

# FY 2012 PORT SECURITY GRANT PROGRAM (PSGP) FUNDING OPPORTUNITY ANNOUNCEMENT (FOA)

## OVERVIEW INFORMATION

### Issued By

U.S. Department of Homeland Security (DHS): Federal Emergency Management Agency (FEMA)

### Catalog of Federal Domestic Assistance (CFDA) Number

97.056

### CFDA Title

Port Security Grant Program

### Funding Opportunity Announcement Title

Fiscal Year (FY) 2012 Port Security Grant Program (PSGP)

### Authorizing Authority for Program

Section 102 of the *Maritime Transportation Security Act of 2002*, as amended (Public Law 107-295)

### Appropriation Authority for Program

*The Consolidated Appropriations Act, 2012, Division D* (Public Law 112-74)

### FOA Number

DHS-12-GPD-056-000-01

### Key Dates and Time

Application Start Date: 02/17/2012

Application Submission Deadline Date: 05/04/2012 at 11:59:59 p.m. EDT

Anticipated Funding Selection Date: 06/29/2012

Anticipated Award Date: 09/30/2012

### Other Key Dates

Applying for FY 2012 PSGP funds requires a two-step process. Step One: initial submission to determine eligibility and Step Two: full application. Applicants are encouraged to initiate Step One immediately after the FOA is published but no later than **April 27, 2012**. This involves submitting a complete Standard Form 424 to Grants.gov. Successful completion of this step is necessary for FEMA to determine eligibility of the applicant. Late submissions of Step One to Grants.gov could result in applicants missing the application deadline in Step Two. Once FEMA has determined an applicant to be eligible, applicants can proceed to Step Two which involves submitting the full application package via the Non Disaster (ND) Grants system. The

submission deadline for the full application package is **May 4, 2012**. For additional details see Section X within the full FOA.

**Intergovernmental Review**

Is an intergovernmental review required?

Yes  No

## FOA EXECUTIVE SUMMARY

### Program Type

Select the applicable program type:

New  Continuing  One-time

Date of origin for Program: 11/25/2002

### Opportunity Category

Select the applicable opportunity category:

Discretionary  Mandatory  Competitive  Non-competitive  Sole Source

### Application Process

DHS makes all funding opportunities available through the common electronic “storefront” Grants.gov, accessible on the Internet at <http://www.grants.gov>. If you experience difficulties accessing information or have any questions please call the Grants.gov customer support hotline at (800) 518-4726.

Application forms and instructions are available at Grants.gov. To access these materials, go to <http://www.grants.gov>, select “Apply for Grants,” and then select “Download Application Package.” Enter the CFDA and/or the funding opportunity number located on the cover of this announcement. Select “Download Application Package,” and then follow the prompts to download the application package. To download the instructions, go to “Download Application Package” and select “Instructions.”

For additional details on how to apply, please refer to Section X within the full FOA.

### Eligible Applicants

The following entities are eligible to apply directly to FEMA under this solicitation:

Others

For additional information, see the *Eligibility Criteria* section of this FOA.

### Type of Funding Instrument

Select the applicable funding instrument:

Grant  Cooperative Agreement

## Cost Share or Match

Select the applicable requirement:

Cost Match  Cost Share  None Required

Cash and in-kind matches must consist of eligible costs (i.e., purchase price of allowable contracts, equipment). A cash match includes cash spent for project-related costs while an in-kind match includes the valuation of in-kind services. In-kind matches may not be used to meet matching requirements for any other Federal grant program (e.g., FY 2012 funds are used to purchase a mobile command center from a vendor, the vendor contributes or donates communications equipment associated with the mobile command center, the value of the donated equipment may be considered as an in-kind match for the PSGP award only). Please see Title 44, Part 13, Section 24 of the Code of Federal Regulations (44 CFR 13.24) (<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?type=simple;c=ecfr;cc=ecfr;sid=183d717ad04a78067db6a831421874ea;idno=44;region=DIV1;q1=13;rgn=div5;view=text;node=44%3A1.0.1.1.14>). See FEMA Grant Programs Directorate (GPD) Information Bulletin (IB) 376, dated January 4, 2012 for further information on the PSGP cost match waiver process (<http://www.fema.gov/pdf/government/grant/bulletins/info376.pdf>).

The following match requirements apply for the FY 2012 PSGP (including ferry systems):

- **Public Sector.** Public sector applicants must provide a non-Federal match (cash or in-kind) supporting at least **25 percent of the total project cost** for each proposed project.
- **Private Sector.** Private sector applicants must provide a non-Federal match (cash or in-kind) supporting at least **50 percent of the total project cost** for each proposed project.
- **Exceptions.** There is no matching requirement for grant awards where the total award is \$25,000 or less (with the exception of national and/or regional corporations submitting 11 or more projects throughout their system[s]). If the Secretary of Homeland Security determines that a proposed project merits support and cannot be undertaken without a higher rate of Federal support, the Secretary may approve grants with a matching requirement other than that specified above in accordance with Title 46, Section 70107 of the United States Code of Federal Regulations (46 U.S.C. 70107[c][2][B]).

Cost match requirements **must** be included in applicant's Detailed Budgets. Public and private entities are encouraged to work together to meet the cost match requirements. While applications must demonstrate the cost match, applicants are reminded that the cost match does not have to be provided up-front and that they have up to the full 24 month award period to provide the cost match funding.

**The non-Federal share can be cash or in-kind, with the exception of construction activities, which must be a cash-match (hard).**

Cost match waivers may be granted only if the Secretary of DHS determines that (1) a proposed project merits support in light of the overall grant purpose and mission goals; and (2) the Secretary of DHS determines that the meritorious project cannot be undertaken without a higher rate of Federal support.

**Maintenance of Effort**

Is there a Maintenance of Effort (MOE) requirement?

Yes  No

**Management and Administration**

A maximum of five percent (5%) of the total award may be retained by the applicant. Any funds retained are to be used solely for management and administration (M&A) purposes associated with the PSGP award. FY 2012 PSGP M&A funds may be used for the following M&A costs:

- Hiring of full-time or part-time staff, contractors or consultants, and M&A expenses related to compliance with grant reporting or data collection requirements, including data calls
- Development of operating plans for information collection and processing necessary to respond to DHS data calls
- Travel expenses

# FULL FOA

## I. Funding Opportunity Description

### **Program Overview and Priorities**

The PSGP is one of the DHS's FY 2012 grant programs which directly support transportation infrastructure security activities. The PSGP is one tool in the comprehensive set of measures authorized by Congress and implemented by the Administration to strengthen the Nation's critical infrastructure against risks associated with potential terrorist attacks.

The vast majority of U.S. critical infrastructure is owned and/or operated by State, local, and private sector partners. The PSGP funds available to these entities are intended to support increased port-wide risk management; enhanced domain awareness; training and exercises; expansion of port recovery and resiliency capabilities; and further capabilities to prevent, detect, respond to, and recover from attacks involving improvised explosive devices (IED) and other non-conventional weapons.

### **Program Objectives**

The FY 2012 PSGP plays an important role in the implementation of Presidential Policy Directive 8 (PPD-8) by supporting the development and sustainment of core capabilities. Core capabilities are essential for the execution of each of the five mission areas outlined in the *National Preparedness Goal* (NPG). The development and sustainment of these core capabilities are not exclusive to any single level of government or organization, but rather require the combined effort of the whole community. The FY 2012 PSGP supports all core capabilities in the Prevention, Protection, Mitigation, Response, and Recovery mission areas based on allowable costs.

