



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting September 10, 2019

DATE: August 23, 2019
TO: Stephen P. Metruck, Executive Director
FROM: Kenneth R. Lyles, Director Maritime Operations and Security
Russ Read, Maritime Security Manager
SUBJECT: Security services contract for all maritime locations

Amount of this request:

Total estimated cost: \$20,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract for security services to be delivered to all Maritime Division, Economic Development, and Northwest Seaport Alliance locations on both scheduled and ad hoc basis for a total estimated cost over five years of approximately \$20,000,000.

EXECUTIVE SUMMARY

Security services are required for compliance with U.S. Coast Guard Regulations, as well as to safeguard the public, tenants, contractors, vendors, port staff and the physical assets of the Port of Seattle. Staff will conduct a Request for Proposal process and will consider the experience, reputation and prices of each firm that submits a proposal. Advertisements will be placed in all traditional MWBE publications. Special outreach will be made to Women and Minority Business Enterprises (WMBE).

Proposals are expected from several companies, including WMBE firms.

JUSTIFICATION

This request is to provide standard security services and does not substantially modify any standing procedure or previous decision. The services provided by the contractor will allow the Port of Seattle to remain in compliance with the Maritime Transportation Security Act as codified under Title 33, Code of Federal Regulations, Part 101 and 105. Additionally, these services are required to maintain compliance with the U.S. Coast Guard approved Port of Seattle Facility Security Plan. Finally, security services help to secure the public, tenants, contractors, vendors, consultants Port of Seattle staff and associated assets.

The current contract will expire on February 29, 2020.

Meeting Date: September 10, 2019

DETAILS

This request is to provide standard security services to multiple locations to assure compliance with security and safety, aid in reducing risk of criminal activities and to maintain and improve regulatory compliance.

The current contract will expire on February 29, 2020.

Services will be provided:

- On a regularly scheduled basis, at standard locations
- On an as needed basis for event response
- In a standardized performance scope, as defined by the Port of Seattle
- Assure appropriate communications with other government entities during emergencies and events.
- Provide ad hoc security and fire watch services as required by law or circumstance.

Scope of Work

The scope includes providing qualified and trained security staff and supervision for defined duties at Shilshole Bay Marina, Fishermen’s Terminal/Salmon Bay Marina, Maritime Industrial Center, Terminal 91, Pier 69, Pier 66/Bell Harbor Marina Complex, Northwest Seaport Alliance properties (on a cost reimbursement basis), Terminal 46, and Port of Seattle parks and real estate properties as required for the reduction of criminal behavior and regulatory compliance.

It also includes requirements for additional staffing on emergency or ad hoc basis for event coverage or for fire watch duties in buildings when fire protection systems are off-line.

The services will be available to provide these services to the Port of Seattle owned properties managed by the Northwest Seaport Alliance, when the properties do not have an active tenant, and A) Physical assets requiring safety and or security services, and/or the facility needs to be able to receive vessels or conduct activities under U.S. Coast Guard regulations and the Port of Seattle Facility Security Plan.

Schedule

This contract will cover a period of five years.

Activity

Commission authorization	2019 Quarter 3
Request for Proposals Advertised	2019 Quarter 4
Review of proposals, selection and award of contract	2019 Quarter 4
Contract start	2020 Quarter 1

Meeting Date: September 10, 2019

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Cease security operations and services at maritime, real estate and Northwest Seaport Alliance Properties.

Cost Implications: This would reduce annual expenditures by approximately \$4 million per year. However, this would be offset by the inability to receive certain vessels at Port of Seattle and Northwest Seaport Alliance properties, as well as the potential increase in losses due to criminal activity and damage to the reputation of the Port of Seattle and Northwest Seaport Alliance.

Pros:

- (1) Reduced annual security services contract expense.

Cons:

- (1) Inability to comply with U.S. Coast Guard regulatory requirements
- (2) Inability to assist with cruise ship operations at Terminal 91
- (3) Significantly increase potential for criminal activities, vandalism, unauthorized camping on Port of Seattle and Northwest Seaport Alliance properties
- (4) Increased risk to insurance claims against the Port of Seattle.

This is not the recommended alternative.

Alternative 2 – Bring security services into Maritime staff management with direct hire Port of Seattle Employees (FTE).

Cost Implications: Estimated \$35M expense over same time period. In addition, this alternative may add long term liability with associated FTE staffing.

Pros:

- (1) Eliminates need for large contract
- (2) Creates opportunities for deeper commitment to Port of Seattle by security personnel
- (3) Allows for broader tasks for security personnel to be assigned collateral duties for operations in addition to safety and security functions
- (4) Provides potential point of entry into a public service career and point of talent acquisition for the Port of Seattle

Cons:

- (1) Significant additional recurring expense to the Port of Seattle over contracted services
- (2) Lack of flexibility: Would lose significant flexibility in ability to change, reduce or increase resources in a timely matter.
- (3) Would add to additional long-term expenses to the Port of Seattle with associated FTE staffing.
- (4) Would reduce opportunities for small business contractor(s).

This is not the recommended alternative.

Meeting Date: September 10, 2019

Alternative 3 –Award a single competitively bid security services contract for a period of five years for services to the Port of Seattle, and the Northwest Seattle Seaport Alliance on a reimbursable basis.

Cost Implications: The estimated expense for this option is approximately \$4 million per year over the five-year life of the contract for a total expense of \$20 million over five years. This is based on a best estimate of current and future security personnel service rates.

Pros:

- (1) Provides a consistent five-year contract through one service provider.
- (2) Maintains regulatory compliance.
- (3) Protects Port of Seattle and Northwest Seaport Alliance personnel and properties.
- (4) Supports Women and Minority Business Enterprises (WMBE) opportunities to work with the Port of Seattle.

Cons:

- (1) Due to the size and complexity of the services to be provided, some small businesses may not be able to meet the needs of the contract.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The financial implications of this request are an annual expense of approximately \$4 million per year over the course of a five-year contract, based on current best estimates of current bill rates.

Annual Budget Status and Source of Funds

Budget for all services is in individual expense budgets in the organizations using the services. These amounts may need to be adjusted for 2020 based on the results of the awarded contract. Future expenses will be budgeted into the individual expense budgets of those organizations utilizing the security services.

Future Revenues and Expenses (Total cost of ownership)

This request will result in a competitive bid process with an anticipated cost of approximately \$4 million annually, or \$20 million over the life of the awarded contract.

ATTACHMENTS TO THIS REQUEST

None

Meeting Date: September 10, 2019

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 17, 2016 – The Commission authorized the Chief Executive Officer to execute a contract for security services to be delivered to all Maritime Division locations on both scheduled and ad hoc bases for a period of five years, at an expense of approximately \$8 million.