



DATE: September 13, 2024
TO: Angela Calvillo, Clerk of the Board
FROM: Taraneh Moayed, Assistant Director of Office of Contract Administration (OCA)
SUBJECT: Resolutions to approve amendment to PeopleSoft Umbrella Contract ID GRP0000005 with A1 Protective Services, Inc. and PeopleSoft Umbrella Contract ID GRP0000007 with Treeline Security, Inc. for Security Guard Services

Enclosed are the resolutions authorizing the Office of Contract Administration (“OCA”) to amend:

- PeopleSoft Umbrella Contract ID GRP0000005 with A1 Protective Services, Inc. (“A1”), increasing the contract not-to-exceed (NTE) amount from \$8,750,000 to \$34,767,000, with no change to the current contract end date of July 31, 2028; and
- PeopleSoft Umbrella Contract ID GRP0000007 with Treeline Security, Inc. (“Treeline”), increasing the contract NTE amount from \$8,750,000 to \$38,977,000, with no change to the current contract end date of July 31, 2028.

Purchasing Authority

Contract IDs GRP0000005 with A1 and GRP0000007 with Treeline are as-needed, 5-year Citywide umbrella contracts that all City departments can use to procure armed and unarmed security guard services for City-operated facilities. Both contracts were awarded pursuant to a Request for Proposals (“RFP”) issued on February 22, 2023 by OCA under Sourcing Event 0000007686, consisting of four (4) separately awarded Aggregates (A1, A2, B1, B2) and evaluated based on the criteria identified in Table 1.

Table 1: Sourcing Event 0000007686 Evaluation Criteria

Evaluation Phase	Weight
Minimum Qualifications Documentation	Pass/Fail
Price Proposal	30
Written Proposal	70
TOTAL	100

Each Aggregate is summarized below for reference. However, this memo pertains solely to the awards made under Aggregates B1 and B2. Additionally, all data referenced in this memo is as of August 15, 2024.

A. Aggregates A1 and A2 (OCA Term Contracts for Short Term Engagements). Aggregates A1 and A2 resulted in the award of standard OCA Term Contracts under which City departments could issue Purchase Orders for one-time, short-term engagements. Aggregate A1 was open to all Suppliers, while Aggregate A2 was conducted as a Micro LBE Set Aside and, as such, limited to Micro LBEs. A summary of all Term Contracts issued for Aggregates A1 and A2 is provided in Table 2.¹ All awardees are certified as Micro LBE’s

¹ American Guard Services Inc. was also awarded a contract under Aggregate A1 but withdrew its proposal and did not enter into a contract with City.



by the City’s Contract Monitoring Division.

Table 2: Summary of All Term Contracts Awarded under Aggregates A1 and A2

Aggregate	Supplier Name	OCA TC Number	PS Contract ID	Contract Start Date	Contract End Date	Option to Extend	Initial NTE	Option to Add Additional Funds?
A-1	A1 Protective Services Inc	TC86003A	1000029355	9/1/2023	8/31/2026	Yes, through 2033	\$2,000,000	Yes, based on usage
A-1	Treeline Security Inc	TC86003B	1000029356	9/1/2023	8/31/2026	Yes, through 2033	\$2,000,000	Yes, based on usage
A-2	Treeline Security Inc	TC86003DMicro	1000029468	9/1/2023	8/31/2026	Yes, through 2033	\$1,000,000	No - Micro LBE Set Aside Capped at \$1MM
A-2	Black Bear Security Services Inc	TC86003EMicro	1000029469	9/1/2023	8/31/2026	Yes, through 2033	\$1,000,000	No - Micro LBE Set Aside Capped at \$1MM

B. Aggregates B1 and B2 (Umbrella Contracts for Longer Term Engagements). Aggregates B1 and B2 resulted in the award of “Umbrella” Term Contracts under which City departments could issue individual departmental contracts (instead of one time Purchase Orders) for longer term engagements. Aggregate B1 was open to all Suppliers, while Aggregate B2 was conducted as a Micro LBE Set Aside and, as such, limited to Micro LBEs. A summary of all Umbrella Term Contracts issued for Aggregates B1 and B2 is provided in Table 3.² All awardees are certified as Micro LBE’s by the City’s Contract Monitoring Division. The two contracts OCA seeks to amend pursuant to BOS approval are highlighted below.