Grantees under FY 2012 PSGP are encouraged to build and sustain core capabilities through activities such as:

- Enhancing Maritime Domain Awareness (MDA)
- Enhancing Improvised Explosive Device (IED) and Chemical, Biological, Radiological, Nuclear, Explosive (CBRNE) prevention, protection, response and supporting recovery capabilities
- Port Resilience and Recovery Capabilities
- Training and Exercises
- Transportation Worker Identification Credential (TWIC) Implementation

For additional information on program priorities and objective for FY 2012 PSGP, refer to Appendix B – *FY 2012 PSGP Priorities*.

## II. Funding Information

### Award Amounts, Important Dates, and Extensions

Available Funding for this FOA: \$97,500,000

Projected Number of Awards: 250

Projected Award Start Date(s): 09/30/2012

Projected Award End Date(s): 09/30/2014

Period of Performance: 24 months

Grantees must accept their grant awards no later than 90 days from the award date. The grantee shall notify the awarding agency of its intent to accept and proceed with work under the award, or provide a written notice of intent to decline. Funds will remain on hold until the grantee accepts the award through official correspondence (e.g., written, electronic signature, signed letter or fax to GPD) and all other conditions of award have been satisfied, or the award is otherwise rescinded. Failure to accept the grant award within the 90 day timeframe may result in a loss of funds.

For details on program funding amounts, please refer to Appendix A – *FY 2012 PSGP Allocations*.

### Period of Performance

Is an extension to the period of performance permitted?

Yes  No

The periods of performance outlined above support the effort to expedite the outlay of grant funding and provide economic stimulus. Agencies should request waivers sparingly, and they will be granted only due to compelling legal, policy, or operational challenges. For example, agencies may request waivers from the deadlines outlined above for discretionary grant funds where adjusting the timeline for spending will constitute a verifiable legal breach of contract by the grantee with vendors or sub-recipients, or where a specific statute or regulation mandates an environmental review that cannot be completed within this timeframe or where other exceptional circumstances warrant a discrete waiver.

### Additional Funding Information

In FY 2012, the total amount of funds distributed under this grant program will be \$97,500,000. The FY 2012 PSGP funds will be allocated based on the funding priorities outlined in Appendix B – *FY 2012 PSGP Priorities*.

## III. Eligibility Information

### Eligibility Criteria

Pursuant to the *Maritime Transportation Security Act of 2002* (MTSA), DHS established a risk based grant program to support port and maritime security. Eligible applicants under the FY 2012 PSGP are listed in Appendix A – *FY 2012 PSGP Allocations*.

Funding is directed towards the implementation of Area Maritime Security Plans (AMSP) and Facility Security Plans (FSP) among port authorities, facility operators, and State and local government agencies that are required to provide port security services. In administering the grant program, national, economic, energy, and strategic defense concerns based upon the most current risk assessments available shall be taken into account.

By law, DHS must direct these funds to the Nation's highest risk ports. To comply with this requirement, the PSGP covers a total of 145 ports identified as critical. Based upon USCG recommendations, these ports are aggregated into 90 discrete port funding areas. As described below, "All Other Port Areas" covered by an AMSP are eligible to apply for grant funds from a PSGP funding pool created for that purpose.

Within the PSGP, the following entities are specifically encouraged to apply:

- Owners or operators of federally regulated terminals, facilities, U.S. inspected passenger vessels or ferries as defined in the MTSA and 33 CFR Parts 101, 104, 105, and 106
- Members of an Area Maritime Security Committee, per 33 CFR Part 103, who are recognized as such by the Captain of the Port (COTP) and are required to provide port security services. Specifically, eligible applicants include port authorities, port police, local law enforcement agencies, port and local fire departments, and facility fire brigades that have jurisdictional authority to respond to incidents in the port

As a condition of eligibility, all PSGP applicants are required to be fully compliant with relevant Maritime Security Regulations (33 CFR Parts 101-106). Any open or outstanding Notice of Violation (NOV), as of the grant application submission deadline date, which has been issued to an applicant, and the applicant has (1) failed to pay within 45 days of receipt; (2) failed to decline the NOV within 45 days of receipt (in which case a finding of default will be entered by the Coast Guard in accordance with 33 CFR § 1.07-11[f][2]); or (3) the applicant has appealed the NOV as provided for in 33 CFR § 1.07-70 and is in receipt of a final appeal decision from Commandant, U.S. Coast Guard, as described in 33 CFR § 1.07-75, and has failed to come into compliance with the final adjudication within the timelines noted therein, will not be allowed to make application for a Port Security Grant. COTP will verify security compliance eligibility during the field review process.

Appendix A – *FY 2012 PSGP Allocations* provides a description and list of eligible port areas.

#### **IV. Funding Restrictions**

##### **Restrictions on Use of Award Funds**

PSGP grant recipients and sub-recipients may only use PSGP grant funds for the purpose set forth in the grant, and must be consistent with the statutory authority for the

award. Grant funds may not be used for matching funds for other Federal grants/cooperative agreements, lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition, Federal funds may not be used to sue the Federal government or any other government entity.

Pre-award costs are allowable only with the written consent of DHS and if they are included in the award agreement.

Federal employees are prohibited from serving in any capacity (paid or unpaid) on any proposal submitted under this program. Federal employees may not receive funds under this award.

For additional details on restrictions on the use of funds, please refer to Appendix C – *Funding Guidelines*.

## V. Application Review Information and Selection Process

### Application Review Information

The four core PSGP application review criteria are as follows:

- **Criteria #1.** Projects that support development and sustainment of the core capabilities in the NPG and align to PSGP funding priorities identified in Appendix B – *FY 2012 PSGP Priorities*. These include:
  - Enhancing Maritime Domain Awareness (MDA)
  - Enhancing Improvised Explosive Device (IED) and Chemical, Biological, Radiological, Nuclear, Explosive (CBRNE) prevention, protection, response and supporting recovery capabilities
  - Port Resilience and Recovery Capabilities
  - Training and Exercises
  - Equipment Associated with Transportation Worker Identification Credential (TWIC) Implementation
- **Criteria #2.** Projects that address priorities outlined in the applicable AMSP, as mandated under the MTSA and/or the Port-Wide Risk Mitigation Plans (PRMP)
- **Criteria #3.** Projects that address additional security priorities based on the COTP's expertise and experience of the COTP within the specific port area
- **Criteria #4.** Projects that offer the highest potential for risk reduction for the least cost

**Initial Screening.** FEMA will conduct an initial review of all FY 2012 PSGP applications to ensure each application is complete. All complete applications will be grouped by port area and provided to the applicable COTP for further review.

**Field Review.** Field-level reviews will be managed by the applicable COTP in coordination with the Director of the U.S. Department of Transportation's Maritime Administration's Gateway Office and appropriate personnel from the AMSC, to include Federal, State, and local agencies, as identified by the COTP. To support coordination

of and regionalization of security grant application projects with State and Urban Area homeland security strategies, as well as other State and local security plans, AMSC members representing State and local agencies should coordinate the results with the applicable State administrative agency or agencies and State homeland security advisor(s).

Field reviews for all Groups occur immediately following the initial screening. Each specific project is scored for compliance with criteria enumerated in the previous section. The purpose of the COTP Review is to identify a prioritized list of eligible maritime security risk mitigation projects for funding within the area of responsibility (AOR), for all Groups within the AOR. The COTP will use the COTP Field Review Form to review all projects. This form may seek the following information:

- A total score for each proposal received with each port being ranked from highest to lowest in terms of their contributions to regional risk reduction and cost effectiveness
- A specific notation if other entities within the port region have similar capabilities
- A specific notation as to whether there is a need for redundant capability

After completing field reviews, COTPs will submit the field review project scores and prioritized lists through the appropriate route to FEMA who will begin coordination of the national review process.

