


**CITY AND COUNTY OF SAN FRANCISCO**

**BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

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March 6, 2026

**TO:** Budget and Finance Committee  
**FROM:** Budget and Legislative Analyst   
**SUBJECT:** March 11, 2026 Budget and Finance Committee Meeting

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<p><b>Item 5</b> <b>File 26-0165</b></p>	<p><b>Department:</b> Department of Public Health (DPH), Office of Contract Administration (OCA)</p>
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**EXECUTIVE SUMMARY**

**Legislative Objectives**

- The proposed resolution would approve Amendment No. 5 to the City’s contract with Universal Protection Service, LP dba Allied Universal Security Services (Allied) for unarmed security guard services at San Francisco General Hospital (SFGH), extending the term by six months through December 14, 2026, and increasing the not-to-exceed amount by \$3,200,000, for a total not to exceed \$15,380,000.

**Key Points**

- In 2023, following a competitive solicitation, the Office of Contract Administration (OCA) executed a contract with Allied to provide unarmed security services at SFGH. The contract has since been amended four times, for a total term of three years and four months, from February 14, 2023 through June 14, 2026, and a total amount not to exceed \$12,180,000.
- In December 2025, a social worker was fatally stabbed at SFGH. Following that incident, DPH has increased security staffing at SFGH Buildings 80 and 90, from 40 hours to 120 hours per week. OCA and the Department of Public Health (DPH) are requesting an amendment to the contract to incorporate the additional hours and provide time to finalize the solicitation for a new contract. The contract funds approximately 33.3 full-time equivalent (FTE) positions, for a total of approximately 5,776 hours per month.

**Fiscal Impact**

- The proposed Fifth Amendment would increase the contract not-to-exceed amount by \$3,200,000, for a total not to exceed \$15,380,000. The not-to-exceed amount was calculated based on average monthly expenditures to date, as well as a 20 percent contingency and a 40 percent adjustment due to potential staffing increases following the fatal stabbing incident and prevailing wage increase.

**Policy Consideration**

- DPH intends to retain a third-party consultant to perform a security evaluation. In anticipation that the consultant may recommend hiring more guards at more locations, OCA included the 40 percent adjustment on top of the contingency.

**Recommendations**

- Request DPH to provide a report to the Board of Supervisors on the security analysis recommendations and how they are reflected in the department’s budget before the department’s first June 2026 budget hearing.
- Approve the resolution.

## MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

## BACKGROUND

In July 2022, the Office of Contract Administration (OCA) issued a Request for Proposals (RFP) for unarmed security guard services for Laguna Honda Hospital and San Francisco General Hospital (SFGH), to be awarded in separate contracts. OCA received five proposals for SFGH, and an evaluation panel deemed Black Bear Security Services the highest scoring proposer.<sup>1</sup> Shortly after OCA awarded a contract, OCA and Black Bear mutually agreed to terminate the contract because Black Bear was not able to provide sufficient security guard staffing. OCA then awarded a contract to the second highest scoring proposer, Universal Protection Service, LP, doing business as Allied Universal Security (Allied).

In February 2023, OCA executed a contract with Allied to provide unarmed security guard services at SFGH for a term of two years, from February 15, 2023 through February 14, 2025, and an amount not to exceed \$2,600,000. The original contract amount was based on an estimated 29,120 hours per year billed at an average rate of \$43.86 per hour. Approximately 10 months into the contract, the Department of Public Health (DPH) added additional security guard posts and increased the estimated annual hours to approximately 65,150 to address service gaps resulting from staffing shortages at the Sheriff's Office, which limited the ability of the Sheriff's Office to provide adequate security coverage at SFGH. This resulted in OCA executing the First Amendment to the contract in March 2024, increasing the not-to-exceed amount by \$3,400,000, for a total not to exceed \$6,000,000, as well as the Second Amendment in September 2024, which increased the not-to-exceed amount by \$3,994,000, for a total not to exceed \$9,994,000. In February 2025, OCA executed the Third Amendment to the contract, extending the term by 11 months through January 15, 2026.

The RFP stated that the contract term would not exceed three years. To allow for additional time to issue a new RFP and award a new contract, OCA requested an extension beyond the original three-year limit. In October 2025, the Board of Supervisors approved the Fourth Amendment to the contract, extending the term by five months through June 14, 2026, and increasing the contract amount by \$2,186,000, for a total not to exceed \$12,180,000 (File 25-0977).

In December 2025, a social worker was fatally stabbed at SFGH. Following that incident, DPH has increased security staffing at SFGH Buildings 80 and 90, from 40 hours to 120 hours per week.

