

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	4c
Date of Meeting	May 26, 2015

DATE: May 1, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Russ Read, Seaport Security Manager
Mike McLaughlin, Director Cruise and Maritime Operations
SUBJECT: New Service Contract for Security Services at Terminal 91

Amount of This Request:	\$500,000 - \$700,000 annually	Source of Funds:	General Fund
Est. Total Contract Cost:	\$2,500,000- \$3,500,000		
Est. State and Local Taxes:	\$48,000 – \$6,720 annually	Est. Jobs Created:	14 FTEs

ACTION REQUESTED

Request authorization for the Chief Executive Officer to execute a contract for security guard services to be performed at Terminal 91 with an annual estimated value ranging from \$500,000 – \$700,000. The contract will be competitively bid with an initial term of one year and four (4) additional one year options to renew. The maximum contract term will be five years.

SYNOPSIS

The current contract for security guard services at Terminal 91 expires on May 31, 2015. The Central Procurement Department has drafted and issued an Invitation to Bid (Bid No. ITB 15-17). The solicitation was advertised 5/12/15. Submittals are due 5/27/15; the award of contract is scheduled for 7/1/2015

The preferred Commission action is for authorization to execute a new contract for security guard services at Terminal 91.

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 24 hour a day 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 Port of Seattle; (3) deterrence of theft, vandalism and property damage; (4) provision of a safe working environment and; (5) traffic and circulation controls, (6).

Additionally this security guard contract provides continual security services for the tenants at Terminal 91 as a means of theft deterrent, detection of anomalous activity and rapid reporting of both criminal activity and other emergent conditions that require immediate Port of Seattle staff

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response. Maintaining security guard services also assists the tenants at Terminal 91 in maintaining their U.S. Customs and Border Protection Customs Trade Partnership Against Terrorism (C-TPAT) certification which could not be maintained without 24 hour security services and access control.

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 2014 totaled \$477,221. The scope of security services includes; compliance with United States Coast Guard Regulations and the Transportation Worker Identification Credential (TWIC) program which was implemented in 2009, as well as support services for Maritime Operations with cost recovery, including cruise, fishing fleet, commercial operations and special event activities.

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, Lineage Logistics Cold Storage, MAREL USA, Independent Packers, American Seafoods, Foss Maritime, and the City of Seattle Fire Department.

Terminal 91 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.

PROJECT JUSTIFICATION AND DETAILS

Terminal 91 has vessel berthing that occurs in specific areas along the piers that is subject to Maritime Transportation Security Act (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 proposed service contract will provide the necessary personnel to support the various 24/7 operations related to, terminal access control, MTSA and TWIC program compliance, and roving security personnel to maintain compliance with federal security requirements

Port staff have also determined that it is critical to establish a protected perimeter to prevent vandalism or unauthorized access to the facility. In order to protect the facility and assets from unauthorized persons, the Maritime Division would like to continue security of the facility; at

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minimum, secure the Terminal 91 perimeter 24/7 with a minimum of four (4) guards and one (1) site supervisor. The contracted security services utilized under this proposed service contract will provide the minimum personnel necessary to provide security and operations support at Terminal 91 for continual 24 hour a day coverage, every day of the year; personnel to manage terminal access control, and roving security personnel to maintain minimum security of the terminal and compliance with Coast Guard regulations.

Project Objectives

This contract will be conducted in accordance with the Port's security and operational objectives and the Seaport's goal to protect a valuable asset and maintain compliance with federal regulations.

This contract aligns with the Port's Century Agenda to position the Puget Sound region as a premier international logistics hub. Proceeding with this contract will allow continued safe and productive use of the terminal in compliance with federal regulations.

Scope of Work

The scope of work is to provide security guard services at Terminal 91, 24 hours a day, 365 days a year. Staffing will include continual guard service operations at the East Gate 24 hours a day, 365 days a year, and the Main Gate during normal business hours. Additionally a roving security guard is to perform random patrols of the facility at all hours to deter, detect and report criminal activity, vandalism and help ensure compliance with applicable United States Coast Guard regulations as detailed in the Port of Seattle Facility Security Plan and MTSA. Additional guards are brought in to facilitate MTSA regulations for certain vessels, and enforcement of the TWIC program. Additional guards are routinely brought in to facilitate safety, traffic control and customer service to a variety of diverse vessel and facility operations, such as cruise, and Washington State Convention truck staging special events held at the Smith Cove Cruise Terminal.