### **Application Selection Process**

Following the field review, a National Review Panel (NRP), comprised of subject matter experts drawn from DHS and the Department of Transportation (DOT), will convene and conduct a national level review. The purpose of the National Review is to identify a final, prioritized list of eligible projects for funding. The NRP will conduct an initial review of the prioritized project listings for each port area submitted by the USCG's COTP to ensure that the proposed projects will accomplish intended risk mitigation goals. The NRP will validate and normalize the Field Review COTP Project Priority List and provide a master list of prioritized projects by port area.<sup>1</sup>

A risk-based analysis will then be applied to the National Review Panel's prioritized list for each port area in all groups. This analysis considers the following factors to produce a comprehensive national priority ranking of port security proposals:

- Relationship of the project to one or more of the national port security priorities
- Relationship of the project to the local port security priorities
- COTP ranking (based on each COTP's prioritized list of projects)

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<sup>1</sup> The NRP will have the ability to recommend partial funding for individual projects and eliminate others that are determined to be duplicative or require a sustained Federal commitment to fully realize the intended risk mitigation. The NRP will also validate proposed project costs. Decisions to reduce requested funding amounts or eliminate requested items deemed inappropriate under the scope of the FY 2012 PSGP will take into consideration the ability of the revised project to address the intended national port security priorities and achieve the intended risk mitigation goal. Historically, the PSGP has placed a high priority on providing full project funding rather than partial funding.

- Risk level of the port area in which the project would be located (based on a comprehensive risk analysis performed by DHS)

The NRP will be asked to evaluate and validate the consolidated and ranked project list and submit their recommendations to FEMA. The NRP may request additional information or clarification from applicants. Applicants receiving requests from the NRP will have 30 days from the date of the request to respond. FEMA will have the final approval authority on all projects.

Funds will not be made available for obligation, expenditure, or drawdown until the applicant's budget and budget narrative have been approved by FEMA.

The applicant must provide a detailed budget for the funds requested. The detailed budget must be submitted with the grant application as a file attachment within ND Grants. The budget must be complete, reasonable, and cost-effective in relation to the proposed project. The budget should provide the basis of computation of all project-related costs, any appropriate narrative, and a detailed justification of M&A costs.

## **VI. Post-Selection and Pre-Award Guidelines**

### **Notice of Award**

All successful applicants for all DHS grant and cooperative agreements are required to comply with DHS Standard Administrative Terms and Conditions available on page 6 of <http://www.dhs.gov/xlibrary/assets/cfo-financial-management-policy-manual.pdf>.

Upon approval of an application, the award will be made in the form of a grant. The date the approval of award is entered in the system is the "award date." Notification of award approval is made through the ND Grants system through an automatic e-mail to the grantee point of contact listed in the initial application. Once an award has been approved and recorded in the system, a notice is sent to the authorized grant official. Follow the directions in the notification to accept your award documents. The authorized grant official should carefully read the award package for instructions on administering the grant and to learn more about the terms and conditions associated with responsibilities under Federal awards.

### **Administrative and Federal Financial Requirements**

Grantees are obligated to submit various financial and programmatic reports as a condition of their award acceptance. Please see below for a summary of financial and/or programmatic reports as required. Future awards and fund drawdowns may be withheld if these reports are delinquent.

- 1. Federal Financial Report (FFR) – required quarterly.** Obligations and expenditures must be reported on a quarterly basis through the FFR (SF-425). A report must be submitted for every quarter of the period of performance, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund draw downs may be withheld if these reports are delinquent.

The final FFR is due 90 days after the end date of the performance period. FFRs must be filed electronically through Payment and Reporting System (PARS).

- 2. Grant Close-Out Process.** Within 90 days after the end of the period of performance, or after a Grant Adjustment Notice (GAN) has been issued to close out a grant, whichever comes first, grantees must submit a final FFR and final progress report detailing all accomplishments throughout the period of performance. After these reports have been reviewed and approved by FEMA, a close-out notice will be completed to close out the grant. The notice will indicate the period of performance as closed, list any remaining funds that will be deobligated, and address the requirement of maintaining the grant records for three years from the date of the final FFR. The grantee is responsible for returning any funds that have been drawn down but remain as unliquidated on grantee financial records.

## **Programmatic Reporting Requirements**

- 1. Performance Progress Report (SF-PPR).** Awardees are responsible for providing updated performance reports using the SF-PPR (Office of Management and Budget [OMB] Control Number: 0970-0334) on a semi-annual basis. The SF-PPR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31). The SF-PPR can be accessed online at [http://www.na.fs.fed.us/fap/SF-PPR\\_Cover%20Sheet.pdf](http://www.na.fs.fed.us/fap/SF-PPR_Cover%20Sheet.pdf).
- 2. Exercise Evaluation and Improvement.** Exercises implemented with grant funds should evaluate performance of the capabilities required to respond to the exercise scenario. Guidance related to exercise evaluation and the implementation of improvements is defined in the Homeland Security Exercise and Evaluation Program located at <https://hseep.dhs.gov>.
- 3. Monitoring.** Grant recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met.

Monitoring may be accomplished through either a desk-based review or on-site monitoring visits, or both. Monitoring will involve the review and analysis of the financial, programmatic, performance, compliance and administrative processes, policies, activities, and other attributes of each Federal assistance award and will identify areas where technical assistance, corrective actions and other support may be needed.

## VII. DHS FEMA Contact Information

### Contact and Resource Information

This section describes several resources that may help applicants in completing a FEMA grant application. These points of contact are also available for successful applicants who may require assistance during execution of their award.

### Financial and Administrative Information

- 1. Grant Programs Directorate (GPD).** FEMA GPD's Grant Operations Division Business Office will provide fiscal support, including pre- and post-award administration and technical assistance, to the grant programs included in this solicitation. Callers will be directed to a point of contact who will be able to assist with their financial or administrative question. Additional guidance and information can be obtained by contacting the FEMA Call Center at (866) 927-5646 or via e-mail to [ASK-GMD@dhs.gov](mailto:ASK-GMD@dhs.gov).
- 2. FEMA Regions.** FEMA Regions may also provide fiscal support, including pre- and post-award administration and technical assistance, to the grant programs included in this solicitation. For a list of contacts, please go to <http://www.fema.gov/about/contact/regions.shtm>.
- 3. GPD Environmental Planning and Historic Preservation (GPD-EHP).** The FEMA GPD-EHP Team provides guidance and information to grantees and sub-grantees related to submission of materials for EHP review. All EHP Review Packets should be sent to [gpdehpinfo@fema.gov](mailto:gpdehpinfo@fema.gov).

### Programmatic Information

- 1. Centralized Scheduling and Information Desk (CSID).** CSID is a non-emergency comprehensive management and information resource developed by DHS for grants stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the Federal, State, and local levels. When necessary, grantees will be directed to a Federal point of contact who can answer specific programmatic questions or concerns. CSID can be reached by phone at (800) 368-6498 or by e-mail at [askcsid@dhs.gov](mailto:askcsid@dhs.gov), Monday through Friday, 9:00 a.m. – 5:30 p.m. (EST).

### Systems Information

- 1. Grants.gov.** For technical assistance with Grants.gov, please call the Grants.gov customer support hotline at (800) 518-4726.
- 2. Non Disaster (ND) Grants.** For technical assistance with the ND Grants system, please contact [ndgrants@fema.gov](mailto:ndgrants@fema.gov) or (800) 865-4076.

## VIII. Other Critical Information

### National Incident Management System (NIMS) Implementation

In accordance with Homeland Security Presidential Directive (HSPD)-5, *Management of Domestic Incidents*, the adoption of NIMS is a requirement to receive Federal preparedness assistance, through grants, contracts, and other activities.

Prior to allocation of any Federal preparedness awards in FY 2012, grantee must ensure compliance and/or alignment with FY 2011 NIMS implementation plan. The list of objectives against which progress and achievement are assessed and reported can be found at

<http://www.fema.gov/emergency/nims/ImplementationGuidanceStakeholders.shtm#item2>.

