUREAU: Board of Public Works | CONTACT: |
| DIVISION / SECTION: Office of Community Beautification | PHONE: |
| WORK TO BE PERFORMED: | CONTRACT START & END DATES (include info on options to renew): |
| Graffiti abatement from public and private property within the City of Los Angeles. | This cost analysis compares the costs for one year of service delivery. |
| TYPE OF CONTRACT: NEW (<input checked="" type="checkbox"/>) AMENDMENT (<input type="checkbox"/>) | SOURCE OF FUNDS: |
| If amending contract, please provide the following: Orig. Contract Start Date: End Date: Amount of Orig Contract (Labor Component Only) & All Prior Amendments: | General Fund |

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

a. Positions Required (list all)

| A Position Title <small>(Unhide formatted rows below/attach sheets as necessary)</small> | B No. of Positions | C Monthly Salary of Each Position | D Total Monthly Salary Cost <small>[D = B x C]</small> | E Overhead Rates <small>[E = D x from Table 1] [Insert rate from Table 1 in box below]</small> | F FLEX Costs <small>[F = (B x from Table 1)] [Insert monthly amount from Table 1 in box below]</small> | G Duration <small>(in mos.)</small> | H TOTALS <small>[H = (D + E + F) x G]</small> |
|--|-----------------------|--------------------------------------|--|--|--|---|---|
| | | | | 28.7% | \$ 1,127.33 | | |
| Painter | 13 | \$6,709 | 87,217.00 | 25,048.72 | 14,655.33 | 12 | \$ 1,523,053 |
| Maintenance & Construction Helper | 82 | \$4,336 | 355,558.83 | 102,116.50 | 92,441.33 | 12 | \$ 6,601,400 |
| Senior Management Analyst I | 2 | \$8,164 | 16,328.17 | 4,689.45 | 2,254.67 | 12 | \$ 279,267 |
| Management Analyst | 7 | \$6,372 | 44,603.16 | 12,810.03 | 7,891.33 | 12 | \$ 783,654 |
| Store Keeper I | 13 | \$4,952 | 64,376.00 | 18,488.79 | 14,655.33 | 12 | \$ 1,170,241 |
| Administrative Clerk | 26 | \$4,108 | 106,812.33 | 30,676.50 | 29,310.67 | 12 | \$ 2,001,594 |
| Total Salary & Overhead Costs | | | | | | | \$ 12,359,210 |

| | |
|--|---------------------|
| b. Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item) | \$ 8,249,221 |
| Purchase of City Vehicles for light duty pickup truck (for 104 vehicles) (purchase cost is \$42,000 per vehicle) - (One-time) | \$ 4,368,000 |
| Yearly average maintenance cost for light duty pickup truck (for 104 vehicles) (maintenance cost is roughly \$2,045 per vehicle) - (Ongoing) | \$ 212,680 |
| Fuel Cost (estimate) \$356 per vehicle x 104 = \$37,024 monthly fee - (Ongoing) | \$ 444,300 |
| Warehouse cost (13) - monthly rent would be at least \$3,668.21 (\$0.84 per square foot) - (Ongoing) | \$ 572,241 |
| Warehouse paint and material cost estimate (\$12,000 monthly per warehouse (13)) - (Ongoing) | \$ 1,872,000 |
| Equipment Maintenance (water blaster/sand blaster, etc) estimate (\$5,000 monthly per warehouse (13)) - (Ongoing) | \$ 780,000 |

| | |
|---|----------------------|
| TOTAL ESTIMATED IN-HOUSE COSTS (a + b) | \$ 20,608,430 |
| Total Estimated Revenue Generated by City Forces (if applicable) | \$ - |
| NET IN-HOUSE COSTS (COSTS MINUS REVENUE) | \$ 20,608,430 |

