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From: Drew.Murrell@sfgov.org [<mailto:Drew.Murrell@sfgov.org>]

Sent: Tuesday, August 09, 2011 11:19 AM

To: Drew Bohan

Cc: Allan Burdick; Michelle.Allersma@sfgov.org

Subject: RRM Question on Efficient Implementation

Mr Bohan,

I wanted to share some additional thoughts for the administrative record on the question you raised during the July hearing on balancing local variation in costs with cost-efficient implementation. If the RRM allows us to apply our local wage and benefit rates we are likely to support it. From the perspective of the City and County of San Francisco, as a large local agency much of our cost variation is accounted for by using unit times rather than unit cost. As we discussed later with the State Controller, wage differences are typically the largest driver of cost differences amongst local agencies. Using a unit time accounts for this difference by allowing us to apply our own rates to the time claimed. Implementation efficiencies should not be a result of differences in prevailing wages.

There would be very few instances where we would not favor using an RRM based on unit time, no matter how it considers efficient implementation. I appreciate the opportunity to comment on this matter.

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