



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: APRIL 3, 2013

FROM: PORT POLICE

SUBJECT: RESOLUTION NO. _____ - COOPERATIVE AGREEMENT BETWEEN THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT FOR REIMBURSEMENT OF PORT SECURITY GRANT PROGRAM FUNDS FOR FISCAL YEAR 2012

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into a Cooperative Agreement with the United States Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) for the reimbursement of funds allocated to the Harbor Department under Fiscal Year (FY) 2012 Port Security Grant Program (PSGP). DHS awarded a Federal grant in the amount of \$6,900,000, to the Harbor Department on September 1, 2012.

Items approved for grant reimbursement subsequent to expenditure by the Harbor Department are as follows: Los Angeles Port Police (Port Police) Marine Unit Vessel Replacements (\$1,875,000); Security System Integration, Maintenance and Repair (\$3,000,000); Port Police Dog Kennel Phase II (\$375,000); and Information Technology (IT) Security (\$1,650,000). The award is for a two-year period ending August 31, 2014. A 25% cost share is required under this PSGP, and will be funded by the Harbor Department. The Department's total cost share for the project is \$2,300,000, for a total cost of \$9,200,000 for all projects.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the Cooperative Agreement between the Harbor Department and United States Department of Homeland Security, Federal Emergency Management Agency for reimbursement of funds allocated to the Harbor Department under Fiscal Year 2012 Port Security Grant Program;
2. Authorize the Executive Director or designee to execute and the Board Secretary to attest to the proposed Cooperative Agreement for and on behalf of the Board;
3. Authorize the Harbor Department to proceed with the four projects approved for funding by the United States Department of Homeland Security, Federal Emergency Management Agency; and
4. Adopt Resolution No. _____.

**SUBJECT: RESOLUTION NO. _____ - COOPERATIVE AGREEMENT
BETWEEN THE DHS, FEMA AND THE HARBOR DEPARTMENT FOR
REIMBURSEMENT OF FY 2012 PSGP FUNDS**

DISCUSSION:

Background/Context: On September 1, 2012, the Harbor Department was awarded a Port Security Grant through a Cooperative Agreement under FY 2012 PSGP.

The FY 2012 DHS Appropriations Act provides funds for a competitive grant program to address physical security enhancements for critical national seaports. The selection of projects to be submitted was based on the PSGP Application and Guidance package.

Request for changes, including but not limited to, extensions and change in scope, are to be submitted to the PSGP Manager for approval from the DHS.

The DHS Port Security Grant 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. 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. Some of the significant terms and conditions for this grant include cost principles, audit requirements, administrative requirements, and reporting requirements as follows:

- a) Harbor Department shall perform, in accordance with the Single Audit Act Amendments of 1996, as implemented by Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- b) Harbor Department shall submit a Progress Report, as per the PSGP Guidelines and Application Kit for biannual and final reports.
- c) As required by 2 Code of Federal Regulations 215.25, the Harbor Department shall notify FEMA of any developments that have significant impact on award-supported activities, including changes in key project staff. If key project staff has not been designated in the recipients approved application, Harbor Department must request approval prior to hiring.

The grant award period is from September 1, 2012 to August 31, 2014.

The Harbor Department was allocated Federal funding in the amount \$6,900,000 by DHS for four projects:

Project	Federal Award	25% Cost Share	Project Cost
Port Police Marine Unit Vessel Replacements	\$1,875,000	\$625,000	\$2,500,000
Security System Integration, Maintenance and Repair	\$3,000,000	\$1,000,000	\$4,000,000
Port Police Kennel Facility Phase II	\$ 375,000	\$ 125,000	\$ 500,000
IT Security	\$1,650,000	\$ 550,000	\$2,200,000
Total	\$6,900,000	\$2,300,000	\$9,200,000

DATE: APRIL 3, 2013

PAGE 3 OF 5

SUBJECT: RESOLUTION NO. _____ - COOPERATIVE AGREEMENT BETWEEN THE DHS, FEMA AND THE HARBOR DEPARTMENT FOR REIMBURSEMENT OF FY 2012 PSGP FUNDS

These projects will significantly upgrade and enhance the detection, prevention, response, and overall Maritime Domain Awareness capabilities of the Harbor Department. The four projects submitted and awarded are:

Port Police Marine Unit Vessel Replacements: Purchase of four new Safe Boats to replace three vessels in the current fleet that have reached the end of their service life, have extensive wear and tear, and are in need of major repairs. The fourth vessel will be used to augment the fleet rotation when additional time is needed for vessels taken out of service for maintenance without affecting the current operational needs. This purchase provides a balance between sustaining frontline operational capacity and maintaining our joint homeland security protection efforts.