The primary grantee/administrator of FY 2012 PSGP award funds is responsible for determining if sub-awardees have demonstrated sufficient progress in NIMS implementation to disburse awards.

## IX. How to Apply

### Application Instructions

**1. Investment Justification (IJ).** As part of the FY 2012 PSGP application process, applicants must develop a formal IJ that addresses each initiative being proposed for funding. A separate IJ should be submitted for each proposed project. Each applicant may apply for up to three projects. IJs must demonstrate how proposed projects address gaps and deficiencies in one or more core capabilities outlined in the NPG. The IJ must demonstrate the ability to provide enhancements consistent with the purpose of the program and guidance provided by FEMA. Applicants must ensure that the IJ is consistent with all applicable requirements outlined in this application kit.

The IJ must address or answer the following questions:

- Is your organization a member of the AMSC?
- Is your facility a MTSA regulated facility?
- If you are a MTSA regulated facility, what is your facility's operation?
- If you are not a regulated facility under MTSA, do you have a facility security plan, and if you have a plan what authority approved your security plan?
- Have you applied for any other security related grants, and if you have what grant program and when?
- If you are a recognized Law Enforcement Agency, how many MTSA regulated facilities or vessels are in your immediate area of responsibility?
- How many members of your company or agency have taken an Incident Command System (ICS) course: ICS 100, ICS 200, ICS 300, ICS 700 or ICS 800?

- If you are a Fire Department, how many MTSA regulated facilities and MTSA regulated vessels are in your immediate area of responsibility?
- Is your organization listed in a risk mitigation plan, and if so, which ones?
- Is there a Memorandum of Understanding (MOU) or a Memorandum of Agreement (MOA) in place for this investment, to share this investment with other agencies?

All applicants will submit their PSGP grant application, the associated Investment Justifications to include Detailed Budgets and associated MOUs/MOAs as a file attachment within <https://portal.fema.gov> before or on the application deadline date and time. The individual investments comprising a single application must take place within the same port area. Private MTSA regulated companies that operate in more than one eligible port area must submit separate applications for investments within the port area in which the facility or vessel is located.

The port area is defined by project location. Agencies that have multiple facility locations should apply for projects based on the facility where the project/asset will be housed/maintained as opposed to using the agency headquarters location (for example). For entities/agencies submitting applications for projects that span multiple port areas, the project location is considered to be the predominant location in which the project will be housed and maintained.

Applicants will find an Investment Justification Template in Appendix D – *FY 2012 PSGP Investment Justification Template and Instructions*. This worksheet may be used as a guide to assist applicants in the preparation of the IJ.

Applicants must provide information in the following categories for each proposed Investment:

- I. Background
- II. Strategic and program priorities
- III. Impact
- IV. Funding and Implementation Plan

Applicants must use the following file naming convention when submitting required documents as part of the FY 2012 PSGP:

COTP Zone Abbreviation\_Port Area\_Name of Applicant\_IJ Number  
(Example: Hous\_Galveston\_XYZ Oil\_IJ#1)

- 2. Detailed Budget.** All applicants must provide detailed budgets for the funds requested at the time of application. The budget must be complete, reasonable, and cost-effective in relation to the proposed project. The budget should provide the basis of computation of all project-related costs (including M&A) and any appropriate narrative.

The review panels must be able to thoroughly evaluate the projects being submitted based on the information provided here. Applicants must ensure they provide an appropriate level of detail within the Detailed Budget to clarify intent as to what is being purchased.

Applicants will find a sample Budget Detail Worksheet in Appendix E – *Sample Budget Detail Worksheet*. This worksheet may be used as a guide to assist applicants in the preparation of the budget and budget narrative.

- 3. Memorandum of Understanding/Memorandum of Agreement (MOU/MOA) Requirement.** State and local agencies are eligible applicants. However, the security services provided must be addressed in the regulated entities' security plans. A copy of an MOU/MOA with the identified regulated entities will be required prior to funding, and must include an acknowledgement of the security services and roles and responsibilities of all entities involved. This information may be provided using one of the attachment fields within <https://portal.fema.gov>.

The MOU/MOA must address the following points:

- The nature of the security that the applicant agrees to supply to the regulated facility (waterside surveillance, increased screening, etc.)
- The roles and responsibilities of the facility and the applicant during different Maritime Security (MARSEC) levels
- An acknowledgement by the facility that the applicant is part of their facility security plan

If the applicant is mentioned as a provider of security services under the port's AMSP, in lieu of an MOA/MOU, written acknowledgement from the AMSC members, or a letter from the Federal Maritime Security Coordinator validating this status, will be acceptable. *In addition, MOA/MOUs submitted in previous PSGP award rounds will be acceptable, provided the activity covered also addresses the capability being requested through the FY 2010 PSGP.*

If applicable, the signed MOU/MOA for State or local law enforcement agencies must be submitted with the grant application as a file attachment within <https://portal.fema.gov>. A sample MOU/MOA can be found in Appendix F – *Sample MOU/MOA Template*.

COTP Zone Abbreviation\_Port Area\_Name of Applicant\_MOU  
(Example: Hous\_Galveston\_Harris County\_MOU)

- 4. Sensitive Security Information (SSI) Requirements.** Information submitted in the course of applying for funding or reporting under certain programs or provided in the course of an entity's grant management activities under those programs which is under Federal control is subject to protection under SSI, and must be properly identified and marked. SSI is a control designation used by DHS related to

protecting information related to transportation security. It is applied to information about security programs, vulnerability and threat assessments, screening processes, technical specifications of certain screening equipment and objects used to test screening equipment, and equipment used for communicating security information relating to air, land, or maritime transportation. The applicable information is spelled out in greater detail in 49 CFR 1520.7.

For the purposes of the Port Security Grant Program, all Investment Justifications shall be considered SSI and treated as such. This means labeling as SSI and password protecting appropriate documents prior to submission. The passwords for protected documents must be sent (separate of the documents) to the following e-mail address [askcsid@dhs.gov](mailto:askcsid@dhs.gov).

The subject line of the email should identify:

- Applicant name
- Application number

The body of the e-mail should clearly identify:

- Applicant name
- IJ number and/or summary description
- COTP area
- POC information

NOTE: A single password should be provided for all SSI documents within the same application.

### **Environmental and Historic Preservation Review**

FEMA is legally required to consider the potential impacts of all PSGP projects on environmental resources and historic properties. Grantees must comply with all applicable environmental planning and historic preservation (EHP) laws, regulations, and Executive Orders (EOs) in order to draw down their FY 2012 PSGP grant funds. To avoid unnecessary delays in starting a project, grantees are encouraged to pay close attention to the reporting requirements for an EHP review. For more information on FEMA's EHP requirements, SAAs should refer to Information Bulletins 329 and 345 (<http://www.fema.gov/government/grant/bulletins/index.shtm>).

FY 2012 PSGP Program grantees using funds for construction projects must comply with the *Davis-Bacon Act* (40 U.S.C. 3141 *et seq.*). Grant recipients must ensure that their contractors or subcontractors for construction projects pay workers employed directly at the work-site no less than the prevailing wages and fringe benefits paid on projects of a similar character. Additional information, including Department of Labor wage determinations, is available from the following website:

<http://www.dol.gov/compliance/laws/comp-dbra.htm>.

When applying for construction funds, including for the construction of communications towers, at the time of application, the grantee is highly encouraged to submit evidence of approved zoning ordinances, architectural plans, any other locally required planning permits and documents, and to have completed all required steps for a successful EHP review in support of their proposal for funding (e.g., coordination consultation).

## **X. Application and Submission Information**

### **Address to Request Application Package**

FEMA makes all funding opportunities available on the Internet at <http://www.grants.gov>. If you experience difficulties accessing information or have any questions please call the Grants.gov customer support hotline at (800) 518-4726.

