

**Performance Audit**

**of**

**San Francisco's Lead Worker, Standby, Acting  
Assignment, and Supervisory Differential Pay  
Practices**

**Prepared for the**

**Board of Supervisors**  
**of the City and County of San Francisco**

**by the**

**Budget and Legislative Analyst**  
**August 3, 2011**

**CITY AND COUNTY OF SAN FRANCISCO  
BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

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August 3, 2011

Honorable David Campos,  
and Members of the Board of Supervisors  
City and County of San Francisco  
Room 244, City Hall  
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San Francisco, CA 94102-4689

Dear Supervisor Campos and Members of the Board of Supervisors:

The Budget and Legislative Analyst is pleased to submit this *Performance Audit of the City's Lead Worker, Standby, Acting Assignment, and Supervisory Differential Pay Practices*. In response to a motion adopted by the Board of Supervisors on November 9, 2010 (Motion 10-0161), the Budget and Legislative Analyst conducted this performance audit, pursuant to the Board of Supervisors powers of inquiry as defined in Charter Section 16.114 and in accordance with U.S. Government Accountability Office (GAO) standards, as detailed in the Introduction to the report.

The purpose of this performance audit is to evaluate City departments' management of standby, lead, acting assignment, and supervisory differential pay. To conduct the performance audit, we (a) surveyed all City departments with lead pay or standby pay expenditures in FY 2010-11, and followed up with City departments on specific lead pay or standby pay issues; (b) conducted detailed field work with the Public Utilities Commission, Department of Public Works, San Francisco Municipal Transportation Agency, and Department of Public Health, which are the four City departments with the highest amounts of lead pay and standby pay expenditures; and (c) interviewed Department of Human Resources staff and reviewed Department files on acting assignment and supervisory differential pay approvals.

Our performance audit contains six findings, summarized in the Executive Summary and detailed in the audit report. Implementation of the performance audit's 17 recommendations would result in estimated annual savings of approximately \$1,386,080. During the FY 2011-12 budget review, City departments agreed to, and the Budget and Finance Committee approved, (a) \$303,524 in lead worker pay reductions in the FY 2012-13 Airport, Port, and Public Utilities Commission budgets, which is the second year

**Board of Supervisors**  
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of the two-year budgets, and (b) \$10,000 in standby pay for media specialists in the General Services Agency's FY 2011-12 budget. Achieving \$1,072,556 (\$1,386,080, less \$303,524, less \$10,000) in additional savings will require operational changes in City departments or renegotiation of provisions in the Memoranda of Understanding between the City and respective employee unions, as discussed in detail in this report.

We would like to thank the staff of the Department of Human Resources, Public Utilities Commission, San Francisco Municipal Transportation Agency, Department of Public Health, Department of Public Works, and other City departments, which responded to our survey, for their assistance with this performance audit.

Respectfully submitted,



Harvey M. Rose  
Budget and Legislative Analyst

cc: President Chiu  
Supervisor Avalos  
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**Performance Audit of  
San Francisco’s Lead Worker, Standby, Acting Assignment, and  
Supervisory Differential Pay Practices**

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# Executive Summary

The purpose of this performance audit was to evaluate City departments' management of standby, lead, acting assignment, supervisory differential, and associated pay, in accordance with Motion 10-0161, approved by the Board of Supervisors on November 9, 2010.

The audit contains six findings and 17 recommendations. Implementation of these recommendations would result in estimated annual salary savings of approximately \$1.4 million. These estimated annual savings include:

- \$450,000 in estimated reduced lead worker pay by renegotiating existing provisions in the Memoranda of Understanding (MOUs), expiring on June 30, 2012, between the City and the Consolidated Crafts, Electrical Workers, Plumbers and Steamfitters, Laborers, and other employee unions. In May 2011, the Budget and Finance Committee approved \$303,524 of the \$450,000 reduced lead worker pay in the FY 2012-13 budgets of the Airport, Port, and Public Utilities Commission.
- \$936,080 in estimated reduced standby costs. These cost reductions include (1) reducing, combining, or eliminating standby assignments for specific positions in the Human Services Agency, General Services Agency, Department of Public Works, Public Utilities Commission, and Department of Public Health, (2) providing pagers or cell phones to employees assigned to standby, thus reducing standby pay from 25 percent of the regular rate of pay for employees who are not provided cell phones or pagers to 10 percent of the regular rate of pay for employees who are provided cell phones or pagers; (3) reducing standby costs for information technology staff; and (4) reducing standby costs for special assignments in the San Francisco Municipal Transportation Agency and Department of Public Health.

## Overview

The City has 33 different MOUs with employee unions and one compensation ordinance covering unrepresented employees. Each of these MOUs has provisions for premium payments when employees assume special duties or responsibilities. Because of the large number of MOUs, encompassing employees working in 52 City departments, no consistent definition or practice exists for assigning and paying lead worker pay, standby pay, acting assignment pay, or supervisory differential pay.

**Lead Worker Pay** is intended to compensate employees who assume additional responsibilities (1) to support a supervisor or manager who has a large number of subordinate employees, (2) when the supervisor or manager is not physically located at the worksite, or (3) when an employee is required to perform special duties.

**Standby Pay**, as defined by the Department of Human Resources, compensates “employees who, as part of the duties of their positions are required by the appointing

officer to stand by when normally off duty to be instantly available on call for immediate emergency service for the performance of their regular duties..... When such employees are called on to perform their regular duties in emergencies during the period of such standby service, they shall be paid while engaged in such emergency service the usual rate of pay for such service as provided herein.”

**Acting Assignment Pay** compensates employees who backfill vacant positions or positions when the incumbent is on long-term leave. Acting assignments are temporary, generally for less than one year. The employee receiving acting assignment pay must perform the full range of duties of the higher classification for at least 10 days<sup>1</sup>. These duties must not be part of the employee’s current classification.

**Supervisor Differential Pay** is paid to an employee who supervises subordinate employees but whose salary range does not exceed the subordinate employees’ salary range by at least 5 percent. To be eligible for supervisory differential pay, the supervisory assignment must be permanent and organizationally appropriate. Except for employees in classifications covered by the Memorandum of Understanding (MOU) between the City and International Federation of Professional and Technical Engineers (IFPTE) Local 21, employees receiving supervisory differential pay may not supervise employees in the same classification.

## **Lead Worker Pay**

In FY 2009-10, 4,177 City employees were paid charge nurse, lead worker, or other lead premiums, resulting in total estimated costs to the City of 3.3 million. Five City departments constituted approximately 90 percent of Citywide expenditures for lead worker pay in FY 2009-10, as shown in Table 1. In FY 2010-11, Citywide expenditures for lead worker pay are estimated to cost the City approximately \$3.2 million.

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<sup>1</sup> Some MOUs between the City and the employee unions provide different time requirements. For example, the MOU between the City and Stationary Engineers Local 39 provides acting assignment pay for 15 cumulative days within a rolling 12-month period, and the MOU between the City and Deputy Probation Officers provides acting assignment pay after 5 days.

**Table 1**  
**City Department Expenditures for Lead Worker Pay**  
**FY 2009-10**

<b>Department</b>	<b>FY 2009-10 Expenditures</b>	<b>Percent</b>	<b>FY 2009-10 Number of Employees</b>	<b>Percent</b>
Public Health	\$1,843,689	56.1%	1,609	38.5%
Municipal Transportation Agency	517,587	15.7%	1,129	27.0%
Public Works	208,310	6.3%	316	7.6%
Public Utilities Commission	206,728	6.3%	248	5.9%
Airport	181,285	5.5%	221	5.3%
Subtotal	2,957,598	89.9%	3,523	84.3%
Other City Departments	330,876	10.1%	654	15.7%
<b>Total</b>	<b>\$3,288,474</b>	<b>100.0%</b>	<b>4,177</b>	<b>100.0%</b>

Source: City Payroll System

**The City has no Citywide policies governing lead worker assignments other than the provisions contained in the MOUs between the City and employee unions, although most MOU provisions are not sufficiently specific to serve as effective guidelines.** MOUs covering craft workers provide for lead assignments “when required to plan, design, sketch, layout, detail, estimate, or order material *or* (emphasis added) take the lead on any job when at least two employees in the same class are assigned”. Managers or supervisors generally assign a lead worker whenever two employees of the same classification are assigned to the crew. For example, the PUC’s Water Supply and Treatment Division pays lead worker pay to all utility plumbers in crews of at least two utility plumbers, although a utility plumber supervisor is on shift. According to PUC staff, because one Plumbing Supervisor II oversees three or more crews working at different sites, assigning a lead plumber to each site is appropriate. PUC staff acknowledged that the current practice assigns more lead plumbers than is necessary. However, not all departments provide lead worker pay in these instances. The SFMTA Safety, Training, Security and Enforcement Division only assigns a transit fare inspector as lead worker when a supervisor is not available.

**Managers assign lead worker pay to employees who are considered to “plan, design, sketch, layout, detail, estimate, or order material” even when they have no lead responsibility for another employee.** For example, the PUC’s Hetch Hetchy Enterprise assigns lead worker pay to a plumber to “plan, design, sketch, layout detail, estimate, and order materials”, although this position does not have lead responsibilities for other employees because he is the division’s only plumber and does not have a direct supervisor. While the MOU does provide for lead pay to plan, design, sketch, layout detail, estimate, and order materials, these are core job functions. For example, the job description for the 7347 Plumber lists job duties that includes “advising on selection, ordering and storing of plumbing supplies and equipment”. The job description also requires the “ability to: interpret and work from blueprints, sketches and drawings; plan and lay out details of work; work well with others; estimate materials and labor costs for plumbing jobs”.

**Many lead worker assignments are rotated among all or most of the employees in a classification without adequate distinction between the lead employee and other employees within the classification.** For example, all Department of Public Works plumbers and steamfitters and nine of ten Municipal Transportation Agency carpenters have earned lead worker pay during FY 2010-11.

**While some City departments clearly define the role of lead workers, other departments designate lead worker assignments without written descriptions of the lead work to be performed or qualifications required by lead workers.** For example, the San Francisco Municipal Transportation Agency (SFMTA) has assigned a lead worker to oversee track maintenance workers, but does not have criteria for assigning lead workers, other than “willingness and ability” to assume the lead worker responsibilities..

## **Standby Pay**

The Department of Human Resources defines standby pay as follows:

“Employees who, as part of the duties of their positions are required by the appointing officer to stand by when normally off duty to be instantly available on call for immediate emergency service for the performance of their regular duties, shall receive standby pay. When such employees are called on to perform their regular duties in emergencies during the period of such standby service, they shall be paid while engaged in such emergency service the usual rate of pay for such service as provided herein.”

## **Standby Pay Expenditures**

City departments will expend an estimated \$10.2 million for standby pay in FY 2010-11. Over the last three years, Citywide standby pay has been reduced by approximately \$2.3 million, or 18 percent, from \$12.5 million in FY 2008-09 to an estimated \$10.2 million FY 2010-11, as shown in Table 2 below.

**Table 2**  
**Citywide Standby Pay Expenditures by Department**  
**FY 2008-09 through FY 2010-11 (Projected)**

<b>Department</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11 Projected</b>	<b>Increase/ (Decrease) FY 2008-09 to FY 2010- 11</b>
Animal Care and Control	\$29,217	\$28,732	\$27,000	(\$2,217)
Airport	299,091	283,076	271,654	(27,437)
Asian Art Museum		199	0	0
City Attorney	48,910	47,390	42,860	(6,049)
Controller	23,773	27,724	23,967	194
Building Inspection	21,854		0	(21,854)
Emergency Management	63,772	109,639	98,561	34,789
Fire	332,876	246,381	143,161	(189,715)
City Administrator	141,550	165,818	231,024	89,474
Human Services Agency	144,030	146,443	138,638	(5,392)
Municipal Transportation Agency	534,740	776,380	596,962	62,222
Police	5,477,007	4,322,827	4,235,318	(1,241,689)
Public Health	3,157,200	2,804,744	2,308,565	(848,635)
Public Library	43,062	46,774	50,008	6,946
Public Utilities Commission	1,289,699	1,325,115	1,458,971	169,273
Public Works	196,924	175,152	109,636	(87,288)
Recreation and Park	29,803	11,186	7,785	(22,018)
Retirement System	9,782	9,745	9,573	(208)
Sheriff	118,241	128,458	130,051	11,809
Treasurer/Tax Collector	4,929	7494.34	7,039	2,111
Technology	508,850	404,352	324,183	(184,666)
War Memorial	367	464	518	151
<b>Total</b>	<b>\$12,475,676</b>	<b>\$11,068,092</b>	<b>\$10,215,476</b>	<b>(\$2,260,200)</b>

Source: Controller

Three City departments account for more than 78 percent of standby pay expenditures in FY 2010-11:

- The Police Department incurs approximately 41.5 percent of total Citywide standby pay. Most Police Department standby pay is for police officers on standby for court appearances. Subsequent to the Controller's August 2010 audit of the Police Department's management of overtime and premium pay, the Police Department revised their policies and procedures, resulting in reduced court standby costs, from \$5,477,007 in FY 2008-09 to an estimated \$4,235,318 in FY 2010-11, a reduction of \$1,241,689 or 22.7 percent.
- The Department of Public Health incurs approximately 22.6 percent of total Citywide standby pay. The Department of Public Health will spend an estimated \$2.3

million for standby in FY 2010-11, of which approximately \$1.8 million is for clinical services and the remaining \$0.5 million is for information technology, behavioral health or crisis services, and other services.

- The Public Utilities Commission incurs approximately 14.3 percent of total Citywide standby pay. The Public Utilities Commission will spend an estimated \$1.5 million in standby pay in FY 2010-11, primarily for 24-hour coverage of the water system.

## **Operational Need for and Assignment of Standby**

**Although the Department of Human Resources has defined standby as the need to be “instantly available on call for immediate emergency service”, City departments do not have consistent criteria for what constitutes an emergency to qualify for standby pay.** Therefore, City departments may assign standby coverage when it is not necessary. For example, the General Services Agency has assigned standby coverage to media specialists to cover City Hall events but agreed to eliminate standby pay for this class in the FY 2011-12 budget, based on the Budget and Legislative Analyst’s recommendation.

**City departments may assign standby to positions that are not necessary or to more positions than are required to meet emergency incidents.** For example, the Department of Public Works has assigned standby coverage to a plumbing supervisor, and the Public Utilities Commission City Distribution Division has assigned standby to storekeepers, although these positions have not been called back to work in this fiscal year to address after-hours incidents.

**City departments do not have standard practices for when managers rather than non-managers should respond to incidents during non-business hours.** The MOU between the City and the Municipal Executives Association does not provide standby pay for manager classifications, although managers may accrue administrative leave when required to respond to a page or call during non-business hours. Managers should appropriately respond to incidents during non-business hours when management oversight or decision-making rather than direct services are required. However, City departments do not have consistent practices for when managers should respond to incidents during non-business hours. For example, the Department of Public Health assigns both managers, who do not receive standby pay, and non-managers, who do receive standby pay, to after-hours coverage for some mental health services, although the non-management staff serve the same oversight role as the management staff.

City departments that regularly schedule standby coverage need to routinely evaluate the effectiveness of the coverage. For example, the Public Utilities Commission could potentially reduce the total number of crews assigned to standby in the City Distribution Division since, based on a review of standby assignments and responses in January 2011, the number of after-hours incidents may not require two crews to respond.

## Standby Costs

Standby pay can make up a significant portion of an employee's total pay. For example, the Airport's Plumbing Inspector earned an estimated \$42,913 in standby pay in FY 2010-11, which is 40.6 percent of the Plumbing Inspector salary at step 5 of \$105,742. As shown in Table 3 below, 24 employees earned more than \$30,000 in standby pay in FY 2009-10.

**Table 3**  
**24 City Employees Earning More than \$30,000 in Standby Pay**  
**FY 2009-10**

Department	Class	FY 2008-09	FY 2009-10	Projected FY 2010-11
Public Health	Registered Nurse	\$70,832	\$65,477	\$62,060
Fire	Utility Plumber Supervisor I	54,170	57,036	0
Public Health	Registered Nurse	63,598	56,596	49,318
Public Health	Diagnostic Imaging Technologist II	51,550	52,549	45,598
Public Health	Diagnostic Imaging Technologist III	53,248	50,528	42,897
Public Health	Senior Physician Specialist	51,444	48,321	55,653
Hetch Hetchy (PUC)	Electronic Maintenance Technician	63,008	46,618	0
Public Health	Diagnostic Imaging Technologist III	33,299	44,247	32,465
Airport	Plumbing Inspector	50,408	44,112	42,913
Public Health	Diagnostic Imaging Technologist II	32,538	40,617	37,350
Public Health	Physician Assistant	12,286	39,637	43,255
Public Health	Diagnostic Imaging Technologist III	26,884	38,798	45,910
Fire	EMS Captain	31,753	38,632	46,301
Public Health	Buildings Grounds Maintenance Superintendent	37,935	38,561	20,791
Hetch Hetchy (PUC)	Transmission Line Supervisor I	0	37,816	60,836
Public Health	Per Diem Nurse	28,515	35,868	38,706
Airport	Engineer	2,102	35,081	0
Public Health	Diagnostic Imaging Technologist II	39,625	34,870	44,136
SFMTA	IS Engineer-Principal	34,935	34,333	34,459
SFMTA	IS Engineer-Principal	18,940	33,327	31,429
Public Health	Senior Physician Specialist	35,160	33,135	25,732
Public Health	Diagnostic Imaging Technologist II	19,333	32,809	1,324
Public Health	Nurse Practitioner	2,104	30,219	23,310
Sheriff	Stationary Engineer	24,452	30,012	28,711
<b>Total</b>		<b>\$838,119</b>	<b>\$999,198</b>	<b>\$747,267</b>

Source: City Payroll System

**City departments do not always minimize the costs of standby pay.** The Department of Technology, and Animal Care and Control pay employees assigned to standby 25 percent of regular pay as required by the MOU between the City and employee unions for employees who are not provided pagers or cell phones, rather than 10 percent of regular pay for employees who are provided pagers or cell phones, for the standby hours, although these employees have been provided or could be provided pagers or cell phones.

**City departments may assign standby to employees whose job classifications are primarily administrative,** although the MOUs between the City and the employee unions, with the exception of the MOU between the City and the IFPTE Local 21, prohibit standby for administrative employees. For example, the job description for the 7120 Building and Grounds Maintenance Superintendent lists the major job responsibilities as (1) supervising general maintenance and repair responsibilities, (2) planning and directing preventive maintenance programs, (3) making recommendations on personnel matters, (4) preparing annual budget estimates, and (5) other administrative responsibilities. In FY 2010-11, Building and Grounds Maintenance Superintendents in the Department of Public Health, Sheriff's Department, and Public Utilities Commission were assigned to standby.

**City departments do not have consistent procedures for approving when employees assigned to standby are called back to work.** While some departments, or divisions within departments, require managers to approve when employees are called back to work (thus incurring overtime expenditures), other departments allow employees on standby to make the decision to return to work without specific management approval.

### **Standby for Information Technology**

City departments expended \$1.15 million in FY 2009-10 and are projected to expend \$1.05 million in FY 2010-11 on standby pay for information technology staff.

**Calls to information technology staff on standby are not consistently based on emergency situations.** No Citywide criteria exists for assigning information technology staff to standby other than the MOU between the City and IFPTE Local 21, which states that standby pay is allowed for emergencies that relate to the City's information and communication systems. In January and February 2011, SFMTA after-hours calls often were for non-emergency issues, including cancelling a pager, obtaining new cell phones or a Blackberry, repairing cell phone chargers, receiving new printer cartridges, and obtaining Adobe Acrobat and other software updates.

**City departments could reduce information technology standby costs by adjusting the regularly scheduled hours of information technology staff and cross-training information technology staff in network, server, and help desk functions.** Non-business hours calls for information technology support are most frequent from 7:00 a.m. to 8:00 a.m. and 5:00 p.m. to 7:00 p.m. for the SFMTA and the Department of Public Health. These two departments assign information technology staff to standby during these hours, rather than reassigning regularly scheduled information technology staff to eight hour shifts within the twelve hour period from 7:00 a.m. to 7:00 p.m.

The SFMTA, Department of Public Health, and Department of Technology schedule several employees to standby each day to support network, server, or help desk functions. The SFMTA, Department of Public Health, and Department of Technology could save an estimated \$170,600 annually through cross training information technology staff to support multiple functions during standby hours, rather than assigning separate

information technology staff to support the network, server, or help desk functions. This change will require development of a transition plan and time to implement it.

**Highly compensated information technology staff, with responsibility for over-all information technology services rather than technical or direct services, may be assigned to standby.** The MOU with IFPTE Local 21 allows highly compensated managers to receive standby pay. For example, the 1044 IS Principal Engineers, with a salary of \$128,050, in the Department of Technology, Department of Public Health, SFMTA, and Public Utilities Commission, receive standby pay. Management classifications with comparable compensation levels covered by the MOU between the City and the Municipal Executives Association are not eligible for standby pay, although managers accrue administrative leave when required to respond to pagers or calls during non-business hours, and receive call back pay if they return to work.

