

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6a

Date of Meeting January 5, 2010

DATE: December 7, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Arif Ghouse, Director Seaport Security
Russ Read, Seaport Security Program Manager

SUBJECT: Purchase of Improvised Explosive Device (IED) Detection Equipment

AMOUNT THIS REQUEST: \$1,314,775 (\$1,173,341 to be reimbursed by the Department of Homeland Security)

SOURCE OF FUNDS: Department of Homeland Security Grant Funds, American Recovery and Reinvestment Act Grant Funds, the Drug Seizure Fund and the Seaport General Fund.

ACTION REQUESTED: Request Port Commission authorization for the Chief Executive Officer to: 1) accept a grant award of \$749,040 funded by the FY-2009 American Recovery and Reinvestment Act (ARRA); 2) execute and award outside professional services agreements to determine the specifications for certain Port security (IED) equipment; and 3) purchase materials and equipment and perform contract administration and execution for the Improvised Explosive Device Mitigation Program in an amount not to exceed \$1,314,775, of which \$1,173,341 is reimbursable from the Department of Homeland Security under the Round 7 Supplemental and ARRA Port Security Grant funding. Total net Port funding required is \$141,433 after reimbursements.

SYNOPSIS:

As part of its efforts to increase security at the country's strategic and economically important seaports, the Department of Homeland Security (DHS) established the Port Security Grant Program (PSGP) in Fiscal Year (FY) 2002. The PSGP is an important component of a coordinated national effort to protect America's "National Critical Infrastructure" as a part of the DHS Infrastructure Protection Program (IPP). The Port has participated in the PSGP since its inception and has received (excluding these two grants) \$19,152,855 of grant funding through this program. These funds have been used to purchase a replacement police boat and portable vehicle barriers; provide access control for and video surveillance of Port property; install fencing; and implement the Transportation Worker Identification Credential (TWIC) program at Terminals 90 and 91 and Pier 66 portable surveillance equipment for the Port of Seattle Police Department and non-invasive stores screening equipment.

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DHS has identified the Improvised Explosive Device (IED) Mitigation Program for reimbursement under the FY-2007 Round 7 Supplemental and the FY-2009 American Recovery and Reinvestment Act (ARRA) Port Security Grant Program (stimulus funding). The Port would like to take advantage of the availability of grant funding to improve the capabilities of the Port of Seattle Police Department (POSPD) by purchasing several pieces of IED equipment, including a Bomb Squad Large Remote Operated Vehicle (ROV/Robot); a Bomb Squad Response Truck; and real-time, three dimensional (3D) imaging sonar equipment. The grant for the IED robot and truck requires a 25 percent funds match from the Port for the total cost of the Program, while the 3D sonar system is funded at 100 percent. Both grant projects are subject to costs for all Port labor and labor contingencies.

This Program will have two key components that, once executed, will help to ensure that the Port can better detect and mitigate the potential impact from IEDs, which, if undetected, threaten the safety of the public and the continuity of business operations. These projects will provide another layer of detection and mitigation for the Port and strengthen the Port's overall capability to respond to threats to the region's transportation infrastructure.

On September 29, 2009, the Port was awarded stimulus funding in the amount of \$749,040 under the American Recovery and Reinvestment Act Port Security Grant Program (ARRA PSGP) to fund the purchase of three-dimensional (3D) real-time imaging sonar equipment. The Port had already been awarded PSGP grant funding in Round 7 Supplemental that will also be used to fund this project.

The Port was asked by the Captain of the Port to act as "Fiduciary Agent" for grant administration of the Round 7 Supplemental.

PROJECT DESCRIPTION/SCOPE OF WORK:

Project Statement:

Provide the POSPD with IED detection and mitigation capabilities through procurement of equipment: 1) Bomb Squad Large Remote Operated Vehicle (ROV/Robot); 2) Bomb Squad Response Truck; and 3) real-time, three dimensional (3D) imaging sonar equipment.

Project Objectives:

- Provide the POSPD with state-of-the-art Improvised Explosives Device (IED) mitigation capabilities throughout the Port by purchasing an explosives disposal robot and support vehicle for transportation of the robot and accoutrements.
- Provide the POSPD with state-of-the-art three-dimensional (3D) real-time imaging sonar equipment for the detection of underwater anomalies and improvised explosive devices on piers, structures, seafloor and vessels.
- Project will be on budget at minimum life cycle cost.
- Project plan is to procure and deliver the equipment by the end of the 2010 cruise season.

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- Project will use technology to meet future security and under pier surveillance requirements and IED mitigation needs.
- Project will reduce recurring Port FTE expenses and risks to under pier dive operations.
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Scope of Work:

The Improvised Explosives Device Mitigation Program will be comprised of two components: Three Dimensional (3D) real-time imaging sonar system and 2) IED Mitigation Equipment.