Application forms and instructions are available at Grants.gov. To access these materials, go to <http://www.grants.gov>, select “Apply for Grants”, enter the CFDA number (97.056) or the FOA number (DHS-12-GPD-056-000-01). Select “Download Application Package,” and then follow the prompts to download the application package. To download the instructions, go to “Download Application Package” and select “Instructions.”

### **Content and Form of Application**

- 1. Application via Grants.gov.** All applicants must file their applications using the Administration’s common electronic “storefront” – <http://www.grants.gov>. Eligible grantees must apply for funding through this portal, accessible on the Internet at <http://www.grants.gov>.

The application must be started and submitted using Grants.gov after Central Contractor Registration (CCR) is confirmed. The on-line application includes the following required form:

- Standard Form 424, Application for Federal Assistance

Applying for FY 2012 PSGP funds requires a two-step process. Step One: initial submission to determine eligibility and Step Two: full application. Applicants are encouraged to initiate Step One as soon after the FOA is published but no later than April 27, 2012. This involves submitting a complete Standard Form 424 to <http://www.grants.gov>. The Standard Form 424 will be retrieved by ND Grants and the system will automatically populate the relevant data fields in the application.

Successful completion of this step is necessary for FEMA to determine eligibility of the applicant. Late submissions to Grants.gov to complete Step One could result in applicants missing the application deadline in Step Two. Once FEMA has determined an applicant to be eligible, applicants can proceed to Step Two which involves submitting the full application package via the ND Grants system. The submission deadline for the full application package is May 4, 2012.

The application must be completed and final submission made through the ND Grants system located at <https://portal.fema.gov>. If you need assistance registering for the ND Grants system, please contact [ndgrants@fema.gov](mailto:ndgrants@fema.gov) or (800) 865-4076. Applicants are encouraged to begin their ND Grants registration at the time of solicitation to ensure they have adequate time to start and complete their application submission. Unless otherwise referenced, the ND Grants system includes the following required forms and submissions:

- Standard Form 424A, Budget Information (Non-construction)
- Standard Form 424B, Standard Assurances (Non-construction)
- Standard Form 424C, Budget Information (Construction)
- Standard Form 424D, Standard Assurances (Construction)
- Standard Form LLL, Disclosure of Lobbying Activities (if the grantee has engaged or intends to engage in lobbying activities)
- Grants.gov (GG) Lobbying Form, Certification Regarding Lobbying
- FEMA Form 20-16C, Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements (available at <http://www.fema.gov/library/viewRecord.do?id=2628>)
- Investment Justification (FEMA Form 089-5) (see *Appendix D – FY 2012 PSGP Investment Justification Template*)
- Detailed Budget Worksheet

The program title listed in the CFDA is “*Port Security Grant Program.*” The CFDA number is **97.056**.

**2. Dun and Bradstreet Data Universal Numbering System (DUNS) Number.** The applicant must provide a DUNS number with their application. This number is a required field within <http://www.grants.gov> and for CCR. Organizations should verify that they have a DUNS number, or take the steps necessary to obtain one, as soon as possible. Applicants can receive a DUNS number at no cost by calling the dedicated toll-free DUNS Number request line at (866) 705-5711.

**3. Valid CCR.** The application process also involves an updated and current registration by the applicant, which must be confirmed at <http://www.ccr.gov>.

Applicants will obtain FOA Overviews and Full Announcement information from the Grants.gov website where the full FOA is posted.

In addition, the following Telephone Device for the Deaf (TDD) and/or Federal Information Relay Service (FIRS) number available for this Announcement is: (800) 462-7585.

Applications will be processed through the Grants.gov portal or the ND Grants system.

Hard copies of the application will not be accepted.

## Appendix A – FY 2012 PSGP Allocations

### Port Area Group Designations

Table 2 lists the specific port areas by Group that are eligible for funding through the FY 2012 PSGP.

### Group I, II, and III Port Areas

Seven port areas have been selected as Group I (highest risk), 48 port areas have been selected as Group II, and 35 port areas have been selected as Group III. Each Group I, Group II, and Group III port area will compete for funding identified in their corresponding Group. These amounts are based upon the FY 2012 DHS risk analysis. This will allow applicants to submit IJs for projects without being confined to a set dollar amount, providing DHS the opportunity to conduct field and national reviews of each project and make awards based on the two overarching priorities of the PSGP, risk-based funding and regional security cooperation, as well as evaluating the extent to which each IJ buys-down risk for their port area.

### All Other Port Areas

Ports not identified in Group I, II, or III will compete for the funding identified for the “All Other Port Areas” Group, and will submit their application and associated documentation directly to FEMA. “All Other Port Areas” are allowed to receive grant funds from their geographically proximate higher Group if the project has regional impact across the entire port area, but not from both funding groups for the same project.

### Ineligible Entities

The PSGP will not accept applications or IJs from an applicant or sub-applicant for the purpose of providing a service or product to an otherwise eligible entity.

**The Fiduciary Agent process will not be utilized in the FY 2012 PSGP. Eligible applicants will apply directly to FEMA for funding under this program.**

### Port-Wide Risk Management Planning for Group I and Group II Port Areas

In order to receive FY 2012 PSGP funds, Group I and Group II port areas are required to have in place an approved PRMP. They are also highly encouraged, but not required, to develop a Business Continuity/Resumption of Trade Plans (BCRTP). For purposes of regional strategic planning, Group I and II port areas must take into consideration all other port areas covered by their AMSP in their plans IJs.

The PRMP and BCRTP will align with and support the port areas’ AMSP, considering the entire port system strategically as a whole, and will identify and execute a series of actions designed to effectively mitigate security risks associated with the system’s maritime critical infrastructure and key resources.

Building on the successes of previous years, during FY 2012, Group I and Group II ports will seek PSGP funding that will ensure alignment with the programs and projects identified within the Plan(s) aimed at the following priorities:

- Expand the emphasis on port-wide partnerships, regional management of risk, port resilience/recovery, and business continuity/resumption of trade
- Expand the emphasis on regional maritime security risk management
- Expand the knowledge and protocols for maritime business continuity/resumption of trade under MDA
- Prioritize port-wide security strategies and actions that address surface, underwater, and land-based threats
- Target best risk-mitigation strategies achieving sustainable port-wide security and business continuity/resumption of trade planning
- Provide the basis for aligning specific grant-funded security projects under this and future year PSGP awards within the requirements of the AMSP

**Table 2: FY 2012 PSGP Port Area Groupings**

Group	State/Territory	Port Area	FY 2012 Target Allocation
I	California	Los Angeles-Long Beach Long Beach Los Angeles	\$58,500,000
		San Francisco Bay Carquinez Strait Martinez Oakland Richmond San Francisco Stockton	
	Louisiana	New Orleans Baton Rouge Gramercy New Orleans Plaquemines, Port of South Louisiana, Port of St. Rose	
	New Jersey / Pennsylvania / Delaware	Delaware Bay Camden-Gloucester, NJ Chester, PA Marcus Hook, PA New Castle, DE Paulsboro, NJ Philadelphia, PA Trenton, NJ Wilmington, DE	
	New York / New Jersey	New York, NY and NJ	