Table 3: Summary of All Umbrella Contracts Awarded under Aggregates B1 and B2

Aggregate	Supplier Name	OCA TC Number	PS Contract ID	Contract Start Date	Contract End Date	Option to Extend	Initial NTE	Option to Add Additional Funds?
B-1	A1 Protective Services Inc	TC86005A	GRP0000005	8/1/2023	7/31/2028	No	\$8,750,000	Yes, based on usage
B-1	Treeline Security Inc	TC86005C	GRP0000007	8/1/2023	7/31/2028	No	\$8,750,000	Yes, based on usage
B-2	Treeline Security Inc	TC86005DMicro	GRP0000008	8/1/2023	7/31/2028	No	\$1,000,000	No - Micro LBE Set Aside Capped at \$1MM
B-2	Black Bear Security Services Inc	TC86005EMicro	GRP0000009	8/1/2023	7/31/2028	No	\$1,000,000	No - Micro LBE Set Aside Capped at \$1MM

Price Structure

The RFP evaluated proposers’ pricing based on the lowest percentage mark up over the fully-loaded Prevailing Wage rate for Security Guards as determined by San Francisco Labor and Employment Code Article 102.11 (formerly, San Francisco Administrative Code Section 21C.11). The fully-loaded Prevailing Wage rate associated with security guard services is based on the employee’s years of service with the employer and the employee’s number of dependents. For 2024, the fully loaded Prevailing Wage rate for security guard services ranges from

² American Guard Services Inc. was also awarded a contract under Aggregate B1 but withdrew its proposal and did not enter into a contract with City.



\$20/hr to \$32.88/hr for straight time, \$30/hr to \$42.88/hr for overtime, and \$40/hr to \$52.88/hr for double overtime.³ The average percentage markup over the fully-loaded Prevailing Wage rate for Contract ID GRP0000005 with A1 is 25%. The average weighted percentage markup over the fully-loaded Prevailing Wage rate for Contract ID GRP0000007 with Treeline is 39%.

Usage and Not to Exceed Amount Calculations

Contract IDs GRP0000005 with A1 and GRP0000007 with Treeline commenced on August 1, 2023. On July 30, 2024, Contract GRP0000007 with Treeline was amended to allow for the addition of roving guard services.

In the twelve months since their commencement, two City agencies have encumbered approximately \$6,500,000 in departmental contracts against Contract ID GRP0000005 with A1 (74% utilization), while 4 City agencies have encumbered approximately \$7,250,000 in departmental contracts against GRP0000007 with Treeline (83% utilization). A complete breakdown of departmental contracts issued against each Umbrella Contract is provided in Tables 4a and 4b.

Table 4a. Summary of Departmental Contracts Issued under Umbrella Contract ID GRP0000005 with A1 as of 8/15/24

Dept	PS Contract ID	Start Date	End Date	Contract NTE	PO Encumbrances	Remaining NTE
PUC-WWE	1000032894	7/1/2024	6/30/2028	\$ 6,212,778.00	\$ 320,000.00	\$5,892,778.00
DRE	1000033864	9/1/2024	8/31/2025	\$ 254,326.80	\$ -	\$ 254,326.80
Total Allocated Funds				\$ 6,467,104.80	\$ 320,000.00	\$6,147,104.80

Table 4b. Summary of Departmental Contracts Issued under Umbrella Contract GRP0000007 with Treeline as of 8/15/24

