



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6c

ACTION ITEM

Date of Meeting October 8, 2019

DATE: September 13, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Lisa Drake, Commander
Rodney Covey, Chief of Police

SUBJECT: Acceptance of FEMA Port Security Grant Award for Port of Seattle Police Boat

Amount of this request: \$900,000
Total estimated procurement cost: \$900,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) accept a Federal Emergency Management Agency (FEMA) Port Security Grant Program (PSGP) award in the amount of \$659,843 for the procurement of one Port of Seattle police boat; (2) execute a contract to buy a police boat; and (3) authorize the Port of Seattle share of the project in the amount of \$240,157, which includes a 25 percent cost match mandated by the FEMA grant program, for a total procurement cost of \$900,000.

EXECUTIVE SUMMARY

This request provides funding for a new police boat. The Port of Seattle applied for and was awarded partial funding of a \$879,791 application through the FEMA Port Security Grant Program (PSGP). This grant funds 75 percent of the grant award with a mandatory 25 percent match. The Port of Seattle Police currently have a single boat, 13 years of age. Port of Seattle Police are responsible for providing waterside security during cruise ship season, as mandated by the United States Coast Guard, serve as a regional asset to other agencies, respond to waterside protests, and respond to other security related incidents affecting the Port of Seattle. The Port of Seattle cruise season sees over 200 cruise ships annually, 1.2 million passengers, generates \$900 million in annual business revenue, \$18.9 million in annual state/local taxes, and creates 5,500 jobs. By providing security to the seaport, the Port of Seattle Police are a contributing piece in support of the Century Agenda, Strategy 2: Advancing this region as a leading tourism destination and business gateway and Strategy 3: Use our influence as an institution to promote small business growth and workforce development.

Safety and security are critical to maintaining commerce on the waterways of the Port of Seattle. In addition to the expansive cruise ship season the Port of Seattle experiences, the three inter-modal facilities represent annual movement of approximately 2,000,000 TEUs (twenty-foot

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equivalent units). An additional Port of Seattle police boat would ensure the current aging police vessel does not leave the Port without USCG regulatory compliance and coverage during significant events such as: multiple cruise ships in port, response to protest activities, and coverage of special events such as SeaFair.

Accepting the FEMA Port Security Grant will provide 75 percent of the funding for the cost of a new police boat. The Port of Seattle is responsible for a 25 percent cost match of federal funds, and an additional \$20,209 for grant ineligible costs that are necessary for the successful completion of the procurement. In return, the Port of Seattle will obtain a new police boat to stay current with USCG regulatory requirements for a growing maritime transportation system and economy. A new boat will enhance the ability to have a police boat on water and provide presence during critical events and maintain U.S. Coast Guard regulatory compliance to have an on-water police presence when two or more cruise ships are in port, waterside protests, and other emergent law enforcement and security needs.

JUSTIFICATION

This project supports the following Century Agenda and Maritime goals:

- (1) Advance this region as a leading tourism destination and business gateway
- (2) Use our influence as an institution to promote small business growth and workforce development

This project ensures the safety and security requirements agreed upon to with the United States Coast Guard are met under Title 33 Code of Federal Regulations, Parts 101, 104, and 105. This includes the detection and mitigation of dangerous substances and devices from being brought onto or on the adjacent waters of our Maritime Transportation Security Act (MTSA) regulated facilities.

Ensuring the safety and security of the waters supports the growth of the cruise ship industry to the Port of Seattle, facilitating job growth and tourism to the area.

Diversity in Contracting

Due to the limited companies building and outfitting law enforcement maritime vessels, there are no small minority women owned companies building law enforcement maritime vessels.

DETAILS

To procure a police boat by following the Port, State, and Federal competitive process.

Scope of Work

Procure a police boat and provide training on the operations of the new boat.

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Schedule

Activity

Project Funding Awarded	2019 Quarter 4
Commission Authorization for Project	2019 Quarter 4
Vendor Review and Selection	2020 Quarter 2
Award of Contract for Purchase	2020 Quarter 3/4
Vendor Construction and Procurement of Equipment	2021 Quarter 1/2
Delivery of Equipment	2021 Quarter 3
Acceptance Testing, Training, Completion of Policies, Processes, and Procedures	2021 Quarter 4
Project Completion	2022 Quarter 1

Cost Breakdown

	This Request	Total Project
Design	\$0	\$0
Construction/Procurement	\$900,000	\$900,000
Total	\$900,000	\$900,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Deny grant and keep status quo with current police boat.

Cost Implications: Cost of maintenance/repair fees of current boat. Currently, in 2019, parts and labor has cost \$56,000. The estimated 25 percent grant match and other Port funds of \$240,000 would be avoided.

Pros:

- (1) No funding would need to be obtained for a new police boat under the grant.