Group	State/Territory	Port Area	FY 2012 Target Allocation
I (cont.)	Texas	Houston-Galveston Galveston Houston Texas City	\$58,500,000 (cont.)
	Washington	Puget Sound Anacortes Bellingham Everett Olympia Port Angeles Seattle Tacoma	
II	Alabama	Mobile	\$29,250,000
	Alaska	Anchorage	
	California	El Segundo	
		San Diego	
		Port Hueneme	
	Connecticut	Long Island Sound	
		Bridgeport	
		New Haven	
		New London	
	Florida	Jacksonville	
		Port Everglades	
		Miami	
		Tampa Bay	
		Port Manatee	
		Tampa	
		Port Canaveral	
	West Palm Beach		
	Georgia	Savannah	
	Guam	Apra Harbor	
	Hawaii	Honolulu	
		Barbers Point, Oahu Honolulu, Oahu	
Indiana/ Illinois	Southern Tip Lake Michigan		
	Burns Waterway Harbor, IN		
	Chicago, IL		
	Gary, IN		
	Indiana Harbor, IN		
Kentucky	Louisville		
Louisiana	Lake Charles		
	Morgan City		
Massachusetts	Boston		
Massachusetts / Rhode Island	Narragansett/Mt. Hope Bays Fall River, MA Newport, RI Providence, RI		
Maryland	Baltimore		
Maine	Portland		
Michigan	Detroit		

Group	State/Territory	Port Area	FY 2012 Target Allocation
II (cont.)	Minnesota	Minneapolis-St. Paul Minneapolis St. Paul	\$29,250,000 (cont.)
	Minnesota/ Wisconsin	Duluth-Superior, MN and WI	
	Missouri	Kansas City	
	Missouri/ Illinois	St. Louis, MO and IL	
	Mississippi	Pascagoula	
		Vicksburg	
	New Hampshire	Portsmouth	
	North Carolina	Wilmington	
		Morehead City	
	New York	Buffalo	
	Ohio	Cincinnati	
		Toledo	
	Pennsylvania	Pittsburgh	
	Puerto Rico	San Juan	
	South Carolina	Charleston	
	Tennessee	Memphis	
		Nashville	
	Texas	Sabine-Neches River Beaumont Orange Port Arthur	
		Corpus Christi	
		Freeport	
		Hampton Roads Newport News Norfolk Harbor	
	Virginia	Hampton Roads Newport News Norfolk Harbor	
	Washington/ Oregon/ Idaho	Columbia-Snake River System	
		Kalama, WA	
		Longview, WA	
		Portland, OR	
		Vancouver, WA	
		Benton, WA	
		Clarkston, WA	
		Ilwaco, WA	
Kennewick, WA			
Pasco, WA			
Walla Walla, WA			
Whitman County, WA			
Astoria, OR			
Boardman, OR			
The Dalles, OR			
Hood River, OR			
St. Helens, OR			
Umatilla, OR			
Lewiston, ID			
West Virginia	Huntington - TriState		

Group	State/Territory	Port Area	FY 2012 Target Allocation
II (cont.)	Wisconsin	Green Bay	\$29,250,000 (cont.)
III	Alaska	Valdez	\$4,875,000
	Alabama	Guntersville	
	Arkansas	Helena	
	California	Sacramento	
	Florida	Fort Pierce	
		Panama City	
		Pensacola	
	Georgia	Brunswick	
	Illinois	Peoria	
	Indiana	Mount Vernon	
	Louisiana	Port Fourchon/The LOOP	
	Michigan	Port Huron	
		Sault Ste Marie	
		Marine City	
		Muskegon	
		Monroe	
	Minnesota	Two Harbors	
	Mississippi	Gulfport	
		Greenville	
	New York	Albany	
	Ohio	Cleveland	
		Lorain	
	Oklahoma	Tulsa, Port of Catoosa	
	Oregon	Coos Bay	
	Pennsylvania	Erie	
	Puerto Rico	Guayanilla	
		Humacao	
		Jobos	
		Ponce	
	Tennessee	Chattanooga	
Texas	Port Lavaca-Point Comfort		
	Victoria		
	Brownsville		
Virginia	Richmond		
Wisconsin	Milwaukee		
All Other Port Areas	<b>Eligible entities not located within one of the port areas identified above, but operating under an AMSP, are eligible to compete for funding within "All Other Port Areas" Group</b>		\$4,875,000
<b>Total:</b>			<b>\$97,500,000</b>

## Appendix B – FY 2012 PSGP Priorities

### ***Presidential Policy Directive 8: National Preparedness***

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Presidential Policy Directive 8: National Preparedness (PPD-8), signed on March 30, 2011, describes the Nation's approach to preparing for the threats and hazards that pose the greatest risk to the security of the United States. National preparedness is the shared responsibility of our whole community. Every member contributes, including individuals, communities, the private and nonprofit sectors, faith-based organizations, and Federal, State, and local governments. We describe our security and resilience posture through the core capabilities that are necessary to address risks, and we will use an integrated, layered, and all-of-Nation approach as our foundation. We define success as a secure and resilient Nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk.

National preparedness is the shared responsibility of all levels of government, the private and nonprofit sectors, and individual citizens. The objective of PPD-8 is to facilitate an integrated, all-of-Nation, risk informed, capabilities-based approach to preparedness.

Using the core capabilities, we achieve the NPG by:

- Preventing, avoiding, or stopping a threatened or an actual act of terrorism.
- Protecting our citizens, residents, visitors, and assets against the greatest threats and hazards in a manner that allows our interests, aspirations, and way of life to thrive.
- Mitigating the loss of life and property by lessening the impact of future disasters.
- Responding quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of a catastrophic incident.
- Recovering through a focus on the timely restoration, strengthening, and revitalization of infrastructure, housing, and a sustainable economy, as well as the health, social, cultural, historic, and environmental fabric of communities affected by a catastrophic incident.

The core capabilities contained in the NPG are the distinct critical elements necessary for our success. They are highly interdependent and will require us to use existing preparedness networks and activities, improve training and exercise programs, promote innovation, and ensure that the administrative, finance, and logistics systems are in place to support these capabilities. The core capabilities represent an evolution from the Target Capabilities List (TCL). The transition from TCL to core capabilities expands the focus to include mitigation and allows greater focus on prevention and protection activities.

To support building, sustaining, and delivering these core capabilities grantees will use elements of the National Preparedness System (NPS). The NPS is to be an integrated

set of guidance, programs, and processes that can be implemented and measured at all levels of government, thereby enabling the Nation to achieve the Goal.

### **Building and Sustaining Core Capabilities**

Capabilities are the means to accomplish a mission, function, or objective based on the performance of related tasks, under specified conditions, to target levels of performance. The most essential of these capabilities are the core capabilities identified in the NPG. Complex and far-reaching threats and hazards require the whole community to integrate preparedness efforts in order to build, sustain, and deliver the core capabilities and achieve the desired outcomes identified in the NPG.

Working together subject matter experts, government officials, and elected leaders can develop strategies to allocate resources effectively, as well as leverage available assistance to reduce risk. These strategies consider both how to sustain current levels of capability and address gaps in order to achieve the NPG. Achieving the NPG will require participation and resource support from all levels of government. Not all capabilities can be addressed in a given funding cycle, nor can funding be expected to flow from any one source. Officials must prioritize the achievement of capabilities to most effectively ensure security and resilience while understanding the effects of not addressing identified gaps. Building and sustaining capabilities will include a combination of organizational resources, equipment, training, and education. Grants and technical assistance may also be available to support building and sustaining capabilities. Consideration must also be given to finding, connecting to, and strengthening community resources by leveraging the expertise and capacity of individuals, communities, private and nonprofit sectors, faith-based organizations, and all levels of government. Jurisdictions may also choose to use mutual aid agreements to fill gaps or work with partners to develop regional capabilities. Ultimately, a jurisdiction may need to rely on other levels of government to address a gap in capability. The expectation should be communicated well before the time arises when the capabilities are most urgently needed.

As these issues are considered in light of the eligible activities under PSGP, an effective risk assessment must guide jurisdiction's efforts. This risk picture will cover the range of threats and hazards, from those a community faces daily to those infrequent events that would stress the core capabilities of a jurisdiction. Coupled with the desired outcomes established by a community, this combined perspective is crucial to enabling all levels of government to effectively estimate the level of capabilities required to address its risks.

