



THE PORT
OF LOS ANGELES

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: February 4, 2011

FROM: PORT POLICE

SUBJECT: RESOLUTION NO. _____ - PROPOSED MEMORANDA OF UNDERSTANDING WITH THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SUB-GRANTEES FOR TRANSFER OF FUNDS UNDER THE FEDERAL PORT SECURITY GRANT PROGRAM, ROUND EIGHT

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into Memoranda of Understanding (MOUs) with sub-grantees of the 2008 Federal Port Security Grant Program (PSGP). In August 2008, the U.S. Department of Homeland Security (DHS) awarded a Federal grant in the amount of \$38,156,658 to the Los Angeles/Long Beach (LA/LB) port-region. Included in this award the Harbor Department received funding for ten projects, totaling \$16,400,000. The U.S. Coast Guard (USCG) Sector LA/LB selected the Harbor Department to act as the Fiduciary Agent for the management and distribution of these funds, monitor the progress of each funded project, process documentation from sub-grantees, accept reimbursement money from the Federal Emergency Management Agency (FEMA), and disburse those funds to sub-grantees. The Harbor Department will not be responsible for providing funds for any granted projects other than those awarded to the Harbor Department, and will be reimbursed for its fiduciary agent efforts up to three percent of the amount of the award.

The 41 projects funded through this grant were selected by the Area Maritime Security Committee (AMSC), under the leadership of the USCG Sector LA/LB. As a voting member of the AMSC, the Harbor Department participated in the selection of projects chosen for funding. Staff is recommending the Board of Harbor Commissioners (Board) approve the MOU template to be used for all sub-grantees.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Memoranda of Understanding with the Harbor Department and the sub-grantees - Los Angeles Fire Department, Los Angeles Police Department, Los Angeles Sheriff's Department, Port of Long Beach, Long Beach Fire Department, APM Terminal, Total Terminals International, International Transportation Service, Inc., and Millennium Maritime;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the MOUs;

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3. Authorize the Harbor Department to reimburse the projects listed in Transmittal 3 as approved for funding by Federal Emergency Management Agency; and
4. Adopt Resolution No. _____ accepting the MOUs with sub-grantees of the FY 2008 PSGP.

DISCUSSION:

In August 2008, the Harbor Department and DHS entered into a Cooperative Agreement in the amount \$38,156,658 under Fiscal Year (FY) 2008 Federal PSGP to the LA/LB Port-region. The Harbor Department was selected by USCG Sector LA/LB to act as the Fiduciary Agent for the distribution and management of these funds. The Harbor Department will be reimbursed for these duties at an amount not to exceed three percent of the total funding which would be \$1,144,699.

Following the receipt, review, and approval of the sub-grantees' invoices, the Harbor Department shall submit a request for reimbursement to DHS in accordance with Harbor Department Agreement No. 08-2937. It is expressly understood among the Harbor Department and sub-grantees that sub-grantees shall be entitled to reimbursement only upon approval of the request by DHS and subsequent reimbursement of the funds from DHS to the Harbor Department. The sub-grantees are responsible for both the Federal and cost share amounts.

The approval of these MOUs allows the pass through of the reimbursement funds from DHS through the Harbor Department to the sub-grantees. Funds will be distributed as individual projects proceed.

Harbor Department projects have been approved and budgeted and will be brought before the Board for approval in separate Board actions.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an approval of MOUs with sub-grantees 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 impacts for the five-county region. However, listed Harbor Department projects approved for funding by FEMA might generate significant economic impacts for the region. When the

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projects are brought before the Board for approval, at that time, staff will be able to fully evaluate the economic benefits of the projects.

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 the Port Police Division 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. Sub-grantees 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 invoices charged against the MOUs, reimbursing the sub-grantees for costs incurred. This is a required task under the Fiduciary Agent responsibilities outlined by DHS under FY 2008 PSGP. DHS will reimburse the Harbor Department for all costs 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 MOU template as to form and legality.

TRANSMITTALS:

1. MOU Template
2. Agreement 08-2937
3. Sub-grantees Project Funding for Round 8
4. Harbor Department Project Funding for Round 8

FIS Approval: ldp (initials)


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APPROVED:

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