CONTRACT COST ANALYSIS Standard Form

Attachment 3

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

a. Total Proposed Contractor Labor Costs **\$ 9,726,539**

b. Total City Contract Administration Costs (Totals from 2.b.1) **\$ 1,105,111**

1. Positions Required (list all)

| A Position Title <small>(Unhide formatted rows below/attach sheets as necessary)</small> | B No. of Positions | C Hourly Rate of Each Position | D Est. Avg. # of Hrs. per Position per Month to Admin. Contract | E Total Monthly Salary Cost <small>[E = B x C x D]</small> | F Overhead Rates <small>[F = E x Table 1] [Insert rate from Table 1 in box below]</small> | G Monthly FLEX Costs <small>[G=(B x D x from Table 1)] [Insert hourly amount from Table 1 in box below]</small> | H Duration <small>(in mos.)</small> | I TOTALS <small>[I = (E + F + G) x H]</small> |
|--|-----------------------|-----------------------------------|--|--|---|---|---|---|
| | | | | | 28.7% | \$ 6.48 | | |
| Sr Management Analyst II | 1 | \$ 66.93 | 174 | \$ 11,646 | \$ 3,345 | \$ 1,128 | 12 | \$ 193,416 |
| Management Analyst | 3 | \$ 41.55 | 174 | \$ 21,689 | \$ 6,229 | \$ 3,383 | 12 | \$ 375,609 |
| Project Coordinator | 2 | \$ 39.31 | 174 | \$ 13,680 | \$ 3,929 | \$ 2,255 | 12 | \$ 238,365 |
| Storekeeper II | 1 | \$ 32.60 | 174 | \$ 5,672 | \$ 1,629 | \$ 1,128 | 12 | \$ 101,148 |
| Accountant | 1 | \$ 31.87 | 174 | \$ 5,545 | \$ 1,593 | \$ 1,128 | 12 | \$ 99,186 |
| Sr. Administrative Clerk | 1 | \$ 31.20 | 174 | \$ 5,429 | \$ 1,559 | \$ 1,128 | 12 | \$ 97,386 |
| Total Salary & Overhead Costs | | | | | | | | \$ 1,105,111 |

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

TOTAL PROPOSED CONTRACT COSTS (a + b + c) **\$ 10,831,650**

Total Estimated Revenue Generated by Contractor **\$ -**

NET COST OF CONTRACT (COSTS MINUS REVENUE) **\$ 10,831,650**

ESTIMATED COST DIFFERENCE CONTRACT VS. CITY FORCES **\$ 9,776,780**

COMMENTS:

With renewal of the graffiti contracts in 2018-19, it is anticipated the City must comply with the Prevailing Wage Law, which increases the contracting cost by an estimated \$4 million.

**CONTRACT COST ANALYSIS
Standard Form**

Attachment 4

| DEPARTMENT/BUREAU: Public Works/Sanitation | | | | CONTACT: | | | |
|---|-----------------------|--------------------------------------|---|--|--|----------------------------|--------------------------------------|
| DIVISION / SECTION: Customer Call Division | | | | PHONE: | | | |
| WORK TO BE PERFORMED: | | | | CONTRACT START & END DATES (include info on options to renew): | | | |
| Call Center Support | | | | This cost analysis compares the costs for one year of service delivery. | | | |
| TYPE OF CONTRACT: NEW (<input type="checkbox"/>) AMENDMENT (<input type="checkbox"/>) | | | | SOURCE OF FUNDS: Solid Waste Resources Revenue Fund, Citywide Recycling Trust Fund, Household Hazardous Waste Fund, Multi-Family Bulky Item Fund, General Fund | | | |
| If amending contract, please provide the following: | | | | | | | |
| Orig. Contract Start Date: | | End Date: | | | | | |
| Amount of Orig Contract (Labor Component Only) & All Prior Amendments: | | | | | | | |
| 1. COST OF CITY FORCES REQUIRED TO <u>PERFORM</u> 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 | D Total Monthly Salary Cost [D = B x C] | E Overhead Rates [E = D x from Table 1] [Insert rate from Table 1 in box below] | F FLEX Costs [F = (B x from Table 1)] [Insert monthly amount from Table 1 in box below] | G Duration (in mos.) | H TOTALS [H = (D + E + F) x G] |
| | | | | 154.3% | \$ - | | |
| Communications Information Representative II | 41 | \$4,707 | 192,973.33 | 297,777.15 | - | 12 | \$ 5,889,006 |
| | | | - | - | - | | \$ - |
| | | | - | - | - | | \$ - |
| | | | - | - | - | | \$ - |
| Total Salary & Overhead Costs | | | | | | | \$ 5,889,006 |
| b. Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item) | | | | | | | \$ - |
| | | | | | | | |
| | | | | | | | |
| TOTAL ESTIMATED IN-HOUSE COSTS (a + b) | | | | | | | \$ 5,889,006 |
| Total Estimated Revenue Generated by City Forces (if applicable) | | | | | | | \$ - |
| NET IN-HOUSE COSTS (COSTS MINUS REVENUE) | | | | | | | \$ 5,889,006 |