Files and information on PPD-8 can be found at <http://www.fema.gov/ppd8>.

The President's FY 2013 budget has proposed substantial changes to DHS grant programs. FY 2012 grant programs will prepare grantees for the transition to new requirements in FY 2013 in the following ways:

- Begin the process of transitioning from separate preparedness grant programs in FY 2011 to a more streamlined model within the construct of the FY 2012 appropriations
- Continue the transition to address the core capabilities outlined in the NPG
- Implement a two year period of performance with very limited extensions

Grantees are encouraged to familiarize themselves with the grant proposals in the President's FY 2013 budget.

### **FY 2012 PSGP and Alignment to PPD-8**

The FY 2012 PSGP plays an important role in the implementation of PPD-8 by supporting the development and sustainment of core capabilities. Core capabilities are essential for the execution of each of the five mission areas outlined in the NPG. The development and sustainment of these core capabilities are not exclusive to any single level of government or organization, but rather require the combined effort of the whole community. The FY 2012 PSGP supports all core capabilities in the Prevention, Protection, Mitigation, Response, and Recovery mission areas based on allowable costs.

### **Sustaining PSGP Capabilities**

In this time of limited resources, PSGP grantees should ensure that grant funding is utilized to sustain core capabilities within the NPG that were funded by past PSGP funding cycles. New capabilities should not be built at the expense of maintaining current, essential capabilities. However, if new capabilities are being built utilizing PSGP funding, grantees must ensure that the capabilities have a clear linkage to one or more core capabilities in the NPG.

### **Overarching Funding Priorities**

The funding priorities for the FY 2012 PSGP reflect the Department's overall investment strategy, in which two priorities have been paramount: risk-informed funding and regional security cooperation.

First, DHS will focus the bulk of its available port security grant dollars on the highest-risk port systems. This determination is based on ongoing intelligence analysis, extensive security reviews, and consultations with port industry partners.

At the recommendation of the United States Coast Guard (USCG), some ports are being considered as a single cluster due to geographic proximity, shared risk, and a common waterway. As with other DHS grant programs, applications from these port clusters must be locally coordinated and include integrated security proposals to use PSGP grant dollars to mitigate port security risks.

Eligible port areas were identified using a comprehensive, empirically-grounded risk analysis model. Risk methodology for PSGP programs is consistent across transportation modes and is linked to the risk methodology used to determine eligibility for the core DHS State and local grant programs.

Within the PSGP, eligibility for all grant awards is first predicated on a systematic risk analysis that reviews and rates eligible ports in a given area for comparative risk. All port areas will be comparably rated. Risk will be evaluated using an analytical model developed by DHS in conjunction with other Federal entities. Risk is defined as the product of three principal variables:

- Threat – the likelihood of an attack occurring
- Vulnerability – the relative exposure to an attack
- Consequence – the expected impact of an attack

Risk data for eligible port areas is gathered individually and then aggregated by region. The DHS risk formula incorporates multiple normalized variables, meaning that for a given variable, all eligible port areas are empirically ranked on a relative scale from lowest to highest.

DHS's risk assessment methodology for PSGP considers critical infrastructure system assets and characteristics from four areas that might contribute to their risk: intelligence community assessments of threat; economic consequences of attack; port assets; and area vulnerabilities and consequences (to people and physical infrastructure immediately surrounding the port). The relative weighting of variables reflects DHS's overall risk assessment, as well as the FY 2012 program priorities. Specific variables include multiple data sets regarding international and domestic measure of cargo throughput (container, break bulk, petro-chemical, etc); foreign vessel calls; the adjacent critical assets that may be associated with the port area; the adjacent military missions' variables; the population density; and MSRAM data.

Second, DHS places a very high priority on ensuring that all PSGP applications reflect robust regional coordination and an investment strategy that institutionalizes and integrates a regional maritime security risk strategy. This priority is a core component in the Department's statewide grant programs and complements the goals of the Urban Areas Security Initiative (UASI) grant program.

In FY 2012, the PSGP will continue to fund those eligible projects identified in the PRMP that close or mitigate maritime security risk vulnerabilities gaps, and ensure a rapid transition to the optional Business Continuity/Resumption of Trade Plans (BCRTP). Adoption of a deliberate risk management planning process, consistent with that employed in the UASI and State programs, is also a key focus of the *Security and Accountability For Every (SAFE) Port Act* (Public Law 109-347) amendments to the PSGP.

### **PSGP Priorities**

In addition to these two overarching priorities, the Department has identified the following five priorities as its selection criteria for all FY 2012 PSGP applicants. These priorities also align to the five mission areas and the associated core capabilities of the NPG.

### **1. Enhancing Maritime Domain Awareness (MDA)**

MDA is the critical enabler that allows leaders at all levels to make effective decisions and act early against threats to the security of the Nation's seaports. In support of the National Strategy for Maritime Security and the Prevention and Protection mission areas of the NPG, port areas should seek to enhance their MDA through projects that address knowledge capabilities within the maritime domain. This effort could include access control/standardized credentialing, command and control, communications, and enhanced intelligence sharing and analysis. This effort may also include construction or infrastructure improvement projects that are identified in the PRMP and/or FSPs and/or Vessel Security Plans (VSPs). Construction and enhancement of Interagency Operations Centers for port security should be considered a priority for promoting MDA and unity of effort.

MDA requires a coordinated unity of effort within and among public and private sector organizations and international partners. The need for security is a mutual interest requiring the greatest cooperation between industry and government. MDA depends upon unparalleled information sharing. MDA must have protocols to protect private sector proprietary information. Bi-lateral or multi-lateral information sharing agreements and international conventions and treaties will greatly assist enabling MDA.

### **2. Enhancing Improvised Explosive Device (IED) and Chemical, Biological, Radiological, Nuclear, Explosive (CBRNE) prevention, protection, response and supporting recovery capabilities**

Port areas should continue to enhance their capabilities to prevent, detect, respond to and recover from terrorist attacks employing IEDs, CBRNE devices and other non-conventional weapons. Of particular concern in the port environment are attacks that employ IEDs delivered via small craft (similar to the attack on the USS Cole), by underwater swimmers (such as underwater mines), or on ferries (both passenger and vehicle). Please refer to the DHS Small Vessel Security Strategy April 2008 document, which can be found at [http://www.dhs.gov/files/publications/gc\\_1209408805402.shtm](http://www.dhs.gov/files/publications/gc_1209408805402.shtm).

### **3. Port Resilience and Recovery Capabilities**

The Nation's ability to withstand threats and hazards requires an understanding of risks and robust efforts to reduce vulnerabilities. Mitigating vulnerabilities reduces both the direct consequences and the response and recovery requirements of disasters. One of the core missions of DHS, as outlined in the Quadrennial Homeland Security Review (QHSR) Report, is "ensuring resilience to disasters". A major goal in support of this mission is to "improve the Nation's ability to adapt and rapidly recover." A main objective of this goal is to sustain critical capabilities and restore essential services in a timely manner.

Those responsible for the security and resilience of our Nation's ports must take appropriate action to reduce risk related vulnerabilities. Resilience spans the full spectrum of activities by exploring options and identifying processes that reduce the magnitude and duration of disruptions. PSGP funds are intended to assist "risk owners" in addressing port security vulnerabilities. Port resilience and recovery should be viewed as a critical component of this overarching effort.

During the FY 2007 Supplemental round of port security grants, port stakeholders, through their Area Maritime Security Committees, were encouraged to develop BCRTPs. Those ports that already have completed plans should pursue PSGP funds to address their identified risks and vulnerabilities, including any worthwhile projects that would help enable continuity of port operations and/or rapid recovery of the port following a major incident. Ports that have not completed plans are highly encouraged to complete them and may apply for PSGP funding to facilitate that effort.

