

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6e

Date of Meeting November 8, 2011

DATE: October 27, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Arif Ghouse, Senior Manager Seaport Security
Russ Read, Seaport Security Program Manager
Kate Deaver, Capital Project Manager
Colleen Wilson, Chief of Police

SUBJECT: Seaport Security Grant Program: Multiple Security Grant Authorization Requests
(CIP #800432 and CIP #800433)

Amount of This Request: \$2,146,843, of which up to \$1,757,199 is eligible for reimbursement by the Federal Government. Net cost to the Port of Seattle is \$389,644.

Source of Funds: Department of Homeland Security Port Security Grant Program, Port of Seattle Police Department Drug Seizure Fund and the General Operating Fund.

Total Project Cost: \$2,146,843

Est. State and Local Taxes: \$150,155.00

ACTION REQUESTED:

Request Commission authorization to (1) purchase eight to ten police vehicles, a police dive van, a Mobile Incident Command Vehicle and, (2) provide systems maintenance and perform project management to carry out the Fiscal Year (FY) 2009 Port of Seattle (Port) Security Grant Program and FY 2010 Port Security Grant Program. The cost of the purchases and Round 9 maintenance is \$2,146,843 with \$1,757,199 eligible for reimbursement to the Port with grant funding, leaving \$389,644 in net Port costs.

SYNOPSIS:

The Port has received grant funding from the Department of Homeland Security (DHS) to increase security at the nation's strategic and economically important seaports since 2002. In FY-09 and FY-10 (Rounds 9 and 10), the Port received two security grants. Round 9 will support the purchase of eight to ten police vehicles and a police dive van and has provided funding for operations and maintenance of software systems and upgrades and equipment purchased with previous grant funding. The total cost of this project is estimated at \$1,308,578. Up to \$958,954 is eligible for reimbursement through the grant. Total Port costs for Round 9 are estimated at \$349,644. Round 10 will be used to support the purchase of a Mobile Incident

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Command Vehicle (MICV). The MICV provides the Port with additional capability to respond to emergencies. The total cost of this project is estimated at \$838,265 of which up to \$798,265 is eligible for reimbursement by the grant. Total Port costs for Round 10 are estimated at \$40,000. The net cost to the Port for Rounds 9 and 10 is \$389,644. This equipment was included in the 2011 Plan of Finance as Business Plan Prospective projects.

ADDITIONAL BACKGROUND:

As part of its efforts to increase security and reduce risk at the country's strategic and economically important seaports, DHS established the Port Security Grant Program (PSGP) in FY-02. 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 approximately \$20,512,629 of grant funding through this program. These funds have been used to purchase equipment and install infrastructure to support the security program at various Port facilities at the Seaport.

The Port of Seattle Police Department (POSPD) has identified equipment and vehicles that are required for or that will enhance the security along the Port waterfront. The overall cost of these procurements, including the police vehicles, the dive van, and the Command Vehicle is \$1,650,578 of which up to \$1,385,000 is eligible for reimbursement through the grant. The estimated net cost to the Port for these projects is \$265,578. The Port match costs for Police Equipment will be paid for using POSPD's drug seizure funds.

Additionally, for the first time ever, the Port has been awarded grant funds for software upgrades and license fees and maintenance of security related items. These costs, in the amount of \$496,265 over a three year period, fall to the operations budget. However, starting in 2012, the Port will be reimbursed for up to 75 percent of these costs (\$372,199). The bulk of this funding would be reimbursed to ICT for security-related licenses and systems maintenance for equipment and systems installed with previous grants and the remainder is available for the POSPD to maintain non-intrusive inspection equipment purchased through a previous grant.