Dept	PS Contract ID	Start Date	End Date	Contract NTE	PO Encumbrances	Remaining NTE
DRE	1000031314	12/1/2023	12/31/2024	\$ 413,961.06	\$ 396,572.13	\$ 17,388.93
DRE	1000030428	10/1/2023	7/31/2026	\$ 3,650,000.00	\$ 2,619,953.30	\$ 1,030,046.70
JUV	1000030383	9/1/2023	8/31/2025	\$ 695,000.00	\$ 602,411.44	\$ 92,588.56
MYR	1000031039	9/1/2023	6/30/2026	\$ 1,387,872.88	\$ 397,754.32	\$ 990,118.56
PUC-CDD	1000031386	12/1/2023	12/1/2024	\$ 114,523.95	\$ 114,523.95	\$ -
PUC-CDD	1000031985	2/12/2024	12/1/2024	\$ 312,798.96	\$ 252,119.28	\$ 60,679.68
PUC-WST	1000030310	9/1/2023	6/30/2025	\$ 354,000.00	\$ 204,600.00	\$ 149,400.00
PUC-WST	1000030697	9/1/2023	12/31/2026	\$ 321,984.24	\$ 283,569.20	\$ 38,415.04
Total Allocated Funds				\$ 7,250,141.09	\$ 4,871,503.62	\$ 2,378,637.47

Based on total departmental contracts released against each of these Umbrella Contracts in the last twelve months, Contract ID GRP0000005 with A1 will be out of funds by December 2024 and Contract ID GRP0000007 with Treeline will be out of funds by November 2024. To ensure each contract has adequate capacity through their contract end date of July 31, 2028, Contract ID GRP0000005 with A1 must be increased by \$26,017,000 (resulting in a revised contract NTE of \$34,767,000) and Contract ID GRP0000007 with Treeline must be increased by \$30,227,000 (resulting in a revised contract NTE of \$38,977,000).

³ Current Prevailing Wage rates for security guards can be found at <https://www.sf.gov/sites/default/files/2024-04/21C.11%20Security%20Employee%20Chart.pdf>.



Table 5. Additional Funds Calculations for Contract ID GRP0000005 with A1 and GRP0000007 with Treeline as of 8/15/24

	GRP0000005 (A1)	GRP0000007 (Treeline)
Total Funds Allocated to Child Records as of Data Cutoff Date	\$ 6,467,105	\$ 7,250,141
Avg Monthly Allocation Since Contract Start Date	\$ 517,709	\$ 580,393
Number of Months to Contract End Date	\$ 48	\$ 48
Total Additional Funds Needed through Contract End Date	\$ 24,609,036	\$ 27,588,695
Less Unallocated Balance	\$ 2,282,895	\$ 1,499,859
Plus Contingency (15%)	\$ 3,691,355	\$ 4,138,304
Total Additional Funds Needed through Contract End Date	\$ 26,017,496	\$ 30,227,140
Total Additional Funds Needed through Contract End Date (rounded to nearest 1000)	\$ 26,017,000	\$ 30,227,000

Conclusion

As demonstrated by the high usage of multiple City departments/agencies, Contract ID GRP0000005 with A1 and GRP0000005 with Treeline are critical for satisfying City departments’ needs for security guard services. Approval of these resolutions will allow City departments to continue procuring these services in a streamlined and cost-efficient manner.

If you have any questions or require additional information, please contact Gloria Yuen on my team at (628) 652-1635.

Enclosures:

1. GRP0000005 Amendment 1 - Original Agreement
2. GRP0000005 Amendment 1 - Proposed Amendment 1
3. GRP0000005 Amendment 1 - Ethics Form 126f4
4. GRP0000005 Amendment 1 - Resolution
5. GRP0000007 Amendment 2 - Original Agreement
6. GRP0000007 Amendment 2 - Amendment 1
7. GRP0000007 Amendment 2 - Proposed Amendment 2
8. GRP0000007 Amendment 2 - Ethics Form 126f4
9. GRP0000007 Amendment 2 - Resolution