

File No. 110812

Committee Item No. 5
Board Item No. 25

COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: July 27, 2011

Board of Supervisors Meeting

Date 8/2/11

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|----------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget & Legislative Analyst Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ethics Form 126 <i>NA</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | *Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |

OTHER

(Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Victor Young

Date: July 22, 2011

Completed by: Victor Young

Date: 7-28-11

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Contract Amendment - Cypress Security, LLC – Security Services - an Additional
2 ~~\$18,700,000~~ \$17,100,000

3 **Resolution authorizing the San Francisco Municipal Transportation Agency to amend**
4 **an expenditure contract with Cypress Security, LLC, to add an additional \$18.7 million**
5 **\$17,000,000 to continue security services for an additional three years.**

6
7 WHEREAS, Charter Section 9.118 requires the Board of Supervisors to approve
8 contracts, and amendments to contracts, having anticipated expenditures of ten million dollars
9 or more or the modification of such a contract having expenditures of more than five hundred
10 thousand dollars; and,

11 WHEREAS, In 2008, The Board of Supervisors approved Resolution No. 372-08
12 authorizing a three-year agreement with Cypress Security, LLC with an option to renew the
13 contract for up to an additional three years for an amount not to exceed \$15.8 million; and,

14 WHEREAS, Because the Third Amendment to the contract modifies the original
15 contract amount by more than \$500,000, it requires approval by the Board of Supervisors
16 pursuant to Charter section 9.118; and,

17 WHEREAS, Since the Contractor has been performing the contracted services,
18 SFMTA management has determined that the services provided so far are satisfactory, in
19 compliance with the Agreement, and within the allocated costs of the approved contract's
20 budget; and,

21 WHEREAS, The SFMTA wishes to exercise its option to add an additional \$18.7 million
22 to continue security services for an additional three years for a total contract amount not to
23 exceed ~~\$34.5~~ \$32.9 million; now, therefore, be it

1 RESOLVED, That pursuant to Charter Section 9.118, the San Francisco Board of
2 Supervisors authorizes the SFMTA to amend the Cypress Security, LLC Contract to add an
3 additional ~~\$18.7~~ \$17.1 million to continue security services for an additional three years for a
4 total contract amount not-to-exceed ~~\$34.5~~ \$32.9 million.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Item 5
File 11-0812

Department:
San Francisco Municipal Transportation Agency (SFMTA)

EXECUTIVE SUMMARY

Legislative Objective

- Resolution approving the Third Amendment to the existing three-year contract between the San Francisco Municipal Transportation Agency (SFMTA) and Cypress Security for armed and unarmed security services. The proposed Third Amendment would (a) exercise the three-year option to extend the contract from September 1, 2011 through August 31, 2014, and (b) increase the total not-to-exceed contract amount by \$18,700,000, from a not-to-exceed amount of \$15,800,000 to a not-to-exceed amount of \$34,500,000.

Key Points

- Cypress Security currently provides armed and unarmed security services for SFMTA under an existing three-year agreement. The agreement commenced on September 1, 2008 and expires on August 31, 2011, in an amount not-to-exceed \$15,800,000. Under the existing agreement, Cypress Security provides: (a) armed guard services for SFMTA Revenue Operations personnel collecting fare box revenues and (b) unarmed guard services for SFMTA shops, facilities, offices, and property located throughout San Francisco.
- The existing contract contains an annual cost of living adjustment of \$0.88 per billable hour that would continue for the next three years.

Fiscal Impact

- The original contract budget of \$15,742,693 included \$14,311,539 for salaries and a contingency amount of 10 percent or \$1,431,154. Total actual projected expenditures under the existing three-year contract from September 1, 2008 through August 31, 2011 are \$14,343,736.
- The proposed three-year extension would increase the not-to-exceed contract amount by \$18,700,000, from a not-to-exceed contract amount of \$15,800,000 to a not-to-exceed contract amount of \$34,500,000. The three-year extension provides for new and increased security services including: (a) the addition of Video Data Assistants responsible for accessing video from station cameras and buses in order to assist the Police Department (SFPD) and SFMTA with time sensitive investigations (b) new Mobile Tunnel Patrols to deter graffiti, theft, and other crimes in the SFMTA tunnels; and (c) additional staffing at Muni Metro East, which was not fully operational when the current contract was first established in 2008. These new and increased services are partially offset by other service reductions.
- Total contract expenditures over the six-year term of the contract from September 1, 2008 through August 31, 2014, including contingencies, are estimated at \$32,900,000, or \$1,600,000 less than the original not-to-exceed amount of \$34,500,000.
- Amend the proposed resolution to reduce the requested total not-to-exceed contract amount of \$34,500,000 by \$1,600,000 for a total not-to-exceed contract amount of \$32,900,000.
- Approve the proposed resolution as amended.

MANDATE STATEMENT & BACKGROUND**Mandate Statement**

In accordance with Charter Section 9.118, any amendment of over \$500,000 to an agreement over \$10,000,000 in anticipated expenditures is subject to Board of Supervisors approval.

Background

On July 22, 2008, based on a competitive bidding process, the San Francisco Municipal Transportation Agency (SFMTA) entered into a new three-year contract with Cypress Security to provide armed and unarmed security services at a cost not-to-exceed \$15,800,000. The term of the contract is September 1, 2008 through August 31, 2011. The Board of Supervisors approved the contract (Resolution No. 372-08) on August 12, 2008. The existing contract specifies that Cypress Security is responsible for (a) armed guard services for SFMTA Revenue Operations personnel collecting fare box revenues and (b) unarmed guard services for SFMTA shops, facilities, offices, and property at various SFMTA locations throughout San Francisco. The unarmed services include monitoring video feeds from SFMTA stations at night and maintaining video recordings from all of the bus lines. Cypress Security currently operates 24 hours a day, seven days a week, with a total of 97 staff.

The budget for the existing contract includes (a) salaries, (b) a 10 percent contingency, and (c) a yearly cost of living adjustment of \$0.88 per hour for all billable hours. The existing agreement, as previously approved by the Board of Supervisors, included an option to renew the contract for up to an additional three years from September 1, 2011 through August 31, 2014, which is the subject of this proposed resolution.

There have been two amendments to the original contract. The first amendment made adjustments (increases) to salaries for some of the positions but did not change the not-to-exceed contract amount of \$15,800,000. Therefore, Board of Supervisors approval was not required. The second amendment was a technical adjustment to the language of Appendix A, Section 8.A "Contractor Responsible for Personnel" that allowed Cypress Security to subcontract guard services with approval from the SFMTA. There were no increased costs to the second amendment and therefore Board of Supervisors approval was not required.

