



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: OCTOBER 10, 2017

FROM: PORT POLICE

SUBJECT: RESOLUTION NO. _____ - ACCEPTANCE OF THE PORT SECURITY GRANT UNDER FISCAL YEAR 2017 FEDERAL PORT SECURITY GRANT PROGRAM, GRANT NO. EMW-2017-PU-00358

SUMMARY:

Staff requests the Board of Harbor Commissioners accept and enter into Grant Award No. EMW-2017-PU-00358, with the United States Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA), for the reimbursement of funds allocated to the Los Angeles Harbor Department (Harbor Department) under the Fiscal Year (FY) 2017 Port Security Grant Program (PSGP). If approved, the proposed Federal grant will be in the amount of \$1,875,000 with an award date of September 1, 2017.

Items approved for grant reimbursement subsequent to expenditure by the Harbor Department are as follows: Security System Maintenance and Repair \$750,000; POLA Information Technology (IT) Cybersecurity Enhancement and Critical Infrastructure Protection \$375,000; and Security System Integration \$750,000. The award is for a three-year period ending August 31, 2020. A 25% cost share is required under this FY 2017 PSGP, which will be funded by the Harbor Department. The Harbor Department's total cost share and financial responsibility for the projects is \$625,000, for a total cost of \$2,500,000 for all three projects.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) and Article III Class 1(6) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the Grant Award, Grant No. EMU-2017-PU-00358 for FY 2017 between the City of Los Angeles Harbor Department and the United States Department of Homeland Security, Federal Emergency Management Agency for the reimbursement of funds allocated to the Harbor Department under the Fiscal Year 2017 Port Security Grant Program;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Obligating Document for the Award; and

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4. Adopt Resolution No. _____ accepting the Grant Award for EMW-2017-PU-00358 for FY 2017 PSGP.

DISCUSSION:

Background/Context: On June 2, 2017, FEMA announced the FY 2017 Grant Program Funding Opportunity (Transmittal 1). The FY 2017 PSGP focused on enhancing Maritime Domain Awareness; enhancing IED and Chemical, Biological, Radiological, Nuclear, Explosive prevention, protection, mitigation, response, and recovery capabilities; Cybersecurity; port resilience and recovery capabilities; training and exercises; and Transportation Worker Identification Credential Implementation.

On June 5, 2017, the Harbor Department, through an Information Memo (Transmittal 2), advised the Board of Harbor Commissioners that the Port Police would be applying for three projects under the FY 2017 Port Security Grant Program.

On September 1, 2017, the Harbor Department was awarded three projects for this round of port security grants:

PROJECT	FEDERAL AMOUNT	25% POLA COST SHARE	TOTAL PROJECT COST FY18
Security System Maintenance and Repair	\$750,000	\$250,000	\$1,000,000
POLA Information Technology (IT) Cybersecurity Enhancement and Critical Infrastructure Protection	\$375,000	\$125,000	\$500,000
Security System Integration	\$750,000	\$250,000	\$1,000,000
Totals	\$1,875,000	\$625,000	\$2,500,000

Security System Maintenance and Repair: The Security System Maintenance and Repair project supports multiple security systems implemented under previous rounds of the PSGP. This program continues to facilitate the ongoing maintenance and repair necessary to sustain the security systems and ensure the continued effectiveness of the Port's security program. This project extends the useful life of the camera and access control systems for a fraction of the cost of full replacement.

POLA Information Technology (IT) Cybersecurity Enhancement and Critical Infrastructure Protection: The POLA Information Technology (IT) Cybersecurity Enhancement and Critical Infrastructure Protection project will monitor the Waterside Security Surveillance (WSS) system for cyber breaches and ensure all systems are updated to prevent unauthorized access. Under a similar project in PSGP FY 2015, a physical performance assessment was conducted of the WSS system environment and improvement recommendations were developed. Under a similar project in PSGP FY 2016, the improvement recommendations

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were implemented and vulnerabilities were mitigated to secure the WSS, including required hardware, software, and other equipment.

Security System Integration: The Security System Integration project will fund the expansion and integration of new and replacement cameras from various Port locations into the existing security system. This project will facilitate the replacement of end-of-life cameras and the installation of new cameras required to sustain the security system and ensure the continued effectiveness of the Port's security program.