According to the IS Principal Engineer job description, this classification engages in the highest level of information technology engineer work, whose essential duties include (1) analyzing and evaluating systems software, hardware, and communications strategies, (2) establishing software and hardware standards, (3) developing strategic plans, (4) assisting in budget development, and (5) directing and monitoring technical activities related to complex large systems or networks. This classification has higher-level responsibilities than are needed for standby assignments, which must respond to immediate technical or direct service needs.

### **Standby for Special Operational Needs**

City departments use standby pay not only to provide coverage during non-business hours but also to meet specific operational needs or job requirements.

### **The SFMTA Emergency Response Unit**

The SFMTA provides special training to Transit Division staff who volunteer to respond to light rail derailments and other incidents. These specially-trained staff, known as the Emergency Response Unit (ERU), respond to light rail incidents in addition to their regular duties. The Transit Division operates day, evening, and night shifts. Because the ERU assignment is voluntary, 15 of the 17 ERU-trained staff work during the day shift and 2 of the 17 ERU-trained staff work during the evening shift. No ERU-trained staff work during the night shift. The SFMTA assigns all ERU-trained staff to standby during all non-working hours to provide 24-hour coverage, with estimated FY 2010-11 costs of \$255,000.

**The SFMTA Transit Division has not evaluated the number of ERU-trained staff needed to respond to light rail vehicle incidents nor developed minimum ERU staffing requirements for the day, evening, and night shift.** The SFMTA states that 24-hour coverage for the Emergency Response Unit is necessary because the light rail vehicles operate 20 to 22 hours per day. By tracking incidents and staff time required to respond to these incidents, the SFMTA could determine the necessary number of ERU-

trained staff to be scheduled to work during the day, evening or night shift. Under the current practice, ERU staffing levels are determined by the number of staff who volunteer for the assignment.

According SFMTA records, estimated standby hours for the seven-month period from July 2010 to January 2011 are approximately 33,000, while light rail incidents only accounted for 100 hours of response time. As an alternative to assigning standby for Emergency Response Unit coverage, the SFMTA could train staff, and provide a differential for Emergency Response Unit duties. This would require recruiting a sufficient number of ERU-trained staff to work during the day, evening, and night shifts to respond to the expected number of incidents. These individuals would be expected to respond as needed to incidents during their normal shift.

### **Department of Public Health 24-Hour Clinical Responsibility**

**The Department of Public Health assigns more nurse managers and nursing supervisors to 24 hour clinical responsibility than required.** Approximately 51 nursing supervisors and nurse managers receive the 7 percent premium for 24 hour clinical responsibility, either full time or part time. Nurse managers and supervisors assigned to outpatient services and administrative or operational support, as well as inpatient acute and sub-acute care, receive the 24 clinical responsibility premium. Several clinical units have two tiers of 24 hour clinical unit pay assignments, with nurse managers and their direct supervisors both receiving 24 hour clinical unit pay.

According to the Department of Public Health, assigning 24-hour clinical responsibility to these staff is necessary because “many clinical issues at San Francisco General Hospital and Laguna Honda Hospital must be investigated, resolved, and/or reported to regulatory agencies within a 24-hour period.” The Department of Public Health’s Human Resources Director states that the nursing supervisors and nurse managers are regularly paged after hours or called into work. However, the Department of Public Health does not have detailed data on the types of calls received during non-duty hours or the type of response required, and is initiating a verification study.

The Department of Public Health should evaluate the number of nursing supervisors and nurse managers necessary to provide 24 hour clinical coverage. The Department should eliminate 24 hour clinical unit pay when not necessary. The Department should compensate nursing supervisors or nurse managers assigned to outpatient or administrative services with extended hours on-call pay, equal to 4 percent of salaries, rather than 24 hour clinical responsibility pay, equal to 7 percent of salaries, as appropriate.

### **Acting Assignment and Supervisory Differential Pay**

Employees may receive additional pay when (1) acting in a higher classification due to budgeted vacant positions or long term leave (acting assignment), or (2) the supervisor’s

salary range is less than 5 percent above the subordinate's salary range (supervisory differential).

**Employees may be undercompensated if they are performing the full range of duties of the acting assignment for a long period of time.** Although acting assignments are generally for less than one year, 35 of 312, or 31.3 percent of acting assignments in FY 2010-11 extended for more than one year, generally due to delays in offering position exams. Because the 5 percent differential paid to employees for acting assignments is generally less than the position's salary range, the City realizes salary savings for acting assignments. However, if employees are performing the full range of duties of the long term acting assignment, such employees may be undercompensated.

**Some supervisory classifications' salary ranges are not appropriately aligned with the subordinate classifications.** Five of 61 supervisory differentials approved by the Department of Human Resources in FY 2010-11 were because the supervisory class salary range is less than 5 percent higher than the subordinate class. For example, the salary range for the supervisory class, 7229 Transmission Line Supervisor, is less than the subordinate class, 7350 Transmission and Distribution Line Worker, although all 7229 positions in the City supervise 7350 Transmission and Distribution Line Workers.

**Supervisory differential adjustments for executive and other high-level managers compensate these positions above the level of responsibility assumed by the position.** For example, one Manager IV in the Recreation and Park Department received a supervisory differential for supervising another Manager IV. While allowed under the Management Classification and Compensation Plan, assigning one highly-compensated manager to supervise another highly-compensated manager in the same classification is not consistent with the job description, in which the Manager IV functions under "general administrative direction", and "typically manages mid-level staff or line managers".

# Introduction

## Purpose and Scope of the Performance Audit

The purpose of this performance audit was to evaluate City departments' management of standby, lead, acting assignment, and supervisory differential pay, in accordance with Motion 10-0161, approved by the Board of Supervisors on November 9, 2010.

## Audit Methodology

The performance audit was conducted in accordance with Government Auditing Standards, 2007 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. In accordance with these requirements and standard performance audit practices, we performed the following performance audit procedures:

- Reviewed Memoranda of Understanding (MOUs) and other City codes, regulations, policies, and procedures for lead worker, standby, acting assignment, and supervisory differential pay.
- Obtained Citywide data on expenditures for lead worker, standby, acting assignment, and supervisory differential pay.
- Surveyed all City departments with lead worker pay or standby pay expenditures in FY 2010-11, and followed up with City departments on specific lead worker pay or standby pay issues.
- Conducted detailed field work with the Public Utilities Commission (PUC), Department of Public Works, San Francisco Municipal Transportation Agency (SFMTA), and Department of Public Health, which are the four City departments with the highest amounts of lead worker pay and standby pay expenditures. Field work included interviews, site visits, and review of policies and procedures, standby and lead worker schedules, and payroll records.
- Interviewed Department of Human Resources staff and reviewed Department files on acting assignment and supervisory differential pay approvals.
- Prepared a draft report based on analysis of the information and data collected, containing our initial findings, conclusions and recommendations, and submitted the draft report sections pertaining to the respective departments on June 6, 2011.
- Conducted exit conferences with representatives from the Department of Public Works, San Francisco Municipal Transportation Agency, and Department of Public Health, and discussed report findings and recommendations applicable to other City departments with representatives from the respective departments. We revised the

draft report based on exit conference discussions and new information provided by the City departments, and submitted the final draft report to the respective City departments on July 12, 2011. All City departments addressed in the report were provided an opportunity to comment on the draft report. The final report was submitted to the Board of Supervisors on August 3, 2011.

## **Premium Pay Policies**

The City has 33 different MOUs with employee unions and one compensation ordinance covering unrepresented employees. Each of these MOUs has provisions for premium payments when employees assume special duties or responsibilities, including lead worker, standby, acting assignment, and supervisory differential pay. Because of the large number of MOUs, encompassing employees working in 52 City departments, no consistent definition or practice exists for assigning and paying these types of pay.

MOU provisions covering lead pay are discussed in Section 1.1 of this report. Citywide expenditures and practices are discussed in Section 1.2 of this report.

MOU provisions and Citywide expenditures for standby pay are discussed in Section 2.1 of this report. City departments' operational requirements for standby are discussed in Section 2.2; City departments' costs for standby are discussed in Section 2.3; Citywide costs for information technology standby coverage are discussed in Section 2.4; and special standby practices in the Department of Public Health, and San Francisco Municipal Transportation Agency are discussed in Section 2.5.

MOU provisions and Citywide practices for acting assignment and supervisory differential pay are discussed in Section 3.0 of this report.

## **Department Accomplishments**

Citywide annual expenditures for lead worker pay have decreased by approximately \$200,000 or approximately 5.9 percent, from \$3.4 million in FY 2008-09 to an estimated \$3.2 million in FY 2010-11. Citywide annual expenditures for standby pay have decreased by \$2.3 million or approximately 18.4 percent, from \$12.5 million in FY 2008-09 to an estimated \$10.2 million in FY 2010-11. The largest decreases in standby pay have been in the Police Department and Department of Public Health.

### **Department of Public Health**

According to the Department of Public Health, the Department has worked hard to reduce spending for standby pay and overtime. The FY 2010-11 budget submitted by the Department included an initiative to reduce standby pay by \$1 million from the spending level in previous years. According to the Department, the Department of Public Health achieved significant savings in the later months of FY 2009-10, and additional savings in FY 2010-11. As shown in Table 2.2 of this report, the Department of Public Health has

reduced standby pay expenditures by \$848,635 or 22.6 percent, from \$3,157,200 in FY 2008-09 to an estimated \$2,308,565 in FY 2010-11. According to the Department, they have continued to monitor spending for standby pay throughout the FY 2010-11, and have built ongoing savings into the base budget for 2011-12.

According to the Department of Public Health, in an effort to control costs while maintaining adequate nurse staffing and supervision for patient care at San Francisco General Hospital and Laguna Honda Hospital, the Department also asked the City's Department of Human Resources to seek premium pay reductions as part of the requested concessions in recent negotiations with Service Employees International Union (SEIU) Local 1021 Staff and Per Diem Nurses and Teamsters Local 856 Supervising Nurses. SEIU Local 1021 agreed to reduce charge nurse pay from 7.5 percent to 5 percent through June 30, 2012. Teamsters Local 856 agreed to reduce 24 hour clinical responsibility for supervising nurses and nurse managers from 9 percent to 7 percent through June 30, 2012.

## **Police Department**

Police officers receive pay for appearing in court during non-duty hours and standing by for possible court appearances. Under the MOU between the City and the Police Officers Association, police officers receive court appearance premium pay for standby time and time in court.

In order to reduce the costs of court appearance premium pay, the City negotiated revised provisions in the MOU between the City and the Police Officers' Association, which became effective in July 2007. The revised MOU provisions included reducing the rate of court appearance premium pay; and providing that call back pay is *in lieu* of court appearance pay when called back from standby.

In the Controller's August 2010 audit of the Police Department's management of overtime and premium pay, the Controller found that the Police Department does not adequately control court appearance premium pay. The Police Department revised their policies and procedures subsequent to the audit, with new language on cancelled court cases, documentation of court standby, and other provisions.

The number of police officers receiving court appearance premium pay and total premium pay expenditures for standby and time in court has decreased by 202 or 10.2 percent from 1,989 police officers in FY 2008-09 to 1,787 police officers in FY 2010-11. Court appearance premium pay decreased by \$1,241,689 or 22.7 percent, from \$5,477,007 in FY 2008-09 to an estimated \$4,235,318 in FY 2010-11.

# 1.1 Introduction to Lead Worker Pay

Lead worker assignments are intended to provide coverage when a supervisor or manager has a large number of subordinate employees, when the supervisor or manager is not physically located at the worksite, or when an employee is required to perform special responsibilities. City departments have discretion in designating lead worker assignments. Most City departments rely on provisions in the MOUs between the City and employee unions when assigning lead worker responsibilities. Many of these MOUs provide that departments may assign lead duties and pay lead worker pay to one employee in a crew of two or more employees of the same classification, such as plumbers, electricians, mechanics, and laborers. Lead pay provisions are included in 11 of the 33 MOUs between the City and employee unions, as shown in Table 1.1 below.

**Table 1.1  
Lead Pay Provisions in MOUs between the City and Employee Unions**

<b>MOU</b>	<b>Approved by:</b>	<b>Lead Duties</b>	<b>Minimum Hours of Lead Assignment</b>	<b>Minimum Number of Staff for Which Lead Worker is Responsible</b>	<b>Lead Pay</b>
Consolidated Crafts Electrical Workers Plumbers <sup>1</sup>	Supervisor or foreman	Plan, design, sketch, layout, detail, estimate, or order material or take the lead	n/a	0 to 1	\$10/ day
Operating Engineers <sup>1</sup>	Supervisor or foreman	Plan, design, sketch, layout, detail, estimate, or order material or take the lead, and not under the direction of a crew supervisor on site	4	0 to 1	\$10/ day
Laborers <sup>1</sup>	Appointing officer or designee	Plan, design, sketch, layout, detail, estimate, or order material or take the lead	4	0 to 1	\$10/ day
Service Employees International Union <sup>1</sup>	Supervisor, approved by appointing officer in writing	Plan, design, sketch, layout, detail, estimate, or order material or take the lead	n/a	0 to 1	\$5/ day
Teamsters Multi-Unit - Parking Meter Repair <sup>1</sup>	Supervisor or foreman	Plan, design, sketch, layout, detail, estimate, or order material or take the lead	n/a	0 to 1	\$5/ day
Teamsters Multi-Unit - Juvenile Hall Senior Counselor	Supervisor	"Officer of the Day" for less than 10 days	n/a	n/a	\$11/ day

**Table 1.1 (Continued)**  
**Lead Pay Provisions in MOUs between the City and Employee Unions**

<b>MOU</b>	<b>Approved by:</b>	<b>Lead Duties</b>	<b>Minimum Hours of Lead Assignment</b>	<b>Minimum Number of Staff for Which Lead Worker is Responsible</b>	<b>Lead Pay</b>
Teamsters Multi-Unit - Deputy Animal Control Officer, Animal Care Attendant, Shelter Service Representative	n/a	Absence of supervisor	one shift	n/a	\$9/ day
Teamsters Multi-Unit - Animal Keepers	n/a	Absence of supervisor	one shift	n/a	\$5.50/ day
Professional and Technical Engineers	Supervisor	Take the lead	n/a	2	\$10/ day
Stationary Engineers	Supervisor	Take the lead - Airport only	n/a	1	\$10/ day
Service Employees International Union - Registered Nurses	n/a	Charge nurse - assumption of specific leadership and patient care duties	4	n/a	5%
Transportation Workers Union - Media Training Specialist, Claims Investigators, and Claims Adjustors	Appointing officer or designee	Designated as a lead	n/a	1	\$1.50/ hour

Source: MOUs between the City and employee unions

<sup>1</sup> Some MOUs permit City departments to pay lead worker premiums to employees who do not have lead responsibilities for other employees if they are considered to “plan, design, sketch, layout, detail, estimate, or order material”.

Under the MOU provisions, lead responsibilities take several forms:

- Departments may assign lead duties and pay lead worker pay to one employee in a crew of two or more employees of the same classification, such as plumbers, electricians, mechanics, and laborers. The MOUs generally do not define what constitutes lead responsibilities, except that the MOU between the City and the Operating Engineers Local 3 specifies that a crew supervisor must not be on site.

- Departments may assign lead pay to an employee who plans, designs, sketches, lays out, details, estimates, or orders material. These employees often have no lead responsibilities for other employees.<sup>1</sup>
- Departments, such as Juvenile Probation or Animal Care and Control, may assign lead responsibilities to employees in the absence of the supervisor.

Lead assignments may be rotating or permanent.

Pay for assuming lead pay duties ranges from \$5 to \$10 per day, except for Juvenile Hall Senior Counselors, who receive \$11 per day when serving as the “Officer of the Day”.

The premium for charge nurse is 5 percent, equivalent to approximately \$19 to \$24 per day, based on current salaries for registered nurses. Nurse managers and nursing supervisors may also receive 5 percent lead manager pay for specific leadership and employee management responsibilities, such as hiring, evaluating, and disciplining employees.

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<sup>1</sup> This provision was originally in the City’s Salary Standardization Ordinance, and was carried forward into collective bargaining agreements when the voters approved Proposition B in 1991, allowing employee unions to negotiate wages, hours and other benefits through collective bargaining.

## 1.2 Lead Worker Assignment and Pay

- In FY 2009-10, 4,177 City employees were paid charge nurse, lead worker, or other types of lead pay, totaling approximately \$3.3 million.
- The City has no Citywide policies governing lead worker assignments other than provisions in the MOUs between the City and employee unions. MOUs covering craft workers provide for lead assignments “when required to plan, design, sketch, layout, detail, estimate, or order material *or* (emphasis added) take the lead on any job when at least two employees in the same class are assigned”. Managers or supervisors generally assign a lead worker whenever two employees of the same classification are assigned to the crew. For example, the PUC’s Water Supply and Treatment Division pays lead worker pay to all utility plumbers in crews of at least two utility plumbers, although a utility plumber supervisor is on shift. According to PUC staff, because one Plumbing Supervisor II oversees three or more crews working at different sites, assigning a lead plumber to each site is appropriate. PUC staff acknowledged that the current practice assigns more lead plumbers than is necessary. However, not all departments provide lead worker pay in these instances. The SFMTA Safety, Training, Security and Enforcement Division only assigns a transit fare inspector as lead worker when a supervisor is not available.
- Managers also assign lead worker pay to employees who are considered to “plan, design, sketch, layout, detail, estimate, or order material” even when they have no lead responsibility for another employee. For example, the PUC’s Hetch Hetchy Enterprise assigns lead worker pay to a plumber to “plan, design, sketch, layout detail, estimate, and order materials”, even though these are core responsibilities of the position, because he is the division’s only plumber and does not have a direct supervisor.
- Many lead worker assignments are rotated among all or most of the employees in a classification without adequate distinction between the lead and other employees within the classification. For example, all Department of Public Works plumbers and steamfitters and nine of ten Municipal Transportation Agency carpenters have earned lead worker pay during FY 2010-11.
- While some City departments clearly define the role of lead workers, other departments designate lead worker assignments without written descriptions of the lead work to be performed or qualifications sought in lead workers. For example, the SFMTA has assigned a lead worker to oversee track maintenance workers, but does not have criteria for assigning lead workers, other than “willingness and ability” to assume the lead worker responsibilities.

The Department of Human Resources does not have Citywide guidelines nor do most City departments have department-specific guidelines for assigning lead worker responsibilities and paying lead worker premiums. City departments rely on MOU provisions governing lead worker pay, although most MOU provisions are not sufficiently specific to serve as effective guidelines.

City departments generally assign employees as lead workers and pay lead worker premiums in one of three ways:

- (1) On a rotating basis among all or almost all employees in a classification when they are working at a job site with as few as one other employee;
- (2) Compensating employees with ongoing specialized skills; or
- (3) Assisting supervisors whose span of control is too great.

In one instance, one City department paid lead worker premiums to incentivize staff to prepare for a supervisory position.

Lead worker pay is generally set in MOUs at \$10 per day.<sup>1</sup> Registered nurses serving as charge nurses at San Francisco General Hospital or Laguna Honda Hospital receive 5 percent of base pay. As shown in Table 1.2 below, Citywide expenditures for lead worker pay are approximately \$3.3 million per year, with average pay of \$787 per employee serving as a lead worker.

**Table 1.2**  
**Citywide Expenditures for Lead Worker Pay**  
**FY 2007-08 to FY 2009-10**

<b>Type of Premium Pay</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>Number of Employees FY 2009-10</b>	<b>Average per Employee FY 2009-10</b>
Charge Nurse and Nurse Lead Manager	\$1,881,020	\$1,924,365	\$1,793,627	1,522	\$1,178
Lead Worker Premium	1,351,573	1,394,703	1,378,577	2,493	553
Other Lead Premiums	119,160	114,804	116,270	162	718
<b>Total</b>	<b>\$3,351,754</b>	<b>\$3,433,872</b>	<b>\$3,288,474</b>	<b>4,177</b>	<b>\$787</b>

Source: City Payroll System

In FY 2010-11, Citywide expenditures for lead worker pay are projected to be approximately \$3.2 million.

<sup>1</sup> As shown in Table 1.1 in the *Introduction to Lead Pay*, variations in MOUs include a premium of 5 percent of base pay, 11 percent of base pay, \$1.50 per hour and \$5.00 per day.

Five City departments constituted approximately 90 percent of Citywide expenditures for lead worker pay in FY 2009-10, as shown in Table 1.3 below.

