

COMMISSION AGENDA

Item No: 3A

Meeting: 07/17/18

DATE: July 9, 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: Third Amendment to Security Services Agreement

A. ACTION REQUESTED

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

B. BACKGROUND

In October of 2009 the Port of Tacoma (POT) Commission approved a contract to provide APM Terminals (APMT) with security services in exchange for payment through December 31, 2017. APMT provided notice to POT of its lease termination effective 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 the POT Commission approved the transfer of the Security Services Agreement from APMT to SSA Terminals (Tacoma). SSAT agreed to assume all obligations, responsibilities, rights and duties of APMT as set forth in the Security Agreement. With Commission approval, the Port and SSAT further agreed that the termination date of the Security Agreement would be extended through April 30, 2018.

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. 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 Local 22 Terminal Security Officers CBA, which was recently extended to October 31, 2018.

C. KEY CONTRACT EXTENSION PROVISIONS

The Port and SSAT desire to continue the terms of the existing Security Agreement to provide SSAT with security services.

In partnership with SSAT and ILWU, Local 22 TSO (Union), and in parallel to the extension of the Collective Bargaining Agreement, the Port is seeking approval to extend the current Security Service Agreement through October 31, 2018.

The 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. POT and SSAT recognize the need to extend the agreement due to the Port's ongoing contract negotiations, for three separate bargaining units. The Port initially anticipated negotiations to be completed by the end of April 2018. However, with the merger of ILWU 22, 28 Patrol and Terminal Security Officers, along with unforeseen delays with bargaining, we are now having to enter an extended period.

D. FINANCIAL SUMMARY

Estimated Agreement and Contract Costs October 2017 – October 2018:

Security Service Agreement Revenue	\$1,464,252
POT ILWU 22 TSO Contract Costs	\$1,364,455

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.