# Law Enforcement Service Contract

RATE CALCULATION METHODOLOGY

JANUARY 2026

# Legislative Intent

*" It is the intent of the legislature to encourage intergovernmental contracts between the County and cities which eliminate the need for duplicative facilities, equipment and personnel, and which thereby reduce the overall cost of government"*

# Benefits of Contracting for Services

- Provides a cost savings
  - Lower Costs: Reduces expenses compared to operating an independent department.
  - Economies of Scale: Shared staffing and infrastructure reduce per-unit costs.
  - Access to Specialized Services: SERT, K-9, air support, HIT, etc.
  - Reduced Equipment Costs: Vehicles, radios, and technology are purchased and maintained.
  - Less Administrative Burden: Personnel, labor, training, & risk management.

# Costs Included in Contract Services

- Direct labor
- Direct supervision
- Direct support
- Direct vehicles
- Direct services and supplies
- Direct facility costs
- Indirect support
- Administrative support

# General Assumptions

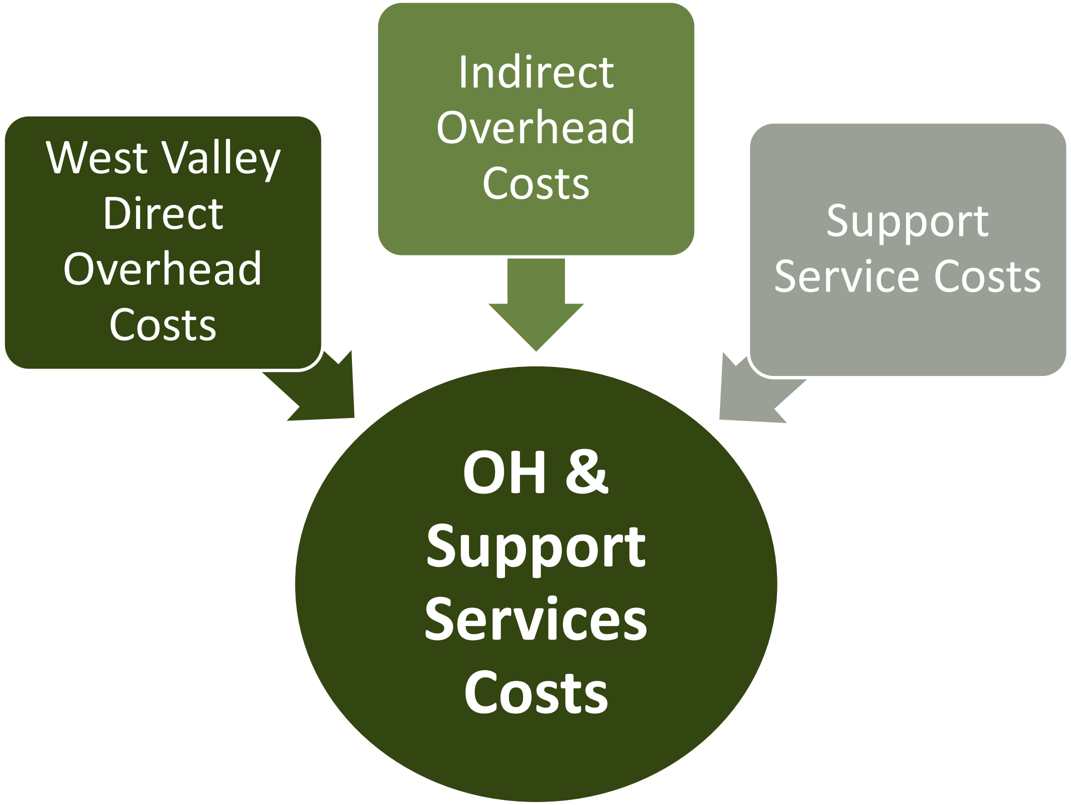
1. The Salary ranges for badge and non-badge personnel are documented in the Salary Ordinance Basic Salary Plan.
2. Salary fringe benefit costs are based on the County's established benefit rates for the applicable FY.
3. On average, deputy sheriffs in the Patrol Division are in step 5 of the salary range and receive 5% career incentive pay.
4. Salary increases and differentials are based on current MOUs Deputy Sheriffs' Association (DSA).