PROJECT JUSTIFICATION:

In 2009, the POSPD created a dedicated Seaport Division assigning a commander, two sergeants, and eight officers to the waterfront on a full-time basis. In 2011, the Department dedicated a deputy chief to serve as a liaison with the Port's various stakeholders at the waterfront. While the Port currently has patrol vehicles for officers assigned to the waterfront, their primary use and operational location is at the Airport, which is physically separated from the Seaport. There are a total of 94 vehicles in the Port Police inventory, which includes SWAT, command and control, dive support and other specialized vehicles that are not used in the primary police response at the Seaport. The current capabilities to provide POSPD support to the Port's Seaport locations requires allocation of assets away from the Airport, which also has critical infrastructure security requirements that often precludes the use of these assets within the Seaport. This investment in eight additional vehicles will help resolve the competition for assets

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between the Seaport and Airport. It will also allow the POSPD to equip two of these vehicles as incident command SUV's that can be set up as command posts on the scene of any critical incident or public safety emergency.

Dive Van:

The Port Police currently use a 1990 Chevrolet step van as their dive van. While the current dive van has been maintained, it is well past its useful life and repair costs are expected to increase. The floor of the van has suffered significant salt water corrosion and will need to be replaced if a new van is not purchased. Additionally, this older van is not well suited to the extensive equipment storage, management and operational support that have become more important over the course of time and is also no longer well suited to provide the increased frequency and complexity of diving operations now required by the Coast Guard. While the Port could utilize other vehicles in support of diving operations, they are also not equipped properly to safeguard against corrosion or to safely and adequately store and transport such equipment as high pressure SCUBA tanks, dry-suits, and other diving equipment. Use of other vehicles for diving operations will significantly degrade their lifespan and decrease the ability to rapidly respond to diving operations. The specially outfitted dive support van will provide the proper and appropriate support vehicle to sustain diving operations throughout the Port and in adjoining jurisdictional authorities with which the Port has mutual aid agreements. The benefit of this request to Port security is the ability to provide rapid police diving operations to address the vulnerabilities identified in the Coast Guard's Puget Sound port-wide risk management/mitigation plan, as well as to respond to security incidents and breaches at Coast Guard regulated facilities under Title 33, Code of Federal Regulations (CFR) 105, as the primary law enforcement response agency.

Additionally, the federal government has recognized the need for ongoing support and maintenance of the security systems that the Port has previously installed or purchased. These costs are ongoing but are reduced by accepting and authorizing grant funding.

Mobile Incident Control Vehicle:

Approval of the MICV will allow our facilities to maintain continuity of operations during natural or manmade catastrophic events and provide the logistical means to provide response support to the greater Pacific Northwest region. As an active participant and stakeholder in the Washington State Emergency Workers Reception Plan and Staging and Logistics Plan, the Port's facilities are critical infrastructure as determined by DHS. Moreover, these facilities will be the gateway to the Pacific Northwest for receiving relief supplies and capabilities from around the world in response to catastrophic events.

The existing 1988 MICV is functionally restricted by its design and size and has limited modern equipment and technology and, therefore, provides limited response capability. This project will enhance the Port's management, Maritime Domain Awareness, and Improvised Explosive Device/Chemical, Biological, Radiological, Nuclear, High-Yield Explosive (IED/CBRNE)

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incident response capability and mitigation and recovery capabilities. It will provide interagency communications and coordination by initiating electronic mapping and dash boarding that can be shared with all regional jurisdictions and partners. It will also provide required work spaces to aid in work flow, and MICV equipment will be used to create a real-time common operational picture that will be shared with responders, public information staff, partner agencies, facilities managers and our elected officials.

PROJECT STATEMENT AND OBJECTIVES:

Project Statement:

Procure the equipment and vehicles necessary to maintain security at the Port of Seattle with grant funding, and at minimal expense to the Port.

Project Objectives:

- These procurements will allow the Port to maintain the required level of security and comply with Coast Guard regulations.
- These procurements will allow the Port to respond rapidly in the event of an emergency at the Port or within the region.
- These procurements will accurately track the costs of procuring the needed security-related equipment.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

The scope of this procurement includes developing the specifications and purchasing a new police dive van, police vehicles, and an MICV. The Port may use an existing contract or procure a new contract to help develop specifications for the MICV. Cost associated for this work is included in this request.

Schedule:

The procurement of the police vehicles, dive van, and MICV will start in 2011 and be complete in 2012.

