

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5b
Date of Meeting March 9, 2010

DATE: March 1, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Greg Englin, Manager, Dock Operations
Russ Read, Seaport Security Program Manager

SUBJECT: New Service Contract for Security Services at Terminal 91.

Amount of this request: \$400,000 - \$600,000 per year. Estimated value for full five years is \$3 million

Source of Funds: Seaport Operating Expense Budget

Estimated Workers Employed: 14 Full Time Equivalent – 28,696 hrs worked in 2009

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to execute a contract for security services to be performed at Terminal 91 with an estimated value ranging from \$400,000-\$600,000 annually. The contract will be competitively bid with an initial term of one year and four (4) additional one year options to renew. Maximum contract term will be five years.

SYNOPSIS:

The purpose of this contract is to provide a broad array of security support services for operational activities at Terminal 91 (T-91), including: (1) continual security staffing; (2) compliance with the Marine Transportation Security Act of 2002 (MTSA), Transportation Workers Identification Credential Program of the Department of Homeland Security (TWIC) and the United States Coast Guard (USCG) Facility Security Plan for the Seaport Division; (3) deterrence of theft, vandalism and property damage and; (4) provision of a safe working environment.

ADDITIONAL BACKGROUND:

The Port has utilized contracted security guard services to perform this type of work at T-91 for many years. Actual cost for contracted security services at T-91 for the year of 2009 totaled \$509,000. The scope of security services has increased over the last few years with the implementation of new federal programs like TWIC which was implemented at T-91 last year.

T-91 consists of a 212 acre terminal that serves a very diverse but critical group of maritime industries. T-91 includes Piers 90 and 91 and is bisected by the Magnolia Bridge and bordered by a City of Seattle bike and pedestrian path and is also adjacent to a BNSF rail yard and a National Guard Armory. T-91 also hosts the Smith Cove Cruise Terminal (SCCT) which opened in 2009 and is operated under a lease agreement with Cruise Terminals of America. Other tenants at T-91 include Trident Seafoods, CityIce

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Cold Storage, Carnitech, Independent Packers, American Seafoods, Foss Maritime and First Student. It serves as the home port for the North Pacific factory trawler fleet, as well as fuel barges and other maritime operations. T-91 has two gates that serve as secured access points during non-cruise periods. Under current terminal operations during cruise season, public access into the terminal is allowed on scheduled cruise ship days to facilitate the movement of passengers through the cruise terminal; maintain traffic flows; prevent congestion on city streets; and provide access to the managed parking areas within the terminal.

JUSTIFICATION:

T-91 has vessel berthing that occurs in specific areas along the piers that is subject to MTSA requirements. This activity occurs at defined locations described in the Port's Facility Security Plan and is approved by the United States Coast Guard. Compliance with the MTSA and TWIC security requirements is mandatory per federal statute. These contracted security services utilized under this new service contract will provide the necessary personnel to support the various 24/7 operations related to, terminal access control and roving security personnel to maintain compliance with federal security requirements.

COST ESTIMATE:

The estimated contract capacity for the security services defined for this contract is based on the previous year's actual cost for similar contracted services and on Seaport security and operations staff estimated needs for the future. In support of the current preferred alternative, staff estimates that the cost for services to be received under this new service contract will be in the range of \$400,000 to \$600,000 per year. The new contract would be executed for the initial term of one year and can be renewed on an annual basis at the Port's discretion for a maximum term of five years.

SCOPE OF WORK AND SCHEDULE:

Procurement has drafted a Request for Proposal (Bid No. ITB 10-03 T-91). The tentative schedule is to advertise by February 23, 2010. We estimate bids will be received mid to late March, 2010 with final contract execution thereafter.

STRATEGIC OBJECTIVES:

This contract will be conducted in accordance with the Port's security and operational objectives and will be in full compliance with the Department of Homeland Security and the United States Coast Guard requirements.

BUSINESS PLAN OBJECTIVES:

Proceeding with this contract ensures compliance and continued cooperation with all federal, state, and local agencies and will allow continued safe and productive use of the terminal in the future.

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FINANCIAL IMPLICATIONS:

Source of Funds:

The 2010 operating budget included \$400,000 for T-91 contract security services. Expenses in excess of \$400,000 during 2010 will result in an unfavorable operating expense variance.

This operating expense will be funded from the general fund.

Financial Analysis Summary:

Key risk factors	Security requirements from the Department of Homeland Security and the United States Coast Guard are subject to change. Terminal 91 must remain in compliance with those changing security requirements.
Business Unit (BU)	Dock Operations
Effect on business performance	<ul style="list-style-type: none">• The 2010 operating budget included \$400,000 for T-91 contract security services. Expenses in excess of \$400,000 during 2010 will result in an unfavorable operating expense variance.• For years 2011-2015 of this proposed contract, the operating budget will include the best estimate each year, within the parameters of this contract, of annual security costs necessary for Terminal 91 to maintain compliance with current security requirements.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

- Due to federal requirements and Port policy mandating security at T-91, no other alternative has been considered. The Port is not staffed to perform this work so an outside contractor must be hired. **This is the preferred alternative.**