7. Staffing costs for Indirect Cost divisions such as Training, Personnel, Fiscal & IT are based on the approved budget; costs for on-loan positions are not captured.
8. Overhead costs include countywide allocated costs for shared services such as COB, CEO, OBA, CT, DTAC, Procurement, County Counsel, ESA, TSS, BHS (EAP), and VMC (pre-employment physical), and depreciation of building and equipment

# Contract Costs – Full Costs

**Direct Staffing Costs**

- Law Enforcement Deputy, Traffic Sergeant, & School Resources Officer
  - Salary & Benefits
- Contracted Hours/FTEs



# Projected Contract Costs – Direct Staffing Costs

**Direct Staffing Costs**

- Law Enforcement Deputy, Traffic Sergeant, & School Resources Officer
  - Salary & Benefits
- Contracted Hours/FTEs

**Fiscal Year 2025-2026**

**Salaries and Benefits**

| **Deputy Sheriff** | | | **Day Shift** | **Annual Cost Swing Shift** | **Night Shift** |
|---|---|---|---|---|---|
| Salary | | | 279,763 | $279,763 | $279,763 |
| Premium Pay (POST Cert.) | 5% | | $13,988 | $13,988 | $13,988 |
| Shift Differential | $4.60 | /hour | | 9,568 | 9,568 |
| Holiday premium | | | 2,538.19 | 2,538.19 | 2,538.19 |
| **Total Annual Salaries and Benefits for one Deputy Sheriff** | | | **296,290** | **$305,858** | **$305,858** |
| **Hourly Cost (Annual Hours =** | **1,634** | **)** | **$181.33** | **$187.18** | **$187.18** |

# Projected Contract Costs – Overhead Costs

## Direct Overhead Costs

- Direct Supervision & Management
- Direct Support Staff
- Operational Expenses
- Countywide Cost Allocation

## Indirect Overhead Costs

- Personnel & Training
- Fiscal Services
- IT Services
- Internal Affairs
- SO Admin

## Support Services

- Investigative
- Records

# Direct Overhead Costs

- Direct Supervision & Management
- Direct Support Staff
- Operational Expenses
- Countywide Cost Allocation

- **Direct Supervision & Management** – Captain, Lieutenant, and Sergeants
- **Direct Support Staff** – Law Enforcement Records Tech., Exec. Asst., Fleet Maintenance Scheduler, Management Analyst
- **Operational Expenses** – Dispatch service, vehicle and equipment, and other services and supplies
- **Countywide Cost Allocation** – related to Personnel, Finance, Technology, Fleet

$$\textbf{WV's share of Countywide Cost Allocation} = \frac{\text{Total countywide allocated costs}}{\text{Total Number of SO employees}} \times \text{Number of WV Employees}$$

## Indirect Overhead Costs

- Personnel & Training
- Fiscal Services
- IT Services
- Internal Affairs
- SO Admin

➢ **Division Direct Costs:** Personnel, supervision & management, operational expenses, services and supplies

➢ **Division Indirect Costs:** allocated countywide cost related to personnel, information technology, fiscal, fleet and facilities

➢ **Total Direct and Indirect Costs** for each service is allocated based on number of employees

$$\text{WV's share of Personnel \& Training Cost} = \frac{\text{Total direct and indirect costs for Personnel \& Training}}{\text{Total Number of SO employees}} \times \text{Number of WV Employees}$$