The proposed Third Amendment would authorize the execution of the three year extension per the terms of the existing contract.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize SFMTA to:

1. Execute the three-year option included in the existing contract between the SFMTA and Cypress Security, as previously approved by the Board of Supervisors, to extend the existing contract with Cypress Security from September 1, 2011 through August 31, 2014; and

2.I increase the existing authorized not-to-exceed contract amount of \$15,800,000 by \$18,700,000 to a total not-to-exceed contract amount of \$34,500,000 over the six-year term of the contract from September 1, 2008 to August 31, 2014.

FISCAL IMPACTS

The existing contract has a not-to-exceed amount of \$15,800,000 for three years. The original contract budget included salaries and a contingency of 10 percent. According to Ms. Joy Houlihan, SFMTA Deputy Director of Security and Enforcement, the total projected actual contract expenditures from September 1, 2008 through August 31, 2011 are \$14,343,736.

Under the proposed Third Amendment, the three-year extension would increase the existing total not-to-exceed contract amount of \$15,800,000 by \$18,700,000, for a total not-to-exceed contract amount for the six-year term of the contract from September 1, 2008 through August 31, 2014 to \$34,500,000 (\$15,800,000 plus \$18,700,000).

The proposed budget for the three-year extension is as follows:

Calendar Year	Total Hours to be provided by Cypress Security	Total Estimated Costs
2011 ¹	66,935	\$1,765,150
2012	200,742	5,470,281
2013	200,742	5,646,933
2014 ²	133,835	3,882,293
Subtotal	602,254	16,764,657
11.5 % Contingency		1,935,343
Total Contract Amount		\$18,700,000

¹ September 1, 2011 through December 31, 2011

² January 1, 2014 through August 31, 2014

The proposed three-year extension for the requested increased amount of \$18,700,000 is \$2,900,000 more than the current not-to-exceed three-year contract amount of \$15,800,000 due to the following:

- Annual increased billing rates due to the \$0.88 per billable hour cost of living adjustment. As noted above, the original contract and the proposed three-year contract extension provide an annual cost of living increase of \$0.88 per billable hour¹.
- An increase in the contingency percentage from 10 percent to 11.5 percent. According to Ms. Houlihan, the contingency is being increased to provide more flexibility for future service changes.

¹ According to Ms. Houlihan, the \$0.88 per billable hour cost of living adjustment is required by the labor contract between Service Employees International Union (SEIU) Local 24-7 and six security companies, including Cypress Security.

- Cypress Security will also be providing new and increased security services including (a) the addition of Video Data Assistants responsible for accessing video from station cameras and buses to assist SFPD and SFMTA with time sensitive investigations (b) new Mobile Tunnel Patrols to deter graffiti, theft, and other crimes in the SFMTA tunnels; and (c) additional staffing at Muni Metro East, which was not fully operational when the current contract was first established in 2008. These new and increased services are partially offset by various service reductions, including (a) deletion of the security guard assigned to the Cable Car Museum; (b) reduction of the Graffiti Supervisor position; (c) reduced hours for Armed Supervisors; and (d) reallocation of other security guard positions from General Patrol to Tunnel Patrol.

Based on the actual projected contract expenditures from September 1, 2008 through August 31, 2011 and the requested contract budget from September 1, 2011 through August 31, 2014, the projected authorized need for the contract is \$32,900,000 or \$1,600,000 less than the requested \$34,500,000 as shown in the following table:

	Contract Not-to-Exceed Amount	Projected Actual Expenditures
Original Three-Year Contract	\$15,800,000	\$14,343,736
Proposed Three Year Contract Extension Amount for Salaries	16,764,657	16,764,657
Proposed Contingency	1,935,343*	1,791,607**
Total Contract Not-to-Exceed Amount	\$34,500,000	\$32,900,000

*Based on a contingency of 11.5 percent

**Based on a contingency of 10.7 percent

Ms. Houlihan has concurred with the Budget and Legislative Analyst that, based on the total projected expenditures of \$32,900,000 from September 1, 2008 through August 31, 2014, the requested total not-to-exceed contract amount of \$34,500,000 should be reduced by \$1,600,000 to a total not to exceed contract amount of \$32,900,000.

RECOMMENDATIONS

1. Amend the proposed resolution to reduce the requested total not-to-exceed contract amount of \$34,500,000 by \$1,600,000 to a total not-to-exceed contract amount of \$32,900,000.
2. Approve the proposed resolution as amended.

MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. 11-095

WHEREAS, The SFMTA collects more than \$230 million in annual revenue from transit fares, citation payments and sales of various fare media and has more than 15 facilities throughout the city, including transit stations, vehicle storage yards and service centers; and

WHEREAS, The 2008 Request for Proposals issued by the SFMTA for Armed and Unarmed Security Services indicates that the maximum contract period would not exceed more than six years and that the SFMTA would have an option to extend the original three year contract term for a period not to exceed three additional years; and

WHEREAS, The SFMTA conducted a competitive procurement process, and selected Cypress Security, LLC to enter into an agreement to perform armed and unarmed security services for the SFMTA; and

WHEREAS, The original contract is a three-year term from September 1, 2008 to August 31, 2011; and

WHEREAS, The original not-to-exceed contract amount is \$15.8 million; and

WHEREAS, The Board of Supervisors approved Resolution No. 372-08 authorizing a three-year agreement with Cypress Security, LLC with an option to renew the contract for up to an additional three years for an amount not to exceed \$15.8 million; and

WHEREAS, Because the Third Amendment modifies the original contract amount by more than \$500,000, it requires approval by the Board of Supervisors pursuant to Charter section 9.118; and

WHEREAS, The First Amendment was executed on September 1, 2008; to update the hourly rates for certain types of security service; and

WHEREAS, The Second Amendment was executed on June 8, 2010 to modify the Appendix A, Section 8.A (Contractor Responsible for Personnel), and

WHEREAS, The Contractor has been performing the contracted services, SFMTA management has determined the services provided so far is satisfactory and in compliance with the Agreement, and the cost has been within the approved contract budget; and

WHEREAS, The SFMTA wishes to exercise the option to extend the current contract for additional three years with a total contract amount not to exceed \$34.5 million; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors recommends that the San Francisco Board of Supervisors approve the Third Amendment to the Armed and Unarmed Security Services Agreement with Cypress Security, LLC for a total contract amount not to exceed \$34.5 million and an additional three-year term to continue to provide security services at SFMTA facilities.

