

## AGENDA REPORT

**Resolution:** Authorize the Executive Director to Accept Federal FY18 Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding in the Amount of \$1,350,000 (**Maritime**)

**MEETING DATE:** 10/25/2018

**AMOUNT:** \$1,350,000 (Grant Funding)

**PARTIES INVOLVED:** Federal Emergency Management Agency (FEMA)  
Washington, D.C.

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

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

**ACTION TYPE:** Resolution

### **EXECUTIVE SUMMARY**

The Port was recently awarded a Federal FY18 DHS/FEMA Port Security Grant ("FY18 PSGP Grant") to support two current security initiatives/projects ("Projects"), previously approved by the Board: (1) Port Security Operations Center ("PSOC") / Emergency Operations Center ("EOC") personnel staffing (existing contract with Cypress Private Security LP), and (2) Maritime Security Surveillance System ("MSSS") major maintenance and repair (existing contract with Stanley Convergent Security Solutions). Port Staff ("Staff") is seeking the Board's authorization to accept the FY18 PSGP Grant of \$1,350,000 to support the stated Projects, specifically to offset Port costs.

### **BACKGROUND**

In June 2018, Port staff applied to receive a share of the \$100,000,000 of available Federal FY18 PSGP Grant (or "Grant") funding for security projects in the Port's Maritime Area ("Seaport"). Staff submitted two project proposals totaling \$1,800,000. In a letter dated September 1, 2018, DHS notified the Port that both projects, PSOC/EOC Personnel Staffing and MSSS Major Maintenance and Repair (the "Projects"), were approved for a combined \$1,350,000 of Federal funding, which represents 75 percent of combined estimated Project costs of \$1,800,000.

The performance period for the Grant funding is three years (September 1, 2018 to August 31, 2021). As a condition of the Grant, the Port is required to contribute a "match" equal to 25 percent of the total Project costs, or up to \$450,000 combined.

As further discussed below, the Board of Port Commissioners (“Board”) approved the Projects earlier this year (2018).

## **ANALYSIS**

The two Grant-funded projects are very important to the continuity of Port operations and to reducing vulnerabilities in and around regulated Seaport facilities. The subject Grant funding would replace significant planned and potential Port expenditures over the 3-year performance period as further described below.

### **PSOC/EOC Personnel Staffing**

By Resolution 18-27 the Board authorized entering into an agreement with Cypress Private Security LP to provide Port Security Operations Center staffing services for a period of up to 5 years for an amount not to exceed \$2,400,000. Over the 3-year Grant performance period the Port’s expected contractual obligations with Cypress Security for PSOC staffing will be approximately \$1,200,000. If authorized, the Grant would fund 75 percent of these costs up to \$900,000 (approximately \$300,000 per year), with the Port providing the remaining 25 percent cost match of \$300,000 (approximately \$100,000 per year). The required 25 percent matching funds are included in the FY2018-19 Maritime operating expense budget.

### **Maritime Security Surveillance System Maintenance and Repair**

By Resolution 18-04 the Board authorized entering into an agreement with Stanley Convergent Security Solutions, Inc. to provide maritime security system maintenance for a period of up to 5 years and an amount not to exceed \$1,959,951. Approximately \$989,949 of this total is fixed contractual cost for routine maintenance (for which grant funds cannot be utilized) with the remainder of approximately \$200,000 per year requested for both anticipated and unexpected major maintenance and system upgrades. If authorized, the Grant would fund 75 percent of major maintenance/upgrade costs for 3-years, up to \$450,000 (approximately \$150,000 per year), with the Port providing the remaining 25 percent cost match of \$150,000 (approximately \$50,000 per year). The required 25 percent Port matching funds are included in the FY2018-19 Maritime operating expense budget.

## **BUDGET & STAFFING**

Total expenditures for the Projects is estimated at about \$1.8 million over the 3-year performance period. With the recently awarded Grant, \$1.35 million of the costs would be funded with Grant funds and \$0.45 million with Port cash, per the table below. This would represent significant cost savings to the Port, allowing these Projects to continue while reducing the Port’s operating expense.

<b>1) PSOC/EOC Staffing</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>Total</b>
<b>Estimated Annual Cost</b>	\$400,000	\$400,000	\$400,000	\$1,200,000
<b>Federal funds</b>	\$300,000	\$300,000	\$300,000	\$900,000
<b>Port Funds</b>	\$100,000	\$100,000	\$100,000	\$300,000
<b>2) MSSS Maintenance</b>				
<b>Estimated Annual Cost</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$600,000</b>
<b>Federal funds</b>	\$150,000	\$150,000	\$150,000	\$450,000
<b>Port funds</b>	\$50,000	\$50,000	\$50,000	\$150,000
<b>Total Estimated Cost</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$1,800,000</b>
<b>Total Federal Funds</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$1,350,000</b>
<b>Total Port Funds</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$450,000</b>

The tables above include estimates. The total amount of Federal and Port funding will depend on actual project expenses; Federal Grant funding will not exceed \$1.35M

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

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (“MAPLA”) and the provisions of the MAPLA do not apply.

### **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port’s Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Strengthen Safety and Security

### **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 because FEMA is a government agency.

### **SUSTAINABILITY**

The proposed action presents no sustainability opportunities.

## **ENVIRONMENTAL**

The initiatives were determined to be exempt from the California Environmental Quality Act (“CEQA”) at the time they were approved. This action to accept grant funding for these initiatives is not subject to additional environmental review under CEQA.

## **GENERAL PLAN**

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

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

This action is not subject to the Port’s Owner Controlled Insurance Program (OCIP) as it is not a capital improvement construction project.

## **OPTIONS**

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

### **Option 1**

Authorize the Executive Director to accept FY18 PSGP Grant funding from DHS/FEMA in the amount of \$1,350,000, to help fund the Projects. This is the recommended option.

### **Option 2**

Do not authorize the Executive Director to accept the FY18 PSGP Grant funding from DHS/FEMA, and direct Staff to continue the Projects without this funding source.

## **RECOMMENDATION**

Staff recommends that the Board:

Adopt a resolution authorizing the Executive Director to accept Federal FY18 Port Security Grant Program funding from the Federal Emergency Management Agency in the amount of \$1,350,000 for the Port Security Operations Center (“PSOC”) / Emergency Operations Center (“EOC”) Personnel Staffing, and Maritime Security Surveillance System (“MSSS”) Major Maintenance and Repair.