**CONTRACT COST ANALYSIS
Standard Form**

Attachment 4

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

a. Total Proposed Contractor Labor Costs **\$ 1,978,922**

b. Total City Contract Administration Costs (Totals from 2.b.1) **\$ 100,511**

1. Positions Required (list all)

| A Position Title <small>(Unhide formatted rows below/attach sheets as necessary)</small> | B No. of Positions | C Hourly Rate of Each Position | D Est.Avg. # of Hrs. per Position per Month to Admin. Contract | E Total Monthly Salary Cost <small>[E = B x C x D]</small> | F Overhead Rates <small>[F = E x Table 1] [Insert rate from Table 1 in box below]</small> | G Monthly FLEX Costs <small>[G=(B x D x from Table 1)] [Insert hourly amount from Table 1 in box below]</small> | H Duration (in mos.) | I TOTALS <small>[I = (E + F + G) x H]</small> |
|--|-----------------------|-----------------------------------|---|--|---|---|-------------------------|---|
| | | | | | 154.3% | \$ - | | |
| Management Analyst | 1 | \$ 48.04 | 40 | \$ 1,922 | \$ 2,965 | \$ - | 12 | \$ 58,642 |
| Accounting Clerk | 1 | \$ 34.30 | 40 | \$ 1,372 | \$ 2,117 | \$ - | 12 | \$ 41,870 |
| | | | | \$ - | \$ - | \$ - | | \$ - |
| | | | | \$ - | \$ - | \$ - | | \$ - |
| Total Salary & Overhead Costs | | | | | | | | \$ 100,511 |

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

| | |
|--|--|
| | |
| | |
| | |

TOTAL PROPOSED CONTRACT COSTS (a + b + c) **\$ 2,079,434**

Total Estimated Revenue Generated by Contractor **\$ -**

NET COST OF CONTRACT (COSTS MINUS REVENUE) **\$ 2,079,434**

ESTIMATED COST DIFFERENCE CONTRACT VS. CITY FORCES **\$ 3,809,572**

COMMENTS: Analysis assumes that Call Center management and supervisors will be provided by City staff and are not contracted. In addition, City costs do not reflect Compensated Time Off and do not include potential overtime costs.

**CONTRACT COST ANALYSIS
Standard Form**

| | |
|--|---|
| DEPARTMENT/BUREAU: Public Works/Street Services | CONTACT: |
| DIVISION / SECTION: Urban Forestry Division | PHONE: |
| WORK TO BE PERFORMED: | CONTRACT START & END DATES (include info on options to renew): |
| Tree Trimming | This cost analysis compares the costs for one year of service delivery. |
| TYPE OF CONTRACT: NEW (<input type="checkbox"/>) AMENDMENT (<input type="checkbox"/>) | SOURCE OF FUNDS: General Fund |
| If amending contract, please provide the following: Orig. Contract Start Date: End Date: Amount of Orig Contract (Labor Component Only) & All Prior Amendments: | |

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

a. Positions Required (list all)

| A Position Title <small>(Unhide formatted rows below/attach sheets as necessary)</small> | B No. of Positions | C Monthly Salary of Each Position | D Total Monthly Salary Cost <small>[D = B x C]</small> | E Overhead Rates <small>[E=D x from Table 1]</small> <small>[Insert rate from Table 1 in box below]</small> | F FLEX Costs <small>[F = (B x from Table 1)]</small> <small>[Insert monthly amount from Table 1 in box below]</small> | G Duration <small>(in mos.)</small> | H TOTALS <small>[H = (D + E + F) x G]</small> |
|--|-----------------------|--------------------------------------|--|---|---|---|---|
| | | | | 28.72% | \$ 1,127 | | |
| Tree Surgeon Supervisor I | 6 | \$7,680 | 46,077.48 | 13,233.45 | 6,763.98 | 12 | \$ 792,899 |
| Equipment Operator | 6 | \$7,947 | 47,679.96 | 13,693.68 | 6,763.98 | 12 | \$ 817,651 |
| Heavy Duty Truck Operator | 6 | \$5,581 | 33,485.52 | 9,617.04 | 6,763.98 | 12 | \$ 598,398 |
| Tree Surgeon | 18 | \$5,202 | 93,629.88 | 26,890.50 | 20,291.94 | 12 | \$ 1,689,748 |
| Tree Surgeon Assistant | 12 | \$4,592 | 55,104.96 | 15,826.14 | 13,527.96 | 12 | \$ 1,013,509 |
| Total Salary & Overhead Costs | | | | | | | \$ 4,912,206 |