**Table 1.3  
City Department Expenditures for Lead Worker Pay  
FY 2009-10**

<b>Department</b>	<b>FY 2009-10 Expenditures</b>	<b>Percent</b>	<b>FY 2009-10 Number of Employees</b>	<b>Percent</b>
Public Health	\$1,843,689	56.1%	1,609	38.5%
Municipal Transportation Agency	517,587	15.7%	1,129	27.0%
Public Works	208,310	6.3%	316	7.6%
Public Utilities Commission	206,728	6.3%	248	5.9%
Airport	181,285	5.5%	221	5.3%
Subtotal	2,957,598	89.9%	3,523	84.3%
Other City Departments	330,876	10.1%	654	15.7%
<b>Total</b>	<b>\$3,288,474</b>	<b>100.0%</b>	<b>4,177</b>	<b>100.0%</b>

Source: City Payroll System

## **Charge Nurse and Lead Nurse Manager**

The Department of Public Health incurs the highest expenses Citywide for lead worker pay, as shown in Table 1.3. Most lead worker expenditures are for charge nurses overseeing clinical units during evening and night shifts and on weekends.

Charge nurses have specific supervision responsibilities that include monitoring, correcting, and reporting on the clinical knowledge and competency of all nursing staff, and participating in the preparation of employee performance evaluations. According to the MOU between the City and SEIU, charge nurse assignments at Laguna Honda and San Francisco General Hospitals are for evening, night and weekend shifts when management personnel are not present. The premium for charge nurse is 5 percent, equivalent to approximately \$19 to \$24 per day, based on current salaries for registered nurses.

Nurse managers and nursing supervisors may also receive 5 percent lead manager pay for specific leadership and employee management responsibilities, such as hiring, evaluating, and disciplining employees. These assignments are designated by the appointing officer on a fiscal year basis. Laguna Honda Hospital has designated one nurse manager and San Francisco General Hospital has designated four nurse managers and supervisors as lead managers.

## Lead Worker Assignments

The SFMTA, Department of Public Works, PUC, and Airport largely incur costs for lead worker pay for craft workers and other classifications. MOUs between the City and the Consolidated Crafts, Electrical Workers, Plumbers and Steamfitters, Laborers, and other employee unions define eligibility for lead worker assignments as follows:

Employees in non-supervisory classes (or classes designated within the specific MOU) *when designated by their supervisor or foreman as a lead worker* (emphasis added) shall be entitled to a \$10 per day premium when required to plan, design, sketch, layout, detail, estimate, or order material or take the lead on any job when at least two employees in the same class are assigned.<sup>2</sup>

The MOU provisions governing lead worker assignments often allow for (1) assignments of short duration (less than one day), (2) assignments that can be rotated among all employees in a unit, (3) assignments with minimal or no supervision of other employees, and (4) assignments that pay lead premiums for basic job functions. According to interviews with City department managers, implementation of lead worker provisions is based both on MOU language and past practice.

### Assignments of Short Duration

The MOUs governing lead worker premiums either do not address the minimum time for a department to assign lead worker responsibilities or set the minimum time at four hours or one shift (see Table 1.1). Therefore, an employee can serve as a lead for less than one day.

### Rotating Assignments

Many lead worker assignments are rotated among all or most of the employees in a classification without adequate distinction between the duties of the lead and other employees within the classification.

#### San Francisco Municipal Transportation Agency

The SFMTA assigns lead worker pay to workers in 38 different classifications. 28 percent of employees in these classifications have received lead worker pay in FY 2011-12. In the past three fiscal years, up to 90 percent of employees in some specific classifications have received lead worker pay. For example, nine of ten carpenters have received lead worker pay in FY 2010-11. Nearly 63 percent of the automotive service workers, approximately one-half of the electrical transit system mechanics and approximately one-third of the electronic maintenance technicians have received lead worker pay this fiscal year, indicating that lead worker pay is rotated widely among employees in these classes and that there are no special job requirements for the lead

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<sup>2</sup> Beginning January 2011, the MOU between the City and the Laborers International Union Local 261 requires the appointing officer (generally, the department director) to approve the lead assignment.

assignment. To date this fiscal year these classifications have employed 432 people, of whom 211 have received lead worker pay at some time during the year.

### Department of Public Works

65 percent of Department of Public Works employees in classes for which the lead worker premium is paid have earned the premium this year. In some classifications, the proportion is even higher. For example, 100 percent of the plumbers and steamfitters, 83 of the 94 general laborers and 11 of 13 asphalt workers in the Department of Public Works received lead worker premiums for some period of time between July 2010 and January 2011.

Some of the 83 general laborers receiving lead worker premiums to oversee CalWorks or General Assistance clients or Project 20 or SWAP crews who have been assigned to the Department of Public Works<sup>3</sup>. The Department of Public Works does not maintain electronic records of these assignments, but a one week review of daily field reports<sup>4</sup> showed that 16 general laborers oversaw specialized crews during the week. The daily field report for the remaining 12 employees who received lead pay did not show that there were any other individuals on their crew for those days.

### Airport

The Airport acknowledged that lead worker pay is sometimes rotated among all members of a crew but did not provide information on the span of control (number of leads, number of employees supervised by each lead and the number of supervisors for leads.). The Airport did indicate that in some instances lead assignments are designated based on skills and qualifications but did not provide any indication that these skills and qualifications had been documented.

## **Assignments with Minimal or No Oversight Responsibilities**

Many managers believe there must be a lead anytime a crew member is in the field or maintenance shop, or whenever two employees of the same classification are assigned to the crew. The interpretation that a lead is required anytime there are as few as two employees in the field is not, however, universal. For example, the SFMTA Safety, Training, Security and Enforcement Division only assigns a transit fare inspector as lead worker when a supervisor is not available.<sup>5</sup>

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<sup>3</sup> CalWorks, which is the State's implementation of the federal cash-aid program, Temporary Assistance to Needy Families (TANF), and the City's General Assistance program for low-income adults not eligible for TANF, require participants to engage in education, training, or other work activities. Project 20 is a pretrial diversion program that allows eligible participants to engage in community service rather than pay fines or other penalties. SWAP is the Sheriff's Work Alternative Program that allows sentenced individuals to perform work in lieu of jail time or provides work experience to individuals leaving jail.

<sup>4</sup> For the week of January 10-15, 2011.

<sup>5</sup> According to the MOU between SFMTA and Transport Workers' Union Local 250-A, "employees designated by their supervisor as lead person shall be entitled to 5 1/2 percent of their base hourly rate premium pay when required to take the lead on any job when at least two other persons are assigned".

The size of a lead worker's crews is often quite small, sometimes with more employees assigned lead worker pay than not assigned. The relationship of lead workers to non-lead workers is not consistent. For example:

- In the Department of Public Works, during one week in January, 2011 there were from five to seven leads or supervisors and only two to four non-lead plumbers. In the steamfitting crews there were four to five leads, a supervisor and either none or only one non-lead steamfitter on four separate occasions. Also, among the Department of Public Works' glaziers, on one day there were two leads and five glaziers and on another no leads but seven glaziers.
- The PUC's Water Supply and Treatment Division pays lead worker pay to all utility plumbers in crews of at least two utility plumbers, although a utility plumber supervisor is on shift. According to PUC staff, because one Plumbing Supervisor II oversees three or more crews working at different sites, assigning a lead plumber to each site is appropriate. PUC staff acknowledged that the current practice assigns more lead plumbers than is necessary.

The number of subordinate employees in a lead worker's assignment also varies significantly among City departments. According to interviews with City department managers, the City has no guidelines for the minimum number of subordinate employees in a lead worker's assignment. City departments may assign lead worker premiums at their discretion; in some departments, this assignment is made by first-level supervisors with little direction from senior management.

### **Lead Pay for Basic Job Functions**

Some departments rely on the language of the MOU that calls for employees to receive lead pay when they are required to plan, design, sketch, layout, detail, estimate, or order material rather than because they lead other employees. For example, the Port, PUC and other City departments pay lead worker pay to workers who have no lead responsibilities for other employees based on the MOU provision that allows lead worker pay for employees that plan, design, sketch, layout detail, estimate, or order materials. For its part, the Port pays lead worker premiums to general laborers, gardeners, carpenters, plumbers, electricians, painters, sheet metal workers, ornamental iron workers and pile drivers who lead either no or only one other employee based on this MOU provision.

Similarly, the PUC's Hetch Hetchy Enterprise pays lead worker pay to a plumber to plan, design, sketch, layout detail, estimate, and order materials because he is the only plumber assigned to the division. According to PUC staff, because only one plumber is currently assigned to the division, the plumber does not have regular direct supervision, and therefore, is required to perform the duties normally performed by the supervisor.

While the MOU does provide for lead pay to plan, design, sketch, layout detail, estimate, and order materials, these are core job functions. For example, the job description for the 7347 Plumber lists job duties that includes "advising on selection, ordering and storing of

plumbing supplies and equipment”. The job description also requires the “ability to: interpret and work from blueprints, sketches and drawings; plan and lay out details of work; work well with others; estimate materials and labor costs for plumbing jobs”.

## **Selection of Employees for Lead Worker Assignments**

There are no written responsibilities for lead worker assignments separate from those of the classification generally, or specific criteria for selection of lead workers. The SFMTA and Department of Public Works managers indicated that seniority, if more than one person indicates a desire to be lead, and a “willingness and ability” to act as lead are the basis of selection<sup>6</sup> of leads. The Port did indicate that supervisors pay lead worker premiums as an incentive to improved performance in the absence of supervisors.

### **Lead Assignments in Lieu of Supervisors**

City departments appropriately assign lead workers, sometimes permanently but usually on a rotating basis, in the absence of a supervisor or to augment existing supervisory staff. For example, the Department of Public Works has assigned two street inspectors as lead workers to replace two vacant senior street inspectors, at a lower salary cost than the former senior street inspector position. The Department of Public Works has also assigned a Communications Dispatcher I as a lead worker to replace a vacant Communications Dispatcher II position.

The SFMTA Safety, Training, Security and Enforcement Division pays lead worker premium to transit fare inspectors on the basis of a specific job description drafted by the Division manager. The job description explicitly assigns lead workers “some of the role and responsibilities normally assigned to a supervisor”. Additionally, lead workers receive training in preparation for their responsibilities. In this instance, lead workers are also helping to manage the span of control.

Similarly, in 2005, the Division Manager of Business Services in the Department of Public Works created a five year succession plan to prepare for staff attrition. Part of the succession plan involves specifically designated Accountant IIIs acting as leads to prepare them to take on supervisory roles. Two Accountant IIIs have been assigned lead responsibilities thus far in FY 2010-11. Each leads two to three people. A distinct job description for the lead position has been created.

The Budget and Legislative Analyst did not find other instances in which management established a training curriculum or documented the knowledge, skills and abilities of leads who assumed long term designated lead positions. These practices could be replicated by other departments.

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<sup>6</sup> For example, for automotive service workers, electronic maintenance workers, and electrical transit system mechanics.

## **Lack of Written Definitions**

In other instances, while specific individuals are designated as lead workers, City departments have neither written descriptions of the lead work to be performed nor qualifications sought in lead workers. City department managers were not always able to articulate the rationale for leads.

For example, the SFMTA has 38 track maintenance workers assigned to shifts, with a total of five supervisors, or a ratio of 7.6 track maintenance workers per supervisor.<sup>7</sup> The SFMTA assigns lead workers because not enough supervisors are always available to oversee each crew. Three employees have received 65 percent of lead worker pay, indicating that these three employees have been specifically selected to act in a lead capacity, reducing the ratio to 4.7 employees to each supervisor or lead. However, the SFMTA does not have a written description of duties of or criteria for assigning lead workers, other than “willingness and ability” to assume the lead worker responsibilities.

The Department of Public Works’ Operations Division has designated three lead workers for 36 truck drivers on the day shift.<sup>8</sup> According to the Bureau Superintendent, the lead workers assist with scheduling, coordinate with the supervisor and “resolve staffing issues”. The lead workers must know all routes and the type of equipment required for each route, be able to adjust schedules as needed, insure equipment is returned to the yard and drive all routes. They in turn are supervised by an Operations Supervisor for whom this span of control would likely be unmanageable without lead workers. However, the Bureau Superintendent has not developed a formal job description for these lead workers.

## **Conclusion**

City departments generally rely on MOU provisions and past practice to justify lead worker assignments and premium pay. Provisions in MOUs between the City and the Consolidated Crafts, Electrical Workers, Plumbers and Steamfitters, Laborers, and other employee unions do not sufficiently define lead worker responsibilities or span of control. As a result, employees covered by these MOUs may receive lead worker pay to perform duties that are within their core job responsibilities or for overseeing one or no employees. Even when lead worker assignments are justified, City departments do not sufficiently document lead worker qualifications or responsibilities.

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<sup>7</sup> The number of supervisors is derived from the Controller’s Budget versus Actual Salary Report.

<sup>8</sup> These three daytime lead worker shifts that are staggered in starting time by 30 minutes from 5:30 to 6:30. There is one night shift lead that works from 11 pm to 7 am who oversees 10 sweepers at night. This lead also goes out on a route.

## **Recommendations**

The Director of Human Resources should:

- 1.1 Negotiate with the respective employee unions to revise MOU provisions, (a) to require that lead workers must lead no fewer than three employees; and (b) that employees must plan, design, sketch, layout, detail, estimate, or order material in addition to leading three or more employees.
- 1.2 Establish guidelines for City departments on lead worker assignments.

## **Costs and Benefits**

Implementation of these recommendations would require Department of Human Resources staff time to meet and confer with employee unions and develop Citywide guidelines. While the meet and confer process could be time-consuming and expensive, the Department of Human Resources could hold these discussions during regularly scheduled labor negotiations.

If the MOUs between the City and the Consolidated Crafts, Electrical Workers, Plumbers and Steamfitters, Laborers, and other employee unions were revised to more specifically define lead worker responsibilities and span of control, the City could achieve cost savings through a reduction in lead worker pay. For example, if requiring lead workers to oversee at least three subordinate employees resulted in a 33 percent reduction in lead worker pay among craft classifications, the City would achieve estimated annual savings of approximately \$450,000 (or 33 percent of \$1.2 million in lead worker pay expenditures for crafts classifications in FY 2009-10).

## 2.1 Introduction to Standby Assignment and Pay

In a December 2010 presentation to City department representatives, the Department of Human Resources defined standby pay as follows:

“Employees who, as part of the duties of their positions are required by the appointing officer to stand by when normally off duty to be instantly available on call for immediate emergency service for the performance of their regular duties, shall receive standby pay. When such employees are called on to perform their regular duties in emergencies during the period of such standby service, they shall be paid while engaged in such emergency service the usual rate of pay for such service as provided herein.”

Standby pay provisions are included in 21 of the 33 MOUs between the City and employee unions, and in the ordinance covering unrepresented employees, as shown in Table 2.1 below.

**Table 2.1  
Standby Pay Provisions in MOUs between the City and Employee Unions**

MOU	Conditions for Standby	Pay
Consolidated Crafts District Attorney Investigators Deputy Sheriff's Association (rank and file) Deputy Sheriff's Association (management) Electrical Workers Laborers Operating Engineers Service Employees International Union Local 1021 - Miscellaneous Employees Transportation Workers Union Local 200	Required to be available for "immediate emergency service"	25% pay if not provided pager or cell phone  10% pay if provided pager or cell phone
Plumbers	Required to be available for "immediate emergency service"	20% pay
Institutional Police Officers Unrepresented	Required to be available for "immediate emergency service"	10% pay with department providing pager or cell phone
Deputy Probation Officers	Required to be "instantly available"	25% pay if not provided pager or cell phone  10% pay if provided pager or cell phone
Firefighters (rank and file) Firefighters (management) Police (rank and file)	Required to be "instantly available"	Pay equal to 2 hours of pay on regularly scheduled work day and 3 hours of pay on regularly scheduled day off

**Table 2.1 (Continued)**  
**Standby Pay Provisions in MOUs between the City and Employee Unions**

MOU	Conditions for Standby	Pay
Stationary Engineers Local 39	Called in for "immediate emergency service"	Federal minimum wage
Teamsters Multi Unit	Assigned to be "instantly available"	Federal minimum wage
International Federation of Professional and Technical Engineers Local 21	Standby when "normally off duty"	25% pay if not provided pager or cell phone 10% if provided pager or cell phone
Service Employees International Union - Staff and Per Diem Nurses	Standby when "normally off duty"	50% of pay
Union of American Physicians and Dentists	Necessary to "meet service needs"	\$9 per hour (\$15 per hour for Laguna Honda Hospital psychiatrists)

Source: MOUs between the City and employee unions

As shown in Table 2.1, the provision for assigning standby varies among the different MOUs. While 11 MOUs, and the ordinance covering unrepresented employees, provide for standby pay when the appointing officer requires an employee to be "available for immediate emergency service", other MOUs state only that the employee must be "instantly available" or "normally off duty".

Some classifications or departments have specific standby pay provisions:

- Registered nurses and diagnostic imaging technicians covered by the MOU between the City and SEIU receive 50 percent of pay when designated by the appointing officer to be "constantly available for immediate service".
- PUC employees covered by the MOUs between the City and the 15 unions comprising the "Consolidated Crafts", the Electrical Workers (International Brotherhood of Electrical Workers, or IBEW), and the Laborers (Laborers International Union) receive 20 percent rather than 10 percent of pay when assigned stand by.
- The District Attorney's Office has one District Attorney Investigator on standby during all non-duty hours as part of the "Officer Involved Shooting Team". This District Attorney Investigator, in conjunction with an Assistant District Attorney, and a Supervising District Attorney Investigator are called by the affected agency (generally the San Francisco Police Department) when an officer involved shooting or in-custody death occurs. Under the MOU between the City and the District Attorney Investigator's Association, the employee is paid 18 hours of regular pay for being on standby during all non-duty hours from 8 a.m. Monday until 8 a.m. the following Monday. The MOU between the City and Transportation Workers Union

(TWU) Local 200 has similar provisions for Senior Investigators in the Office of Citizens Complaints.

## Standby Pay Expenditures

Over the last three years, standby pay has been reduced by approximately \$2.3 million, or 18 percent, from \$12.5 million in FY 2008-09 to an estimated \$10.2 million FY 2010-11, as shown in Table 2.2 below.

**Table 2.2**  
**Citywide Standby Pay Expenditures by Department**  
**FY 2008-09 through FY 2010-11 (Projected)**

<b>Department</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11 Projected</b>	<b>Increase/ (Decrease) FY 2008-09 to FY 2010- 11</b>
Animal Care and Control	\$29,217	\$28,732	\$27,000	(\$2,217)
Airport	299,091	283,076	271,654	(27,437)
Asian Art Museum		199	0	0
City Attorney	48,910	47,390	42,860	(6,049)
Controller	23,773	27,724	23,967	194
Building Inspection	21,854		0	(21,854)
Emergency Management	63,772	109,639	98,561	34,789
Fire	332,876	246,381	143,161	(189,715)
City Administrator	141,550	165,818	231,024	89,474
Human Services Agency	144,030	146,443	138,638	(5,392)
Municipal Transportation Agency	534,740	776,380	596,962	62,222
Police	5,477,007	4,322,827	4,235,318	(1,241,689)
Public Health	3,157,200	2,804,744	2,308,565	(848,635)
Public Library	43,062	46,774	50,008	6,946
Public Utilities Commission	1,289,699	1,325,115	1,458,971	169,273
Public Works	196,924	175,152	109,636	(87,288)
Recreation and Park	29,803	11,186	7,785	(22,018)
Retirement System	9,782	9,745	9,573	(208)
Sheriff	118,241	128,458	130,051	11,809
Treasurer/Tax Collector	4,929	7494.34	7,039	2,111
Technology	508,850	404,352	324,183	(184,666)
War Memorial	367	464	518	151
<b>Total</b>	<b>\$12,475,676</b>	<b>\$11,068,092</b>	<b>\$10,215,476</b>	<b>(2,260,200)</b>

Source: City Payroll System

As shown in Table 2.3 below, three City departments account for more than 78 percent of standby pay expenditures in FY 2010-11:

- The Police Department incurs the largest amount of standby pay Citywide, with estimated expenditures of \$4.2 million in FY 2010-11 for police officers on standby for court appearances, or approximately 41.5 percent of Citywide standby pay.
- The Department of Public Health will spend an estimated \$2.3 million for standby in FY 2010-11, of which approximately \$1.8 million is for clinical services and the remaining \$0.5 million is for information technology, behavioral health or crisis services, and other services.
- The PUC will spend an estimated \$1.5 million in standby pay in FY 2010-11, or approximately 14.3 percent of Citywide standby. Most PUC standby is for 24-hour coverage of the water system.

