



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute an Amendment to the Agreement with Covenant Aviation Security, LLC to Extend the Existing Agreement for Two Years to August 31, 2027, with No Increase in Maximum Compensation and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act.

Submitted By: Craig Simon, Director of Aviation; Danny Wan, Executive Director

Parties Involved: Covenant Aviation Security, LLC (Bolingbrook, IL)

Amount: \$0

EXECUTIVE SUMMARY: The Port of Oakland (Port) contracted with Covenant Aviation Security, LLC (Covenant) to provide screening, inspection, and security guard services at the San Francisco Bay Oakland International Airport (OAK) since September 1, 2019 (Resolution No. 19-52). The agreement will expire on August 31, 2025. Port staff recommends extending the existing Agreement between the Port and Covenant for two years to August 31, 2027, with no increase in maximum compensation. The additional time would allow the Aviation Security Department to hire and on-board critical staff, prepare and conduct a thorough competitive selection process for these services, and plan for a possible transition to a new contractor.

BACKGROUND & ANALYSIS

The Port has contracted for security guard services at OAK for decades. However, over the past 10 years, these services have transformed from traditional security guard-type services to specialized screening and inspection services. In 2019, following a competitive Request for Proposal (RFP) process, Covenant was selected, in part, because of their expertise and experience providing screening/inspection services in accordance with TSA requirements. In fact, Covenant provides services directly to TSA, screening airline passengers at checkpoints at some U.S. airports. Covenant leadership has access to TSA threat intelligence and its staff are trained to TSA standards of detection for existing and emerging threats, which enhances OAK’s compliance with TSA regulations and minimizes Port staff time and involvement in managing and training the contractor and its staff. Overall, Covenant has been an excellent security partner and performed all services well and to the satisfaction of the Aviation Security Department.

Under the current Agreement, Covenant provides the following types of services at OAK:

- Screening aviation workers and their property for unauthorized weapons, explosives, and incendiaries prior to entering Transportation Security Administration (TSA)-regulated areas as required by new TSA regulations, including use of specialized screening equipment such as two-dimensional x-ray machines with automated weapons and explosives detection, electronic explosives trace detection equipment, enhanced metal detectors, etc.

- Inspecting concession product for TSA prohibited items prior to it being introduced into TSA-regulated areas
- Escorting unbadged contractors in TSA-regulated areas (short-duration needs)
- Performing tool control for Port and tenant contractors working in TSA-regulated areas
- Controlling access to airfield gates to facilitate construction activities
- Patrolling parking lots and other facilities to deter criminal activity

The Aviation Security Department was preparing to conduct a new, formal RFP process for these services when staffing challenges arose, including a retirement, staff promotion and transfers to other Port departments. Given this extraordinary short-staffing situation, staff recommends extending the existing agreement with Covenant for two years to August 31, 2027, to allow the Port to recruit and on-board new Aviation Security staff in these key positions, prepare a new RFP, conduct a thorough selection process, and on-board a new contractor (if Covenant is not the recommended contractor).

The existing agreement with Covenant has sufficient funds to accommodate the two additional years:

Agreement Authorization, Years 1-6 [X]	\$17,000,000
Estimated Costs, Years 1-6 [Y]	\$11,600,000
Remaining Agreement Authorization for Proposed Years 7 & 8 [X-Y]	\$5,400,000

The existing agreement also includes labor peace provisions and contemplates cost escalations (e.g., due to annual salary/wage increases, benefit cost increases, increasing cost of office and security supplies, etc.); these provisions would continue into the proposed two-year extension.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:
15301 (Existing Facilities)
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - Operating
 - Non-Operating
 - Capital

Analysis: There is no budget impact as these costs were included in Aviation's adopted FY 2025 budget. Costs for the two-year extension will be reflected in future Aviation budget submissions.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

Yes (Service Provider) – proposed action entails at least \$50,000 in payments to service provider (and/or its subcontractor) employing at least 21 employees who spend at least 25% of their time on Port-related work on premises owned or managed by the Port

- Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **No.**

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> There is no proposed development that would allow for sustainability opportunities.</p>	<p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Grow Net Revenues <input type="checkbox"/> Improve Customer Service <input checked="" type="checkbox"/> Strengthen Safety and Security <input type="checkbox"/> Care for Our Environment <input type="checkbox"/> Modernize and Maintain Infrastructure <input type="checkbox"/> Pursue Employee Excellence <input type="checkbox"/> Serve Our Community 	