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<sup>1</sup> The proposers were: (1) Black Bear Security Services (215 points); (2) Allied Universal Security Services (204 points); (3) A1 Protective Services (162 points); (4) ABA Protection (140 points); and (5) Treeline Security. Black Bear and Allied had significantly higher scores because they were the only two proposers invited to participate in interviews and the interview scores were included in the total points.

OCA and DPH are requesting an amendment to the contract to incorporate the additional hours and provide time to finalize the solicitation for the new contract.

### DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Amendment No. 5 between the City and Allied for unarmed security guard services at SFGH, extending the term by six months through December 14, 2026, and increasing the not-to-exceed amount by \$3,200,000, for a total not to exceed \$15,380,000. The resolution would also allow OCA to make further immaterial amendments to the contract.

OCA issued an RFP to award a new contract in January 2026, with responses due in March 2026. OCA anticipates awarding a new contract in late April 2026. If the new contractor is ready to begin operations prior to the expiration date of December 14, 2026, DPH and OCA could terminate the Allied contract early.

The proposed Fifth Amendment does not make any changes to the scope of services, which includes the performance of general security functions. Their duties generally include the following:

- Respond to hospital emergencies, drills, or surveyor questions regarding emergency response plans;
- Investigate unusual or suspicious activity;
- Guard the premises against fire, theft, damage, and trespassing;
- Protect the safety of persons on sites;
- Keep peace and order at all times;
- Monitor all incoming and outgoing traffic;
- Ask visitors which floor they are going to and direct them accordingly;
- Be polite, welcoming, courteous, respectful, and responsive to visitors and hospital staff; and
- Be visible to the public, alert, and attentive at all times while on duty, among other responsibilities.

In addition, the security guards are required to provide incident reports to the DPH Director of Security and report threats to life and property to the Police Department.

The security guard locations include: SFGH Building 5 Lobby, SFGH Urgent Care, SFGH Buildings 80 and 90, SFGH Building 9 Occupational Health Service, and SFGH Lobby – Building 25. The contract funds approximately 33.3 full-time equivalent (FTE) positions, for a total of approximately 5,776 hours per month.

According to Basil Price, DPH Director of Security, DPH conducts an annual review to monitor performance. In the most recent evaluation, Allied received an overall score of 4.6 out of 5 points. Evaluations are based on billing timeliness and accuracy, operational performance, corporate

communication and issue resolution, account manager assessment and responsibilities, and employee assessment and performance. DPH staff hold weekly meetings with Allied to discuss performance metrics and address any deficiencies.

**FISCAL IMPACT**

The proposed Fifth Amendment would increase the contract not-to-exceed amount by \$3,200,000, for a total not to exceed \$15,380,000. The not-to-exceed amount was calculated based on average monthly expenditures to date, as well as a 20 percent contingency and a 40 percent adjustment due to operational changes following the fatal stabbing incident and prevailing wage increase. The calculations are shown in Exhibit 1 below.

**Exhibit 1: Contract Not-to-Exceed Amount Calculations**

Contract Encumbrances to Date (Through 12/14/2025)	\$9,862,645
Average Encumbrances per Month	289,596
Remaining Contract Months	12
<i>Projected Contract Expenditures (12 Months)</i>	<i>\$3,446,214</i>
Less Remaining Contract Balance	(2,317,355)
Contingency (20%)	689,243
Other Adjustments (40%)	1,378,486
<i>Additional Funds Needed</i>	<i>\$3,196,588</i>
<b>Total Not-to-Exceed (Rounded to Nearest \$10,000)</b>	<b>\$15,380,000</b>

Source: OCA

The contract is funded by the City’s General Fund.

**POLICY CONSIDERATION**

As noted above, DPH has increased Allied’s staffing at SFGH by 80 hours per week, or approximately six percent. In addition, the prevailing wage rate for security employees increased by approximately three percent in FY 2025-26. We believe that these cost increases can likely be absorbed by the 20 percent contingency.

Following the fatal stabbing incident and increased employee safety concerns, DPH intends to retain a third-party consultant to perform a security analysis and evaluation. The City Attorney’s Office is preparing the solicitation for these services. In anticipation that the consultant may recommend hiring more guards at more locations, OCA included the 40 percent adjustment on top of the contingency. Given the uncertainty about the need for this additional funding, as well as the DPH-wide security needs and costs, we recommend the Board of Supervisors request DPH to report back to the Board of Supervisors on the security analysis recommendations and how they are reflected in the department’s budget before the department’s first June 2026 budget hearing.

**RECOMMENDATIONS**

1. Request DPH to provide a report to the Board of Supervisors on the security analysis recommendations and how they are reflected in the department's budget before the department's first June 2026 budget hearing.
2. Approve the resolution.