

COMMISSION AGENDA

Item No: 4B

Meeting: 10/25/2018

DATE: October 12, 2018

TO: Port Commission

FROM: John Wolfe, Chief Executive Officer

Sponsor: Don Esterbrook, Deputy CEO

Project Manager: Louis P. Cooper Jr., Senior Director, Security and Labor Relations

SUBJECT: Fourth Amendment to Security Services Agreement

A. ACTION REQUESTED

Request Commission approval to execute the Fourth Amendment to the Security Services Agreement between SSA Terminals (Tacoma) LLC and the Port of Tacoma; which extends the agreement through December 31, 2018.

B. BACKGROUND

In October of 2009, the Commission approved a contract to provide APMT with security services in exchange for APMT payment, through December 31, 2017. APMT provided notice to POT of its lease termination affective October 2, 2017. SSA Terminals (Tacoma) began operating the Terminal on October 2, 2017, in accordance with the Lease and Operating Agreement with the Port of Tacoma.

On October 19, 2017 Commissioned approved the transfer of the Security Services Agreement, from APMT to SSA Terminals (Tacoma). Under the authority of the Chief Executive Officer and in agreement with both parties, the security services contract agreement was extended through July 17, 2018 via the first and second amendment. Commission later approved the 3rd Amendment to the Security Services Agreement on July 17, 2018 which extended the agreement through October 31, 2018. All other contractual language remained the same.

The Port has an established workforce which consists of represented Terminal Security Officers (Regular and Relief TSOs). Services provided include access control, roving patrol and CCTV monitoring in conformance with U.S. Coast Guard requirements and the tenants Facility Security Plan (FSP). All terminal security officers are covered by the ILWU, Local 22 Terminal Security Officers CBA.

C. KEY CONTRACT EXTENSION PROVISIONS

In partnership with SSAT and ILWU, Local 22 TSO (Union), the Port is seeking approval to extend the current Security Service Agreement through December 31, 2018. This extension will allow for the additional time needed by SSAT to review the amended terms of the five-year service agreement. The current service agreement shall remain in effect through the new expiration date and the Port shall continue to employ the TSO's as Port of Tacoma employees.

D. FINANCIAL SUMMARY

Estimated Agreement and Contract Costs October 2017 – December 2018

Security Service Agreement Revenue	\$1,714,561
POT ILWU 22 TSO Contract Costs	\$1,599,748

E. NEXT STEP

Following approval by the Commission, the Chief Executive Officer or his designee will execute the extension of the Security Services Agreement between SSA Terminals (Tacoma) LLC and the Port of Tacoma.