



Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: OCTOBER 28, 2010**

**FROM: PORT POLICE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED MEMORANDA OF UNDERSTANDING WITH THE PORT OF LONG BEACH AND RIO TINTO/U.S. BORAX, INC., FOR TRANSFER OF FUNDS UNDER THE FEDERAL PORT SECURITY GRANT PROGRAM, ROUND SEVEN SUPPLEMENTAL**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into a Memorandum of Understanding (MOU) with the Port of Long Beach (POLB) and a MOU with Rio Tinto/U.S. Borax, Inc. (U.S. Borax), for the transfer of funds awarded as part of the U.S. Department of Homeland Security (DHS), Port Security Grant Program (PSGP), Round Seven Supplemental. The POLB was awarded \$2,550,600, for completion of the Security System Maintenance Program, and U.S. Borax was awarded \$200,000, for completion of the Transportation Worker Identification Credential (TWIC) Deployment and Equipment project. The Harbor Department is the Fiduciary Agent for these funds and, as such, is required to manage their distribution within the Los Angeles/Long Beach port region. Prior to transferring funds to grant recipients, the funds are received by the Harbor Department and placed in a pass-through account. Board of Harbor Commissioners' (Board) approval of these MOUs is necessary because they exceed the one-year term for Executive Director approval.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Approve the MOU with the Harbor Department and POLB;
2. Approve the MOU with the Harbor Department and U.S. Borax;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the MOUs;
4. Authorize the Harbor Department to reimburse:
  - a. POLB for its costs related to the Security System Maintenance Program in the amount of \$2,550,600; and
  - b. U.S. Borax in the amount of \$200,000, for its costs related to the TWIC Deployment and Equipment project, as associated with Round Seven Supplemental activities; and
5. Adopt Resolution No. \_\_\_\_\_, accepting the MOUs with POLB and U.S. Borax under PSGP Round Seven Supplemental.

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**DISCUSSION:**

1. Under Federal PSGP Round Seven Supplemental, POLB was awarded \$2,550,600, for completion of the Security System Maintenance Program, and U.S. Borax was awarded \$200,000, for completion of the TWIC Deployment and Equipment project.
2. The Harbor Department accepted the role of Fiduciary Agent for the distribution of Federal PSGP funds for Rounds Seven Supplemental and Eight.
3. Following receipt, review, and approval of POLB and U.S. Borax invoices, the Harbor Department shall submit a request for reimbursement to DHS in accordance with Harbor Department Agreement No. 2586. It is expressly understood among the Harbor Department, POLB, and U.S. Borax that POLB and U.S. Borax shall be entitled to reimbursement only upon approval of the request by DHS and subsequent reimbursement of funds from DHS to the Harbor Department.
4. The approval of this MOU allows the pass through of reimbursement funds from DHS through the Harbor Department to POLB and U.S. Borax.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is an approval of MOU's with POLB and U.S. Borax for transfer of funds under the PSGP. As an administrative action, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFIT:**

This Board action to enter into MOUs to transfer grant funds will have no employment effect.

**FINANCIAL IMPACT:**

The MOUs will not impact the Harbor Department's FY2010/11 adopted budget, as the funds will be reimbursed by a pass-through account. This account and cost center holds the reimbursed funds until Port Police is prepared to disburse them to the designated entities through an Agreement with the Harbor Department. The pass through information is as follows: Account #21980, Center #7000, Job Facility #63600, Program #640. POLB and U.S. Borax will incur all charges upfront and subsequently invoice the Harbor Department for reimbursement. The Harbor Department will request reimbursement from DHS. Upon receipt of funds the Harbor Department will process

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invoices charged against the MOUs, reimbursing POLB and U.S. Borax for costs incurred as related to this grant using the pass-through account. This is a required task under the Fiduciary Agent responsibilities outlined by DHS under PSGP FY2007 Supplemental. DHS will reimburse the Port for all expenses associated with the administrative duties in an amount up to three percent of the total grant funding.


**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the MOUs as to form.

**TRANSMITTALS:**

1. MOU with the Port of Long Beach
2. MOU with Rio Tinto/U.S. Borax, Inc.
3. Agreement No. 2586

FIS Approval: ej (initials)

  
RONALD J. BOYD  
Chief of Port Police

  
JOHN M. HOLMES  
Deputy Executive Director

APPROVED:

  
GERALDINE KNATZ, Ph.D.  
Executive Director

RJB:RKG:jad  
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