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February 6, 2020

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

Subject: Authorizing the San Francisco Municipal Transportation Agency to Enter into an Agreement with Allied Universal for Armed and Unarmed Security Guard Services.

Honorable Members of the Board of Supervisors:

The SFMTA is submitting for your consideration information to support a resolution to authorize the Director of Transportation to execute SFMTA Contract No. 2018-48 Armed and Unarmed Security Guard Services with Universal Protection Service, LP, dba Allied Universal Security Services, to act as a first deterrent for inappropriate activity, ensure the safety of personnel, protect property and the public, and guard against vandalism, in an amount not to exceed \$59,028,401 for a three-year term, with three options to extend the Contract for one year each.

Background

The SFMTA collects more than \$61 million in cash and an additional \$169 million in annual revenue from transit fares, citation payments, and the sale of various fare media. The Agency also has facilities throughout the City, including transit stations, vehicle storage yards and service centers. These facilities require the services of armed and unarmed security guards to act as a first deterrent for inappropriate activity, ensure the safety of SFMTA personnel, protect SFMTA property and the public, and guard against vandalism.

The SFMTA's Chief Security Officer oversees all security-related services with the assistance of a security guard services contractor who provides personnel for various security-related functions.

The current agreement with Cypress Security will expire on March 31, 2020. The SFMTA Board approved issuance of a Request for Proposals and received four proposals, with Cypress Security as the highest-ranked responsive and responsible proposer, and a Local Business Enterprise (LBE) goal of 20 percent.

The SFMTA was subsequently notified that Allied Universal acquired all Cypress assets and all Cypress employees assigned to work on the proposed Contract would become Allied Universal

employees. The SFMTA, Cypress, and Allied Universal secured a Novation Agreement in November 2019 for Allied Universal to assume the obligations and liabilities of Cypress in the existing contract, and Allied Universal agreed to assume the obligations of Cypress' proposal for the new agreement.

On December 3, 2019 the SFMTA Board of Directors approved the proposed agreement for an amount not to exceed \$59,028,401.



Proposed Contract Services

Under the new agreement the contractor will be responsible for: providing on- and off-site management as required to plan, schedule, perform, and manage security personnel deployments; delivering staffing required to support services required: providing reports and attending meetings; supplying all uniforms and equipment; adhering to all applicable laws, rules, regulations, and procedures; and payment of prevailing wages for staff assigned to the agreement. The full Scope of Work is described in Appendix A (Scope of Services) of the proposed Contract.

Armed security guard services are needed for Ballpark detail, fare collection, MUNI pass sales at four locations and transit vending machine collections. Unarmed security guard services currently exist at twenty SFMTA facilities and nine subway platforms throughout the City. As part of the preparation for the new agreement, the Chief Security Officer (CSO) evaluated protection coverage under the current agreement. The evaluation revealed that there was an inadequate number of security personnel in relation to the size of facilities (e.g., one security guard for nine subway platforms), lack of 24/7 coverage, and security issues at many of the Agency’s facilities (e.g., homeless encampments, trespassing, subway delays due to intruders on trackway).

As a result of the evaluation, the CSO recommended that an additional 46,000 annual hours of unarmed guard services are required to provide adequate coverage. The proposed Contract contains approximately 200,000 hours of unarmed guard services annually and will eventually increase to 215,000 hours to support the operations of the Central Subway, as shown in Table 1 below.

Table 1 – Estimated Yearly Hours per Contract Year (April 1 – March 31)

Contract Year Totals	Initial 1	Initial 2	Initial 3	Option 1	Option 2	Option 3	Total
Unarmed Officer	126,860	126,860	126,860	126,860	126,860	126,860	761,160
Video Surveillance	30,836	30,836	30,836	30,836	30,836	30,836	185,016
Security Console	8,736	8,736	8,736	8,736	8,736	8,736	52,416
Mobile Patrol	29,536	38,584	41,600	41,600	41,600	41,600	234,520
Armed Officer	28,756	28,756	28,756	28,756	28,756	28,756	172,536
ADA Observer	4,368	4,368	4,368	4,368	4,368	4,368	26,208
Badging Clerk	2,080	2,080	2,080	2,080	2,080	2,080	12,480
Armed Supervisor	2,080	2,080	2,080	2,080	2,080	2,080	12,480
Totals	233,252	242,300	245,316	245,316	245,316	245,316	1,456,816

In January of 2020, the San Francisco Muni Reliability Working Group recommended that the SFMTA make investments to improve safety for riders and employees and security for its facilities and fleet. Specifically, the recommendation included funding the expansion of the Agency’s existing security contract.



Funding Impact

The proposed Contract reflects an average increase of approximately 29% in cost from the current contract. Without increasing the current coverage, the annual increase would be approximately 2.44%, which is related to union salary and fringe benefit increases. Funding for the first two years of this Contract is provided in the proposed two-year (FY2021 and FY2022) operating budgets in the amounts of \$8.5 million and \$9.2 million, respectively. The total Contract amount for three years and three one-year options would be \$59,028,401. Budget projections are summarized in Table 2.

Table 2 – Contract Budget Projections (Amounts reflect Contract year: April 1 – March 31)

Contract Year Totals	Initial 1	Initial 2	Initial 3	Option 1	Option 2	Option 3	Totals
Unarmed Officer	\$4,485,688	\$4,583,686	\$4,708,417	\$4,832,485	\$4,956,717	\$5,078,941	\$28,645,934
Video Surveillance	\$1,131,274	\$1,154,941	\$1,185,105	\$1,215,108	\$1,245,151	\$1,274,981	\$7,206,560
Security Console	\$320,496	\$327,201	\$335,746	\$344,246	\$352,758	\$361,209	\$2,041,656
Mobile Patrol	\$1,083,582	\$1,445,876	\$1,598,793	\$1,639,269	\$1,679,799	\$1,720,042	\$9,167,360
Armed Officer	\$1,123,676	\$1,145,487	\$1,173,358	\$1,201,078	\$1,228,836	\$1,256,856	\$7,129,290
ADA Observer	\$148,651	\$152,047	\$156,364	\$160,658	\$164,957	\$169,148	\$951,826
Badging Clerk	\$83,211	\$84,782	\$86,790	\$88,788	\$90,789	\$92,821	\$527,181
Armed Supervisor	\$86,663	\$88,220	\$90,216	\$92,201	\$94,188	\$96,231	\$547,718
Totals	\$8,463,241	\$8,982,238	\$9,334,789	\$9,573,833	\$9,813,194	\$10,050,229	\$56,217,525
Contingency @ 5%							\$2,810,876
Total Not to Exceed							\$59,028,401



Environmental Review

On November 8, 2019, the SFMTA, under authority delegated by the Planning Department, determined that the Armed and Unarmed Security Services Agreement is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

Recommendation

In order to have an effective deterrent for inappropriate activity, ensure the safety of personnel, protect property and the public, and guard against vandalism the SFMTA recommends that the Board of Supervisors approve the Director of Transportation to execute SFMTA Contract No. 2018-48 Armed and Unarmed Security Guard Services with Universal Protection Service, LP, dba Allied Universal Security Services, in an amount not to exceed \$59,028,401 for a three-year term, with three options to extend the Contract for one year each.

Thank you for your consideration of the proposed agreement. Should you have any questions or require more information, please contact Kimberly Burrus [415-646-4322] and/or Viktoriya Wise [415-646-2377].

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey Tumlin'.

Jeffrey Tumlin
Director of Transportation