# Support Services

- Investigative
- Records

- **Division Direct Costs:** Personnel, supervision & management, operational expenses, services, and supplies
- **Division Indirect Costs:** allocated countywide cost related to personnel, information technology, fiscal, fleet, and facilities
- **Total Direct and Indirect Costs** for each service are allocated based on the number of employees

| | |
|---|---|
| Cupertino | 22.15% |
| Saratoga | 7.82% |
| Los Altos Hills | 2.16% |
| Unincorporated | 2.26% |
| **Total** | **34.40%** |

WV's share - Investigative = Total direct and indirect costs - Investigative x Average Case Load %

# Case Load Details

| Area / Contract | Average | Avg. % |
|---|---|---|
| Unincorporated (HQ) | 4241 | 41.74% |
| Cupertino | 2251 | 22.15% |
| Transit Patrol | 1149 | 11.31% |
| Custody Bureau | 1020 | 10.04% |
| Saratoga | 795 | 7.82% |
| Unincorporated (West) | 230 | 2.26% |
| Los Altos Hills | 219 | 2.16% |
| Superior Court | 161 | 1.59% |
| Parks | 94 | 0.93% |

*Caseload averages are calculated based on a three-year analysis of all cases and reports using the fiscal year calendar. This three-year averaging approach provides cities with predictable costs for investigative and records services, minimizing the impact of annual fluctuations in caseload/workload.*

# Old Methodology Overview

1

Direct Staff – Annual Salaries & Benefits → Direct Staff – Salaries & Benefits per Productive Hour

+

**Direct Costs**

Total Patrol Car Cost → Divided by Total Service Hours → Patrol Car Cost per Hour

+

Total Communication Dispatch Services Costs (West Valley Patrol) → Divided by Total Service Hours → Communication Dispatch Cost per Productive Hour

+

Total Salaries & Benefits for Supporting Staff and Services and Supplies (West Valley Patrol) → Divided by Total Annual Service Hours → Communication Dispatch Cost per Productive Hour

+

**Indirect Costs**

Divided by Total Number of Employees Supported by Activities

Divided by Annual Productive Hours

Personnel and Training Division Total Costs → Personnel & Training Division Cost per Employee → Personnel & Training Division Cost per Productive Hour

+

Fiscal Division Total Costs → Fiscal Division Cost per Employee → Fiscal Division Cost per Productive Hour

+

Info Systems Total Costs → Info Systems Cost per Employee → Info System Cost per Productive Hour

+

Records Division Shared Costs (based on Usage) → Records Division Cost per Employee → Record Divisions Cost per Productive Hour

=

**Contract Hourly Rate**

2

## Contract Costs

**General Law Enforcement Service Costs** = **Contract Hourly Rate** × **Contract Hours**

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**Supplemental Service Costs** = **Contract Hourly Rate** × **Contract Hours**

\+

**Investigative Services** = **Contract Hourly Rate** × **Contract Hours**

\+

**Traffic Sergeant** = **Contract Hourly Rate** × **FTE Hours**

\+

**School Resources Officer** = **Contract Hourly Rate** × **FTE Hours**

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**Total Costs vs. Total Capped Costs**