**Table 2.3**  
**Citywide Standby Pay Expenditures by Type of Standby**  
**FY 2008-09 through FY 2010-11 (Projected)**

<b>Type of Standby</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11 Projected</b>	<b>Increase/ (Decrease) FY 2008-09 to FY 2010- 11</b>
Police court appearance	\$5,477,007	\$4,320,461	\$4,232,515	(\$1,244,492)
Miscellaneous	2,332,067	2,365,107	2,027,915	(304,152)
Nurses, physicians and other clinical	2,485,180	2,170,336	1,804,498	(680,681)
Public Utilities Commission	1,072,579	1,060,649	1,105,078	32,499
Information technology	1,108,843	1,151,539	1,045,470	(63,373)
<b>Total</b>	<b>\$12,475,676</b>	<b>\$11,068,092</b>	<b>\$10,215,476</b>	<b>(\$2,260,200)</b>

Source: City Payroll System

### **Overtime Costs**

When employees on standby are called into work, they are generally paid overtime. The type and amount of pay varies, depending on the MOU. Because overtime paid to employees called into work while on standby is not recorded separately in the City's payroll system from other types of overtime, City departments cannot readily track the actual costs of assigning standby and paying overtime.

## 2.2 Operational Need for and Assignment of Standby

- Although the Department of Human Resources has defined standby as the need to be “instantly available on call for immediate emergency service”, City departments do not have standard criteria for what constitutes an emergency. Therefore, City departments may assign standby coverage when it is not necessary. For example, the General Services Agency has assigned standby coverage to media specialists to cover City Hall events but agreed to eliminate standby pay for this class in the FY 2011-12 budget.
- City departments also assign standby to positions that are not required to meet emergency incidents. For example, the Department of Public Works has assigned standby coverage to a plumbing supervisor, and the PUC’s City Distribution Division has assigned standby to storekeepers, though these positions are seldom called back to work to address after-hours incidents.
- The MOU between the City and the Municipal Executives Association does not provide standby pay for manager classifications, although managers may accrue administrative leave when required to respond to a page or call during non-business hours. Managers should appropriately respond to incidents during non-business hours when management oversight or decision-making rather than direct services are required. However, City departments lack standard practices for when managers rather than non-managers should respond to incidents during non-business hours. For example, Department of Public Health managers, who do not receive standby pay, and non-managers, who do receive standby pay, provide after-hours coverage for some mental health services, although the non-management staff serve the same oversight role as the management staff.
- City departments that regularly schedule standby coverage need to routinely evaluate the effectiveness of the coverage. For example, the PUC could potentially reduce the total number of crews assigned to standby in the City Distribution Division because, based on a review of standby assignments and responses in January 2011, the number of after-hours incidents may not require two crews to respond.

Standby pay is provided to employees to ensure that they are available to deal with urgent situations outside their regular work hours. In some instances, State or other regulations require 24-hour coverage for certain services. In most instances, assigning employees to standby is at the discretion of department management and allows departments to meet operational requirements to respond to threats to public health and safety, vital public services or interruptions in information technology systems.

## **City Departments' Standby Requirements**

Twenty City departments have assigned standby to provide service coverage during non-business hours with estimated standby pay costs of \$10.2 million in FY 2010-11, as shown in Table 2.2. City departments may schedule standby hours to provide coverage for mandated services or to meet contractual obligations, to minimize operational risks during non-business hours, or to meet City policy objectives.

### **Standby for Mandated Services and Contractual Obligations**

#### Human Services Agency and Department of Public Health

California mandates 24-hour coverage for some health, adult protective, and child protective services. For example:

- The Human Services Agency assigns standby to provide 24 hour, seven day coverage for child and adult protective services. The California Welfare and Institution Code requires counties to provide 24 hour, seven day coverage to respond to child abuse emergencies. State Assembly Bill 2199 requires counties to provide 24 hour, seven day coverage for adult protective services.
- The Department of Public Health assigns standby coverage to provide 24 hour, seven day coverage for adult and child crisis services in accordance with the State MediCal Mental Health Plan.

Both the Human Services Agency and Department of Public Health assign social workers, mental health workers, child or adult protective services workers, and their respective supervisors to standby coverage during non-business hours. Generally, a manager, who is not eligible for standby pay, is also available.

#### The Public Utilities Commission Hetch Hetchy Enterprise

The PUC's Hetch Hetchy Enterprise, which operates the City's water and power facilities in Tuolumne, Stanislaus, San Joaquin, and Alameda Counties, has a contractual agreement with other utility companies to provide staff coverage in the event that power or water lines need to be located. Under this agreement, construction companies or utilities can call a central number to locate power and water lines in the region during power outages or to meet construction requirements. The Hetch Hetchy Enterprise

designates one staff person to be on standby during non-business hours in accordance with this agreement.

### **Standby to Meet Operational Need**

City departments most often assign standby coverage to meet operational requirements or minimize operational risks. Because no Citywide criteria exists to identify operational risks, City departments have discretion when assigning standby coverage. For example:

- The PUC's City Distribution Division assigns standby coverage to crews to respond to water main leaks and other issues during non-business hours. The PUC's Water Supply and Treatment Division assigns a chief stationary engineer to standby during non-business hours to oversee water treatment plant operations, and utility plumbers and electrical maintenance technicians to provide coverage for the water system infrastructure extending from the San Joaquin Valley to the Peninsula. The Water Quality Division assigns standby during the weekend and after hours to investigate and respond to water quality emergencies, conduct regulatory-required sampling and inspection, and provide emergency or urgent regulatory laboratory services. The Hetch Hetchy Enterprise assigns standby coverage as part of the emergency response team to respond to hazardous materials and other incidents.
- The Department of Public Health uses standby to provide 24-hour coverage for emergency or trauma services, such as the Rape Treatment Center and the Cardiac Catheter Laboratory at San Francisco General Hospital. According to San Francisco General Hospital's Chief Nursing Officer, the Department found that assigning standby coverage for rape treatment, which is a State-mandated service, is cost-effective compared to staffing the Rape Treatment Center 24 hours, seven days per week. Additionally, San Francisco General Hospital has used standby to provide 24 hour, seven day per week coverage for the Cardiac Catheter Laboratory to back fill vacant positions.

The operational need for standby assignments varies significantly among the 20 departments that assigned standby in FY 2010-11. Several City departments assigned standby to provide support to information technology systems during non-business hours, as discussed in Section 2.4. Additionally, City departments assigned standby to provide supervisory coverage for non-business hours operations, stationary engineer and building maintenance services for department facilities, and emergency, public safety, or investigative response to after-hours incidents.

### **Standby to Meet City Policy Objectives**

City departments may also assign standby to provide enhanced services or to meet City policy objectives although no specific operational need exists. For example, the Department of Public Health established Crisis Response Services in 2006 to provide immediate crisis care and follow-up case management to family members of homicide victims. Two Crisis Response Services staff are on standby each weekday from 7 p.m. to

7 a.m. and each weekend. One Crisis Response Services staff member on standby is a City employee and the other staff member is an employee of a non-profit organization.

City departments may also use standby pay to meet City policy objectives, although the use of standby is not necessarily required. For example, the Human Services Agency assigns standby to an employee to serve as a first responder as part of the City's Emergency Response Plan. Under the Emergency Response Plan, the Human Services Agency is the coordinating department for meeting mass care, housing, and human services needs when an emergency is declared by the Mayor. This includes coordinating the provision of shelter, water and food, and assisting the American Red Cross with family welfare inquiries. Although coordinating an emergency response on this scale would be performed more appropriately by management or executive management staff, the Human Services Agency assigns standby to one staff person, at an annual cost of approximately \$21,000.

## **Determining the Need for and Staffing of Standby Coverage**

City departments lack standard criteria for determining the need for standby coverage during non-business hours or measures to determine if standby coverage is effective.

### **Service Outcomes**

City departments cannot consistently provide data on service outcomes as a measure of the effectiveness of assigning standby coverage. For example, according to interviews with Crisis Response Services staff, the Department of Public Health had not conducted a formal evaluation of the effectiveness of the program in aiding family members of homicide victims. From July 2010 through March 2011, the Crisis Response Services staff received 125 calls during non-business hours and responded in the field to 50 of these calls (or 5 to 6 calls per month during the nine-month period). According to Crisis Response Services staff, staff on standby provided "psychological first aid" during these field visits. After the initial contact, Crisis Response Services staff connect family members to victim services provided by various City or non-profit agencies. The effectiveness of assigning 24-hour, seven day standby coverage is part of the evaluation of the program's effectiveness as a whole.

Also, City departments do not consistently define the service to be provided by the standby assignment, and therefore, cannot measure the effectiveness of the service. For example, although the Human Services Agency assigns a staff person to serve as the first responder as part of the City's Emergency Response Plan, as noted above, the Human Services Agency has not specifically defined the role. Under the City's Emergency Response Plan, City departments must prepare a response when the Mayor declares an emergency. However, the Human Services Agency does not have policies or criteria for responding to smaller events.

The Department of Human Resources has defined standby as the need to be "instantly available on call for immediate emergency service". Each City department that regularly

assigns staff to standby coverage should (1) define the emergency situations requiring standby and the impact of not providing standby coverage to respond to the emergency situation, and (2) establish criteria for assigning standby to respond to emergency situations.

## **Management Coverage**

The MOU between the City and the Municipal Executives Association does not provide standby pay for manager classifications, although managers may accrue administrative leave when required to respond to a page or call during off-duty hours. Managers should appropriately respond to after hours incidents when management oversight or decision-making rather than direct services are required. However, City departments lack standard practices for when managers rather than non-managers should respond to incidents during non-duty hours.

For example, the Department of Public Health's Crisis Response Services assigns three staff to standby during all non-business hours, including two team members and one manager or supervisor to serve as a "consultant". Two managers, who do not receive standby pay, and one supervisor, who does receive standby pay, rotate the consultant assignment.

In comparison, in the Department of Public Health's ACT (Assertive Community Treatment) Program, which provides after-hours service for the seriously mentally ill or high end user of services, one staff member is assigned to standby during non-business hours and one manager, who does not receive standby pay, provides management oversight. Additionally, in order to reduce standby costs, the Department of Public Health's SF First Program, which provides services to homeless individuals with mental illness, eliminated standby assignments after State funding was reduced, assigning these responsibilities to a manager.

Each City department that regularly assigns staff to standby coverage should (1) evaluate the role of managers and non-management staff in responding to urgent operational or emergency incidents after normal business hours, and (2) establish criteria for assigning non-management staff to standby coverage. Such criteria would include the frequency and urgency of after hours' incidents, as well as the appropriate level of staff to respond to such incidents.

## **Levels of Service**

City departments sometimes assign more staff to standby coverage than is necessary to meet departments' service objectives. Some City departments have recently evaluated or reduced the number of staff assigned to standby.

- Airport maintenance managers have reduced the number of individuals receiving standby pay over the past three years.

- The Fire Department reduced the number of positions eligible for standby assignments.
- The Department of Public Works analyzed its standby usage in FY 2009-10 and precluded some classifications from receiving standby, on the basis that the results of not having these classifications on standby was within acceptable bounds. Employees in classifications such as locksmith or carpenter are no longer assigned to standby.. There are opportunities to continue this review. For example, the 7239 Plumbing Supervisor II in the Department's Bureau of Building Repair has been called during standby on only two occasions during the current fiscal year, even though the incumbent was paid nearly \$5,000 in standby pay through December 2010.

City departments have also reported eliminating or considering elimination of specific standby assignments.

- The General Services Agency has assigned media specialists to standby coverage during City Hall events, but agreed to eliminate standby pay for this class in the FY 2011-12 budget.
- The Emergency Communications Division within the Department of Emergency Management eliminated standby assignments for supervisory staff who acted in the capacity of executive management when executive managers were not available through the implementation of new procedures and adjustment of schedules.

City departments have also reported combining standby assignments, thus maintaining standby coverage while reducing the number of staff assigned to standby.

- During the course of the audit, the Department of Public Health's Children's Crisis Services agreed to combine standby assignments for Children's Crisis Services and the Multi-System Therapy team (which provides services to youth in the juvenile probation system).

While other departments reported evaluating standby assignments, the departments did not reduce or eliminate the assignments, generally stating that standby coverage was necessary to meet the department's operational requirements.

### Evaluating Service Levels

City departments need further evaluation of standby coverage. Departments may assign more staff to standby coverage than is necessary to meet the operational need.

For example, the PUC's City Distribution Division (which operates water treatment plants and water mains within the City limits) assigns two crews to standby for water main leaks and other water infrastructure incidents during non-business hours. Each crew consists of one supervisor and two utility plumbers or one utility plumber and utility plumber apprentice. In addition, the City Distribution Division has assigned one

storekeeper, one electrician, and one general laborer to standby. Table 2.4 below shows the number of crew members called back to work from standby for the two-week period from January 8, 2011 through January 21, 2011.

**Table 2.4  
Number of Crew Members Called Back to Work from Standby Assignments  
Public Utilities Commission City Distribution Division  
January 8, 2011 through January 21, 2011**

	<b>Sat Jan 8</b>	<b>Sun Jan 9</b>	<b>Mon Jan 10</b>	<b>Tues Jan 11</b>	<b>Wed Jan 12</b>	<b>Thur Jan 13</b>	<b>Fri Jan 14</b>
Storekeeper/ Senior Storekeeper Electrician		1.00					
Construction and Maintenance/ Utility Plumber Supervisor							2.00
Utility Plumber/ Utility Plumber Apprentice		1.00	2.00		2.00		2.00
Laborer			1.00		1.00		1.00
<b>Total</b>	<b>0.00</b>	<b>2.00</b>	<b>3.00</b>	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>	<b>5.00</b>
	<b>Sat Jan 15</b>	<b>Sun Jan 16</b>	<b>Mon Jan 17</b>	<b>Tues Jan 18</b>	<b>Wed Jan 19</b>	<b>Thur Jan 20</b>	<b>Fri Jan 21</b>
Storekeeper/ Senior Storekeeper Electrician							
Construction and Maintenance/ Utility Plumber Supervisor							
Utility Plumber/ Utility Plumber Apprentice		1.00	4.00	1.00		2.00	1.00
Laborer			1.00				
<b>Total</b>	<b>0.00</b>	<b>1.00</b>	<b>5.00</b>	<b>1.00</b>	<b>0.00</b>	<b>2.00</b>	<b>1.00</b>

Source: Public Utilities Commission City Distribution Division

As shown in Table 2.4, from January 8, 2011 through January 21, 2011, the storekeeper was never called back to work and the electrician was called back to work only one-time. In only two instances in the two week period was more than one crew called back to work:

- On Friday, January 14, both the Construction and Maintenance Superintendent and the Utility Plumber Supervisor I were called to a two-alarm fire to monitor the Auxiliary Water Supply System. On the same date, two utility plumbers and one general laborer were called back to work for a water meter incident.
- On Monday, January 17, two crews, consisting of two utility plumbers per crew, were called back to work for two incidents reported by one construction contractor.

Data on responses by standby staff to incidents during non-business hours varies among City departments. The City’s payroll system does not record overtime incurred when

employees are called back to work from standby status separately from other types of overtime. Evaluating the level of standby coverage necessary to meet service objectives often requires matching disparate records on standby assignments and responses.

However, City departments that regularly schedule standby coverage need to routinely evaluate the effectiveness of the coverage. As shown above, the PUC could eliminate the standby assignment for the storekeeper position and meets its after-hours service objectives. Further, the PUC could potentially reduce the total number of crews assigned to standby in the City Distribution since the number of after-hours incidents may not require two crews to respond.

## **Conclusion**

Assigning standby to meet operational needs is at the discretion of City departments. While the Department of Human Resources defines standby as the as the need to be “instantly available on call for immediate emergency service”, City departments do not have standard definitions of what constitutes “immediate emergency service” or who should provide that service. Managers should appropriately respond to after hours incidents when management oversight or decision-making rather than direct services are required. However, City departments lack standard practices for when managers rather than non-managers should respond to incidents during non-duty hours. City departments also assign more staff to standby than is necessary to meet operational needs, or assign unnecessary positions to standby.

## **Recommendations:**

The Directors, Executive Directors, or General Managers of Animal Care and Control, Airport, Emergency Management, Human Services Agency, San Francisco Municipal Transportation Agency, Public Health, Library, Public Utilities Commission, Public Works, Recreation and Park, and War Memorial; and the City Attorney, City Administrator, Fire Chief, Chief of Police, and Sheriff should:

- 2.2.1 (1) Define the emergency situations requiring standby and the impact of not providing standby coverage to respond to the emergency situation; (2) establish criteria for assigning standby to respond to emergency situations; and (3) eliminate standby assignments that do not meet the criteria.
- 2.2.2 (1) Evaluate the role of managers and non-management staff in responding to urgent operational or emergency incidents after normal business hours; and (2) establish criteria for assigning non-management staff to standby coverage, including the frequency and urgency of after hours’ incidents, and level of response required.

## **Costs and Benefits**

Implementation of these recommendations should result in estimated standby pay savings of approximately \$204,000 per year. This includes (1) assigning Human Services Agency managers or executive managers to coordinate and respond to emergencies declared by the Mayor under the City's Emergency Response Plan (\$21,000), (2) eliminating PUC City Distribution Division storekeepers from standby assignments (\$20,000), (3) combining and reducing PUC Water Supply and Treatment Division and City Distribution Division utility plumber crews (\$130,000), (4) assigning managers to serve as consultants after normal business hours in the Department of Public Health's Child Crisis Service and Crisis Response Teams (\$13,000), (5) eliminating standby for the General Services Agency's media specialists (\$10,000), and (6) eliminating standby assignments for the Plumbing Supervisor in the Department of Public Works (\$10,000).

More rigorous evaluation by City departments of the need to assign standby to non-management staff to address operational risks during non-business hours will result in additional savings.

## 2.3 Standby Costs

- Standby pay can comprise a significant portion of an employee's total pay. Of approximately 1,190 employees who earned standby pay in FY 2009-10, 55 employees (approximately 4.6 percent) earned more than \$20,000, and 189 employees (approximately 16 percent) earned between \$10,000 and \$20,000.
- City departments do not sufficiently minimize the costs of standby pay. The Department of Technology, and Animal Care and Control pay employees assigned to standby 25 percent of regular pay for employees who are not provided pagers or cell phones, rather than 10 percent of regular pay for employees who are provided pagers or cell phones, for the standby hours, although these employees could be provided pagers or cell phones.
- City departments also assign standby to employees whose job classifications are primarily administrative, although the MOUs between the City and the employee unions, with the exception of the MOU between the City and the International Federation of Professional and Technical Engineers (IFPTE) Local 21, prohibit standby for administrative employees.
- City departments lack consistent procedures for approving when employees assigned to standby are called back to work. While some departments, or divisions within departments, require managers to approve when employees are called back to work (thus incurring overtime expenditures), other departments allow employees on standby to make the decision to return to work without specific management approval.

## The Costs of Standby Pay

Most of the MOUs between the City and the employee unions have two basic provisions for standby pay, as shown in Table 2.1. An employee may either receive 10 percent of his/her base pay for the period he/she is on standby if provided with a pager or cell phone. Alternatively, an employee receives 25 percent of his/her base pay if not provided a pager or cell phone.<sup>1</sup> Most City employees on standby are provided with a pager or cell phone.

In many instances standby pay constitutes a significant portion of an employee's total pay. Of approximately 1,190 employees who earned standby pay in FY 2009-10, 55 employees (approximately 4.6 percent) earned more than \$20,000, and 189 employees (approximately 15.9 percent) earned between \$10,000 and \$20,000.

As shown in Table 2.5 below, 24 employees earned more than \$30,000 in standby pay in FY 2009-10. Of these 24 employees, 15 were in the Department of Public Health, including three registered nurses, one nurse practitioner, one senior physician specialist, and seven diagnostic imaging technicians. As discussed in Section 2.2, San Francisco General Hospital assigns standby coverage to registered nurses and diagnostic imaging technicians for the Rape Treatment Center and Cardiac Catheterization Laboratory in lieu of maintaining 24-hour staffing.

One of the three registered nurses earning more than \$30,000 in standby pay in FY 2009-10 and projected to earn more than \$30,000 in FY 2010-11, one is a per diem nurse. The Department of Public Health has assigned 59 per diem nurses to standby in FY 2009-10 and FY 2010-11, in the Rape Treatment Center, Health at Home program, and other programs to meet staffing requirements.

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<sup>1</sup> As shown in Table 2.1, a limited number of MOUs call for a different premium for standby pay. For example, standby pay for Local 39 represented employees (Stationary Engineers) calls for the federal minimum wage (currently \$7.25 per hour). Standby pay for employees in Local 38 (Plumbers and Pipefitters) are set at twenty (20 percent) percent of their regular straight time rate of pay for the period of such standby service. Registered Nurses and Diagnostic Imaging Technicians covered by the MOU between the City and Service Employees International Union (SEIU) receive 50 percent of pay during hours on standby.

