



**September 15, 2014**

**The Honorable Members of the Board of Supervisors  
City and County of San Francisco  
1 Dr. Carlton Goodlett Place, Room 244  
San Francisco, CA 94102**

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

**Honorable Members of the Board of Supervisors:**

The San Francisco Municipal Transportation Agency (SFMTA) requests that the Board of Supervisors approve Amendment Seven to the Agreement for the Armed and Unarmed Security Guards Services with Cypress Security, LLC. This amendment will extend the agreement for six months at an additional \$3 million, for a total contract amount not to exceed \$35.9 million.

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

**Background**

The SFMTA collects more than \$210 million in annual revenue from transit fares, citation payments and sales of various fare media and has 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 activity, 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 Director of Security, Investigations & Enforcement, with the assistance of a security guard services contractor, who provides personnel for various security-related functions.

In 2008, the SFMTA issued an RFP for Armed and Unarmed Security Services. The City awarded the contract to Cypress Security, LLC on August 12, 2008. The original term was for three years, until August 31, 2011, with an option to extend the contract for three additional years, and a not-to-exceed amount of \$15.8 million. The contract has been amended six times:

- First Amendment dated September 1, 2008 (allowed Contractor to use subcontractor to perform services upon SFMTA approval)
- Second Amendment dated June 8, 2010 (made adjustments to salaries for some positions)
- Third Amendment dated September 1, 2011 (extended contract three years and increased contract amount to \$32,900,000)

- Fourth Amendment dated February 5, 2013 (miscellaneous changes to staffing and scope of work)
- Fifth Amendment dated September 23, 2013 (clarifications regarding overtime billing)
- Sixth Amendment dated July 21, 2014 (extended contract until September 30, 2014)

On June 24, 2014, the SFMTA Board authorized the Director of Transportation to issue an IFB for a new Armed and Unarmed Security Guard Services contract.

Staff recommended to the SFMTA Board of Directors to award the contract to Andrews International, the lowest responsive and responsible bidder, who had entered into an MOU with SEIU-WEST to retain the workers currently employed by Cypress. On September 2, 2014, the SFMTA Board of Directors approved Contract No. SFMTA-2014-27 Armed and Unarmed Security Services with Andrews International.

Due to conflicting information and other uncertainties regarding the amount of wages paid to existing workers, Andrews elected to withdraw from the process. The Director of Transportation rejected all bids and will begin a new competitive procurement process in order to specify worker retention and compensation requirements.

Since the existing contract with Cypress Security expires on September 30, 2014, the SFMTA needs to further extend the contract to complete the new procurement process. The Seventh Amendment extends the contract to March 31, 2015. The new contract amount will not exceed \$35,900,000.

### **Description of Work**

The Scope of Services for the contract will continue in accordance to the current contract with approximately 121,000 hours of unarmed guard services and 28,600 of armed guard services annually.

### **Alternatives Considered**

These services have historically been contracted out and due to the need to have armed licensed guards; it would not be practical to have City staff perform the services.

Since the existing contract with Cypress Security expires on September 30, 2014, the SFMTA needs to further extend the contract to complete the new procurement process.

### **Funding Impact**

SFMTA estimates that the cost for the additional six months will be \$3,000,000.

**SFMTA Board Action**

On September 16, 2014, the SFMTA Board of Directors adopted a Resolution which authorized the Director of Transportation to extend the contract with Cypress Security, LLC for Armed and Unarmed Security Services for an amount not to exceed \$35,900,000, for a term ending March 31, 2015.

**Recommendation**

SFMTA recommends that the Board of Supervisors authorize the Director of Transportation of the SFMTA to execute the Amendment Seven to the Agreement between the SFMTA and Cypress Security LLC for a term ending March 31, 2015 at a total contract amount not to exceed \$35,900,000.

Thank you for your consideration of this proposed agreement. Should you have any questions or require more information, please do not hesitate to contact me.

Sincerely,



**Edward D. Reiskin**  
**Director of Transportation**