# Methodology Changes

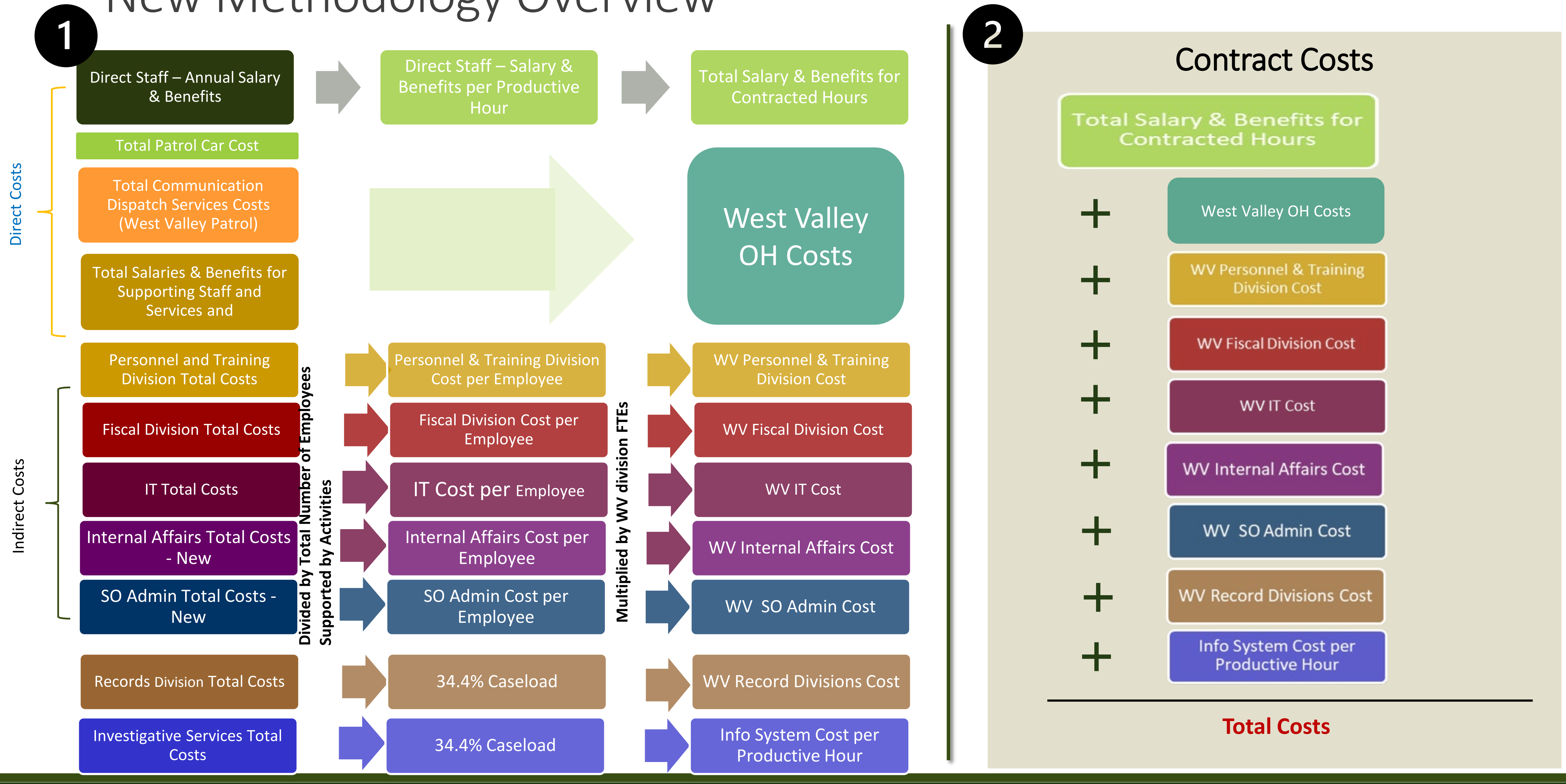
## OLD METHODOLOGY

1. **Productive hours** = **1,820** hours
2. **Salary & Benefits Cost** – increase capped by lesser of CPI +2% or Percentage increase
   - Deputy Sheriff – capped hourly rate **$165.39**
3. **Allocated Records Service** – 20.1% of $9.3M or $1.9M
   - Records division costs exclude countywide allocated costs
4. **Investigative Service Costs** – based on captured hours performed directly by assigned staff - $2.3M

## NEW METHODOLOGY

1. **Productive hours** = **1,634** hours → **11.4% change**
2. **Salary & Benefits Cost** – current costs
   - Deputy Sheriff - actual hourly cost: **$181.33** → **9.6% higher**
3. **Allocated Records Service** – 34.4% of $10.4M or $3.6M
   - Records division costs include countywide allocated costs
4. **Investigative Service Costs** – allocated based on caseload performed by all staff – 34.4% of $18.8M or $6.45M