**Table 2.5**  
**24 City Employees Earning More than \$30,000 in Standby Pay**  
**FY 2009-10**

<b>Department</b>	<b>Class</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>Projected FY 2010-11</b>
Public Health	Registered Nurse	\$70,832	\$65,477	\$62,060
Fire	Utility Plumber Supervisor I	54,170	57,036	0
Public Health	Registered Nurse	63,598	56,596	49,318
Public Health	Diagnostic Imaging Technologist II	51,550	52,549	45,598
Public Health	Diagnostic Imaging Technologist III	53,248	50,528	42,897
Public Health	Senior Physician Specialist	51,444	48,321	55,653
Hetch Hetchy (PUC)	Electronic Maintenance Technician	63,008	46,618	0
Public Health	Diagnostic Imaging Technologist III	33,299	44,247	32,465
Airport	Plumbing Inspector	50,408	44,112	42,913
Public Health	Diagnostic Imaging Technologist II	32,538	40,617	37,350
Public Health	Physician Assistant	12,286	39,637	43,255
Public Health	Diagnostic Imaging Technologist III	26,884	38,798	45,910
Fire	EMS Captain	31,753	38,632	46,301
Public Health	Buildings Grounds Maintenance Superintendent	37,935	38,561	20,791
Hetch Hetchy (PUC)	Transmission Line Supervisor I	0	37,816	60,836
Public Health	Per Diem Nurse	28,515	35,868	38,706
Airport	Engineer	2,102	35,081	0
Public Health	Diagnostic Imaging Technologist II	39,625	34,870	44,136
SFMTA	IS Engineer-Principal	34,935	34,333	34,459
SFMTA	IS Engineer-Principal	18,940	33,327	31,429
Public Health	Senior Physician Specialist	35,160	33,135	25,732
Public Health	Diagnostic Imaging Technologist II	19,333	32,809	1,324
Public Health	Nurse Practitioner	2,104	30,219	23,310
Sheriff	Stationary Engineer	24,452	30,012	28,711
<b>Total</b>		<b>\$838,119</b>	<b>\$999,198</b>	<b>\$747,267</b>

Source: City Payroll System

## Standby for Administrative Positions

Generally, the various MOUs between the City and the employee unions provide that standby shall not be allowed in positions or classifications whose duties are primarily administrative in nature. The MOU between the City and IFPTE Local 21 prohibits standby pay for FLSA-exempt<sup>2</sup> employees unless these employees are assigned standby “for emergencies that directly affect the health or safety of the public and/or City employees or that relate to the City’s information and communications systems”.

<sup>2</sup> The federal Fair Labor Standards Act (FLSA), which defines overtime requirements for non-management employees, exempts management positions from overtime requirements.

## Standby Assignments for Positions with Administrative Duties

Several City departments assign standby to employees whose job descriptions are primarily administrative. For example, the job description for the 7120 Building and Grounds Maintenance Superintendent lists the major job responsibilities as (1) supervising general maintenance and repair responsibilities, (2) planning and directing preventive maintenance programs, (3) making recommendations on personnel matters, (4) preparing annual budget estimates, and (5) other administrative responsibilities. In FY 2010-11, four Building and Grounds Maintenance Superintendents in the Department of Public Health, Library, Sheriff's Department, and Public Utilities Commission were assigned to standby.<sup>3</sup>

The Department of Emergency Management has assigned Principal Administrative Analyst, Planner, and Emergency Medical Services Agency Specialist positions to standby, serving as the duty officer for the emergency management system. According to the Department, these positions manage incidents almost daily, although most of the incidents can be handled with a phone call. The Planner and Principal Administrative Analyst positions are covered by the MOU between the City and IFPTE Local 21, and therefore, are not excluded from standby assignments.<sup>4</sup>

Both the Department of Public Works and SFMTA have implemented procedures to reduce or eliminate standby assignments for administrative staff. The SFMTA implemented a new policy in February 2010, requiring approval of standby assignments by a Division Director and the Director of Administration, Taxis and Accessible Services of SFMTA. Consequently, standby assignments for two administrative positions in the Transit Division - the 9140 Transit Manager I and 9141 Transit Manager II - were eliminated. However, these policies are not consistent among City departments.

The Department of Human Resources should develop guidelines for City departments in order for City departments to evaluate which positions are "primarily administrative", and therefore not eligible for standby assignments, consistent with the provisions of the respective MOUs between the City and the employee unions.

## Standby without Pager Pay

The MOUs between the City and the employee unions provide standby pay at 10 percent of the regular rate of pay if the City provides a pager or cell phone, and 25 percent of the regular rate of pay without a pager or cell phone. City costs for standby pay without a pager or cell phone have decreased from \$222,439 in FY 2009-10 to an estimated \$140,000 in FY 2010-11. While 10 City departments have paid 25 percent standby pay to employees, two City departments have paid the highest amounts:

<sup>3</sup> According to Library staff, the Building and Grounds Maintenance Superintendent performs building maintenance as well as administrative and supervisory duties.

<sup>4</sup> According to payroll data, only the 1824 Principal Administrative Analyst incurred standby pay in FY 2009-10, totaling \$2,042.

- Five employees in the Department of Technology's Public Safety Operations Division receive 25 percent standby pay, equal to an estimated \$71,300 in FY 2010-11. Paying 10 percent standby pay would cost an estimated \$25,500, resulting in savings of \$42,800. Savings of \$42,800 would exceed the Department's costs of providing cell phones to the five employees during standby assignments.
- One Animal Control Supervisor in Animal Care and Control is paid 25 percent standby pay the higher standby pay percentage in order to compensate him for veterinary training, equal to an estimated \$16,700 in FY 2010-11. The Department would save an estimated \$10,000 by paying 10 percent rather than 25 percent pager pay.

City departments should provide cell phones or pagers to all employees who are assigned standby, eliminating standby pay of 25 percent of regular pay.

## **Overtime Pay When Called Back to Work**

Employees earn overtime or compensatory time when called back to work from standby assignments. City departments lack sufficient procedures for monitoring these overtime costs. Because such overtime is not recorded separately in the City's payroll system, City department managers do not have standard reports for tracking the frequency and number of hours when employees are called backed to work from standby. The frequency of call-back from standby and the number of hours that an employee works when called back must be tracked on a case-by case basis.

According to interviews and surveys of City departments, City managers have some procedures for reviewing time records or incident logs after the call back has occurred. However, these procedures vary significantly between City departments and even among divisions within a City department. Some departments maintain incident logs that record the reason for the call back to work or the number of hours required. Some supervisors stated that they reviewed the incident the next working day. Others stated that they reviewed the incident periodically.

Departments do not consistently use call-back and overtime information to evaluate (a) the need for standby assignments or (b) management approval of overtime incurred when employees are called back to work from standby assignments.

## Authorizing Call Back to Work from Standby

Not all City departments or divisions within departments require managers to authorize when employees are called back to work from standby. For example:

- In the Public Utilities Commission, the City Distribution Division (within the Water Enterprise) assigns a 24-hour gateman position who assesses problems with the City’s water distribution system and calls back crews who are on standby. The Water Supply and Treatment Division requires section manager approval when employees are called back from standby. The Water Quality Division allows the staff on standby to determine the need for call back to work based on the type of emergency and required response. In the Hetch Hetchy Enterprise, staff assigned to the emergency response team receive special training to respond to hazardous materials incidents and confined space rescues. One team member is assigned to standby for a seven day period, and when notified of an incident by the Hetch Hetchy Powerhouse staff, determines the type of response.
- In the Department of Public Health, Child Crisis Services has a telephone triage system to determine whether the staff on standby can respond to the incident by phone or in the field. The Crisis Response Team also receives calls through the Child Crisis Services telephone service and generally go into the field when a homicide has occurred or death is imminent. If the event is unusual or ambiguous, the staff on standby consult with the assigned manager.
- In the General Services Agency, the stationary engineer on standby triages the after-hours event by telephone and determines whether he or she needs to respond.
- In the City Attorney’s Office, the investigator on standby determines whether an event requires a response. According to the City Attorney’s Office, the decision to respond is a “judgment call based on experience and the details provided to the investigator”.
- In the Human Services Agency, Family and Children’s Services Division and Adult Protective Services assign a supervisor to standby, who consults with the staff on standby on after-hours events. Adult Protective Services requires supervisor approval when staff on standby respond to after-hours events in the field, although according to Adult Protective Services, responding to after-hours events in the field is infrequent. Both Adult Protective Services and Family and Children’s Services also have managers available to consult or respond to after-hours events, who are exempt from standby pay.

In the absence of consistent management approval of call back time, City departments need to evaluate and revise as necessary existing policies and procedures for approving call-back to work for staff assigned to standby to ensure appropriate use of call-back and minimize overtime costs.

## Conclusion

Standby pay can make up a significant portion of an employee's pay, creating an incentive for standby assignments that are not necessary. Therefore, City department managers need to ensure that standby is assigned to appropriate classifications and only when necessary. This includes not assigning standby to positions that are primarily administrative, or paying 25 percent rather than 10 percent of salary for employees on standby who have not been provided a pager or cell phone.

City departments also need to ensure that managers are consistently approving employees call back to work from standby status and minimize the resulting overtime costs.

## Recommendations

The Director of Human Resources should:

- 2.3.1 Develop guidelines for City departments in order for City departments to evaluate which positions are "primarily administrative", and therefore not eligible for standby assignments, consistent with the provisions of the respective MOUs between the City and the employee unions.

The Directors of Animal Care and Control and the Department of Technology, and the City Attorney should:

- 2.3.2 Provide a pager or cell phone to all employees assigned to standby and eliminate all standby pay of 25 percent of salary.

The Directors, Executive Directors, or General Managers of Animal Care and Control, Airport, Emergency Management, Human Services Agency, San Francisco Municipal Transportation Agency, Public Health, Library, Public Utilities Commission, Public Works, Recreation and Park, Retirement System, Technology and War Memorial; and the Controller, City Attorney, City Administrator, Fire Chief, Chief of Police, Sheriff, and Treasurer-Tax Collector should:

- 2.3.3 Evaluate and revise as necessary existing policies and procedures for approving call-back to work for staff assigned to standby to minimize overtime costs.

The Controller should:

- 2.3.4 Evaluate payroll procedures for tracking overtime or compensatory time off paid to employees when called back to work from standby, as part of the development of the new human resources system eMerge.

## **Costs and Benefits**

The Department of Technology and Animal Care and Control would save an estimated \$52,800 annually by providing all employees assigned to standby coverage a cell phone or pager, and paying standby pay equal to 10 percent rather than 25 percent of the regular rate of pay.

Reducing standby pay for positions that are primarily administrative in nature would save an estimated \$120,000 per year, based on actual standby pay expenditures in FY 2010-11 for Building and Ground Maintenance Superintendent, Head Park Patrol, Head Electrician, Health Program Coordinator, Maintenance Planner, Parking Enforcement Administrator, Planner, Senior and Principal Administrative Analyst, Principal Clerk, and Public Relations Officer positions.

## 2.4. Standby for Information Technology

- **City departments spent \$1.15 million in FY 2009-10 and are projected to spend \$1.05 million in FY 2010-11 on standby pay for information technology staff.**
- **No Citywide criteria exists for assigning information technology staff to standby other than the MOU between the City and IFPTE Local 21, which states that standby pay is allowed for emergencies that relate to the City's information and communication systems. However, calls to information technology staff on standby often are not emergencies.**
- **For example, in January and February 2011, SFMTA after-hours calls were often for non-emergency issues, including cancelling a pager, obtaining new cell phones or Blackberry, repairing cell phone chargers, receiving new printer cartridges, and obtaining Adobe Acrobat and other software updates.**
- **Non-business hours calls for information technology support for the SFMTA and the Department of Public Health are most frequent from 7:00 a.m. to 8:00 a.m. and 5:00 p.m. to 7:00 p.m.. These two departments assign information technology staff to standby during these hours, rather than reassigning regularly scheduled information technology staff to eight hour shifts within the twelve hour period from 7:00 a.m. to 7:00 p.m. Reassigning information technology staff schedules for these two departments would result in estimated savings of \$65,800 annually.**
- **The SFMTA, Department of Public Health, and Department of Technology could save an estimated \$170,600 annually through cross training information technology staff to support multiple functions during standby hours, reducing the number of information technology staff assigned to standby. This change will require development of a transition plan and time to implement it.**
- **Currently, highly-compensated information technology staff, represented by IFPTE Local 21 are assigned to standby. Comparable management classifications represented by the Municipal Executives Association are not eligible for standby although, like IFPTE represented employees, they accrue administrative leave when required to respond to pagers or calls during non-business hours.**

## Citywide Expenditures for Information Technology Standby

City departments assign information technology staff to standby to respond to after-hours problems with networks, servers, and computer support. Citywide expenditures for information technology standby are projected to be \$1.05 million in FY 2010-11, as shown in Table 2.6 below.

**Table 2.6**  
**Citywide Information Technology Standby Expenditures**  
**FY 2008-09 through FY 2010-11 (Projected)**

<b>Department</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11 (Projected)</b>	<b>Increase/ (Decrease) FY 2008-09 - FY 2010-11</b>
Airport	\$96,228	\$96,720	\$94,405	(\$1,823)
Controller	23,773	27,724	23,967	194
Department of Public Health	356,259	361,500	290,100	(66,159)
Human Services Agency	13,420	6,774	5,458	(7,961)
Emergency Management	9,917	72,522	70,317	60,400
Library	17,996	18,589	19,157	1,162
San Francisco Municipal Transportation Agency	201,958	272,943	258,876	56,918
Police	0	0	2,803	2,803
Public Utilities Commission	30,485	45,987	99,132	68,646
Retirement	9,782	9,745	9,573	(208)
Technology	344,097	231,541	164,640	(179,456)
Treasurer/ Tax Collector	4,929	7,494	7,040	2,111
<b>Total</b>	<b>\$1,108,843</b>	<b>\$1,151,539</b>	<b>\$1,045,470</b>	<b>(\$63,373)</b>

Source: City Payroll System

### Reasons for Information Technology Standby

No Citywide criteria exist for assigning information technology staff to standby other than the MOU between the City and IFPTE Local 21. The MOU states that “For Z-symbol employees<sup>1</sup>, standby pay shall not be allowed unless the employee is assigned in writing to standby for emergencies that directly threaten the health or safety of the public and/or City employees or that relate to the City’s information and communication systems”. City departments often assign standby to information technology staff regardless of whether an emergency is likely to exist, as discussed below. This is in contrast to Department of Human Resources policy which indicates that employees are to be “... available on call for immediate emergency service”.

<sup>1</sup> Z-symbol employees are exempt from the provisions of the federal Fair Labor Standards Act (FLSA) for overtime and other requirements of hourly employees.

## Information Technology Standby Assignments and Responses

City departments assign information technology staff to standby to monitor systems after-hours and prevent disruptions to department or City operations. For example, the Controller's Office assigns information technology staff to standby to monitor the City's financial and payroll systems. The Library assigns information technology staff to standby to support the public website, catalog and patron database functions, available to the public 24 hours per day. The Treasurer/Tax Collector assigns information technology staff to standby to run batch processes that would overwhelm their systems were they run during the day.

Table 2.7 below shows for the City departments with the highest standby expenditures: the number of information technology staff assigned to standby, the number of hours of standby per week, the reasons for standby, and the number of weekly calls during standby hours.

**Table 2.7**  
**Average Weekly Calls per Information Technology Staff on Standby**  
**For City Departments with Highest Information Technology Standby Costs**

Department	FY 2010-11 Standby Costs (Projected)	Standby Hours per Employee per Week	Standby Coverage for Information Systems	Number of Staff on Standby at Same Time	Number of Weekly Calls During Standby	Average Weekly Calls per Staff on Standby
Department of Public Health	\$290,100	128	San Francisco General Hospital Server, Network, and Applications	3	9	3.00
			Other Server, Network	2	12	6.00
			Jail Applications	1	3 to 4	3.50
			Billing (AVATAR)	1	3 to 4	3.50
<b>Subtotal, Department of Public Health</b>				<b>7</b>	<b>28</b>	<b>4.00</b>
San Francisco Municipal Transportation Agency	258,876	128	Field Support/ Transit/Shops	2	250	35.71
			Network	1		
			Infrastructure	2		
			Database	1		
			Help Desk	1		
<b>Subtotal, San Francisco Municipal Transportation Agency</b>				<b>7</b>	<b>250</b>	<b>35.71</b>

**Table 2.7 (Continued)**  
**Average Weekly Calls per Information Technology Staff on Standby**  
**For City Departments with Highest Information Technology Standby Costs**

Department	FY 2010-11 Standby Costs (Projected)	Standby Hours per Employee per Week	Standby Coverage for Information Systems	Number of Staff on Standby at Same Time	Number of Weekly Calls During Standby	Average Weekly Calls per Staff on Standby
Technology <sup>2</sup>	164,640	128	Public Safety Operations	2	315	157.50
			Network, Server, Email, Lotus Notes	3	2	0.67
			Database Administration	1	2 to 3	2.50
			Security	1	2	2.00
			311 Call Center, Telephones	1	0 to 1	0.50
<b>Subtotal, Technology</b>				<b>8</b>	<b>322</b>	<b>40.25</b>
Public Utilities Commission	99,132	128	SCADA (Water System)	1	2 to 3	2.5
		128	Network, Help Desk	1	7	7
		25	Billing System	2	Ongoing, batch billings	
<b>Subtotal, Public Utilities Commission</b>				<b>4</b>	<b>10 +</b>	<b>4.75 +</b>
Emergency Management	70,317	128	Public Safety: Cross trained for server and network	1	5	2.50
		40	911 phone systems	1		
<b>Subtotal, Emergency Management</b>				<b>2</b>	<b>5</b>	<b>2.50</b>
<b>Total</b>				<b>28</b>	<b>651</b>	<b>23.25</b>

Source: City Departments

The number of calls to which information technology staff assigned to standby responded varied from 2.50 calls per week (Department of Emergency Management) to 40.25 calls per week (Department of Technology). Significant variations also exist within units of departments.

Information technology employees on standby are generally not required to return to work to repair or reset systems. When information technology employees can resolve problems quickly and remotely, they typically do not request compensatory time off or overtime payment.

<sup>2</sup> The Department of Technology reports that the average weekly call information may not reflect total calls since Help Desk trouble tickets do not capture all incidents. In addition, data was collected for a single week, which may not be entirely representative of average call volumes.

### Department of Technology

The Department of Technology assigns standby after-hours during the week and on weekends in each of five units: (1) public safety operations, (2) 311 call center and general telephone support, (3) computer security, (4) infrastructure and operations, which includes networks, servers, and e-mail and Lotus Notes' support and (5) database administration. Eight employees are assigned to standby during all non-business hours for a total of 1,004 hours of standby pay each week. The public safety operations group received 315 calls during standby hours during one week in January, but other units reported receiving between 0 and 3 calls each during standby hours.

### San Francisco Municipal Transportation Agency and Department of Public Health

The SFMTA and the Department of Public Health each have seven information technology staff assigned to standby during none business hours. Both the departments regularly assign 896 standby hours weekly. One additional SFMTA employee received standby pay only in the absence of the Chief Information Officer on a one-time basis during the past fiscal year.

### Standby for Email Support

Both the Department of Technology and SFMTA consider e-mail support and Lotus Notes support functions as mission-critical, requiring 24 hour, seven day per week support. Department of Technology employees assigned to standby include one position assigned to standby to support both e-mail and Lotus Notes. During a one week period reviewed for this audit, the Department of Technology' e-mail support unit received only one call for assistance. Some departments, such as the Library, do not support these functions for staff during non-business hours.

## **Reductions in Standby Costs**

### **Expansion of Regular Work Hours to Reduce Use of Standby**

By realigning the regular schedules of information technology staff, some standby pay could be avoided.

### The San Francisco Municipal Transportation Agency

The SFMTA's information technology staff's standard work hours are 8:00 a.m. to 5:00 p.m., although many requests for assistance are made between 7:00 a.m. and 8:00 a.m. and 5:00 p.m. and 7:00 p.m. During January and February, 2011, 2,574 incidents, representing approximately one-third of the total after hours' service calls, were received between 7:00 a.m. and 8:00 a.m. and between 5:00 p.m. to 7:00 p.m. on regular work days. Of these, most were received by units with sufficient staff (i.e., help desk, infrastructure, and scheduling) to allow work schedules to be adjusted to cover the core hours of 7:00 a.m. to 7:00 p.m.

### The Department of Public Health

The Department of Public Health maintains a log of service calls to the department's two information technology help desks, which are regularly staffed on all shifts. The help desk staff may refer service requests to more highly technical staff assigned to standby. Thus, the number of contacts during standby hours for San Francisco General Hospital represent all calls to the help desk, regardless of whether or not help desk staff were able to resolve the issue without referring calls to more highly specialized staff who are standing by.<sup>3</sup>

Of the 58 requests for assistance made of San Francisco General Hospital information technology help desk staff during other than normal business hours, 30 (or more than 50 percent) were received between 7:00 a.m. and 8:00 a.m. or 5:00 p.m. and 7:00 p.m. The Department has a sufficient number of regularly-assigned information technology employees to allow their schedules to be adjusted to staff core hours from 7:00 a.m. to 7:00 p.m. In any event, according to the Department of Public Health, none of the calls to the San Francisco General Hospital or Department of Public Health help desks required referral to information technology staff assigned to standby during the week of January 10, 2011 to January 17, 2011.