I hereby certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of JUN 28 2011

R. Boomer

Secretary, Municipal Transportation Agency Board

Edwin M. Lee | Mayor

Tom Nolan | Chairman

Jerry Lee | Vice-Chairman

Leona Bridges | Director

Cheryl Brinkman | Director

Malcolm Heinicke | Director

Bruce Oka | Director

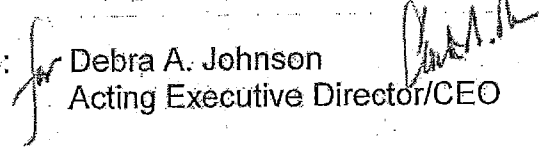
Joél Ramos | Director

Debra A. Johnson | Acting Executive Director/CEO

MEMORANDUM

Date: July 7, 2011

To: Honorable Members of the San Francisco Board of Supervisors

From:  Debra A. Johnson
Acting Executive Director/CEO

Subject: Request for Approval of Amendment Three to the SFMTA Armed and Unarmed Security Guards Services Agreement with Cypress Security, LLC.

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors approve Amendment Three to the Agreement for the Armed and Unarmed Security Guards Services with Cypress Security, LLC. This amendment will extend the agreement for three years at an additional \$18.7 million, with a total contract term of no more than six years as advertised in the RFP and a total contract amount not to exceed \$34.5 million.

The Third Amendment modifies the original contract amount by more than \$500,000, therefore, it requires approval by the San Francisco Board of Supervisors pursuant to Charter section 9.118.

Background

The SFMTA collects more than \$230 million in annual revenue from transit fares, citation payments and sales of various fare media at more than 15 facilities throughout the city, including transit stations, vehicle storage yards and service centers. These facilities require the services of security guards to act as a first deterrent for inappropriate activities and for the safety of SFMTA personnel, the protection of SFMTA property and the public, and to guard against vandalism. All security-related services are managed by the Deputy Director of Enforcement and Security, with the assistance of a security guard services contractor who provides personnel for various security-related functions.

Original Scope of Services

The original contract with Cypress Security, LLC is for a three-year contract term, expiring on August 31, 2011, with a not-to-exceed contract amount of \$15.8 million.

The original scope of services encompasses approximately 98,336 hours of unarmed guard services and 43,125 of armed guard services annually. In addition, 28,736 hours have been estimated for video surveillance and other miscellaneous security administrative tasks, and 7,500 hours is estimated for both Observers Programs. Since the contract commencement, the security service hours performed by the contractor in each calendar year are as follows:

- 59,387 hours in the last four months of 2008 (September to December);
- 198,743 hours in calendar year 2009;
- 189,634 hours in calendar year 2010; and
- 202,102 estimated hours in calendar year 2011 (eight months from January to August).

Contractor Performance

The current contractor, Cypress Security LLC, has provided outstanding services under the agreement. Their staff maintains a cooperative, responsive attitude when dealing with issues encountered. They have assisted and responded to last minute service calls with much needed attention to details, and have always made themselves available for unplanned security requests. The supervisory team is excellent, and the account manager works effectively as a liaison between the SFMTA and his own company executives and operational staff. Cypress has reduced revenue yard graffiti incidents on properties (buses, LRVs and historical street cars) by 99 percent through their nightly patrol strategies.

Cypress has assisted with all SFMTA needs throughout the contract term while costs have remained approximately \$1 million under budget. Cypress has seamlessly resolved problems and issues as required by the contract. The company has accepted all responsibility for resolving problems within its scope of services and implemented corrective actions quickly.

Proposed Modifications

In order to save administrative costs and maintain the current security service level without interruption, the SFMTA decided to exercise the three-year contract extension option contained in the original 2008 Request For Proposals and later authorized by the San Francisco Board of Supervisors Resolution 372-08. The RFP provides that the contract resulting from the RFP may be extended, in whole or in part, for a period or periods which may not cumulatively exceed three years by mutual agreement in writing. The maximum contract period shall not be more than six years. The San Francisco Board of Supervisors Resolution No. 372-08 authorizes a three-year agreement at an amount not to exceed \$15.8 million with Cypress Security, LLC, plus an option to renew the contract for up to additional three years.

Amendment Three will enhance the security service and improve the coverage and the availability of the services. The main changes proposed in Amendment Three are:

1. Extending the contract term from August 31, 2011 to August 31, 2014, for a total contract term not to exceed six years;
2. Adding an additional \$18.7 million with an additional three-year contract extension period, for a total contract amount not to exceed \$34.5 million;
3. The hourly rate in the extended three-year contract reflects the \$0.88 per hour annual rate increase per the SFMTA's Agreement with Cypress Security, LLC;
4. Adding a new badge clerk to perform much needed badging service for the agency.

For the next three-year contract period, if the contract is extended, the service hours for some security services will be adjusted based on the actual services needed, e.g. some security services have been discontinued and some new security services will be added. Because an annual cost of living adjustment (\$0.88 per hour increase) is required in the SFMTA's agreement with Cypress Security, LLC, and is in the labor agreement between the SCIU Local 24-7 and six security companies in which Cypress is one of the signatories, the total contract budget for the three-year contract extension will be increased, if compared to the original three year period, by approximately 18.35 percent ($\$18.7 \text{ million} - \$15.8 \text{ million} = \$2.9 \text{ million}$, $\$2.9 \text{ million} \div \$15.8 \text{ million} = 18.35\%$), for a total contract amount not to exceed \$34,500,000.

Exhibit A consisting of Tables 1 through Table 4 as taken from Appendix A of the Amendment Three to the Agreement, and beginning on page 6 of this memo, provides the annual service hours per service category. Appendix B starting on page 12 of the this memo provides the detail regarding both the annual cost of living increases by calendar year and by fiscal year for the additional three-year period.

Based on the estimated hours of services, the annual cost of living increases for respective service categories are as follows:

- Armed Services 31,274 hours/year (see Table 1 of Exhibit A) with a rate increase of \$0.88 per hour for a total annual labor cost increase of \$27,521.
- Unarmed Services 123,968 hours/year (see Table 2 of Exhibit A) with a rate increase of \$0.88 per hour for a total annual labor cost increase of \$109,091.
- Supervisory service 24,544 hours (see Table 3 of Exhibit A) and miscellaneous services 20,956 hours/year (see Table 4 of Exhibit A), a total of 45,500 hours/year with a rate increase of \$0.88 per hour for a total annual increase of \$40,040.

