

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 7a

**Date of Meeting** February 3, 2009

**DATE:** January 2, 2009

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Arif Ghouse, Director, Seaport Security  
Rod Jackson, Capital Project Manager, Capital Development Division

**SUBJECT:** Maritime Domain Awareness Program, utilizing Department of Homeland Security, Infrastructure Protection Program FY06 grant funding

**ACTION REQUESTED**

Request for authorization by the Port Commission for the next stages of three component projects contained within the Marine Domain Awareness Program and the Area Surveillance Hardware Upgrade Project.

1. Authorization for the Chief Executive Officer (CEO) to increase the authorization by \$180,000 for a total Project Authorization of \$7,351,000 for the Transportation Workers Identification Credential (TWIC) project; and
2. Authorization for the Chief Executive Officer (CEO) to advertise major works bid package based on the design prepared and completed for the Incident and Response Communications Network and Area Surveillance Implementation Projects; and
3. Authorization for the Chief Executive Officer (CEO) to advertise major works bid package based on the design prepared and completed for the Area Surveillance Hardware Upgrade Project.

**SYNOPSIS**

**Maritime Domain Awareness Program**

The Maritime Domain Awareness (MDA) Program has been identified for reimbursement under the Port Security Grant Program by the U.S. Department of Homeland Security's (DHS) Office of Grants and Training. The Port Security Grant Program is an important component of a coordinated effort to protect America's national critical infrastructure as a part of the DHS Infrastructure Protection Program (IPP). These projects form concentric layers of security that will have a dramatic impact on the Port's ability to utilize technological components to deter, detect, respond to and minimize the impact of disruptions to operations at the Port of Seattle. The award of the

## COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

January 2, 2009

Page 2 of 7

grant from DHS requires a 25% funding match from the Port for the total cost of the Program, less all Port labor and labor contingencies.

### PROGRAM DESCRIPTION AND JUSTIFICATION

The MDA Program is comprised of five related individual projects originally approved by Commission for by project-wide authorization on December 11, 2007. Three of these projects require further Commission approval to proceed under the new procedures required by Resolution 3605.

These projects will provide components that help the Port to better mitigate the potential impact from critical incidents or events that would threaten the continuity of business operations. They will identify and respond to threat conditions, manage daily business operations, incidents or events, and provide a continuous sustained ability for first responders, Port officials, security staff, and other agencies to manage a broad range of events.

The three projects needing Commission approval are as follows:

The first request for authorization is for the following MDA Project, which has completed the design phase, and installation of the components has been initiated.

- **Terminal 91 TWIC Implementation Project:** The design and installation of the physical protection systems at T91 is in preparation for the TWIC program. The total prior authorization was \$1,875,000. An additional \$180,000 is required to cover non-reimbursable Port labor utilization.

The second request for authorization is for the following two MDA Projects, which have reached 90% design status and require major works advertisement in the near future.

- **Incident and Response Communications (IRC) Network Project:** A sustained communications system for voice and data services, using various spectrums intended to supply sustained communications capabilities during incidents or events. Total prior authorization is \$1,761,000. No additional funding should be needed to execute this project.
- **Seaport Video Surveillance Implementation Project:** The installation and expansion of area surveillance capabilities using advanced technologies to be utilized by cruise terminal operators, Port operations, Customs personnel, and Port security. Total prior authorization is \$2,259,000. No additional funding should be needed to execute this project.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

January 2, 2009

Page 3 of 7

The third request for authorization for the following inter-related Project, which has reached 90% design status and requires major works advertisement in the near future.

- **Area Surveillance Hardware Upgrade Project:** The removal and replacement of aging analog surveillance cameras with network based digital surveillance cameras. These cameras will communicate with the Port's new Video Management System and as a result will provide technical capabilities to maximize the benefits of the system. Total prior authorization \$864,000. No additional funding should be needed to execute this project.

### **PROGRAM BACKGROUND: Area Surveillance Hardware Upgrade Project**

Port installed the Vigilos<sup>®</sup> video software system under a Seaport Security Grant from DHS in 2003. The Vigilos<sup>®</sup> system was designed to alert Port authorities to potential threats and events. As part of that system, the Seaport has 52 surveillance cameras spread throughout eight Seaport locations. Many of these cameras require replacement, due to age and recent changes in technology. This project will replace all video surveillance equipment (cameras and network components) for the eight Seaport locations.

### **PROJECT PHASES**

The Terminal 91 TWIC Project has been broken into two separate phases in order to complete.

- Phase 1 includes the physical protection systems: gates; fencing; turnstiles; and other devices intended to prevent unauthorized access into the controlled locations. These features are included in the current Commission requests and must be installed by the February 28, 2009 date, as specified by DHS.
- Phase 2 includes all of the infrastructure for Access Control devices power and network connectivity. Currently, phase 2 is in development and a request for additional funding to support this task will be presented to Commission once the design and planning is complete. This task will also leverage grant funding, but additional funding will be necessary in order to ensure the Port's 25% cost match is available.

### **ADDITIONAL FUNDING NEED**

Original expectations for this project included the primary use of consultants and a contractor to complete the installation. However, due to the schedule dictated by Department of Homeland Security (DHS) to comply with the Transportation Worker Identity Card program (TWIC), it was determined that internal Port labor augmented with a small works contract would be the only deployment method which would ensure compliance with the Port's contracting requirements, state RCW's. This would also guarantee installation by the federally mandated date for TWIC compliance. Therefore,

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

January 2, 2009

Page 4 of 7

this project will require more non-reimbursable costs than originally projected. Although the project will ultimately be under the prior authorized amount, less reimbursement from DHS will occur, resulting in spending exceeding Port-authorized funding.