### Realigning Staff Assignments

By realigning the staff's regular work hours to cover the period from 7:00 a.m. to 7:00 p.m., standby costs for the time period from 7:00 a.m. and 8:00 a.m. and 5:00 p.m. and 7:00 p.m. could be avoided. In fact, SFMTA's Information Technology Division Director reports that many of the information technology staff work hours other than 8:00 a.m. to 5:00 p.m. because they have elected an alternative work schedule, yet other employees in these same units remain assigned to standby from 7:00 a.m. to 8:00 a.m. and 5:00 p.m. to 7:00 p.m.

Realigning work hours in this fashion would be consistent with the manner in which the Public Utilities Commission information technology help desk is staffed: the schedule of the Public Utilities Commission's employees are staggered between 6:00 a.m. and 6:00 p.m. Monday to Friday to allow users to be assisted by staff on regular salary during regular work hours. Similarly, the Retirement System has set its LAN (Local Area Network) Administrator's regular work hours from 6:30 a.m. to 3:30 p.m. to allow him to perform routine backup and maintenance before regular work hours, without having to pay standby pay to this individual.

Each of the city's three largest users of information technology standby could save approximately 15 hours weekly of standby pay (12 percent of the 128 hours of weekly standby) by assigning staff to eight-hour shifts within a twelve-hour schedule, beginning

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<sup>3</sup> A review by the auditors for one week (January 10-17, 2011) indicates that only nine of the 58 calls received by the General Hospital help desk during outside of the current core hours of 8:00 a.m. to 5:00 p.m. were forwarded to other information technology staff assigned to standby for resolution.

at 7:00 a.m. to 7:00 p.m. each weekday, for a total annual savings of \$85,634, as shown in Table 2.8 below.

**Table 2.8**  
**Potential Savings from Assigning Information Technology Staff**  
**from 7:00 a.m. to 7:00 p.m.**

<b>Department</b>	<b>FY 2010-11 Information Technology Expenditures (Projected)</b>	<b>12 Percent Savings</b>
Department of Public Health	\$290,100	\$34,812
SFMTA	258,876	31,065
Department of Technology	164,640	19,757
<b>Total</b>	<b>\$713,616</b>	<b>\$85,634</b>

Source: City Payroll System

The SFMTA could re-assign one IS Administrator, currently assigned to the help desk during the day shift, to the night shift to manage critical service calls on-site. This is consistent with other City departments' scheduling of help desk services. Only if the help desk employee cannot resolve the problem is it referred to an IS Engineer, Programmer or Business Analyst assigned to standby, thereby avoiding unnecessary overtime pay or compensatory time off compensation for help desk staff. The SFMTA notes that currently, staffing shortfalls during traditional hours would make it difficult to reassign staff but future employees could be assigned to shifts that encompass hours outside of the 8:00 a.m. to 5:00 p.m. window.

Because the MOUs between the City and IFTPE Local 21 and SEIU Local 1021 (which represents the Radio Technicians in Department of Technology) call for an 8 percent shift differential for employees working after 5:00 p.m. but before 7:00 a.m. unless alternate schedules are part of a voluntary flexible time program, some of the savings in standby pay may instead need to be spent on shift differential.

However, to the extent that shift differentials do not need to be provided to employees who voluntarily participate in a flexible time program, departments should encourage employees to work flexible time schedules. In any event, adjusting schedules would result in savings while insuring that employees are available at the work site during times when many service calls are received.

## **Reduction in After-Hours and Weekend Standby Coverage**

Departments should evaluate whether information technology staff are needed after hours during the work week and during weekends and holidays.

### **Low Call Volume After Hours**

Whether an information technology employee needs to be assigned to standby during non-business hours depends on the agency's hours of operation. For example, the 1044 IS Engineer-Principal who serves as the SFMTA's only database administrator may need to be available as early as 4:00 a.m. when the fleet maintenance staff start work but not between 11:00 p.m. and 4:00 a.m. Records of service calls to this individual indicate he responded to 30 requests from 4:00 a.m. to 7:00 a.m. and 5:00 p.m. to 7:00 p.m. but only three during the period from 11:00 p.m. to 4:00 a.m. on weekdays during January and February, 2011.

Of the approximately 7,500 after hours service calls that the SFMTA information technology staff received during January and February of 2011, approximately 1,400 (or only 19 percent) were received from 11:00 p.m. to 4:00 a.m. on weekdays. Most of these calls were handled by less highly compensated IS Administrators.

For San Francisco General Hospital, only 4 (7 percent) of 58 calls that the help desk received after-hours were received between 11:00 p.m. to 6:00 a.m. for the week of January 10, 2011 through January 17, 2011. For the Department of Public Health's second help desk, which supports Laguna Honda and other core operations,<sup>4</sup> only one call was received between 11:00 p.m. to 6:00 a.m.

### **Non-Critical Service Calls**

While some of the after-hours calls to the SFMTA were for issues related to critical transit applications, other calls included requests to cancel a pager, for new cell phones or Blackberry, to repair cell phone chargers, for new printer cartridges, and for updates to business software such as Adobe Acrobat. The single service call to the Department of Public Health's Laguna Honda Hospital help desk during the night shift was a request for toner replacement. The Department of Public Health assigns standby to two highly technical staff for its non-San Francisco General Hospital operations during night hours, although the need for information technology support during these hours is insufficient to justify the standby assignments.

SFMTA calls during weekend standby show even less need for higher level information technology employees. During the two months of January and February, 2011, the SFMTA's 1044 IS Principal Engineers and the 1070 IS Project Director, who were on 24 hour standby during weekends collectively received only five requests for service. The

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<sup>4</sup> But excluding Jail Health Services and Behavioral Health/Avatar which have their own staff assigned to standby.

situation is similar for Department of Technology' two database administration staff assigned to standby, who received only one call each during a typical week in January, requiring a total of 1.5 hours of response time and only one on a weekend. These two employees were paid for 128 hours of standby during this weeklong period (at 10 percent pay, the equivalent of 12.8 hours of regular pay). In both instances, the departments should determine the times in which calls are received and the criticality of the request and adjust standby schedules and staffing levels accordingly.

### **Cross Training and Consolidating Information Technology Functions**

Some departments have worked over the last few years to effectively cross train staff and consolidate their use assigned to standby. For example:

- The Department of Emergency Management has reduced the number of server and network staff assigned to standby by reducing staffing overall (from four network and server staff to two) and cross training the remaining two so that only one person is assigned to standby for these functions at any one time.
- The Public Utilities Commission has cross-trained information technology staff to both troubleshoot network and support the help desk during standby hours.

The Department of Technology could reduce expenditures by approximately \$68,500 by cross training its network, server and e-mail support employees and reducing the number of employees assigned to standby by to deal with urgent situations during those hours.<sup>5</sup> While the Department of Technology states that 24 hour, seven day coverage is necessary to support fiber, email, web page, data center, telephone, and public safety radio services, the Department states that they will work to identify ways to provide coverage in the most cost-effective manner with qualified staff.

Similarly, the Department of Public Health could reduce expenditures by either cross training server staff supporting General Hospital and the other core operations or cross training server and network staff across these operations. In either scenario, the department could save an estimated \$68,500 annually.<sup>6</sup> This could be accomplished, given the fact that no calls were referred to staff assigned to standby during the week reviewed by the auditors. According to the Department of Public Health, because of the specialized skills required to support the Department's systems, cross-training opportunities and resulting savings are limited. The Department of Public Health does state that planned Citywide consolidation of information technology functions and replacement of obsolete applications could result in reduced staff assigned to standby.

The SFMTA currently has seven employees assigned to standby at all times outside of regular daytime work hours (not including the 1070 IS Project Director, discussed below). Were the department to reduce employees assigned to standby from seven to

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<sup>5</sup> Calculated at the hourly pay rate of a 1042 IS Engineer of \$51.44/hour x 128 hours per week x 52 weeks x 2.0 FTE.

<sup>6</sup> Ibid.

three and restrict overnight requests for assistance to those involving significant transit applications, the department could save approximately \$33,646 annually.<sup>7</sup>

Savings in these three departments would thus approximate \$170,646 annually. To realize these savings, employees would require cross-training across network and server operations. Departments have indicated that this approach would be feasible were they able to attract, train, and retain staff with the proper technical skills to support more than one type of operation. The Department of Public Health further reports that standby to support its billing application will be reduced once its new system, which is managed internally, becomes more stable and it can discontinue running it in parallel with the old billing system.

### **High Level Information Technology Classifications Assigned to Standby**

The MOU with IFPTE Local 21 allows highly compensated employees to receive standby pay. For example, the 1070 Project Director in the Department of Technology and the 1044 IS Principal Engineer in the Department of Technology, Department of Public Health, SFMTA, and Public Utilities Commission, receive standby pay, although these classifications, with a salary of \$128,000 at the top step, are comparable to management classifications represented by the Municipal Executives Association. One 1044 Principal Engineer in SFMTA will receive an estimated \$35,000 in standby pay in FY 2010-11.<sup>8</sup> Classifications with comparable compensation levels covered by the MOU between the City and the Municipal Executives Association are not eligible for standby pay, although, like employees represented by IFPTE, MEA-represented employees accrue administrative leave when required to respond to pagers or calls during non-business hours, and receive call back pay if they return to work.

According to the IS Principal Engineer job description, this classification engages in the highest level of information technology engineer work, whose essential duties include (1) analyzing and evaluating systems software, hardware, and communications strategies, (2) establishing software and hardware standards, (3) developing strategic plans, (4) assisting in budget development, and (5) directing and monitoring technical activities related to complex large systems or networks. This classification has higher-level responsibilities than are needed for standby assignments, which must respond to immediate technical needs. City departments should, to the extent possible, assign lower-level staff in the IS Engineer series or comparable classifications to standby rather than IS Principal Engineers. Also, the Department of Human Resources should negotiate new provisions in the MOU between the City and IFPTE Local 21, eliminating standby pay for 1044 IS Principal Engineers and 1070 Project Directors, and instead implement provisions comparable to the MOU between the City and the Municipal Executives Association. In the limited instances in which a higher level employee is needed during non-core hours, a

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<sup>7</sup> Calculated by assuming that five hours of standby pay could be avoided for each of four employees on a daily basis, or 140 hours per week or 7,280 hours per year. At an average hourly wage of approximately \$46/hour, standby costs approximately \$8.25 per hour.

<sup>8</sup> Department of Technology' 1070 Project Manager is projected to earn less than \$2,000 in standby pay in FY 2010-11.

manager represented by MEA, such as the Manager VI at MTA, could be required to respond instead.

### **SFMTA Changes to Standby Procedures**

The SFMTA's Chief Information Officer supports many of these proposals and has begun to implement them. Changes to date include elimination of second tier on-call support between the hours of 1:00 a.m. and 3:00 a.m. or 4:00 a.m. (depending on the application or service supported), expansion of help desk business hours and reduction or elimination of standby pay for three management positions. These modifications have reduced weekly standby pay utilization from 896 to 650 hours. With implementation of these recommendations, the SFMTA will reduce standby expenditures from FY 2009-10 to FY 2010-11 by approximately \$31,000, a reduction of approximately 12 percent. The Agency reports that future standby pay reduction efforts will focus on assigning incoming staff to shifts that encompass non-traditional business hours, enhancing cross-training to reduce the number of employees required to provide on-call support and better educating customers on what constitutes a "critical" service call to reduce the volume of after-hours requests.

### **Interdepartmental Information Technology Resource Sharing and Cross-training**

There are also opportunities for cross training of information technology system staff from various departments, particularly for hardware support. The Department of Technology should evaluate the possibility of server and network coordination across departments. Citywide data center consolidation, projected to be completed in 2014, will facilitate reducing information technology by combining servers and eventually networks in centralized locations, thus replacing antiquated servers and networks that require more maintenance. For example, the Department of Public Health reports that standby pay for its designated server and network staff will be significantly reduced once data center consolidation is in place. This approach is effective for network and server support but is less effective for application support which tends to be specialized and for which employees are hired with specific application knowledge.

### **Conclusion**

City departments are not cost-effective in assigning information technology staff to standby. Standby coverage is assigned for non-emergency services or for hours in which services are not required. Reassignment of staff hours and cross-training of information technology staff, as well as renegotiating the IFPTE Local 21 MOU provisions for highly-compensated information technology staff comparable to Municipal Executive Association MOU provisions, would reduce the Citywide costs for information technology standby, projected to be \$1.05 million in FY 2010-11.

## **Recommendations**

The Director of the Committee on Information Technology should:

- 2.4.1 In consultation with City departments assigning information technology staff to standby coverage during non-business hours, (a) evaluate the costs and savings of cross-training information technology staff to support network and server functions during non-business hours, and (b) develop a staffing plan for information technology standby coverage during non-business hours that minimizes Citywide costs, with a report to the Board of Supervisors through the Committee on Information Technology prior to December 31, 2011.

The General Manager, Executive Director, or Director of the Public Utilities Commission, SFMTA, Department of Public Health, and Department of Technology should:

- 2.4.2 To the extent possible, assign lower-level staff in the IS Engineer series or comparable classifications to standby rather than IS Principal Engineers.

## **Costs and Benefits**

Implementation of these recommendations would result in estimated annual savings of at least \$287,280 (\$85,634 to reassign staff to eight hour shifts within a twelve hour period, \$170,646 to cross train staff, and \$31,000 to renegotiate MOU provisions). These savings would be offset by (a) paying shift differentials to information technology staff assigned after 5:00 p.m. and before 7:00 a.m., and (b) cross training information technology staff.

## 2.5 Standby for Special Operational Needs

- **City departments use standby pay not only to provide coverage during non-business hours but also to meet specific operational needs or job requirements.**
- **The SFMTA provides special training to Transit Division staff who volunteer to respond to light rail derailments and other incidents. These specially-trained staff, known as the Emergency Response Unit (ERU), respond to light rail incidents in addition to their regular duties. The Transit Division operates day, evening, and night shifts. Because the ERU assignment is voluntary, 15 of the 17 ERU-trained staff are assigned to the day shift and 2 of the 17 ERU-trained staff are assigned to the evening shift. The SFMTA assigns all ERU-trained staff to standby during all non-duty hours to provide 24-hour coverage, with estimated FY 2010-11 costs of \$255,000. The SFMTA has not evaluated the actual number of ERU-trained staff required to respond to light rail derailments or developed a staffing plan.**
- **Approximately 51 Department of Public Health nursing supervisors and nurse managers receive a 7 percent premium for 24 hour clinical responsibility, with total FY 2010-11 expenditures of \$606,635. The Department of Public Health assigns more nurse managers and nursing supervisors to 24 hour clinical responsibility than required. Nurse managers and supervisors assigned to outpatient services and administrative or operational support, as well as inpatient acute and sub-acute care, receive the premium. Several units have two tiers of 24 hour clinical unit pay assignments, with nurse managers and their direct supervisors both receiving 24 hour clinical unit pay. The Department of Public Health should evaluate and reduce the number of nursing supervisors and nurse managers assigned to 24 hour clinical coverage. The Department of Public Health should eliminate 24 hour clinical unit pay when not necessary. The Department should compensate nursing supervisors or nurse managers assigned to outpatient or administrative services with extended hours on-call pay, equal to 4 percent of salaries, rather than 24 hour clinical responsibility pay, equal to 7 percent of salaries, as appropriate.**

City departments use standby pay not only to provide coverage during non-business hours but also to meet specific operational needs or job requirements. For example, the SFMTA uses standby pay to compensate staff in the Transit Division's Emergency Response Unit (ERU) for specialized skills needed to respond to light rail vehicle derailments and other incidents resulting in the closure of light rail lines. The Department of Public Health pays a 7 percent salary differential to nursing supervisors and nurse managers who have 24 hour clinical responsibility, under the provisions of the MOU between the City and Teamsters Local 856.

## **SFMTA Transit Division's Emergency Response Unit**

The SFMTA Transit Division's ERU responds to light rail vehicle derailments and other incidents that result in downed rail lines. Employees who volunteer to respond to these incidents receive additional training and are provided with standby pay to incentivize them to accept these duties, generally recognized as less desirable and, in the case of accidents, at times disturbing or dangerous. FY 2010-11 standby pay expenditures for the ERU are estimated to be \$255,000..

The Transit Division schedules three work shifts: 90 are scheduled on the day shift, 90 are scheduled on the evening shift, and 70 are scheduled on the night shift. Because assignment to the Transit Division's ERU is voluntary, ERU-trained staff are not distributed among the three shifts. Of the 17 employees on the ERU standby roster, 15 employees are regularly assigned to the day shift and two employees are regularly assigned to the evening shift. No ERU-trained employees are assigned to the night shift.

To provide adequate 24 hour, seven day ERU coverage, the Transit Division assigns standby to ERU employees for all 16 hours outside their normal work hours. For example, an employee whose regular shift is the day shift from 6:00 a.m. to 2:30 p.m., is assigned to standby during all 128 hours of the swing and night shifts. An employee whose regular shift is the night shift is assigned to standby during the swing and day shift. The 15 ERU-trained employees who are regularly scheduled to the day shift are assigned to standby during the evening and night shifts, although two ERU-trained employees are regularly scheduled on the evening shift.

The SFMTA Transit Division has not evaluated the number of ERU-trained staff needed to respond to light rail vehicle incidents nor developed minimum ERU staffing requirements for the day, evening, and night shift. The SFMTA states that 24-hour coverage for the Emergency Response Unit is necessary because the light rail vehicles operate 20 to 22 hours per day and that the number, severity and timing of these incidents may vary. Nonetheless, by tracking incidents and staff time required to respond to these incidents, the SFMTA could determine the number of ERU-trained staff to be regularly assigned to each shift. Under the current practice, ERU staffing levels are determined by the number of staff who volunteer for the assignment.

The SFMTA Transit Division does not maintain a log recording the number of instances individual ERU-trained employees are called to work while on standby. Moreover, the

Transit Division was not able to provide a standby schedule nor provide the frequency with which employees assigned to standby had responded to emergencies. SFMTA's Central Control does maintain a log of incidents, including derailments, but many of the incidents recorded in the Central Control log are minor, not requiring responses by the Emergency Response Unit.

Central Control logs show 94 total SFMTA incidents, or an average of 3 incidents per week, from July 1, 2010 through January 31, 2011, comprising a total of approximately 100 hours from the start to the end of the all incidents combined. Comparing standby accrued by all members of the Emergency Response Unit to incident response times shows that assigned standby hours far exceed all incident response times, including incidents that do not require responses by ERU-trained staff. Estimated standby hours are approximately 33,000, while rail incidents only accounted for 100 hours of response time through seven months of the fiscal year, of which only a portion required responses by ERU-trained staff.

As shown in Table 2.9, most light rail vehicle incidents recorded in the Central Control log for the period from July 1, 2011 through January 31, 2011 started between the hours of 2 p.m. and 10 p.m., indicating that the Transit Division should recruit ERU-trained staff to work during these hours.

**Table 2.9**  
**Light Rail Vehicle Incident Start Times**  
**July 1, 2011 through January 31, 2011**

<b>Start Time of Incident</b>	<b>Number of Incidents</b>	<b>Percent of Total Incidents</b>
Between 6 am and 2 pm	28	29.79%
Between 2 pm and 10 pm	57	60.64%
Between 10 pm and 6 am	9	9.57%
Total	94	100.0%

Source: Central Control Log

Most of the incidents were resolved in less than one hour, as shown in Table 2.10 below.

**Table 2.10**  
**Light Rail Vehicle Incident Response Time from Start to End of Incident**  
**January 1, 2011 through January 31, 2011**

<b>Response Time from Start to End of Incident</b>	<b>Number of Incidents</b>	<b>Percent of Incidents</b>
10 minutes or less	18	19.1%
Between 10 and 60 minutes	40	42.6%
More than 60 minutes	27	28.7%
Not Recorded	9	9.6%
Total	94	100.0%

Source: Central Control Log

Many of the incidents listed on the report were minor; for example, a minor injury incurred by a patron in a station which did not require special skills.

As an alternative to assigning standby for Emergency Response Unit coverage, the SFMTA could train staff, and provide a differential for Emergency Response Unit duties. This would require recruiting a sufficient number of ERU-trained staff to work during the day, evening, and night shifts to respond to the expected number of incidents. These individuals would be expected to respond as needed to incidents during their normal shift.

As shown in Table 2.11 below, the SFMTA would save an estimated \$182,000 annually by paying a 5 percent differential instead of standby pay to Emergency Response Unit employees, based on the current roster of ERU-trained employees. The Division is projected to spend approximately \$255,000 this fiscal year on standby pay for the current roster of specially trained ERU employees, whereas the premium as described would cost only \$73,000 annually.