Therefore, the total annual increase due to cost of living adjustment for the above four categories is \$176,652 ($\$27,521 + \$109,091 + \$40,040$) per year, and the total increase for the additional three-year term is \$529,956 ($\$176,652 \times 3 = \$529,956$).

This annual increase of \$176,652 means an increase of 3.3 percent based on the total 2012 salary level. Just for comparison, the consumer price index (CPI) for the periods 2008 through 2010 increased by 4.2 percent annually.

The not-to-exceed amount in the original three-year term of the agreement is \$15.8 million while the additional three-year contract extension is \$18.7 million. The \$2.9 million dollar increase is due to the following factors:

- Approximately \$530,000 for cost of living rate increases.
- Approximately \$1.9 million for adding 11.5 percent contingency to be used for unplanned services in response to emergency conditions as approved by the SFMTA. (see Appendix B)
- Approximately \$400,000 for added new security services including a badging clerk, ADA Coordinator, and other miscellaneous services (See the Security Guard Service Hours Comparison Chart).

Local Business Enterprise (LBE) Subcontracting Goal

The original Agreement has a 5 percent Local Business Enterprise (LBE) subcontracting goal. The vendors currently performing the LBE subcontracting portion of the work under this agreement are:

- Schwiff Levy Polo (accounting services)
- Banner Uniform Center (supplier of uniforms)
- KSH Automotive (automotive maintenance and repairs)
- Black Bear Security Services (security services)

The contract requirement in the initial contract prohibited the prime contractor from subcontracting out the security portion of the work. Because of this restriction, a goal of 5 percent was determined based on the non-security items. The Contractor is currently working towards meeting the 5 percent LBE subcontracting goal. The SFMTA recently permitted Cypress to utilize the security scope of work to meet the Local Business Enterprises Participation Goal. The allowance of the security services being subcontracted out changed the assessment criterion of LBE Participation Goal which has now been identified to be 15 percent for Amendment Three to the Agreement.

As such, the Local Business Enterprise (LBE) Subcontracting Goal has been revised from 5 percent for the original three-year contract to 15 percent for the extended three-year contract. This contract extension allows subcontracting opportunities for LBEs with respect to the security scope of work.

Alternative Considered

The alternative of issuing a new Request for Proposals instead of extending the current agreement was considered. However, this alternative was determined to not be in the best interest of the Agency primarily due to a lengthy and costly RFP process.

The extension of the current agreement was determined to be the best option. The current agreement has the option to extend the agreement for an additional three years as stated in the originally solicited RFP and BOS Resolution No. 372-08. Extending the current agreement also has the advantage of using predetermined wage rates with an \$0.88 per hour cost of living increase annually. Issuing a new RFP would not necessarily guarantee lower wage rates or a lower cost of living increase.

The Third Amendment increases the original contract amount by more than \$500,000, therefore, it requires approval by the San Francisco Board of Supervisors pursuant to Charter section 9.118.

Budget

The operating funds required for the operations/maintenance of the security services are budgeted in the Safety, Training, Security and Enforcement division's annual budget. The current expenditure for this agreement is approximately one million dollars under budget. An additional \$600,000 will need to be budgeted above the current budgeted amount for FY2012.

Budgets versus actual costs for the first three fiscal years under the original three contract years are as follows:

- FY 2009 (10 months): Budgeted \$ 4.5 million; actual cost \$ 3.877 million;
- FY 2010 (12 months): Budgeted \$ 4.1 million; actual cost \$ 4.955 million;
- FY 2011 (12 months): Budgeted \$ 4.3 million; actual cost \$ 4.700 million;

Recommendation

SFMTA recommends that the San Francisco Board of Supervisors authorize the Executive Director/CEO of the SFMTA to execute the Amendment Three to the Agreement between the SFMTA and Cypress Security LLC for a three-year contract term extension at a total contract amount not to exceed \$34,500,000 and a total contract term not-to-exceed six years.

Appendix A to Amendment Three–Security Service Hour Tables (in calendar year)

Table 1

<i>Armed Services Assignments</i>	# of staff needed	Hours/Day	Days/Week	Days/ Month	Hours/ Month	Weeks/Year	Notes	Total Hours/year
AM, Power & Market Kiosk: Protective Detail	1	8	7	30	242.6	52		2912
PM, Power & Market Kiosk: Protective Detail	1	8	7	30	242.6	52		2912
AM, Hyde & Beach Kiosk: Protective Detail	1	8	7	30	242.6	52		2912
PM, Hyde & Beach Kiosk: Protective Detail	1	8	7	30	242.6	52		2912
AM, Presidio Kiosk: Protective Detail	1	8	7	30	242.6	52		2912
PM, Presidio Kiosk: Protective Detail	1	8	7	30	242.6	52		2912
AM, Portsmouth Square Kiosk: Protective Detail	1	8	N/A	3	24	12		288
Subway Collection, weekday, PM 1- collect revenue; 1-stay with vehicle	2	16	5	n/a	346.6	52		4,160
Subway Collection, Saturday PM 1- collect revenue; 1-stay with vehicle	2	8	1	n/a	34.6	52		416
Subway Collection, Sunday PM 1-1 collect revenue; 1-stay with vehicle	2	8	1	n/a	34.6	52		416
PM CUBIC collection from divisions	1	8	6	n/a	208	52		2,496
AFC – Clipper Protective Detail	2	12	4	n/a	208	52		2,496
SFMTA Payroll Check Escort ¹	1	3	n/a	n/a	n/a	26		78

Armed Services Assignments	# of staff needed	Hours/Day	Days/Week	Days/Month	Hours/Month	Weeks/Year	Notes	Total Hours/year
Lunch break Relief - Weekday	2	6	5	n/a	130	52		1,560
Lunch Break Relief - Saturday	1	8	1	n/a	34.6	52		416
Lunch Break Relief - Sunday	1	8	1	n/a	34.6	52		416
Baseball	2	10	n/a	n/a	n/a	n/a	86 games per year	860
Special Event Coverage	n/a	n/a	n/a	n/a	n/a	n/a		200
TOTAL								31,274

Note: SFMTA Payroll Check Escort¹: estimated at 3 hours per every other week, 26 week per year.

If "# of staff needed" is more than 1, then the "hours/day" reflects the total hours for all the staff.

The total cost of living increase for armed service for 12-month calendar year is $\$0.88 \times 31,274 = \$27,521$.