| | |
|---|---------------------|
| b. Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item) | \$ 7,677,498 |
| Truck, Utility Bed, Crew Cab, 1-Ton with Tow Package (one-time expense) | \$ 336,000 |
| Hi Ranger, aerial 56" x 3/crew (one-time expense) | \$ 3,600,000 |
| Truck Tractor (one-time expense) | \$ 1,080,000 |
| Trailer Pushout (one-time expense) | \$ 510,000 |
| Tractor Loader (one-time expense) | \$ 1,380,000 |
| Expense Funding (ongoing expenses) | \$ 771,498 |
| Vehicle maintenance and fuel (ongoing expense) | TBD |

| | |
|---|----------------------|
| TOTAL ESTIMATED IN-HOUSE COSTS (a + b) | \$ 12,589,704 |
| Total Estimated Revenue Generated by City Forces (if applicable) | \$ - |
| NET IN-HOUSE COSTS (COSTS MINUS REVENUE) | \$ 12,589,704 |

**CONTRACT COST ANALYSIS
Standard Form**

| 2. CONTRACTOR LABOR COSTS AND CITY COST TO ADMINISTER THE PROPOSED CONTRACT | | | | | | | | |
|---|-----------------------|-----------------------------------|---|--|---|---|---|---|
| a. Total Proposed Contractor Labor Costs | | | | | | | | \$ 4,424,000 |
| b. Total City Contract Administration Costs (Totals from 2.b.1) | | | | | | | | \$ 798,239 |
| 1. Positions Required (list all) | | | | | | | | |
| A Position Title <small>(Unhide formatted rows below/attach sheets as necessary)</small> | B No. of Positions | C Hourly Rate of Each Position | D Est.Avg. # of Hrs. per Position per Month to Admin. Contract | E Total Monthly Salary Cost <small>[E = B x C x D]</small> | F Overhead Rates <small>[F = E x Table 1] [Insert rate from Table 1 in box below]</small> | G Monthly FLEX Costs <small>[G=(B x D x from Table 1)] [Insert hourly amount from Table 1 in box below]</small> | H Duration <small>(in mos.)</small> | I TOTALS <small>[I = (E + F + G) x H]</small> |
| | | | | | 28.72% | \$ 6 | | |
| Tree Surgeon Supervisor I | 5 | \$ 44.14 | 174 | \$ 38,397 | \$ 11,028 | 5,637.60 | 12 | \$ 660,753.57 |
| Management Analyst | 1 | \$ 46.12 | 174 | \$ 8,025 | \$ 2,305 | 1,127.52 | 12 | \$ 137,485.75 |
| | | | | \$ - | \$ - | \$ - | | \$ - |
| | | | | \$ - | \$ - | \$ - | | \$ - |
| Total Salary & Overhead Costs | | | | | | | | \$ 798,239 |
| c. Total Other Contract Costs <small>(if needed; attach separate sheet with \$ amount for each item)</small> | | | | | | | | \$ - |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL PROPOSED CONTRACT COSTS (a + b + c) | | | | | | | | \$ 5,222,239 |
| Total Estimated Revenue Generated by Contractor | | | | | | | | \$ - |
| NET COST OF CONTRACT (COSTS MINUS REVENUE) | | | | | | | | \$ 5,222,239 |
| ESTIMATED COST DIFFERENCE CONTRACT VS. CITY FORCES | | | | | | | | \$ 7,367,465 |
| COMMENTS: | | | | | | | | |
| a) Contract Tree Trimming = \$169/tree for approximately 26,180 trees | | | | | | | | |
| b) Equivalent production by City Crews would require approximately 6 tree trimming crews. Each crew is composed of 8 members, including one Tree Surgeon Supervisor I, one Equipment Operator, one Heavy Duty Truck Operator, three Tree Surgeons, and two Tree Surgeon Assistants. | | | | | | | | |