**Table 2.11**  
**Potential Savings for Use of Differential in lieu of Standby**  
**MTA Emergency Response Unit**

<b>Classification Title and Number</b>	<b>Projected Standby Hours FY 2010-11</b>	<b>Current Annual Salaries</b>	<b>Annual Salary with Standby Differential</b>	<b>Annual Salary with 5% Differential</b>	<b>Savings</b>
Electrical Transit Shop Supervisor I (7216)	11,179	\$214,656	\$270,550	\$225,388	\$45,162
Track Maintenance Worker Supervisor I (7251)	2,510	80,262	92,811	84,275	8,536
Electrical Transit Mechanical Supervisor I (7253)	5,453	97,344	124,610	102,211	22,399
Wire Rope Cable Main. Supervisor (7286)	1,839	84,630	93,827	88,862	4,965
Stationary Engineer (7334)	1,187	72,410	78,346	76,031	2,315
Electrician (7345)	2,234	91,338	102,507	95,905	6,602
Electrical Transit System Mechanic (7371)	16,370	457,548	539,401	480,426	57,975
Electrical Transit Mechanic Assistant Supervisor (7380)	10,325	353,184	404,810	370,844	33,966
<b>Total</b>	<b>51,097</b>	<b>\$1,451,372</b>	<b>\$1,706,862</b>	<b>\$1,523,942</b>	<b>\$182,920</b>

Other City classifications receive premium pay for responding to emergencies. For example, 2940 Protective Service Workers and 2944 Protective Service Worker

Supervisors assigned to emergency response positions in the Human Services Agency's Family and Children's Services Division receive a premium of 5 percent due to the complexity of emergency response work.

To contain the costs of ERU staffing, the SFMTA needs to develop a staffing plan based on the actual number of ERU-trained staff required to respond to light rail vehicle incidents on each shift. The total number of required ERU-trained staff could be less than the 17 current ERU-trained staff.

Because the ERU assignment is voluntary, the SFMTA Transit Division should actively recruit volunteers on each shift to meet staffing requirements. If the Transit Division is unable to recruit a sufficient number of ERU-trained staff on the evening shift and night shift, then the Division could use the savings gained by reducing the total number of ERU-trained employees to pay for standby during the understaffed shifts.

### **Nurse Managers' Compensation for 24 Hour Responsibility**

Under the MOU between the City and Teamsters Local 856, nursing supervisors and nurse managers with 24 hour clinical responsibility receive a 7 percent premium. The Department of Public Health's expenditures for 24 hour clinical pay were \$832,973 in FY 2009-10 and are estimated to be \$606,635 in FY 2010-11.

**2322 Nurse Manager.** According to the job description, this is the first level of professional nurse managers, responsible for clinical management of a program or group of nurses. The salary range for this position, not including fringe benefits, is \$117,598 to \$171,236.

**2324 Nursing Supervisor.** According to the job description, this position directs the professional nursing and auxiliary staff of a number of patient care units. The salary range for this position, not including benefits, is \$129,610 to \$188,708.

**2326 Psychiatric Nursing Supervisor.** According to the job description, this position directs the professional nursing and auxiliary staff of a number of psychiatric patient care units. The salary range for this position, not including benefits, is \$129,610 to \$188,708.

### **24 Hour Clinical Responsibility**

Approximately 51 nursing supervisors and nurse managers receive the 7 percent premium for 24 hour clinical responsibility, either full time or part time. The Department of Public Health assigns more nurse managers and nursing supervisors to 24 hour clinical responsibility than required. Nurse managers and supervisors assigned to outpatient services and administrative or operational support, as well as inpatient acute and sub-acute care, receive the 24 clinical responsibility premium. Several clinical units have two tiers of 24 hour clinical unit pay assignments, with nurse managers and their direct supervisors both receiving 24 hour clinical unit pay.

According to the Department of Public Health, assigning 24-hour clinical responsibility to these staff is necessary because “many clinical issues at San Francisco General Hospital and Laguna Honda Hospital must be investigated, resolved, and/or reported to regulatory agencies within a 24-hour period.” The Department of Public Health’s Human Resources Director states that the nursing supervisors and nurse managers are regularly paged after hours or called into work. However, the Department of Public Health does not have detailed data on the types of calls received during non-duty hours or the type of response required.

The Department of Public Health should evaluate and reduce the number of nursing supervisors and nurse managers necessary to provide 24 hour clinical coverage. The Department should eliminate 24 hour clinical unit pay when not necessary. The Department should compensate nursing supervisors or nurse managers assigned to outpatient or administrative services with extended hours on-call pay, equal to 4 percent of salaries, rather than 24 hour clinical responsibility pay, equal to 7 percent of salaries, as appropriate.

## **Conclusion**

The Municipal Transportation Agency, Department of Public Health, and Police Department incur high standby costs for positions with special standby assignments. The Municipal Transportation Agency assigns Emergency Response Unit staff to standby during the same hours when regular staff are assigned. The Municipal Transportation Agency has not evaluated the Emergency Response Unit schedule or pay requirements to determine the optimal schedule and pay structure to meet the Agency’s response requirements for Municipal Railway (Muni) incidents.

The Department of Public Health, in accordance with the Memorandum of Understanding, between the City and Teamsters Local 856, pays nursing supervisors and nurse managers a 7 percent differential for 24-hour clinical responsibility. However, the Department of Public Health pays a larger number of nursing supervisors and nurse managers the 24-hour clinical premium than is necessary to meet clinical requirements.

## **Recommendations**

The SFMTA Director of Human Resources should:

- 2.5.1. In consultation with the City’s Director of Human Resources, negotiate premium pay of 5 percent in lieu of standby assignments for Emergency Response Unit members in the respective successor MOUs.

The Executive Director of the Municipal Transportation Agency should:

- 2.5.2. Evaluate existing Emergency Response Unit schedules and incident responses, and revise Emergency Response Unit schedules consistent with incident response requirements.

The Director of Public Health should:

- 2.5.3. (1) Evaluate the need for 24 hour clinical responsibility, (2) eliminate 24 hour clinical responsibility pay when not necessary, and (3) compensate nursing supervisors or nurse managers assigned to outpatient or administrative services with extended hours on-call pay, equal to 4 percent of salaries, rather than 24 hour clinical responsibility pay, equal to 7 percent of salaries, as appropriate.

## **Costs and Benefits**

The SFMTA could save an estimated \$182,000 annually by converting premium pay assignments for the Emergency Response Unit to a 5 percent pay differential, as shown in Table 2.10 above. The SFMTA could realized additional savings by evaluating required responses to Muni incidents, and adjusting the number of Emergency Response Unit staff and their respective schedules accordingly.

The Department of Public Health could save an estimated \$90,000 annually by reducing 24 hour clinical responsibility expenditures by at least 15 percent.

### **3.1. Acting Assignment and Supervisory Differential Pay**

- **Employees may receive additional pay when (1) acting in a higher classification due to budgeted vacant positions or long term leave (acting assignment), or (2) the supervisor’s salary range is less than 5 percent above the subordinate’s salary range (supervisory differential).**
- **Although acting assignments are generally for less than one year, 35 of 312 acting assignments in FY 2010-11 extended for more than one year, most often due to delays in offering position exams. Because the 5 percent differential paid to employees for acting assignments is generally less than the position’s salary range, the City realizes salary savings for acting assignments. However, if employees are performing the full range of duties of the long term acting assignment, they may be undercompensated.**
- **Five of 61 supervisory differentials approved by the Department of Human Resources in FY 2010-11 were because the supervisory class salary range is less than 5 percent higher than the subordinate class. For example, the salary range for the supervisory class, 7229 Transmission Line Supervisor, is less than the subordinate class, 7350 Transmission and Distribution Line Worker.**
- **Three of 61 supervisory differentials resulted when truck drivers or operating engineers were intermittently assigned to general laborer or asphalt finisher supervisors’ crews. While the MOU between the City and Laborers Local 261 provide for supervisory differentials due to intermittent assignments, these intermittent supervisory differential adjustments are inconsistent with the requirement that supervisory differentials result from permanent supervisory assignments.**
- **Supervisory differential adjustments for managers compensate these positions above the level of responsibility assumed by the position. For example, one Manager IV in the Recreation and Park Department received a supervisory differential for supervising another Manager IV. While allowed under the Management Classification and Compensation Plan, assigning one highly-compensated manager to supervise another highly-compensated manager in the same classification is not consistent with the job description, in which the Manager IV functions under “general administrative direction”, and “typically manages mid-level staff or line managers”.**

Employees may receive additional pay when (1) acting in a higher classification due to budgeted vacant positions or long term leave (acting assignment), or (2) acting as a supervisor to subordinates with minimal pay differential (supervisory differential). According to the Department of Human Resources:

**Acting assignments** are temporary, generally for less than one year. The employee receiving acting assignment pay must perform the full range of duties of the higher classification for at least 10 days<sup>1</sup>. These duties must not be part of the employee's current classification.

Employees in acting assignments receive a 5 percent pay differential, with some exceptions. Uniform employees in the Police Department and Fire Department are paid for "like work, like pay", in which they receive the pay of the higher classification. Some management employees are compensated based on an extended pay range.<sup>2</sup> Executive managers<sup>3</sup> are not eligible for acting assignment pay.

**Supervisory differential** is paid to an employee who supervises subordinate employees but whose salary range does not exceed the subordinate employees' salary range by at least 5 percent. To be eligible for supervisory differential pay, the supervisory assignment must be permanent and organizationally appropriate. Except for employees in classifications covered by the Memorandum of Understanding (MOU) between the City and International Federation of Professional and Technical Engineers (IFPTE) Local 21, employees receiving supervisory differential pay may not supervise employees in the same classification.

Supervisory differential and acting assignment pay differ in that supervisory differential is based on the employee's classification, while acting assignment pay is based on the specific duties of the assignment.

## **Acting Assignment Pay**

The MOUs between the City and employee unions define the approval process for acting assignment pay. The Department of Human Resources reviews acting assignments for many City classifications. Most acting assignments approved by the Department of Human Resources are to backfill positions that have become vacant due to retirements, as shown in Table 3.1 below.

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<sup>1</sup> Some Memoranda of Understanding (MOU) between the City and the employee unions provide different time requirements. For example, the MOU between the City and Stationary Engineers Local 39 provides acting assignment pay for 15 cumulative days within a rolling 12-month period, and the MOU between the City and Deputy Probation Officers provides acting assignment pay after 5 days.

<sup>2</sup> Under the Management Classification and Compensation Plan, which evaluated and classified management positions Citywide, managers are paid under the base range (range A) or, if qualified or meeting special conditions, may be paid under a higher range (ranges B and C).

<sup>3</sup> Under the MOU between the City and the Municipal Executives Association, executive managers include department directors and deputy directors.

**Table 3.1**  
**Reasons for and Length of Acting Assignments**  
**FY 2010-11**

Reason for Acting Assignment	Number	Percent	Average Length of Assignment (Months)
Retirement	95	30%	6.95
Medical or Other Leave	57	18%	4.53
Other Vacant Position	51	16%	6.35
Backfill Promotion/ Other Acting Assignment	45	14%	6.45
Resignation or Termination	35	11%	4.57
Vacation	17	5%	3.18
New Position	12	4%	7.25
<b>Total</b>	<b>312</b>	<b>100%</b>	<b>5.90</b>

Source: Department of Human Resources

The Department of Human Resources requires re-approval of all acting assignments that extend for more than three months. Generally, acting assignments are temporary for less than one year. However, 35 of the 312 acting assignments approved by the Department of Human Resources in FY 2010-11 extended for more than one year. While most of these extended acting assignments were for less than two years, five acting assignments were extended for more than two years and one acting assignment was extended for more than three years.

Acting assignments extend beyond one year most often due to delays in conducting exams for the position. According to City department staff, many of the 35 acting assignments that extended beyond one year have now been filled with permanent positions.

Because the 5 percent differential paid to employees for acting assignments is generally less than the position's salary range, the City realizes salary savings for acting assignments. However, if employees are performing the full range of duties of the acting assignment, then they may be undercompensated. To ensure equitable compensation to employees in acting assignments, the Department of Human Resources should evaluate the reasons for delays in offering exams for vacant positions and work with the respective City departments to conduct more timely position exams.

## Supervisory Differential Pay

The procedures for approving supervisory differential pay are defined in the respective MOUs between the City and the employee unions. Most City departments submit supervisory differential requests to the Department of Human Resources for annual approval. The Department of Human Resources may approve the supervisory differential pay retroactively for the fiscal year.

As shown in Table 3.2 below, 44 percent of supervisory differentials are for an employee supervising the work of employee(s) in the same classification, as permitted by the MOU between the City and IFPTE Local 21.

**Table 3.2**  
**Reasons for Supervisory Differential Adjustments**  
**FY 2010-11**

<b>Reason for Supervisory Differential</b>	<b>Number</b>	<b>Percent</b>
Supervisor is in the same classification as subordinate positions (IFPTE Local 21)	27	44%
Department has assigned supervisor with salary range that is less than 5 percent higher than subordinate positions (multiple MOUs)	18	30%
Supervisors under Laborers Local 261 supervise truck drivers (Teamsters Local 853) or operating engineers (Operating Engineers Local 3).	6	10%
Supervisory classification is less than 5 percent higher than subordinate classification with permanent reporting relationship (Electrical Workers Local 6, Machinists Local 1414, Ironworkers Local 377)	5	8%
IS Project Director salary range is less than 5 percent higher than 1044 IS Engineer Principal (IFPTE Local 21)	3	5%
Manager IV supervises Manager IV (Municipal Executive Association)	1	2%
Department head supervises attorneys (Municipal Executive Association)	1	2%
<b>Total</b>	<b>61</b>	<b>100%</b>

Source: Department of Human Resources

18 of the supervisory differentials, or 30 percent, were due to unique assignments of supervisory classifications to subordinate classifications. These assignments were specific to the division or organization.

### **Permanent Reporting Relationships**

Five supervisory differentials (or 8 percent) were for supervisory classifications that have permanent reporting relationships to the subordinate classification but do not have salary ranges that are 5 percent higher than the subordinate classifications.

- 7229 Transmission Line Supervisor salary range is below the salary range of the 7350 Transmission and Distribution Line Worker salary range. Both positions are covered by the MOU between the City and Electrical Workers Local 6. Three adjustments were in this classification.
- 7330 Senior General Utility Mechanic salary range is less than 5 percent higher than the 7325 General Utility Mechanic salary range. Both positions are covered by the MOU between the City and Machinists Local 1414.

- 9342 Ornamental Iron Worker Supervisor I salary range is below the salary range of the 9346 Fusion Welder. Both positions are covered by the MOU between the City and Ironworkers Local 377.

The Department of Human Resources should evaluate the salary differential between these supervisory and subordinate classes, and negotiate the appropriate salary differential upon expiration of the respective MOUs. While negotiating salary differentials of 5 percent more than the salary range of the subordinate classification will result in increased salary costs, the City has already realized some of these costs through approving supervisory differentials. Negotiation of appropriate salary ranges will reduce management and staff time in requesting and approving supervisory differentials.

### **Supervisory Differential for Managers in the Same Classification**

One 0932 Manager IV position in the Recreation and Park Department received a supervisory differential for supervising another 0932 Manager IV. According to the Management Classification and Compensation Plan (MCCP): “Where an employee in an MCCP class supervises at least one other employee in the same MCCP class, and satisfies the other contractual requirements for supervisory differential, and the supervisor’s base rate of pay is less than 5% above the base rate of pay of the highest paid supervisee, the supervisor shall receive an additional 5%.”

While allowed under the MCCP, assigning one highly-compensated manager to supervise another highly-compensated manager in the same classification is not consistent with the job classifications. The classification of 0932 Manager IV functions under “general administrative direction”, and assigning one 0932 Manager IV position to supervise another 0932 Manager IV position does not meet the definition of the job classification, which specifies that “managers in this class typically manage mid-level staff or line managers”. Supervisory differential adjustments should be eliminated for managers in the same classification.

### **Multiple Premiums for Supervisory Responsibilities**

The Department of Human Resources also approved supervisory differential for the 2346 Nursing Supervisor, acting as Chief Nursing Officer at San Francisco General Hospital, who supervises staff in the same or lateral classifications. The 2346 Nursing Supervisor also receives 5 percent lead manager pay in accordance with the MOU between the City and Teamsters Local 856 and a 7 percent premium for 24 hour clinical responsibility. In this instance, the Department of Public Health needs to evaluate the appropriate classification of the Chief Nursing Officer rather than paying several premiums.

## **Conclusion**

Acting assignments may extend beyond one year due to delays in administering civil service exams to hire permanently into the position. While the City may achieve salary savings by filling positions through acting assignment rather than permanent hire, if the

employee is performing the full range of duties of the acting assignment, he/she may be undercompensated.

For five current supervisory differentials, the salary range for the supervisory class is not 5 percent higher than the subordinate class, resulting in the ongoing need to adjust the supervisor's salary.

## **Recommendations**

The Director of Human Resources should:

- 3.1 Evaluate the reasons for delays in offering exams for vacant positions and work with the respective City departments to conduct more timely position exams.
- 3.2 Evaluate the salary differential between supervisory and subordinate classes for (a) 7229 Transmission Line Supervisor and 7350 Transmission and Distribution Line Worker, (b) 7330 Senior General Utility Mechanic and 7325 General Utility Mechanic, and (c) 9342 Ornamental Iron Worker Supervisor I 9346 Fusion Welder; and negotiate the appropriate salary differential for these classifications upon expiration of the respective MOUs.
- 3.3 Meet and confer with the Municipal Executives Association to eliminate supervisory differentials for managers within the same classification.

The Director of Public Health should:

- 3.4 Reclassify the San Francisco General Hospital Chief Nursing Officer to the appropriate classification for the level of responsibility and eliminate the supervisory differential, lead nurse, and 24-hour clinical premiums.

## **Costs and Benefits**

Negotiating salary differentials for supervisors and subordinate classifications with permanent reporting relationships will result in increased salary costs, although the City has already realized some of these costs through approving supervisory differentials.

## **Department Responses and Recommendation Matrix**

## Recommendation Priority Ranking

Based on the management audit findings, the Budget Analyst has made 17 recommendations which are ranked based on priority for implementation. The definitions of priority are as follows:

Priority 1: Priority 1 recommendations should be implemented immediately.

Priority 2: Priority 2 recommendations should be completed, have achieved significant progress, or have a schedule for completion prior to December 31, 2011.