The FY 2017 Department of Homeland Security Appropriations Act provides funds for a competitive grant program to address physical security enhancements for critical national seaports. The selection of projects submitted was based on the PSGP Application and Guidance package. For the purposes of the PSGP, and due to the high frequency of Sensitive Security Information (SSI) found in Investment Justifications (IJ), all IJs shall be considered SSI and as directed by FEMA, treated as such.

Request for changes, including but not limited to, extensions and change in scope, are to be submitted to the DHS Port Security Grant Program Manager for approval. The DHS PSGP Award is a reimbursement grant and includes a number of terms and conditions that must be followed in order for the grant recipient to be reimbursed. Port Police is responsible for and will comply with the conditions of the Grant Award.

The Harbor Department may request cost reimbursement on a monthly basis. The terms and conditions for this grant are listed in full on the Assistance Award document (Transmittal 3). Some of the significant terms and conditions for this grant include cost principles, audit requirements, administrative requirements, and reporting requirements as follows:

- a) The Harbor Department, using existing staff, shall comply with the Single Audit Act Amendments of 1996, as implemented by 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Known as Super Circular).
- b) The Harbor Department, using existing staff, shall submit a Progress Report, as per the Port Security Grant Program Guidelines for biannual and final reports as well as quarterly financial reports (SF425).
- c) As required by the Super Circular, the recipient shall notify the FEMA of the developments that have significant impact on award-supported projects.

The Harbor Department has applied for and been awarded a Port Security Grant every fiscal year since PSGP FY 2004. The WSS maintenance and integration has been funded by PSPG since FY 2007.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is to approve the Grant Award Agreement to fund various port security systems and to approve the proposed security projects. As an administrative activity involving the installation of security and protection devices, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 1(6) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Items covered under this Grant Award Agreement are to be partially reimbursed by DHS under FY 2017 PSGP through FEMA. The total grant award is \$1,875,000, for a three-year period ending August 31, 2020.

Funds required for all three projects under the FY 2017 Port Security Grant Program will be requested to be budgeted in future fiscal years upon Board approval. A 25% cost share for these projects in the amount of \$625,000 is required under the FY 2017 PSGP and will be funded by the Harbor Department.

PROJECT	FEDERAL AMOUNT	25% POLA COST SHARE	TOTAL PROJECT COST (FY 17/18)	TOTAL PROJECT COST OVER THREE FISCAL YEARS 2018, 2019, AND 2020
Security System Integration and Maintenance	\$750,000	\$250,000	\$1,000,000	\$1,000,000 over 3 years = \$3,000,000
POLA Information Technology (IT) Cybersecurity Enhancement and Critical Infrastructure Protection	\$375,000	\$125,000	\$500,000	\$500,000 over 3 years = \$1,500,000
Security System Integration	\$750,000	\$250,000	\$1,000,000	\$1,000,000 over 3 years = \$3,000,000
Totals	\$1,875,000	\$625,000	\$2,500,000	\$7,500,000

The Harbor Department must front-fund all expenses before requesting reimbursement. Funds for FY17/18 in the amount of \$2,500,000 are available in Account 54286 in Division 0412, Program 640.

Grant recipients are mandated by the United States Department of Homeland Security to maintain all equipment and systems purchased through the PSGP. Failure to properly maintain equipment and systems may result in a denial of future grant requests.

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Beyond installation, there are numerous ongoing costs associated with running and maintaining the Harbor Department's Waterside Security Surveillance system, therefore the Security System Maintenance, Repair, and Integration, the Security System Integration, and the IT Cybersecurity Enhancement projects will have recurring costs not to exceed their total annual project amounts. Port Police will budget an annual \$2.5 million dollars annually, post project completion, for future maintenance, integration, and system enhancement costs. Port Police will continue to request annual grant funding for the ongoing sustainability of these projects although there is no guarantee the Harbor Department will be awarded grants.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Grant Award Agreement as to form and legality.

TRANSMITTAL(S):

- 1. PSGP FY 2017 Notice of Funding Opportunity
- 2. Information Memo to the Board of Harbor Commissioners
- 3. PSGP FY 2017 Award Letter/Package

FIS Approval: MB
CA Approval: CEB



TIMOTHY J. RILEY
Assistant Chief of Police



THOMAS E. GAZSI
Chief of Public Safety and
Emergency Management

APPROVED:



EUGENE D. SEROKA
Executive Director