



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg

SUBJECT: See Below

DATE: January 12, 2026

Approved

Date:

1/22/26

COUNCIL DISTRICT: Citywide

SUBJECT: Agreement with Universal Protection Services, LP, DBA Allied Universal for Security Guard Services

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Negotiate and execute an agreement for security guard services with Universal Protection Services, LP, dba Allied Universal (Conshohocken, PA), for an initial one-year term beginning on or about March 1, 2026, for a maximum compensation not to exceed \$3,050,252, subject to the appropriation of funds;
- (b) Negotiate and execute amendments and change orders, as required, for any unanticipated changes to the agreement, for a contingency amount not to exceed \$300,000 during the initial term, subject to the appropriation of funds; and
- (c) Exercise up to six additional one-year options to extend the term of the agreement through February 28, 2033, subject to the appropriation of funds.

SUMMARY AND OUTCOME

This memorandum provides the City Council with recommended actions that will allow the City Manager, or her designee, to negotiate and execute an agreement with Universal Protection Services, LP, dba Allied Universal.

Authorizing the City Manager, or her designee, to take these actions will enable the Housing Department to provide security services at interim housing (IH), shelter, and safe parking locations. These actions will also enable the Housing Department to maintain a safe and secure environment at critical service locations, supporting the City's ongoing efforts to address homelessness and promote public safety.

BACKGROUND

Over the last six months, the Housing Department has conducted a comprehensive cost analysis of all IH projects and developed a per-unit cost model for all IH sites. The Housing Department has been working closely with City partners, such as nonprofit providers, to centralize the purchasing of meal provisions, site security, and property and asset management. This centralization aims to maximize economies of scale, reduce costs, ensure consistent service, and allow our partners to focus on delivering supportive services to IH participants.

Currently, IH operators independently select their private security partners based on their appropriated budget and best operational judgment. Under this new model, the burden of procuring for the private security services, and thus the budget allocation, will be removed from IH operators' scope and replaced with the professional services of Universal Protection Services.

ANALYSIS

On January 21, 2025, the City of Sacramento issued a competitive Request for Proposal for security guard services. On June 17, 2025, the City of Sacramento awarded the contract to Universal Protection Services, LP, dba Allied Universal. The contract term is one-year with the option to extend up to an additional four years.

Pursuant to Section 4.12.225.B.3 of the San José Municipal Code, staff recommends leveraging the results of the City of Sacramento's solicitation to enter into an agreement with Universal Protection Services, LP, dba Allied Universal, for security guard services for an initial term of one year and options to extend the term for up to six years. Staff have engaged with Universal Protection Services, LP to discuss specific requirements for security guard services and have confirmed that Universal Protection Services, LP can meet the City's requirements. The resulting agreement will be executed using the City's standard terms and conditions.

Under the current operating model for IH, the City spends approximately \$6.5 million annually for contracted private security services (projected for new sites not yet in operation when analysis was conducted). The approach to centralizing private security services is expected to net approximately \$3.5 million in savings annually while maintaining a similar or identical level of security across the IH portfolio.

Staff intend to conduct a new solicitation for citywide security services which will include the IH locations. At the conclusion of that solicitation, the City will award a new agreement for provision of security guard services at the IH locations and the agreement with Universal Protection Services, LP would be terminated.

Approval of this recommendation will authorize staff to leverage the outcome of the competitive solicitation conducted by the City of Sacramento and proceed with negotiating

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and executing an agreement with Universal Protection Services, LP to provide ongoing security guard services in support of the City Council priority for a safer San José.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

COST SUMMARY/IMPLICATIONS

The total recommended compensation for the one-year initial term is \$3,050,252, which is composed of \$2,541,877 for base services and \$508,375 for provision of supplemental services. This initial term cost of \$3,050,252 will be funded from the Real Property Transfer Tax Fund (Fund 404), Interim Housing Construction and Operations (15% Homeless Support Programs) appropriation.

This consolidated security services approach is expected to result in approximately \$3.5 million in annual cost savings compared to the current decentralized model, which costs an estimated \$6.5 million annually across IH sites. These savings are achieved through centralized procurement, standardized service levels, and economies of scale, while maintaining comparable security coverage system-wide.

As part of the centralization of security services system-wide, the City will consolidate and fund the security contract by drawing from the existing security budget within all Emergency Interim Housing provider contracts. As services are adjusted or phased out, related budget line items may be modified at the City's discretion, including the reallocation of funds to support this consolidated security approach. Providers will receive required notice of any service changes and must complete participant communication and data handoff responsibilities as outlined in their agreements. The option years and the use of the contingency funds are subject to the appropriation of funds. The option years will be priced based on the initial agreement terms, with any potential price increases in accordance with price renegotiation provisions outlined in resulting agreement.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2026 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
404	230G	Interim Housing Construction and Operations (15% HSP)	\$29,055,996	\$3,050,252	1027	12/16/2025 31291

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COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Housing Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the February 3, 2026 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment).

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.



Maria Oberg
Director of Finance

For procurement and contract related questions, please contact Albie Udom, Deputy Director of Purchasing and Risk Management, Finance Department, at albie.udom@sanjoseca.gov. For program related questions, please contact Cupid Alexander, Deputy Director, Housing Department, at cupid.alexander@sanjoseca.gov.