Table 2

Unarmed Guard Services Assignments	Site	# of staff needed	Hours/Day weekdays (x 5 days)	Hours/weekends (x 2 days)	Total hours weekly	Days/Week	Weeks/year	Notes	Total Hours/Year
General Patrol	Geneva	1	8	24	88	n/a	52	Weekday shifts are 9pm to 5am; weekends run 5am Saturday to 5am Monday, unless indicated otherwise.	4,576
Front and Back Gate	Green	2	16	48	176	n/a	52		9,152
23rd Street	Woods	1	8	24	88	n/a	52		4,576
Tubbs	Woods	1	8	24	88	n/a	52		4,576
Front Door	Flynn	1	8	24	88	n/a	52		4,576
Back Gate	Presidio	1	8	24	88	n/a	52		4,576
Front Gate/Building	Presidio	2	16	16	112	n/a	52		5,824
Upper Yard	Potrero	1	8	8	56	n/a	52		2,912
Lower Yard-house	Potrero	1	8	24	88	n/a	52		4,576
Secondary Gate	Kirkland	1	8	8	56	n/a	52		2,912
Primary Gate	Kirkland	1	6-22	24-30	116	n/a	52	Weekday Hours vary	6,032
Revenue Tower Guard	1SVN	3	24	24	168	7	52		8,736
General Patrol	Marin	3	8	24	168	7	52		8,736
Customer Services Center	11 South Van Ness Ave.	2	16	n/a	80	5	52		4,160
Patrol/Gate	Metro East	9	72	72	504	7	52		26,208

Unarmed Guard Services Assignments	Site	# of staff needed	Hours/Day (x 5 days)	Hours/weekends (x 2 days)	Total hours weekly	Days/Week	Weeks/year	Notes	Total Hours/Year
Video Surveillance Console	Metro East	6	48	48	336	7	52		17,472
Special Events ¹		10	n/a	n/a	n/a	n/a	n/a		400
Tunnel Mobile Patrol	Various	1	8	8	56	7	52		2,912
SFMTA Pass Distribution ²	Safeway	1	n/a	n/a	n/a	n/a	12		48
SFMTA Pass Distribution ³	Muni	3	n/a	n/a	n/a	n/a	24		504
SFMTA Pass Distribution ⁴	RTC	3	n/a	n/a	n/a	n/a	24		504
TOTAL									123,968

Note: Special Event¹, SFMTA Pass Distribution Safeway², SFMTA Pass Distribution Muni³, SFMTA Pass Distribution RTC⁴ will have variable service hours depending on the needs at the time of service. The Total Hours/Year for each service is an estimated not-to-exceed total annual amount.

If "# of staff needed" is more than 1, then the "hours/day" reflects the total hours for all the staff.

The total cost of living increase for unarmed service for 12-month calendar year is \$0.88 x 123,968 = \$109,091

Table 3

Supervisor Assignments	# of staff needed	hours/day	Days/Week	Weeks/year	Total hours/year
Security Console Supervisor	3	24	5	52	6,240
Security Console (weekend)	3	24	2	52	2,496
Armed Supervisor (M-F)	2	16	5	52	4,160
Field Supervisor	3	24	7	52	8,736
Mobile Patrol Supervisor	1	8	7	52	2,912
TOTAL					24,544

Note: If "# of staff needed" is more than 1, then the "hours/day" reflects the total hours for the total number of staff.

The total cost of living increase for supervisor assignments for 12-month calendar year is $\$0.88 \times 24,544 = \$21,599$.

Table 4

Miscellaneous Assignments	No. Staff	Hours/Day	Days/Week	Weeks/Year	Hours/Year
Administrative Support	1	8	5	52	2,080
Account Manager	1	9	5	52	2,340
Operations Coordinator	1	8	5	52	2,080
Security Courier	1	8	5	52	2,080
ADA Observers	2	3	5	52	1,560
Video Data Assistance	3	8	7	52	8,736
Badging Clerk	1	8	5	52	2,080
TOTAL					20,956

Note: If "# of staff needed" is more than 1, then the "hours/day" reflects the total hours for all the staff.

The total cost of living increase for miscellaneous assignments for 12-month calendar year is $\$0.88 \times 20,956 = \$18,441$.

The total cost of living increase for supervisor assignments and miscellaneous assignments for 12-month calendar year is $\$21,599 + \$18,441 = \$40,040$.

Appendix B to Amendment Three
 Calculation of Charges (in calendar year)

Category	Bill Rate (2011)	Total Hours	Cost	Bill Rate (2012)	Total Hours	Cost
Account Manager	\$38.31	781	\$29,920.11	\$39.19	2,340	\$91,704.60
ADA Observers	\$24.34	526	\$12,802.84	\$25.22	1,560	\$39,343.20
Administrative Support	\$33.24	696	\$23,135.04	\$34.14	2,080	\$71,011.20
Armed Security Officers	\$27.70	10,424	\$288,744.80	\$28.58	31,274	\$893,810.92
Armed Supervisors	\$31.79	1,392	\$44,251.68	\$32.67	4,160	\$135,907.20
Console Officers	\$28.83	8,736	\$251,858.88	\$29.71	26,208	\$778,639.68
Courier	\$33.24	696	\$23,135.04	\$34.14	2,080	\$71,011.20
Field Supervisors	\$27.25	2,912	\$79,352.00	\$28.13	8,736	\$245,743.68
Mobile Patrol Unit	\$27.25	1,940	\$52,865.00	\$28.13	5,824	\$163,829.12
Operations Coordinator	\$26.37	696	\$18,353.52	\$27.25	2,080	\$56,680.00
SOC Supervisors	\$28.83	2,912	\$83,952.96	\$29.71	8,736	\$259,546.56
Unarmed Security Officers	\$24.02	31,616	\$759,416.32	\$24.90	94,848	\$2,361,715.20
Video Assistants	\$25.49	2,912	\$74,226.88	\$26.37	8,736	\$230,368.32
Badging Clerk	\$33.24	696	\$23,123.504	\$34.12	2,080	\$70,969.60
TOTAL		66,935	\$1,765,150.11		200,742	\$5,470,280.48