Security System Integration, Maintenance and Repair: Maintenance program supporting the various security systems implemented under previous rounds of PSGP. It will facilitate the ongoing maintenance, repair and replacement, and upgrades necessary to sustain these systems and ensure the continued effectiveness of the Port's security program. The funding of this sustainment program will extend the useful life of these systems for a fraction of the cost of full replacement.

Port Police Kennel Facility Phase II: Continuation of the Port Police Canine Kennel project under PSGP Round 8. Funding will complete the canine kennel facility which allows for the care and housing of explosive detection dogs. Replacing current facilities is necessary to house canines and provide a humane environment for them during rest periods, treatment, grooming, and sanitation. It is more cost effective for the Harbor Department to have this type of facility on premises as opposed to renting a space.

IT Cyber Security Improvements: Upgrades and enhancements of the Harbor Department's IT equipment, services, and related requirements for cyber security improvements which will be used in preventing, detecting, reporting, and responding to security incidents targeting Harbor Department computer infrastructure and sensitive security information (SSI) data. In addition, the project will identify and address immediate risk exposures, establish IT security policies, and implement the National Institute of Standards and Technology (NIST) guidelines for the Federal Information Security Management Act (FISMA). A secure computing environment is critical for the Harbor Department's functions.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Cooperative Agreement with DHS for reimbursement of funds allocated to the Harbor Department under the FY 2012 PSGP. This assessment is limited to the funding reimbursement and does not include an assessment of the environmental impacts of projects funded by the reimbursement. Therefore, as an administrative activity, the Director of Environmental Management has

SUBJECT: RESOLUTION NO. _____ - COOPERATIVE AGREEMENT BETWEEN THE DHS, FEMA AND THE HARBOR DEPARTMENT FOR REIMBURSEMENT OF FY 2012 PSGP FUNDS

determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2 (f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed Agreement will have no employment impact. The projects associated with the proposed Agreement would generate significant economic impacts for the five-county region. When the 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:

Items covered under this Cooperative Agreement are to be reimbursed by DHS under FY12 PSPG through FEMA. The Harbor Department will be responsible for budgeting and paying for the initial procurements and then requesting reimbursement through the Cooperative Agreement. Total grant award is \$6,900,000. A 25% cost share (\$2,300,000) funded by the Harbor Department is required under this PSPG, for a total cost of \$9,200,000 for all projects.

Funds for the Port Police Kennel Facility Phase II (\$500,000) and IT Cyber Security Improvements (\$2,200,000) will be requested to be budgeted in the Capital Improvement Program - Account No. 54510, Division 1179, Program 000. Funds for the Port Police Marine Unit Vessel Replacements (2,500,000) and the Security System Integration, Maintenance and Repair (\$4,000,000) will be requested to be budgeted in the Port Police Division - Accounts 59981 and 54286, both respectively in Division 0412, Program 640 in current and future fiscal years as part of the annual budget process, upon board approval.

Project	Account	Center	Program	FY 2012/13	FY 2013/14	FY 2014/15	Total
Kennel and IT Security	54510	1179	000		\$2,700,000		\$2,700,000
Vessel Replacement	59981	0412	000		\$2,500,000		\$2,500,000
Security System Maintenance and Repair	54286	0412	640	\$500,000	\$2,000,000	\$1,500,000	\$4,000,000
Total				\$500,000	\$7,200,000	\$1,500,000	\$9,200,000

Costs beginning September 1, 2014 will be absorbed by the Harbor Department unless FEMA authorizes a grant extension. Grant extensions are requested six months prior to the grant end date. They are given in six- or twelve-month increments and are determined based on ongoing commitments (i.e., purchase orders, contract awards) and accomplished milestones within the project.

DATE: APRIL 3, 2013

PAGE 5 OF 5

SUBJECT: RESOLUTION NO. _____ - COOPERATIVE AGREEMENT
BETWEEN THE DHS, FEMA AND THE HARBOR DEPARTMENT FOR
REIMBURSEMENT OF FY 2012 PSGP FUNDS

The Harbor Department's obligation to pay any amount due pursuant to any contract for any fiscal year after the current fiscal year is contingent upon the Board approval of funds for each project. The City's fiscal year ends on June 30 of each calendar year. Accordingly, anything to the contrary notwithstanding, the City may terminate any contract and its future monetary obligations thereunder, effective at the end of any fiscal year.

CITY ATTORNEY:

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

TRANSMITTAL:

1. U.S Department of Homeland Security Port Security Grant Cooperative Agreement Award No. EMW-2012-PU-00151.



RONALD J. BOYD
Chief of Police

FIS Approval:  (initials)
CA Approval:  (initials)



JOHN M. HOLMES
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

RJB:CD:jad
Author: R. Grant