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## MEMORANDUM

**DATE:** July 11, 2023 [For July 17, 2023, Commission Meeting]

**TO:** The Civil Service Commission

**FROM:** Bree Mawhorter  
Chief Financial Officer, SFMTA

**SUBJECT:** Personal Service Contract No. 41495-22/23

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## BACKGROUND

The Budget, Financial Projections and Analysis (BFPA) team at SFMTA is responsible for preparing the operating and capital budgets over a two-year cycle. The Operating Budget is prepared by a six FTE team consisting of 1 FTE 1824 Principal Administrative Analyst, 2 FTE 1823 Sr. Administrative Analysts, 1 FTE 1822 Administrative Analyst and 2 1820 Jr. Administrative Analysts. As of July 1, 2023, of these six positions, only two or 33% are filled. The Capital Budget is prepared by a four FTE team consisting of 1 FTE 1824 Principal Administrative Analyst, 2 FTE Sr. Administrative Analyst 1823 and 1 FTE 1822 Administrative Analyst, as of July 1, 2023, only one these four position 25% is filled. Together, the two budget teams have a combined vacancy rate of 70%. The SFMTA will begin its two-year budget cycle in August. The Grants Administration Office is composed of six FTE, 2 FTE 1824 Principal Administrative Analysts, 2 1823 Sr. Administrative Analysts, and 2 FTE 1820 Jr. Administrative Analysts. Of these six positions, three of the positions or 50% are filled.

The lack of resources has created an urgent need to obtain additional resources to support existing staff. The current level of staff is insufficient to perform daily operations while also preparing a two-year budget of over \$1B. In addition, lack of staff has resulted in a backlog of financial reconciliations that are required to complete the two-year budget. These challenges are exacerbated by a lack of written policies and procedures that could make completion of daily operations more efficient.

SFMTA has made best efforts to obtain additional resources. There is an active recruitment process for the 1824 Principal Administrative Analyst. SFMTA held an interview process for the four 1823 positions on **June 29, 2023**. Of the eleven invited candidates, only three appeared for the interview, and only two demonstrated the necessary skills and abilities. City-wide, 1822 and 1820 recruitment are on hold pending the completion of a city-wide, continuous list. SFMTA intends to fill the 1822 and 1820 positions once these lists are certified. SFMTA staff reached out to retirees to ascertain their interest in a Prop F position. No contacted individuals expressed interest. Division staff contacted the Office of the Controller, City Performance (CSA) to request support. Due to lack of resources and other priorities, CSA is unable to provide support. Finally, Division staff requested support from other Divisions in the SFMTA. However, due the rate of vacancy in the administrative series city-wide, no other resources are available.

Given the hiring constraints and lack of availability of other City and agency resources, SFMTA submitted **PSC Request No. 41495-22/23** to contract services related to budget support, financial reconciliation, and policy and procedure documentation. Contracting out these services will support staff during the budget process and document processes for administration of the budget. The level of work anticipated to be performed under contract is anticipated to be consistent with the level of work normally provided by the 1824 and 1823 classifications.

The SFMTA has made best efforts to collaborate with notified the International Federation of Professional and Technical Engineers, Local 21 (Union or Local 21) on this contract.

- On May 17, 2023, SFMTA notified Local 21 of its intent to contract this work.
- On June 7, 2023, SFMTA sent a follow-up notice to Local 21 about its request to contract this work.
- On June 16, 2023, the parties met and discussed the contracting out request. Later that day, Local 21 emailed the Agency to reserve its right to object to the request and express their desire to continue discussions.
- On June 21, 2023, the parties met and discussed the scope of service.

- On June 22, 2023, SFMTA notified Local 21 of the revised scope of service that responded to the concerns of current job incumbents (Local 21 Members) and Local 21.

Given the high-level of vacancy, the urgent need to obtain resources to begin the two-year budget cycle, and the SFMTA's efforts to obtain additional resources, the SFMTA requests that the Civil Commission approve PSC request No. 41495-22/23. If this request is denied, there will be delays in position approvals, budget adjustments, and contract approvals, the Agency will be unable to prepare a high quality FY24-25 and FY25-26 budget, and there will be a continued backlog of financial analysis.