Category	Bill Rate (2013)	Total Hours	Cost	Bill Rate (2014)	Total Hours	Cost
Account Manager	\$40.07	2,340	\$93,763.80	\$40.95	1,560	\$63,882.00
ADA Observers	\$26.10	1,560	\$40,716.00	\$26.98	1,040	\$28,059.20
Administrative Support	\$35.02	2,080	\$72,841.60	\$35.90	1,386	\$49,757.40
Armed Security Officers	\$29.46	31,274	\$921,332.04	\$30.34	20,849	\$632,558.66
Armed Supervisors	\$33.55	4,160	\$139,568.00	\$34.43	2,774	\$95,508.82
Console Officers	\$30.59	26,208	\$801,702.72	\$31.47	17,472	\$549,843.84
Courier	\$35.02	2,080	\$72,841.60	\$35.90	1,386	\$49,757.40
Field Supervisors	\$29.01	8,736	\$253,431.36	\$29.89	5,824	\$174,079.36
Mobile Patrol Unit	\$29.01	5,824	\$168,954.24	\$29.89	3,882	\$116,032.98
Operations Coordinator	\$28.13	2,080	\$58,510.40	\$29.01	1,386	\$40,207.86
SOC Supervisors	\$30.59	8,736	\$267,234.24	\$31.47	5,824	\$183,281.28
Unarmed Security Officers	\$25.78	94,848	\$2,445,181.44	\$26.66	63,232	\$1,685,765.12
Video Assistants	\$27.25	8,736	\$238,056.00	\$28.13	5,824	\$163,829.12
Badging Clerk	\$35.00	2,080	\$72,800.00	\$35.88	1,386	\$49,729.68
TOTAL		200,742	5,646,933.44		133,825	\$3,882,292.72

Total Estimated Cost for Three-Year Contract Extension with 11.5% Contingency

Calendar Year	Hours	Cost
2011	66,935	\$1,765,150.11
2012	200,742	\$5,470,280.48
2013	200,742	\$5,646,933.44
2014	133,835	\$3,882,292.72
Total	602,244	\$16,764,656.75
11.5% Contingency		\$1,935,343.25
Grand Total		\$18,700,000.00

The billing rate for SFMTA approved overtime service hours is 150% of the regular hourly rate. The overtime cost is part of the 11.5% contingency estimate, except the overtime hours by the Customer Center employees which has been factored in the service hours listed in the above tables.

Total amended calculation of charges for the entire six-year contract

The cost for the first three contract years: **\$15,800,000.00**
 The cost for the three extended contract years: **\$18,700,000.00**
The total cost for the six-year contract term: \$34,500,000.00

Calculation of Charges (in Fiscal Year)

FY 2011-2012

Category	Bill Rate (9/2011-12/2011)	Service Hours	Cost	Bill Rate (1/2012-6/2012)	Service Hours	Cost
Account Manager	\$38.31	781	\$29,920.11	\$39.19	1,170	\$45,852.30
ADA Observers	\$24.34	526	\$12,802.84	\$25.22	780	\$19,671.60
Administrative Support	\$33.24	696	\$23,135.04	\$34.14	1,040	\$35,505.60
Armed Security Officers	\$27.70	10,424	\$288,744.80	\$28.58	15,637	\$446,905.46
Armed Supervisors	\$31.79	1,392	\$44,251.68	\$32.67	2,080	\$67,953.60
Console Officers	\$28.83	8,736	\$251,858.88	\$29.71	13,104	\$389,319.84
Courier	\$33.24	696	\$23,135.04	\$34.14	1,040	\$35,505.60
Field Supervisors	\$27.25	2,912	\$79,352.00	\$28.13	4,368	\$122,871.84
Mobile Patrol Unit	\$27.25	1,940	\$52,865.00	\$28.13	2,912	\$81,914.56
Operations Coordinator	\$26.37	696	\$18,353.52	\$27.25	1,040	\$28,340.00
SOC Supervisors	\$28.83	2,912	\$83,952.96	\$29.71	4,368	\$129,773.28
Unarmed Security Officers	\$24.02	31,616	\$759,416.32	\$24.90	47,424	\$1,180,857.60
Video Assistants	\$25.49	2,912	\$74,226.88	\$26.37	4,368	\$115,184.16
Badging Clerk	\$33.24	696	\$23,135.04	\$34.12	1,040	\$35,484.80
SUBTOTAL		66,935	\$1,765,150.11	SUBTOTAL	100,371	\$2,735,140.24
TOTAL HOURS FOR FY 2012		167,306		TOTAL COST FOR FY 2012		\$4,500,290.35

FY 2012-2013

Category	Bill Rate (7/2012-12/2012)	Service Hours	Cost	Bill Rate (1/2013-6/2013)	Service Hours	Cost
Account Manager	\$39.19	1,170	\$45,852.30	\$40.07	1,170	\$46,881.90
ADA Observers	\$25.22	780	\$19,671.60	\$26.10	780	\$20,358.00
Administrative Support	\$34.14	1,040	\$35,505.60	\$35.02	1,040	\$36,420.80
Armed Security Officers	\$28.58	15,637	\$446,905.46	\$29.46	15,637	\$460,666.02
Armed Supervisors	\$32.67	2,080	\$67,953.60	\$33.55	2,080	\$69,784.00
Console Officers	\$29.71	13,104	\$389,319.84	\$30.59	13,104	\$400,851.36
Courier	\$34.14	1,040	\$35,505.60	\$35.02	1,040	\$36,420.80
Field Supervisors	\$28.13	4,368	\$122,871.84	\$29.01	4,368	\$126,715.68
Mobile Patrol Unit	\$28.13	2,912	\$81,914.56	\$29.01	2,912	\$84,477.12
Operations Coordinator	\$27.25	1,040	\$28,340.00	\$28.13	1,040	\$29,255.20
SOC Supervisors	\$29.71	4,368	\$129,773.28	\$30.59	4,368	\$133,617.12
Unarmed Security Officers	\$24.90	47,424	\$1,180,857.60	\$25.78	47,424	\$1,222,590.72
Video Assistants	\$26.37	4,368	\$115,184.16	\$27.25	4,368	\$119,028.00
Badging Clerk	\$34.12	1,040	\$35,484.80	\$35.00	1,040	\$36,400.00
SUBTOTAL		100,371	\$2,735,140.24	SUBTOTAL	100,371	\$2,823,466.72
TOTAL HOURS FOR FY 2013		200,742		TOTAL COST FOR FY 2013		\$5,558,606.96