There will be three procurements, as follows:

- 1. Three Dimensional (3D) real-time imaging sonar system** – The Captain of the Port has specifically required an assessment by the Port of the pilings, pier structures and vessels adjacent to the Port’s cruise terminals for dangerous substances and devices, swimmers, underwater improvised explosive devices (UIEDs), and other anomalous items that may be used to sabotage or result in terrorist activities prior to the arrival of cruise vessels. This project will procure a portable 3D high resolution multi-beam imaging sonar for deployment on the POSPD’s police boat and one pier deployable system for inspection of the bottom of vessels and pier structures to meet the Captain of the Port’s request. The U.S. Coast Guard has noted that this type of sub-surface equipment utilized for detection, inspection, surveillance and information gathering asset does not presently exist on any of the law enforcement vessels in the Puget Sound region. This capability is necessary to address critical gaps related to sub-surface sonar surveillance, inspection, monitoring, and imaging of the infrastructure to detect, prevent, and protect against threats and/or incidents. Total estimated project cost is \$749,040.
- 2. Bomb Squad Large Remote Operated Vehicle (ROV/Robot)** – This project will enable the POSPD Bomb Squad to maintain a FEMA Resource Type I National Bomb Squad Commanders Advisory Board (NBSCAB) accredited bomb squad capable of handling multiple or simultaneous incidents. This will also address mitigation strategies identified in the Area Maritime Security Committee’s Puget Sound Strategic Risk Management/Mitigation and Trade Resumption/Resiliency Plan through the purchase of a large remotely operated vehicle/robot for the mitigation of improvised explosives devices. Total estimated cost is \$252,366.
- 3. Bomb Squad Response Truck** – The bomb squad response truck will be used to house and transport the Bomb Squad Large Remote Operated Vehicle (ROV/Robot) and the equipment required to support a response to improvised explosive devices. Total estimated cost is \$313,369.

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PROJECT SCHEDULE:

- Months 1–2 (January – February 2010). Project planning, product research, vendor research, system design, and vendor/product selection.
- Months 3–9 (March – August, 2010). Purchase equipment /physical build-out, hardware/software installation and configuration and training. It is possible that the sonar system may be a sole source procurement due to its technical specifications. The ROV/Robot and the Bomb Squad Response Truck will be competitively procured based on the specifications that are developed.
- Months 10–12 (September – November, 2010). Contract close out, commissioning of all systems, and initiate ongoing maintenance.

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	\$0
Previous Authorizations for this CIP	\$0
Current request for authorization	\$1,314,774
Total Authorizations, including this request	\$1,314,774
Remaining budget to be authorized (Estimated Infrastructure Construction Cost)	\$
Total Estimated Project Cost	\$1,314,774

Project Cost Breakdown

<u>Bomb Squad Large Remote Operated Vehicle (ROV/Robot)</u>	This Request	Grant Reimbursement	POS Costs (25% match- less Port FTE & Labor)
Purchase	\$252,365	\$189,274	\$63,091
<u>Bomb Squad Response Truck</u>			
Purchase	\$313,369	\$235,027	\$78,342
<u>3 Dimensional (3D) Real-Time High Resolution Imaging Sonar System</u>			
Purchase	\$749,040	\$749,040	\$0.00
Total	\$1,314,774	\$1,173,341	\$141,433

Source of Funds:

Due to the late announcement by DHS of the grant award (after the budget process was complete), funding for the Improvised Explosive Device Mitigation Program, in the amount of \$1,314,774, was

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not included in the 2010 Draft Plan of Finance. However, of the total amount, \$1,173,341 is reimbursable from DHS under the Round 7 Supplemental and the ARRA Port Security Grant funding. The Port's share of the cost of this program will ultimately be funded by the Drug Seizure Fund, but program costs will initially be covered by the General Fund until the DHS reimbursement has been received.

Financial Analysis Summary

CIP Category	Compliance
Project Type	Health, Safety and Security
Risk adjusted Discount rate	N/A
Key risk factors	Final design requires higher expenditures
Project cost for analysis	\$1,314,774 (\$141,433 net of grant receipts)
Business Unit (BU)	Port of Seattle Police and Seaport Cruise, Docks & Industrial Properties
Effect on business performance	The purchase of this equipment will increase depreciation and, accordingly, reduce Net Operating Income After Depreciation by approximately \$206,000 in years 1-5 and by \$143,000 in years 6 and 7. Not included in these amounts are the incremental costs associated with the POSPD's operation of the equipment.
IRR/NPV	There are no incremental revenues. NPV (net of grant receipts) is (\$141,433).
CPE Impact	None.

STRATEGIC OBJECTIVES:

- **Be a Leader in Transportation Security:** Improve Port security by providing a comprehensive Improvised Explosive Detection and Mitigation program.
- **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.

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ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS:

No impact to the environment is anticipated as a result of these projects. Equipment will be purchased utilizing materials that have demonstrated long life and durability.

1. What scope or design considerations have been made to conserve energy and what are the impacts on the initial and ongoing costs?

Sustainability design considerations, such as energy conservation and consumption in the initial and ongoing requirements, will be included in selection of the proposed equipment. Equipment will be selected, to the extent practical, with regard to reduced energy consumption, in light of the specialized nature of the proposed equipment.

2. What plans have been made for recycling during construction and operation?

Following productive use of the proposed equipment, the component elements will be appropriately recycled. Selection of equipment will, to the extent practical, emphasize equipment produced, such that recycling can be effective and efficient.

3. What plans have been made to minimize off-site disposal? If not, why?

It is anticipated that selection of new equipment will emphasize gear that can be effectively re-cycled following use.

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

Several alternatives for enhancing the Port's current Improvised Explosive Device detection and mitigation capabilities were explored:

1. Rely on other outside agencies to provide Improvised Explosives Device detection and mitigation capabilities. This is not the recommended solution.
2. Rely on the use of POSPD Police Dive Teams to perform underwater inspections of piers and vessel hulls dramatically increasing the time and number of personnel to perform this task at increased safety risk to the divers. This is not the recommended solution.
3. Specify and procure equipment for the detection and mitigation of Improvised Explosive Devices. **This is the recommended solution.**

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

On November 20, 2007, the Commission authorized the Port to receive, execute and perform grant administration duties for the DHS Round 7 Supplemental and to disburse grant funds to sub-grantees.