# New Methodology Overview



# New Methodology – Contract Costs

1

Direct Costs

| | | |
|---|---|---|
| Direct Staff – Annual Salary & Benefits **$301,150 / FTE** | $184.30 / hour | **$18,807,446** |
| Total Patrol Car Cost **$1,794,430** | | |
| Total Communication Dispatch Services Costs (West Valley Patrol) **$4,118,667** | | West Valley OH Costs **$14,037,981** |
| Total S & B for Supporting Staff and Services and Supplies **$8,124,884** | | |

Indirect Costs

Indirect Costs

**Divided by Total Number of Employees Supported by Activities**

**Multiplied by WV division FTEs**

| | | |
|---|---|---|
| Personnel and Training **$19,222,585** | **$12,047 / Employee** | **$1,064,876 (5.54%)** |
| Fiscal Division **$5,547,296** | **$3,390 / Employee** | **$301,686 (5.44%)** |
| IT Total Costs **$18,384,779** | **$11,234 / Employee** | **$999,845 (5.44%)** |
| Internal Affairs **$4,683,289** | **$2,862 / Employee** | **$254,698 (5.44%)** |
| SO Admin **$5,652,114** | **$4,490 / Employee** | **$399,587 (7.07%)** |

Support Services

| | | |
|---|---|---|
| Records Division **$10,415,557** | **34.4% Caseload** | **$3,582,558** |
| Investigative Services **$18,832,702** | **34.4% Caseload** | **$6,477,738** |

**Total Costs = $27,118,968**

# Rates Comparison

Fiscal Year 2025-2026 Rates

| | New Methodology | Old Methodology | Rate Per Contract Cap | Difference | % Change |
|---|---|---|---|---|---|
| Cupertino | $25,239,933 | $18,974,765 | $18,922,370 | $6,317,563 | 32% |
| Los Altos Hills | $3,291,279 | $2,755,266 | $2,763,641 | $527,638 | 18% |
| Saratoga | $11,363,726 | $8,996,005 | $8,982,245 | $2,381,481 | 25% |
| Unincorporated Area | $6,582,344 | $4,828,663 | $4,856,268 | $1,726,077 | 34% |
| **Total** | **$46,477,283** | **$35,554,699** | **$35,524,524** | **$10,952,759** | **29%** |

# Productive Hours

| | Hours |
|---|---|
| Working hours per calendar year | 2,088.0 |
| Vacation Hours Earned | (216.0) |
| Sick Leave Hours Earned | (64.0) |
| Holiday Hours (13 days) | (104.0) |
| Mandatory Training | (60.0) |
| Other Trainings | (10.0) |
| Bereavement Leave (up to 16 hours not charged to bank) | |
| Paid Admin Leave | |
| Military Leave | |
| **Productive Hours** | **1,634.0** |

# Summary of Benefit Rates FY2025-226

| Description | Rate | Note |
|---|---|---|
| Retirement (Sworn/DSA) ER Share | 59.420% | Percentage of retirement eligible earnings |
| Retirement (Non-sworn Management/CEMA) ER Share | 21.249% | Percentage of retirement eligible earnings |
| Retirement (Non-Sworn 521) ER Share | 28.739% | Percentage of retirement eligible earnings |
| Retiree Health Insurance – OPEB | $9,231 | Annually per employee |
| Health Insurance | $27,176 | Annually per employee |
| Deferred Comp Expense | $20 | Annually per employee |
| Workers' Compensation | 3.741% | Percentage of applicable earnings |
| F.I.C.A. | 6.20% | Percentage of applicable earnings |
| Unemployment Insurance | 0.067% | Percentage of applicable earnings |
| Uniform Allowance | $1,235 | Annually per sworn employee |
| Medicare Tax | 1.45% | Percentage of applicable earnings |

# Resources

1. Basic Salary Plan
2. Adoption of Salary Ordinance No. NS-5.22.151
3. Memorandum of Understanding with the Deputy Sheriffs' Association of Santa Clara County for period October 27, 2025 through September 9, 2029