FY 2013-2014

Category	Bill Rate (7/2013-12/2003)	Service Hours	Cost	Bill Rate (1/2014-6/2014)	Service Hours	Cost
Account Manager	\$40.07	1,170	\$46,881.90	\$40.95	1,170	\$47,911.50
ADA Observers	\$26.10	780	\$20,358.00	\$26.98	780	\$21,044.40
Administrative Support	\$35.02	1,040	\$36,420.80	\$35.90	1,040	\$37,336.00
Armed Security Officers	\$29.46	15,637	\$460,666.02	\$30.34	15,637	\$474,426.58
Armed Supervisors	\$33.55	2,080	\$69,784.00	\$34.43	2,080	\$71,614.40
Console Officers	\$30.59	13,104	\$400,851.36	\$31.47	13,104	\$412,382.88
Courier	\$35.02	1,040	\$36,420.80	\$35.90	1,040	\$37,336.00
Field Supervisors	\$29.01	4,368	\$126,715.68	\$29.89	4,368	\$130,559.52
Mobile Patrol Unit	\$29.01	2,912	\$84,477.12	\$29.89	2,912	\$87,039.68
Operations Coordinator	\$28.13	1,040	\$29,255.20	\$29.01	1,040	\$30,170.40
SOC Supervisors	\$30.59	4,368	\$133,617.12	\$31.47	4,368	\$137,460.96
Unarmed Security Officers	\$25.78	47,424	\$1,222,590.72	\$26.66	47,424	\$1,264,323.84
Video Assistants	\$27.25	4,368	\$119,028.00	\$28.13	4,368	\$122,871.84
Badging Clerk	\$35.00	1,040	\$36,400.00	\$35.88	1,040	\$37,315.20
	SUBTOTAL	100,371	\$2,823,466.72	SUBTOTAL	100,371	\$2,911,793.20
	TOTAL HOURS FOR FY 2014	200,742	TOTAL COST FOR FY 2014			\$5,735,259.92

FY 2014-2015

Category	Bill Rate (7/2014-6/2014)	Service Hours	Cost
Account Manager	\$40.95	390	\$15,970.50
ADA Observers	\$26.98	260	\$7,014.80
Administrative Support	\$35.90	346	\$12,421.40
Armed Security Officers	\$30.34	5,212	\$158,132.08
Armed Supervisors	\$34.43	694	\$23,894.42
Console Officers	\$31.47	4,368	\$137,460.96
Courier	\$35.90	346	\$12,421.40
Field Supervisors	\$29.89	1,456	\$43,519.84
Mobile Patrol Unit	\$29.89	970	\$28,993.30
Operations Coordinator	\$29.01	346	\$10,037.46
SOC Supervisors	\$31.47	1,456	\$45,820.32
Unarmed Security Officers	\$26.66	15,808	\$421,441.28
Video Assistants	\$28.13	1,456	\$40,957.28
Badging Clerk	\$35.88	346	\$12,414.48
	TOTAL FOR FY 2015	33,454	\$970,499.52

Total Estimated Cost for Three-Year Contract Extension with 11.5% Contingency

Fiscal Year	Hours	Cost
2011-2012	167,306	\$4,500,290.35
2012-2013	200,742	\$5,558,606.96
2013-2014	200,742	\$5,735,259.92
2014-2015	33,454	\$970,499.52
Total	602,244	\$16,764,656.75
11.5% Contingency		\$1,935,343.25
Grant Total		\$18,700,000.00

The billing rate for SFMTA approved overtime service hours is 150% of the regular hourly rate. The overtime cost is part of the 11.5% contingency estimate, except the overtime hours by the Customer Center employees which has been factored in the service hours listed in the above tables.

Total amended calculation of charges for the entire six-year contract

The cost for the first three contract years: \$15,800,000.00
 The cost for the three extended contract years: \$18,700,000.00
 The total cost for the six-year contract term: **\$34,500,000.00**

SECURITY GUARD SERVICE HOURS COMPARISON CHART - CURRENT CONTRACT AND AMENDMENT THREE

Table 1

Armed Services Assignments	Current Hours/Year	Proposed Amendment Hours/Year	Reason for Modification
Accompany SFMTA staff to collect and distribute passes to vendors	1,008	0	eliminated
Accompany SFMTA staff to collect and distribute RTC passes to vendors	1,008	0	eliminated
Accompany SFMTA staff to deliver passes to Safeway for distribution to participating outlets	48	0	eliminated
AM Powell and Market Booth, Stand near booth to deter robberies	2,912	0	eliminated
PM Powell and Market Booth, stand near booth to deter robberies	2,912	0	eliminated
AM Hyde and Beach Booth, stand near booth to deter robberies	2,912	0	eliminated
PM, Hyde and Beach Booth, stand near booth to deter robberies	2,912	0	eliminated
AM, Powell & Market Kiosk: Protective Detail	0	2,912	newly added
PM, Powell & Market Kiosk: Protective Detail	0	2,912	newly added
AM, Hyde & Beach Kiosk: Protective Detail	0	2,912	newly added
PM, Hyde & Beach Kiosk: Protective Detail	0	2,912	newly added
AM, Presidio Kiosk: Protective Detail	0	2,912	newly added
PM, Presidio Kiosk: Protective Detail	0	2,912	newly added
AM, Portsmouth Square Kiosk: Protective Detail	0	288	newly added

Armed Services Assignments	Current Hours/Year	Proposed Amendment Hours/Year	Reason for Modification
AM, Bay and Taylor Booth, stand near booth to deter robberies	2,912	0	eliminated
PM, Bay and Taylor Booth, stand near booth to deter robberies	2,912	0	eliminated
Line Sales, F-Line	1,764	0	eliminated
Montgomery Street Station Pass sales; regular shifts (year round)	1,885	0	eliminated
Montgomery Street Station Pass sales; monthly peak-time shifts (1st and 4th wks of each month)	943	0	eliminated
MMX, Weekday shift, 1-coll.-rev in subway station; 1 stays w/ rev. vehicle	3,640	0	eliminated
MMX, Weekend shift, 1-coll.-rev in subway station; 1 stays w/ rev. vehicle	1,040	0	eliminated
Change Machines 1-coll.-rev from machine; 1 stays w/ rev. vehicle	4,368	0	eliminated
Autelca machines; 1-coll.-rev from machine; 1 stays w/ rev. vehicle (19th Avenue)	1,300	0	eliminated
Subway Collection, weekday, PM 1- collect revenue; 1-stay with vehicle	1,820	4,160	increased
Subway Collection, Saturday PM 1- collect revenue; 1-stay with vehicle	728	416	reduced
Subway Collection, Sunday PM 1-1 collect revenue; 1-stay with vehicle	260	416	increased
PM CUBIC collection truck from divisions	2,496	2,496	
F-Line Streetcar Collection	936	0	eliminated
F-line Streetcar Collection Saturday	416	0	eliminated
Baseball	693	860	increased

