

## AGENDA REPORT

**Resolution:** Approve and Authorize the Executive Director to Extend the Term of the Professional Services Agreement with Cypress Private Security, LP for Port of Oakland Security Operations Center Staffing Services up to Six Months, at an Estimated Cost of \$192,000 (**Maritime**)

**MEETING DATE:** 2/8/2018

**AMOUNT:** \$192,000

**PARTIES INVOLVED:** Cypress Private Security, LP  
Kes Narbutas, Chief Executive Officer

**SUBMITTED BY:** John C. Driscoll, Director of Maritime

**APPROVED BY:** J. Christopher Lytle, Executive Director

**ACTION TYPE:** Resolution

### **EXECUTIVE SUMMARY**

In April 2015, the Port of Oakland ("Port") entered into a professional services agreement ("PSA" or "contract") with Cypress Security, LLC ("Cypress") for security staffing services in the Maritime Area ("Seaport"). The PSA is set to expire on April 22, 2018. Staff is seeking approval from the Board of Port Commissioners ("Board") to extend the term of the current contract with Cypress for up to six months (through October 21, 2018) for the purpose of (a) providing short-term training in the event a new (i.e. other than current) contractor is proposed, and (b) allowing for potential delay in a Request for Proposal ("RFP") process that is currently under way for a new security staffing contract.

### **BACKGROUND**

On December 11, 2014, the Board authorized the re-programming of Federal FY13 Department of Homeland Security Port Security Grant funding ("PSGP13" or "Grant") to staff a Port Security Operations Center ("PSOC"), previously referred to as the Port Security Management System ("PSMS"). In addition to monitoring areas in and around the Seaport, the purpose of the PSOC is to provide real-time situational awareness capabilities, response to security incidents, and support to Staff, Port tenants, and public safety agencies.

Staff issued a RFP in January 2015 for staffing services for experienced PSOC operators and supervisors. In March 2015, the Board awarded a PSA for PSOC staffing to Cypress for

a one-year term from April 23, 2015 through April 22, 2016, with two, 1-year options to extend by written approval from the Executive Director. Both one-year options were exercised and the contract with Cypress is set to expire on April 22, 2018.

## **ANALYSIS**

The PSOC has provided value to the Port in a number of ways over the last three years. In particular, the PSOC has provided Staff with:

- Ability to provide real-time situational awareness to Staff, Port tenants, and others, of actual and potential safety and security issues in and around the Seaport;
- Improved deterrence, detection, and response to actual or potential threats;
- Improved Port efficiency through active traffic management, yielding a safer Seaport environment;
- Ability for Staff to gather and analyze quantifiable data, such as number and type of safety/security incidents, response efforts of local first responders (i.e. City of Oakland's Police and Fire Department); and
- Enhanced coordination with other security service providers within the Seaport, as well as with local public safety agencies.

As of December 31, 2017, the Port has paid Cypress approximately \$1 million for PSOC staffing. This equates to about \$380,000 per year or \$32,000 per month. Through June 2017, 75% (or about \$600,000) of the PSOC staffing costs were reimbursed by PSGP13 Grant funding. As of July 1, 2017, Staff has not identified and does not anticipate future grant funding to help offset the Port's costs to operate the PSOC.

Given the value of the PSOC, Staff recommends continuation of the PSOC and, in anticipation of the current contract expiring on April 22, 2018, issued a RFP on December 28, 2017, to select a new service provider. The RFP contemplates a new 3-year PSA, with two, 1-year extensions subject to the Executive Director's written approval (for a total of up to five years). Proposals are due in early February 2018. Staff intends to recommend a PSA with the successful proposer to the Board in late March or early April.

In order to facilitate a seamless transfer, ensure familiarity with Port systems, people, processes, and geography, and to minimize any disruptions of service, Staff believes that there should be some overlap with the current service provider (Cypress) and the new provider. Furthermore, Staff would like to provide some contingency should a delay occur in the RFP process, which in turn could prevent a new contractor from starting on April 23, 2018. Therefore, Staff recommends extending the contract with Cypress by up to six months, through October 21, 2018. Should Cypress be the successful proposer for the RFP, the proposed extension may still be necessary (although most likely no more than 2 months).

Staff estimates the proposed six-month contract extension will cost the Port \$192,000. The contract with Cypress provides for maximum compensation not to exceed \$1.5 million, of which about \$1.1 million is expected to have been spent by the contract expiration of April

22, 2018. The remaining balance of \$400,000 is sufficient to cover the estimated additional cost.

## **BUDGET & STAFFING**

In FY 17-18, Staff budgeted \$384,000 for PSOC staffing. If a contractor, other than Cypress is awarded the next contract, a one to two month transitional overlap is likely to be needed, resulting in additional costs of approximately \$64,000 in FY 17-18. Staff anticipates absorbing this additional cost within the current FY 17-18 Maritime operating expense budget; therefore, Staff is not requesting additional budget authority for the proposed action.

Staff is not requesting additional compensation for the Cypress contract because, as discussed earlier, maximum compensation payable under the contract is adequate to cover the additional costs resulting from the proposed action.

Looking ahead, Staff previously estimated the PSOC staffing would cost about \$400,000 per year. Following the RFP process, Staff will recalculate estimated staffing costs, taking into consideration the training overlap discussed earlier in this Report. Staff will discuss this in more detail at the time it requests the Board's approval to enter into a new contract for the PSOC.

As noted earlier, Staff has not identified any grant funding to offset PSOC costs after July 1, 2017.

There is no anticipated staffing impact.

## **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

This contract is for professional services that do not include construction testing and inspection; and therefore, the provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) do not apply to this work.

## **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan (<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>):

- Goal K: Objective 1: Develop a strategic and comprehensive communications plan, which reaches out to a wide range of internal and external stakeholders and incorporates state-of-the-art practices and technology.
- Goal L, Objective 2: Develop performance measures to monitor and improve achievement of objectives and for earliest notification of areas of concern.

## **LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

## **ENVIRONMENTAL**

The request to extend the current PSOC staffing contract term by six months was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the Port CEQA Guidelines. The general rule in Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that extending an existing contract for security monitoring staffing services for six months will result in a physical change in the environment, and therefore this action is not subject to CEQA.

## **GENERAL PLAN**

This action is to continue existing professional services and does not include any development or alteration of property. Therefore, no conformity determination is required.

## **OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)**

Professional service agreements are not subject to the Port's Owner Controlled Insurance Program (OCIP) as professional services are not construction activities.

## **OPTIONS**

Staff has identified the following options for the Board's consideration:

- 1) Authorize the Executive Director to extend the term of the current contract with Cypress for PSOC staffing services for up to six months (through October 21, 2018). **This is the recommended action.**
- 2) Do not authorize the Executive Director to extend the term of the current contract with Cypress for PSOC staffing services. Under this option, Cypress' contract will terminate on April 22, 2018, there may be a gap in coverage, and there could be little to no training or knowledge transfer with the new PSOC staffing provider.

## **RECOMMENDATION**

Staff recommends that the Board authorize the Executive Director to extend the current professional services agreement with Cypress Private Security, LP, for Port of Oakland Security Operations Center staffing services for up to six months (through October 21, 2018), at an estimated cost of \$192,000.