Schedule

The Central Procurement Department has drafted and issued an Invitation to Bid (Bid No. ITB 15-17). The solicitation was advertised 5/12/15. Submittals are due 5/27/15; the award of contract is scheduled for 7/1/2015

FINANCIAL IMPLICATIONS

Budget/Authorization Summary

	Capital	Expense	Total Project
Original Budget	\$0	\$0	\$0
Previous Authorizations	\$0	\$400,000 – 600,000 per annum	\$0
Current request for authorization	\$0	\$500,000 –	\$500,000 –

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		700,000 per annum	700,000 per annum
Total Authorizations, including this request	\$0	\$\$500,000 – 700,000 per annum	\$\$500,000 – 700,000 per annum
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$0	\$\$500,000 – 700,000 per annum	\$\$500,000 – 700,000 per annum

Project Cost Breakdown

This Request

Total Project

	This Request	Total Project
Construction	\$0	\$0
Construction Management	\$0	\$0
Design	\$0	\$0
Project Management	\$0	\$0
Permitting	\$0	\$0
State & Local Taxes (estimated)	\$0	\$0
Total	\$0	\$0

Budget Status and Source of Funds

The 2015 operating budget included \$500,000 for T-91 contract security services. Expenses in excess of \$500,000 during 2015 will result in an unfavorable operating expense variance.

This operating expense will be funded from the general fund.

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Financial Analysis and Summary

CIP Category	
Project Type	
Risk adjusted discount rate	
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 and maintaining a safe environment for the terminal users and visitors.
Project cost for analysis	
Business Unit (BU)	Cruise and Maritime Operations
Effect on business performance	<ul style="list-style-type: none">• The 2015 operating budget included \$500,000 for T-91 contract security services. Expenses in excess of \$500,000 during 2015 will result in an unfavorable operating expense variance.• For years 2015-2020 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.
IRR/NPV	
CPE Impact	

Lifecycle Cost and Savings

There are no lifecycle costs or savings associated with this request for service.

STRATEGIES AND OBJECTIVES

This contract will be conducted in accordance with the Port's security and operational objectives and the Seaport's goal to protect a valuable asset and maintain compliance with federal regulations.

This contract aligns with the Port's Century Agenda and Strategic Objectives to position the Puget Sound region as a premier international logistics hub and to be a leader in transportation security. Proceeding with this contract will allow continued safe and productive use of the terminal in compliance with federal regulations.

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TRIPLE BOTTOM LINE

Economic Development

Maintaining security guard services at Terminal 91 ensures the Port of Seattle can facilitate moorage for vessels that require MTSA regulated berths, thereby supporting the maritime economy and facilitating commerce.

Environmental Responsibility

Security guard services assist in the prevention, detection and rapid response to spills and discharges, which facilitate the Port of Seattle's commitment to environmental stewardship and protection of the environment.

Community Benefits

The community benefits from this contract in the creation of jobs employing approximately 17 FTE in meeting the requirements of the contracted services. Additionally this contract provides for enhanced security and safety of a terminal that supports cruise vessel operations, and the largest commercial fishing fleet in the Pacific Northwest.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Discontinue security at Terminal 91. The Port has experienced vandalism, theft, and damage at other terminals such as Terminal 106 and Terminal 104. Not having security at the terminal is a high risk to the Port and will not allow berthing of MTSA regulated vessels foregoing revenue opportunities. This is not the preferred alternative.

Alternative 2) – **Budget for and hire Port of Seattle Staff to provide security services at Terminal 91, adding an additional 17 FTE to the current staffing. The cost of adding additional Port of Seattle staff is more expensive for the Port of Seattle than the use of contracted security guards. This is not the preferred alternative.**

Alternative 3) – Procure a security guard contract for Terminal 91 and continue minimum security and regulatory compliance of the facility. Federal requirements and Port policy mandate security at T-91. The Port is not staffed to perform this work so an outside contractor must be hired. With this alternative, the Port will seek reimbursement for some of the costs for security from the users, tenants and special events. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- March 9, 2010 – Commission Authorization on agenda item 5b to authorize New Service Contract for Security Services at Terminal 91.