Armed Services Assignments	Current Hours/Year	Proposed Amendment Hours/Year	Reason for Modification
Special Events	1,300	200	reduced
AFC – Clipper Protective Detail	0	2,496	newly added
SFMTA Payroll Check Escort	0	78	newly added
Lunch Break Relief - Weekday	0	1,560	newly added
Lunch Break Relief - Saturday	0	416	newly added
Lunch Break Relief - Sunday	0	416	newly added
TOTAL	43,125	31,274	

SECURITY GUARD SERVICE HOURS COMPARISON CHART – CURRENT CONTRACT AND AMENDMENT THREE
Table 2

Unarmed Guard Services Assignments	Site	Current Hours/Year	Proposed Amendment Hours/Year	Reason for Modification
Back Gate	Geneva	4,576	4,576	
Front and Back Gate	Green	4,576	9,152	increased
23rd Street	Woods	4,576	4,576	
Tubbs	Woods	4,576	4,576	
Front Door	Flynn	4,576	4,576	
Back Gate	Presidio	4,576	4,576	
Front Gate/Building	Presidio	2,912	5,824	increased
Upper Yard	Protrero	2,912	2,912	
Lower Yard-house	Protrero	4,576	4,576	
Secondary Gate	Kirkland	2,912	2,912	
Primary Gate	Kirkland	4,576	6,032	increased
Museum/Barn	Cable Car	2,912	0	eliminated
Tower Guard-Revenue Center	One South Van Ness	8,736	8,736	
Graffiti Patrol	All Sites	11,648	0	eliminated
General Patrol	Metro East	8,736	26,208	increased
General Patrol	6th & King/ swing -grave	2,912	0	eliminated
General Patrol	Marin	8,736	8,736	
General Patrol	Marin (night)	4,368	0	eliminated
Customer Services Center	11 South Van Ness	3,984	4,160	increased
Special Events		960	400	reduced
Video Surveillance Console	Metro East	0	17,472	newly added
Tunnel Mobile Patrol	Various	0	2,912	newly added
SFMTA Pass Distribution	Safeway	0	48	newly added
SFMTA Pass Distribution	Muni	0	504	newly added
SFMTA Pass Distribution	RTC	0	504	newly added
TOTAL		98,336	123,968	

SECURITY GUARD SERVICE HOURS COMPARISON CHART – CURRENT CONTRACT AND AMENDMENT THREE

Table 3

Supervisor Assignments	Current Hours/Year	Proposed Amendment Hours/Year	Reason for Modification
Senior Console Supervisor (M-F Days)	2,080	6,240	increased
Security Console Supervisor (M-F Swing and Grave)	4,160	0	combined with above item
Security Console (weekend)	2,496	2,496	
Armed Supervisor (Shift TBD)	8,736	4,160	reduced
Field Supervisor	8,736	8,736	
Graffiti Supervisor	2,080	0	eliminated
Mobile Patrol Supervisor	0	2,912	newly added
TOTAL	28,288	24,544	

SECURITY GUARD SERVICE HOURS COMPARISON CHART – CURRENT CONTRACT AND AMENDMENT THREE

Table 4

Miscellaneous Assignments	Current Hours/Year	Proposed Amendment Hours/Year	Reason for Modification
Video Surveillance Stevenson (Swing and Grave)	5,824	0	eliminated
Video Surveillance T-line Trailer (NME)	18,928	0	eliminated
Administrative Support	1,992	2,080	increased
Account Manager	1,992	2,340	increased
Operations Coordinator	0	2,080	newly added
Security Courier	0	2,080	newly added
ADA Observers	0	1,560	newly added
Video Data Assistance	0	8,736	newly added
Badging Clerk	0	2,080	newly added
TOTAL	28,736	20,956	

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i> Board of Supervisor Scott Weiner	
Name of City elective officer(s): Members, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Cypress Security, LLC	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
See the attached letter from Cypress Security LLC	
Contractor address: 452 Tehama Street, San Francisco, CA 94103	
Date that contract was approved: Original contract was approved by the Board of Supervisors, Resolution #372-08 on 8/22/2008, the Amendment One updating certain hourly rates only (no change to the contract term and amount) done on 9/1/2008, Amendment Two modifying Section 8.A (Contractor Responsible for Personnel) of the Appendix A were approved by the Executive Director/CEO on 6/8/2010, the Amendment Three adding additional three-year contract term and additional \$18.7 million was approved by the SFMTA Board of Directors pending final approval by the Board of Supervisors -	Amount of contract: \$34,500,000 including \$18.7 million added to the amendment three
Describe the nature of the contract that was approved: Armed and unarmed security guards services	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form
- a board on which the City elective officer(s) serves Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: 415-554-5184
Address: City Hall, Room 244 1 Dr. Carlton B. Goodlett Pl. SF CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed



INTELLIGENT SECURITY - THE INTELLIGENT CHOICE

June 23, 2011

Winnie Xie, C.P.M.
Manager, Contract Services
San Francisco Municipal Transportation Agency
One South Van Ness Ave., 6th Floor, #6332
San Francisco, CA 94103

Dear Ms. Xie,

In response to your email of June 23, 2011, I am submitting the following response to your questions:

1. Members of the contractor's board of directors:

Cypress Security is a limited liability company (LLC) and, as such, does not have a board of directors.

2. The contractor's chief executive officer, chief financial officer, chief operating officer:

Nils Welin, Chief Executive Officer
Eva Alexandersson, Chief Financial Officer
Jonas Tegnerud, Chief Operating Officer

3. Any person who has an ownership of twenty-percent or more in the contractor:

Kes Narbutas 70% ownership
Nils Welin 30% ownership

4. Any subcontractor listed in the bid or contract:

Black Bear Security Services, Inc.
Shwiff, Levy & Polo, LLP
Banner Uniform Center
KSH Automotive

** Complete copy of document is located in

File No. 110812

City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave., 7th Floor
San Francisco, California 94103

Third Amendment to Agreement

THIS AMENDMENT (this "Amendment") is made as of **September 1, 2011**, in San Francisco, California, by and between **Cypress Security, LLC** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Municipal Transportation Agency ("SFMTA").

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below).
- B. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period for additional three years with an additional contract amount set for below.

NOW, THEREFORE, Contractor and the City agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

a. **Agreement.** The term "Agreement" shall mean the Agreement dated September 1, 2008 between Contractor and City, as amended by the First amendment dated September 1, 2008, and the Second Amendment dated June 8, 2010.

b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

Section 2. Terms of Agreement. Section 2 currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from the Effective Date to **August 31, 2011.**

Such section has been amended to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from the original effective date of **September 1, 2008 to August 31, 2014.**