FINANCIAL IMPLICATIONS:

Grant/Project	Total Cost	Grant Mgmt. (M&A)	DHS Funding	Port Match 25%	Port Internal Costs (Ineligible)	Port Costs Included in This Request	Port Cost as a Project %
Round 9: Police Vehicles	\$504,736	Included in totals	\$374,802	\$124,934	\$5,000	\$129,934	26%
Round 9: Police Dive Van	\$307,577	Included in totals	\$211,933	\$70,644	\$25,000	\$95,644	31%

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Round 9: Maintenance Funding	\$496,265	Included in totals	\$372,199	\$124,066	\$0	\$124,066	25%
Round 10: Mobile Incident Command Vehicle	\$838,265	Included in totals	\$798,265	\$0	\$40,000	\$40,000	5%
TOTAL	\$2,146,843		\$1,757,199	\$319,644	\$70,000	\$389,644	18%

Source of Funds

- The source of funds for all Port costs related to the police vehicles and police dive van (CIP#800432), and MICV (CIP#800433) will be POSPD Drug Seizure Funds. All three items were included as Business Plan Prospective projects in the 2011 Plan of Finance and were included in the funding plan
- The source of funds for the Maintenance and Operations portion will be the general fund (ICT and Police 2011 Operating Budget and future 2012 and 2013 Budgets). Note that these are costs that would have incurred with or without the grant so the funds received are an offset to existing expenses.

Financial Analysis Summary:

CIP Category	Compliance
Project Type	Health, Safety & Security
Risk adjusted Discount rate	N/A
Key risk factors	Key risks include procurement costs higher than expected and grant ineligible costs in excess of expected.
Project cost for analysis	\$2,146,843; POS Net Cost of \$389,644
Business Unit (BU)	Port of Seattle Police and Seaport Security
Effect on business performance	<ul style="list-style-type: none"> • The costs associated the vehicles, dive van, and MICV, will increase depreciation expense by approximately \$264,600 a year for the first 5 years and \$163,700 a year for years 6 and 7. • The Maintenance and Sustaining Funding will offset \$372,199 in operating expenses over 3 years.
IRR/NPV	(\$2,146,843); Net of grants (\$389,644)

ECONOMIC IMPACTS AND BUSINESS PLAN OBJECTIVES:

These procurements will allow the Port to meet the interoperability needs of a regional response to maritime incidents. These assets will also benefit other regional, local and state agencies, and assist in partnering with federal responders. This investment will result in the greatest response capability at the lowest cost for a regional interoperable response and allows the Port to maintain the existing Mutual Aid agreements with local law enforcement entities.

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STRATEGIC OBJECTIVES:

This project supports the Port's strategy to "Ensure Airport and Seaport Vitality" by enhancing safety by providing an additional level of security to the Port's waterfront operations.

Pursuing the opportunity to cooperate with other ports and agencies in the Puget Sound region and further increase levels of maritime security will help ensure Seaport Vitality. Investments in preventive actions demonstrate to Seaport customers and the community that the Port of Seattle is actively taking steps to protect its assets from security threats, as well as leveraging its position on the waterfront to create opportunities for increased security throughout the region.

ENVIRONMENTAL SUSTAINABILITY AND COMMUNITY BENEFITS:

No impact to the environment is anticipated as a result of this project. Procurements will be constructed with materials that have demonstrated long life and durability.

TRIPLE BOTTOM LINE:

Facilitating reasonable solutions for interagency cooperation demonstrates that the Port is committed to its strategy of maintaining a leadership position in Transportation Security. By procuring new equipment and vehicles, the Port is helping promote increased security in the Puget Sound region by selecting projects with maximum impact and leveraging available DHS grant funding where feasible.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

- Alternative 1: Procure the needed equipment and vehicles using grant funding to minimize the cost to the Port. **This is the recommended solution.**
- Alternative 2: Phase the procurements out over several years without using grant funding. The Port would be responsible for the total cost of the equipment or vehicles and the existing equipment or vehicles may require costly repairs or be rendered unusable. This is not the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None