Cons:

- (1) Loss of a grant which would fund 75% of the award for the cost of a new boat.
- (2) Potential reliability issues with the current police boat.
- (3) No assurance a grant will be offered or available in the future.
- (4) Delay of having a reliable boat to meet the needs of the Port of Seattle if the current boat was to have serious mechanical failure.
- (5) Inability to meet USCG regulatory requirements for on-water security during cruise vessel operations if the current police boat becomes inoperable.

This is not the recommended alternative.

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Alternative 2 – Deny grant, maintain status quo, and purchase new boat in the future through capital projects.

Cost Implications: An estimated \$900,000 minimum for a new police boat.

Pros:

- (1) The \$240,000 in grant match and other Port funds would not be needed immediately.

Cons:

- (1) Loss of a grant which would fund 75% of the cost of a new boat.
- (2) Port of Seattle is responsible for the entire cost of a new boat when needed.
- (3) Project preparation time and build time would take almost a year before a new boat was ready. This could be problematic if the current boat was to become non-deployable due to a major mechanical issue.

This is not the recommended alternative.

Alternative 3 – Accept grant, obtain new police boat.

Cost Implications: \$900,000 with \$659,843 being reimbursed by the FEMA Port Security Grant.

Pros:

- (1) Assists in maintaining USCG mandate to have a police boat present during cruise operations.
- (2) With a new boat, decrease in yearly maintenance costs.
- (3) Improvement on reliability during cruise ship season, special events (SeaFair), protests, and safety and security incidents.
- (4) Becomes primary vessel to the aging 13-year-old vessel.
- (5) \$659,843 covered through FEMA Port Security Grant.
- (6) Supports Century Agenda 2: Advancing this region as a leading tourism destination and business gateway.

Cons:

- (1) Requires 25 percent match by the Port of Seattle.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The following budget and authorization summary is for the procurement of one (1) Port of Seattle police boat.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$900,000	\$0	\$900,000
AUTHORIZATION			
Previous authorizations	0	0	0

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Current request for authorization	\$900,000	0	\$900,000
Total authorizations, including this request	\$900,000	0	\$900,000
Remaining amount to be authorized	\$900,000	\$0	\$900,000

Annual Budget Status and Source of Funds

The 2019 budget includes \$240,157 in General Funds to support the required 25 percent match for the FEMA PSGP grant award (\$219,948) plus additional costs required for the successful completion of the procurement that are not eligible for grant reimbursement or as match (\$20,209).

Grant	Project	Total Cost	Grant Funding	Port Match (25%)	Other Port/Grant Ineligible Costs
FEMA PSGP	Police Boat Procurement	\$900,000	\$659,843	\$219,948	\$20,209

Financial Analysis and Summary

Project cost for analysis	\$900,000
Business Unit (BU)	Police
Effect on business performance (NOI after depreciation)	n/a
IRR/NPV (if relevant)	n/a
CPE Impact	n/a

Future Revenues and Expenses (Total cost of ownership)

The procurement of a new Port of Seattle Police boat will have no direct impact on Port revenue. The replacement of an existing 13-year-old vessel with a new boat will likely result in lower maintenance costs, which has cost the Port \$56,000 so far in 2019. Acceptance of the FEMA grant will offset the additional Port costs that would be required if the Port were to procure a new boat without the awarded grant.

ADDITIONAL BACKGROUND

The maritime economy continues to grow for the Port of Seattle, increasing the workload for the Port of Seattle Police. In addition to cruise ship details, the Port of Seattle Police provide presences for special events such as SeaFair, responding to waterside protests, assisting with the removal of derelict vessels posing a safety and environmental concern, and assisting in locating containers in the waterways to ensure commerce can continue to move. A new police boat will help prevent such situations experienced in the past:

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- Reduced SeaFair coverage – 2019 SeaFair the Port of Seattle Police had a major mechanical failure requiring the vessel to be removed from the water immediately. There were no vessels, to include from neighboring jurisdictions to assist in coverage.
- Cruise ship coverage – The 2019 mechanical failure caused two cruise ship weekends to rely on USCG to provide visible security presence.
- Protests – During the Polar Pioneer protests, the Port of Seattle Police had to call in a favor to a northern jurisdiction for assistance with the kayak protest. Had the Port of Seattle Police had a second vessel, personnel from within the department could have been called upon to assist during this large waterside protest.

The reason to do this now is the Port of Seattle applied for and was awarded a FEMA Port Security Grant which will provide 75 percent of the authorized grant award for the procurement of a new boat. Should the award not be accepted, it may reduce the potential for future awards through the Port Security Grant Program. There is a risk the FEMA Port Security Grant Program may come to an end, reducing future opportunities for the Port to take advantage of federal funding for maritime security related expenses. For example, the USCG ranks the cruise industry as one of the top three security concerns to the Puget Sound. After project completion of the new police boat, a decision will be made on what to do with the current police boat.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None