Priority 3: Priority 3 recommendations are longer term and should be completed, have achieved significant progress, or have a schedule for completion prior to June 30, 2012

	<b>Recommendation</b>	<b>Priority</b>	<b>Department Response</b>	<b>Implementation Status/ Comments</b>
The Director of Human Resources should:				
1.1	Negotiate with the respective employee unions to revise MOU provisions, (a) to require that lead workers must lead no fewer than three employees; and (b) that employees must plan, design, sketch, layout, detail, estimate, or order material in addition to leading three or more employees.	3	Agree	<u>Department of Human Resources</u> : However, most if not all lead pay MOU provisions come from Salary Standardization Ordinances that pre-date collective bargaining. To change negotiated MOU language, DHR would need to gain the agreement of the relevant union or prevail in arbitration.
1.2	Establish guidelines for City departments on lead worker assignments.	2	Agree	

	Recommendation	Priority	Department Response	Implementation Status/ Comments
	The Directors, Executive Directors, or General Managers of Animal Care and Control, Airport, Emergency Management, Human Services Agency, Municipal Transportation Agency, Public Health, Library, Public Utilities Commission, Public Works, Recreation and Park, and War Memorial; and the City Attorney, City Administrator, Fire Chief, Chief of Police, and Sheriff should:			
2.2.1	(1) Define the emergency situations requiring standby and the impact of not providing standby coverage to respond to the emergency situation; (2) establish criteria for assigning standby to respond to emergency situations; and (3) eliminate standby assignments that do not meet the criteria.	2		<p><u>SFMTA</u>: Agree. The SFMTA will review standby procedures to establish departmental guidelines that will continue to allow the agency to meet all local, state and federal safety guidelines and mandates.</p> <p><u>PUC Hetch Hetchy Water and Power</u>: Agree. Will formalize our existing criteria for standby pay by October 2011.</p> <p><u>PUC Water Supply and Treatment and City Distribution</u>: Agree. Procedures are in place but they will be re-visited and revised as necessary before the 12/31/11 deadline.</p> <p><u>General Services Agency</u>: With respect to Real Estate-managed assets, all buildings could require attention at any time, and many are occupied with active City functions 24/7/365. As a result, a standby Stationary Engineer is warranted at non-business hours of the week, to triage trouble calls that come in from our on-site security forces or our occupants. Failure to provide such immediate engineering expertise can delay a response to a building emergency, anything from an electrical outage to an elevator failure, which compromises the health and safety of our buildings and their occupants. To reduce the expenses associated with this required assignment, we have grouped our 52 assets throughout the City into just two campuses, and assign one Stationary Engineer to cover each campus at off-hours/weekends. Our on-going additional cross-training efforts, designed and implemented in concert with Local 39 officials, will lead us to a point in the next year or so where complete off-hour coverage can be provided with just one Stationary Engineer, for all campuses.</p>

	Recommendation	Priority	Department Response	Implementation Status/ Comments
	The Directors, Executive Directors, or General Managers of Animal Care and Control, Airport, Emergency Management, Human Services Agency, Municipal Transportation Agency, Public Health, Library, Public Utilities Commission, Public Works, Recreation and Park, and War Memorial; and the City Attorney, City Administrator, Fire Chief, Chief of Police, and Sheriff should:			
2.2.2	(1) Evaluate the role of managers and non-management staff in responding to urgent operational or emergency incidents after normal business hours; and (2) establish criteria for assigning non-management staff to standby coverage, including the frequency and urgency of after hours incidents, and level of response required.			<p><u>SFMTA</u>: Partially agree. This recommendation is more about MEA represented management classes (with no standby provisions in the MOU) versus manager/supervisory type classes in other Unions, such as Local 21. Not all managers would have the detailed technical knowledge necessary to resolve issues during off hours; this would be determined on a case-by-case basis. The SFMTA's Technology and Performance group will meet with recipients of its services to identify opportunities to curtail the need for after hours support. In addition, internal customers will be educated on what constitutes an "emergency" to reduce the volume of work orders received.</p> <p><u>General Services Agency</u>: Real Estate does not believe that value is added to the process to insert a step requiring management engagement for standby coverage. We believe in placing the burden of technical decision-making in the hands of those skilled in the profession at the journey level, with appropriate fiscal limits on those decisions. Once those fiscal limits are exceeded (approximately \$5,000 to \$10,000 per instance, depending upon the particular classification of the staff), management approvals are warranted and required. Real Estate has identified an opportunity for savings in substantially reducing standby assignments for our media services staff, and plans to implement a change in that procedure in FY 11-12.</p> <p><u>PUC Hetch Hetchy Water and Power</u>: Agree. Will formalize our existing criteria for standby pay by October 2011.</p> <p><u>PUC Water Supply and Treatment and City Distribution</u>: Agree. Procedures are in place but they will be re-visited and revised as necessary before the 12/31/11 deadline.</p> <p>(Continued)</p>

	Recommendation	Priority	Department Response	Implementation Status/ Comments
2.2.2	<p>(Continued)</p> <p>(1) Evaluate the role of managers and non-management staff in responding to urgent operational or emergency incidents after normal business hours; and (2) establish criteria for assigning non-management staff to standby coverage, including the frequency and urgency of after hours incidents, and level of response required.</p>	2		<p>(Continued)</p> <p><u>Human Services Agency (HSA)</u> According to HSA, should a large scale emergency take place, HSA would activate its Disaster Operations Center and dozens of Agency personnel, ranging from executive management to line staff would be involved. The role of the first responder includes assisting in that process, but in large part, responding to smaller scale emergencies.</p> <p><u>Budget and Legislative Analyst Response to Human Services Agency</u> As noted on page 23 of the report, although HSA assigns a staff person to serve as the first responder as part of the City’s Emergency Response Plan, HSA has not specifically defined the role. While HSA must prepare a response when the Mayor declares an emergency, HSA does not have policies or criteria for responding to smaller events. We continue to recommend that the HSA evaluate the role of and establish criteria for managers and non-management staff to responds to emergencies under the City’s Emergency Response Plan.</p>
The Director of Human Resources should:				
2.3.1	<p>Develop guidelines for City departments in order for City departments to evaluate which positions are “primarily administrative”, and therefore not eligible for standby assignments, consistent with the provisions of the respective MOUs between the City and the employee unions.</p>	2	Agree	

	Recommendation	Priority	Department Response	Implementation Status/ Comments
The Directors of Animal Care and Control and the Department of Technology should:				
2.3.2	Provide a pager or cell phone to all employees assigned to standby and eliminate all standby pay of 25 percent of salary.	1		<p><u>Department of Technology</u> Agrees. In the process of making this change.</p> <p><u>Animal Care and Control</u> Disagrees. According to Animal Care and Control, they are a 24/7/365 public protection agency that shelters living beings and operates similar to a hospital. Lacking 24/7/365 oversight, on-call supervisors end up taking on enormous additional responsibilities which would otherwise require overtime costs, etc. A City-issued cell phone is not a viable alternative as it would be burdensome to the employee and unreliable.</p> <p><u>Budget and Legislative Analyst Response to Animal Care and Control</u> Although the Board of Supervisors did not approve reducing Animal Care and Control standby pay in the FY 2011-12 budget, we continue to recommend that all City departments provide cell phones to employees on standby and reduce standby pay, consistent with the MOU provisions.</p>
The Directors, Executive Directors, or General Managers of Animal Care and Control, Airport, Emergency Management, Human Services Agency, San Francisco Municipal Transportation Agency, Public Health, Library, Public Utilities Commission, Public Works, Recreation and Park, Retirement System, Technology and War Memorial; and the Controller, City Attorney, City Administrator, Fire Chief, Chief of Police, Sheriff, and Treasurer-Tax Collector should:				
2.3.3	Evaluate and revise as necessary existing policies and procedures for approving call-back to work for staff assigned to standby to minimize overtime costs.	2		<p><u>SFMTA</u>: Agree. The SFMTA will evaluate and review call-back procedures and policies for the agency.</p> <p><u>PUC Hetch Hetchy Water and Power</u>: Agree. Will review existing policies and procedures for approving call-back work by October 2011.</p> <p><u>PUC Water Quality</u>: Disagree. WQD already has well established protocols which clearly specify on-call staff requirements to respond to 24/7 regulatory compliance mandated activities, emergency response protocols, cross connection control during fires, consumer complaints, etc.</p> <p><u>PUC Water Supply and Treatment and City Distribution</u>: Agree. Procedures are in place but they will be re-visited and revised as necessary before the 12/31/11 deadline.</p> <p><u>General Service Agency</u>: Agree</p>

	Recommendation	Priority	Department Response	Implementation Status/ Comments
The Controller should:				
2.3.4	Evaluate payroll procedures for tracking overtime or compensatory time off paid to employees when called back to work from standby, as part of the development of the new human resources system eMerge.	3	Agree	<u>Controller:</u> Will be implemented in Phase 2 of eMerge project to be rolled out in fiscal year 2012-13.
The Director of the Committee on Information Technology should:				
2.4.1	In consultation with City departments assigning information technology staff to standby coverage during non-business hours, (a) evaluate the costs and savings of cross-training information technology staff to support network and server functions during non-business hours, and (b) develop a staffing plan for information technology standby coverage during non-business hours that minimizes Citywide costs, with a report to the Board of Supervisors through the Committee on Information Technology prior to December 31, 2011.	2	Agree	
The General Manager, Executive Director, or Director of the Public Utilities Commission, SFMTA, Department of Public Health, and Department of Technology should:				
2.4.2	To the extent possible, assign lower-level staff in the IS Engineer series or comparable classifications to standby rather than IS Principal Engineers.	1		<u>SFMTA:</u> Partially agree. Depending on the actual work assignments and staffing levels, there are situations where assigning lower level staff is not possible. In several cases, SFMTA's Technology Team has only one person possessing the skills required to provide standby support. As a result, it is not possible to assign an individual in a lower classification.  <u>PUC:</u> Disagree. The complex Networking and SCADA issues that arise usually require senior technical talent to resolve. To help save money and ensure operational efficiency, we already eliminated separate help desk standby hours by cross training staff to cover both network and help desk.

	Recommendation	Priority	Department Response	Implementation Status/ Comments
The SFMTA Director of Human Resources should:				
2.5.1	In consultation with the City's Director of Human Resources, negotiate premium pay of 5 percent in lieu of standby assignments for Emergency Response Unit members in the respective successor MOUs.	3		<u>SFMTA</u> : Neutral. Further research will need to be conducted, including exploring other options.
The Executive Director of the Municipal Transportation Agency should:				
2.5.2	Evaluate existing Emergency Response Unit schedules and incident responses, and revise Emergency Response Unit schedules consistent with incident response requirements	1		<u>SFMTA</u> : Agree. SFMTA will evaluate and review current Emergency Response Unit staffing, schedules and processes.
The Director of Public Health should:				
2.5.3	(1) Evaluate the need for 24 hour clinical responsibility, (2) eliminate 24 hour clinical responsibility pay when not necessary, and (3) compensate nursing supervisors or nurse managers assigned to outpatient or administrative services with extended hours on-call pay, equal to 4 percent of salaries, rather than 24 hour clinical responsibility pay, equal to 7 percent of salaries, as appropriate.	1		<u>DPH</u> : DPH has been monitoring expenditures in these areas, with a commitment from DPH's management to seek operational efficiencies. ...During the course of the audit, DPH management has identified further opportunities for reductions in its standby assignments, including 24-7 clinical responsibility for Nurse Managers. DPH will continue to monitor these areas in FY 11-12 and assess whether additional efficiencies may be achieved without impacting patient safety and the Department's mission critical services.

	Recommendation	Priority	Department Response	Implementation Status/ Comments
The Director of Human Resources should				
3.1	Evaluate the reasons for delays in offering exams for vacant positions and work with the respective City departments to conduct more timely position exams	2	Agree	<p><u>Department of Human Resources</u> DHR continues to diligently work with departments to timely administer examinations. Over the past few years, DHR has work with City departments to accomplish the following:</p> <ul style="list-style-type: none"> <li>• Implementation of the Position Based Testing program has reduced examination cycle time to a median of 44 days from close of filing to adoption of the eligible list.</li> <li>• Tests which assess common competencies are used for several job classes. This approach is used in large job families including clerical, supervisory, administrative analysts and personnel analysts. Through efficient use of technology, scores from a single test are applied to multiple eligible lists.</li> <li>• Reliance on new provisional hires has been significantly lessened, which has reduced the redundant efforts required to recruit first for the provisional, and again for the permanent civil service appointment.</li> <li>• A citywide exam plan is used by all city departments' exam teams, to identify upcoming exams, and to plan for anticipated needs for eligible lists.</li> <li>• The Public Safety Team is working diligently to establish active eligible lists in all classes in the Fire, Police, and Sheriff Departments. Recent priorities and the current focus is on those classes wherein the longest acting assignments have occurred.</li> </ul>
3.2	Evaluate the salary differential between supervisory and subordinate classes for (a) 7229 Transmission Line Supervisor and 7350 Transmission and Distribution Line Worker, (b) 7330 Senior General Utility Mechanic and 7325 General Utility Mechanic, and (c) 9342 Ornamental Iron Worker Supervisor I 9346 Fusion Welder; and negotiate the appropriate salary differential for these classifications upon expiration of the respective MOUs.	3	Agree	<p><u>Department of Human Resources</u> Where there are classifications in which there is an inherent supervisory relationship that will necessarily, always require a supervisory differential adjustment that providing a permanent wage adjustment should be implemented in lieu of administering a supervisory differential adjustment.</p>

	Recommendation	Priority	Department Response	Implementation Status/ Comments
The Director of Human Resources should:				
3.3	Meet and confer with the Municipal Executives Association to eliminate supervisory differentials for managers within the same classification	3	Disagree	<p><u>Department of Human Resources</u> Pursuant to the Management Classification and Compensation Plan (MCCP), hundreds of often single position classifications were consolidated into an eighteen classification broadband classification plan. Inherent in this consolidation was the fact that there would be numerous supervisory relationships within the same classification level. Accordingly, the following provisions, delineated below, were negotiated into the MEA MOU to accommodate. To not allow for supervisory differential adjustments in these situations would necessarily create undue pressure to reclassify supervisory positions to higher level classifications thereby providing compensation far in excess of what would otherwise be provided by the supervisory adjustment provision.</p> <p>288. Supervisory differential, night duty, POST premium and acting assignment pay shall be administered according to traditional practices, except that EM employees and employees who are placed in range B or C shall not receive acting assignment pay.</p> <p>289. For employees who supervise an employee in a lower classification, supervisory differential shall be measured from the supervisee's actual rate of pay or the top of Range A for the supervisee, whichever is higher.</p> <p>290. Where an employee in an MCCP class supervises at least one other employee in the same MCCP class, and satisfies the other contractual requirements for supervisory differential, and the supervisor's base rate of pay is less than 5% above the base rate of pay of the highest paid supervisee, the supervisor shall receive an additional 5%. However, if the supervisor supervises only one employee in the same MCCP class, the supervisor's rate of pay, including the differential, shall not exceed the top of range C.</p> <p>(Continued)</p>

	Recommendation	Priority	Department Response	Implementation Status/ Comments
				(Continued) <u>Budget and Legislative Analyst Response</u> We continue to recommend elimination of the supervisory differential for managers within the same classification. While the MCCP consolidated numerous supervisory classifications within the same management classification level, many management reporting relationships have changed since implementation of the MCCP in 2006. Many City departments have reorganized, reclassified or substituted existing positions, or created new positions, resulting in current organizational relationships that are different from the 2006 organizational relationships. As noted on page 61 of the report, assigning one highly-compensated manager to supervise another highly-compensated manager in the same classification is not consistent with the job classifications.
	<b>The Director of Public Health should:</b>			
3.4	Reclassify the San Francisco General Hospital Chief Nursing Officer to the appropriate classification for the level of responsibility and eliminate the supervisory differential, lead nurse, and 24-hour clinical premiums	1		DPH HR has been working on this and we plan to seek an appropriate resolution when the Labor MOUs are reopened.

Edwin M. Lee | Mayor

Tom Nolan | Chairman

Jerry Lee | Vice-Chairman

Leona Bridges | Director

Cheryl Brinkman | Director

Malcolm Heinicke | Director

Bruce Oka | Director

Joél Ramos | Director

Debra A. Johnson | Acting Executive Director/CEO

**MEMORANDUM**

Date: July 25, 2011

To: Harvey M. Rose  
Budget AnalystFrom: Debra A. Johnson   
Acting Executive Director/CEO

Subject: Responses to Performance Audit Recommendations

The San Francisco Municipal Transportation Agency (SFMTA) is pleased to have worked with the Budget and Legislative Analyst's Office during the Performance Audit of Lead Worker, Standby, Acting Assignment and Supervisory Differential Pay practices for the City. We consider the performance audit report an opportunity to review what is working well and to identify areas of opportunity to improve the Agency's practices.

Included with this memo are our responses to the Budget and Legislative Analyst's recommendations. In general, the SFMTA agrees or partially agrees with all of the recommendations relevant to the SFMTA. We will be implementing appropriate steps in response to the recommendations in accordance with the priority timelines given in the report. We would also like to highlight the following accomplishments in controlling costs and improving standby pay practices:

- New initiatives have been implemented by our Technology and Performance group and have resulted in reducing standby pay by 27 percent. These changes include elimination of second tier on-call support during off peak hours, expansion of Help Desk business hours and reduction or elimination of standby pay for management positions.
- All standby assignments in the maintenance units have been reviewed to eliminate redundant assignments.
- In general, we have implemented new standby request and approval procedures to increase oversight and control in order to reduce/eliminate standby for administrative positions and to ensure assignments are in accordance with SFMTA's operational needs.

Again, we were very pleased to work with your staff throughout the audit process.



Edwin M. Lee, Mayor  
Edward D. Reiskin, Director

Office of the Director  
1 Dr. Carlton B. Goodlett Place, City Hall, Room 348  
San Francisco, CA 94102  
(415) 554-6920 ■ www.sfdpw.org



July 29, 2011

Mr. Harvey M. Rose  
Budget and Legislative Analyst  
San Francisco Board of Supervisors  
1 Carlton B. Goodlett Pl, Room 244  
San Francisco, CA 94102

*Re: Performance Audit of Premium Pay Practices*

Dear Mr. Rose:

The Department of Public Works is pleased to have worked with the Budget and Legislative Analyst in their audit of premium pay practices. We are especially pleased that there are no major findings in the report on issues related to DPW's policies and practices. However, the audit has provided us a welcome opportunity to review our practices and ensure they are in line with City and department policies.

Although there were no findings of inappropriate use of premium pay by Department of Public Works personnel, we will review and update our policies and procedures for approving call-back work and assigning standby pay through our regular review of the department's procedures manual. The Audit will serve as a useful document as we review our procedures.

Again, we want to thank you and your team for your efforts to improve the efficiency and productivity of our department and the City.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Reiskin".

Edward D. Reiskin  
Director of Public Works





August 1, 2011

Severin Campbell  
Budget and Legislative Analyst's Office  
San Francisco, CA 94102

Subject: Results of San Francisco's Lead Worker, Standby, Acting Assignment, and Supervisory Differential Pay Practices Audit

Dear Ms. Campbell,

Thank you for your review of the San Francisco's Lead Worker, Standby, Acting Assignment, and Supervisory Differential Pay Practices Audit. We appreciate the time and effort that you and your staff have dedicated to the completion and follow up of this audit.

We will use your helpful recommendations to further improve operational processes where cost effective to meet our essential service utility functions. Attached for your review and consideration are SFPUC Management's responses to the recommendations detailed in the report.

If you have any questions or need additional information, please do not hesitate to contact me at (415) 554-1600.

Sincerely,

ED HARRINGTON  
General Manager

cc: Michael Carlin, Deputy General Manager  
Barbara Hale, Assistant General Manager, Power Enterprise  
Tommy Moala, Assistant General Manager, Wastewater Enterprise  
Steven Ritchie, Assistant General Manager, Water Enterprise  
Todd L. Rydstrom, AGM Business Services & Chief Financial Officer  
Nancy L. Hom, Director, Assurance & Internal Controls

Edwin M. Lee  
Mayor

Francesca Vietor  
President

Anson Moran  
Vice President

Ann Moller Caen  
Commissioner

Art Torres  
Commissioner

Vince Courtney  
Commissioner

Ed Harrington  
General Manager





Edwin M. Lee  
Mayor

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## Memorandum

To: Harvey Rose  
Budget and Legislative Analyst  
San Francisco Board of Supervisors

Through: Barbara Garcia, Director of Health

From: Liz Jacobi, Human Resources Director 

Date: August 2, 2011

Subject: Performance Audit of San Francisco's Lead Worker, Standby, Acting Assignment and Supervisory Differential Pay Practices

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The Department of Public Health (DPH) would like to thank the Budget and Legislative Analyst for the recent performance audit of pay practices for Lead Workers, Standby, Acting Assignment and Supervisory Differential. DPH has been monitoring expenditures in these areas, with a commitment from DPH's management to seek operational efficiencies. As noted in the audit, DPH achieved a significant reduction in standby expenditures in FY10-11 of \$858,645, a 22.6% reduction compared to FY09-10.

DPH welcomes the City-wide and department-specific recommendations provided by the audit, and will use these as a guide in implementing additional review and controls. During the course of the audit, DPH management has identified further opportunities for reductions in its standby assignments, including in the two areas of the draft report with specific DPH recommendations, 24-7 clinical responsibility for Nurse Managers and information technology standby. DPH will continue to monitor these areas in FY11-12 and assess whether additional efficiencies may be achieved without impacting patient safety and the Department's mission critical services.

Finally, DPH thanks Severin Campbell of the Budget and Legislative Analyst Office for her dedication and work on this project.

cc: Greg Wagner

# City and County of San Francisco



Edwin Lee, Mayor

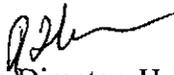
# Human Services Agency

Department of Human Services  
Department of Aging and Adult Services

Trent Rhorer, Executive Director

July 19, 2011

TO: Severin Campbell  
Budget and Legislative Analyst's Office

FROM: Robert Thomas   
Human Resources Director, Human Services Agency

SUBJECT: Response to Budget Analyst's Recommendations

Thank you for the opportunity to respond to the recommendations contained in the final draft you submitted to me on July 12, 2011.

We support your goal of providing critical services to our clients in the most efficient and cost-effective manner possible and appreciate the many hours that you so clearly put into your report.

The only area where we have any significant difference with your report is the conclusion reached about our first responder. The report states that we should use a manager for this role to save the Standby pay. The report states, in part:

*"...the Human Services Agency is the coordinating department for meeting mass care, housing, and human services needs when an emergency is declared by the Mayor. This includes coordinating the provision of shelter, water and food, and assisting the American Red Cross with family welfare inquiries. Although coordinating an emergency response on this scale would be performed more appropriately by management or executive management staff, the Human Services Agency assigns standby to one staff person, at an annual cost of approximately \$21,000."*

Please be advised that should a large-scale emergency take place, the Human Services Agency would activate its Disaster Operations Center and dozens of Agency personnel ranging from executive management to line staff would be involved. The role of our current first responder includes assisting in that process, but in large part, responding to smaller-scale emergencies, such as SRO fires. Generally these situations require the services of a trained Social Worker, in arranging for alternate housing and access to case management, appropriate for the classification utilized. We would request reconsideration for that conclusion.

Thank you again for the opportunity to respond. The Agency remains available to respond to any continuing concerns about any of the areas addressed in the report.