## **PROJECT SCHEDULE**

The completion of this project was expected by no later than March 31, 2009, due to the constraints of the grant award. The Port has requested an extension of the award duration until December 31, 2009 in order to ensure that proper contracting protocol and policies are followed. Due to the complex nature of these projects, the design and deployment strategy has taken longer than originally projected and current completion of the Program is not expected until December 2009.

## **STRATEGIC OBJECTIVES**

- **Be a High-Performance Organization:** Reduce support requirements by leveraging capabilities in current technology.
- **Ensure Airport and Seaport Vitality:** Providing safe and secure facilities for commerce and business continuity.
- **Enhance Public Understanding and Support of the Port's Role in the Region:** Partnering with our tenants and other agencies in the delivery of needed security improvements.
- **Be a Leader in Transportation Security:** Improving Port security by providing a comprehensive program of video surveillance, data fusion, regulatory compliance and information dissemination.

## **BUSINESS PLAN OBJECTIVES**

### **MDA Program**

- Provide a real time information sharing and data exchange capability for routine business operations, incident response, situational awareness, and management.
- Provide automated records and document management for incident management.
- Provide high reliability and sustained communications capability for Port officials, tenants and various agencies tasked with incident response or emergency management.
- Provide wireless data communications for incident response or emergency management, capable of accessing and disseminating real time information with all Port stakeholders.
- Prepare facilities for electronic and physical protection requirements mandated by Transportation Security Administration (TSA) as per TWIC guidelines.
- Provide an electronic record and threat tracking capability for various seaport facilities.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

January 2, 2009

Page 5 of 7

### **Area Surveillance Hardware Upgrade Project**

- Maximize the operational capability of the new surveillance system.
- Assist high risk sites by providing an electronic record of events and incidents.
- Provide a surveillance system valuable for operational use to the Port and its tenants.

## **FINANCIAL ANALYSIS**

### **Budget/Authorization Summary**

#### **MDA Program**

Previous Authorizations	\$7,171,000
Current request for authorization	\$ 180,000
Total Authorizations, including this request	\$7,351,000
Remaining budget to be authorized	TBD

### **Area Surveillance Hardware Upgrade Project**

Previous Authorizations	\$864,000
Current request for authorization	\$ 0
Total Authorizations, including this request	\$864,000
Remaining budget to be authorized	TBD

### **Project Cost Breakdown**

#### **MDA Program**

Construction Costs	\$2,364,000
Outside Professional Services	\$ 380,000
Port Labor	\$ 752,000
Hardware	\$2,063,000
Software	\$ 370,000
Sales Tax 8.9%	\$ 397,000
Contingency	\$1,025,000
<b>Total</b>	<b>\$7,351,000</b>

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

January 2, 2009

Page 6 of 7

### **Area Surveillance Hardware Upgrade Project**

Construction Costs	\$361,000
Port Labor	\$ 36,000
Outside Professional Services	\$ 38,000
Hardware	\$267,000
Sales Tax 8.9%	\$ 56,000
Contingency	\$106,000
<b>Total</b>	<b>\$864,000</b>

### **Source of Funds**

#### **MDA Program**

These projects are budgeted in CIP C800119 Seaport Security Grant Round 6. The CIP was included in the 2009 Draft Plan of Finance as a committed project with estimated spending in 2008 and 2009. The funds not spent in 2008 together with the funds budgeted for 2009 are available to fund the previously authorized amount of \$7,171,000. The additional requested amount of \$180,000 will be available due to delays in other committed 2009 Draft Plan of Finance projects.

The source of funds for the Port's 25% cost match will be funded from the Tax Levy.

### **Area Surveillance Hardware Upgrade Project**

This project is budgeted in CIP C800118 Video Surveillance System. The CIP was included in the 2009 Draft Plan of Finance as a committed project with estimated spending of \$864,000 in 2008. The funds not spent in 2008 are available to fund the balance of the project in 2009.

The source of funds is the General Fund.

### **Financial Analysis Summary**

#### **MDA Program**

<b>CIP Category</b>	Compliance
<b>Project Type</b>	Health, Safety and Security
<b>Risk adjusted Discount rate</b>	N/A
<b>Key risk factors</b>	Key risk factors include potential cost overruns due to project complexity or unidentified additional repairs needed.
<b>Project cost for analysis</b>	\$7,351,000
<b>Effect on business performance</b>	The project will increase depreciation by approximately \$967,000 per year.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

January 2, 2009

Page 7 of 7

<b>Business Unit (BU)</b>	Seaport Security
---------------------------	------------------

### **Area Surveillance Hardware Upgrade Project**

<b>CIP Category</b>	Renewal/Replacement
<b>Project Type</b>	Health, Safety and Security
<b>Risk adjusted Discount rate</b>	N/A
<b>Key risk factors</b>	Key risk factors include potential cost overruns due to project complexity or unidentified additional repairs needed.
<b>Project cost for analysis</b>	\$864,000
<b>Effect on business performance</b>	The project will increase depreciation by approximately \$140,000 per year.
<b>Business Unit (BU)</b>	Seaport Security

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- On December 11, 2007, Commission authorized the Maritime Domain Awareness Program.
- On December 11, 2007, Commission authorized the Area Surveillance Hardware Upgrade Project.