#### **4. Training and Exercises**

Port areas should assess their training and qualification requirements, coordinate training and qualification of incident response personnel, and regularly test these capabilities through emergency exercises and drills. Exercises must follow the Area Maritime Security Training Exercise Program (AMSTEP) or the Transportation Security Administration (TSA) Intermodal Security Training Exercise Program (I-STEP) guidelines that test operational protocols that would be implemented in the event of a terrorist attack. The efforts include live situational exercises involving various threat and disaster scenarios, table-top exercises, and methods for implementing lessons learned.

#### **5. Equipment Associated with Transportation Worker Identification Credential (TWIC) Implementation**

TWIC is a congressionally-mandated security program through which DHS will conduct appropriate background investigations and issue biometrically enabled and secure identification cards for individuals requiring unescorted access to U.S. port facilities. Regulations outlining the initial phase of this program (card issuance) were issued by TSA in cooperation with the Coast Guard in volume 72 of the Federal Register on page 3492, dated January 25, 2007. See FEMA GPD IB 343, dated June 21, 2010 for further information on the TWIC program and guidance for executing PSGP-funded TWIC projects. For FY 2012, infrastructure and installation projects that support TWIC implementation (e.g. cabling, Information Technology [IT], limited construction, etc.) will be given a higher priority than the purchase of TWIC card readers.

**PSGP Program Management: Roles and Responsibilities at DHS**

Effective management of the PSGP entails a collaborative effort and partnership within DHS, the dynamics of which require continuing outreach, coordination, and interface.

For the FY 2012 PSGP, FEMA is responsible for designing and operating the administrative mechanisms needed to implement and manage the grant program. The USCG provides programmatic subject matter expertise for the maritime industry.

Together, these two agencies, with additional assistance and cooperation from TSA, the Department of Transportation's Maritime Administration (MARAD), and the Federal Transit Administration (FTA), determine the primary security architecture of the PSGP.

## Appendix C – Funding Guidelines

### Management and Administration

A maximum of five percent (5%) of the total award may be retained by the applicant. Any funds retained are to be used solely for management and administrative purposes associated with the PSGP award. FY 2012 PSGP M&A funds may be used for the following M&A costs:

- Hiring of full-time or part-time staff, contractors or consultants, and M&A expenses related to compliance with grant reporting or data collection requirements, including data calls
- Development of operating plans for information collection and processing necessary to respond to DHS data calls
- Travel expenses

### Allowable Costs

This section provides guidance on allowable costs for the FY 2012 PSGP. **The allowable costs should not be viewed as all-inclusive. Any project (submitted by an eligible applicant) that meets the PSGP priorities is an allowable activity as stated in 46 U.S.C. § 70-107(b), and can be shown to offer a direct maritime security benefit will be considered for funding. However, those costs that are specifically noted as unallowable or ineligible will not be funded.**

### Operational Costs

PSGP funding may be used to cover costs associated with new and ongoing port security operations in support of PSGP national priorities and one or more core capabilities in the NPG. All such operational activities should be focused on maritime security and conducted in coordination with the local COTP.

This funding is intended as a stop-gap measure – to fund an immediate need for personnel that will be directly engaged in port security activities. With certain exceptions, such funding will be primarily limited to the costs of hiring of new personnel to operate vessels acquired with FEMA preparedness grant funds and to staff the maritime security related components of Interagency Operations Centers (IOCs) and other interagency coordination centers having a port security nexus. Funding for operational costs will only be available for the two year term of the award. This will allow sufficient time for local government agencies (and, in some cases, private entities) to plan and budget for sustaining personnel related costs beyond the two-year period.

Allowable operational costs include:

- Hiring of new, full-time personnel to operate vessels acquired with FEMA preparedness grant funds;
- Hiring of additional full-time personnel to staff a new or expanded interagency maritime security operation center (including Interagency Operations Centers (IOCs), MDA fusion centers, port security operations centers, etc.);
- Hiring of new personnel to support maritime security / counter-terrorism efforts in the local Joint Terrorism Task Force (JTTF) center;
- Overtime costs for existing personnel to operate boats acquired with FEMA preparedness grant funds in support of pre-planned, mission critical activities, as identified by the local Coast Guard Captain of the Port;
- Personnel or contracted costs for maintaining port security equipment acquired with FEMA preparedness grant funds; and
- Hiring of new or additional staff in credentialing centers that support TWIC and access to a MTSA facility.

Grantees are reminded to be sensitive to supplanting issues. Operational costs will only be funded in cases where a new or expanded capability is added to address port (or facility) security needs. PSGP funding for permanent operational personnel will not exceed 24 months.

There must be an assurance that the personnel costs associated with the required operational capability can be sustained beyond the 24 month award period. A sustainment plan must be submitted with the applicant's investment justification to address the 12-month period beyond the award.

Equipment for new personnel, such as uniforms and personnel protective equipment, is an allowable expense except for weapons and equipment associated with weapons maintenance/security (i.e., firearms, ammunition, gun lockers are unallowable).

### ***Maritime Domain Awareness (MDA)***

Funds may be used for the following types of MDA projects in support of one or more core capabilities in the NPG:

- Deployment of access control methods and projects
- Deployment of detection and security surveillance equipment
- Development/enhancement of information sharing systems for risk mitigation purposes, including equipment (and software) required to receive, transmit, handle, and store classified information
- Enhancements of command and control facilities
- Enhancement of interoperable communications/asset tracking for sharing terrorism threat information (including ensuring that mechanisms are interoperable with Federal, State, and local agencies) and to facilitate incident management

Applicants are encouraged to familiarize themselves with the National Strategy for Maritime Security, National Plan to Achieve Maritime Domain Awareness that can be found at [http://www.dhs.gov/files/programs/editorial\\_0753.shtm](http://www.dhs.gov/files/programs/editorial_0753.shtm).

***IED and CBRNE Prevention, Protection, Response, Recovery Capabilities***

To develop or sustain one or more core capabilities in the NPG, eligible port facilities, vessels, and police/fire rescue agencies may receive funding for the following types of IED and CBRNE capabilities:

**Port Facilities regulated under 33 Code of Federal Regulations (CFR) Part 105**

- CBRNE detection, response, and decontamination equipment
- Explosives Detection Canine Teams
- Intrusion detection systems for Maritime Transportation Security Act (MTSA) regulated facilities, vessels captured within the AMSP, or port areas that are in direct support of these MTSA regulated entities
- Small boats that are specifically designed and equipped as CBRNE platforms for eligible port police and local law enforcement port security patrol and response
- Video surveillance systems that specifically address and enhance maritime security
- TWIC standardized credentialing access control
- Improved lighting
- Hardened security gates and vehicle barriers
- Floating protective barriers
- Underwater intrusion detection systems
- Communications equipment for risk mitigation (including interoperable communications)
- Reconfiguring of docks to prevent small boat access

**Vessels regulated under 33 CFR Part 104**

- CBRNE agent detection, response, and decontamination equipment
- Restricted area protection (cipher locks, hardened doors, closed-circuit television (CCTV) for bridges and engineering spaces)
- Interoperable communications equipment
- Canines for explosives detection
- Access control and TWIC standardized credentialing
- Floating protective barriers

## **Police/fire rescue agencies having jurisdiction within a port area**

- Small boats that are specifically designed and equipped as CBRNE platforms
- CBRNE agent detection, response, and decontamination equipment
- Interoperable communications equipment
- Explosives Detection Canine Teams
- Video surveillance systems that specifically address and enhance maritime security
- Underwater terrorism prevention and response equipment

### ***Transportation Worker Identification Credential (TWIC)***

The TWIC is designed to be an open architecture, standards-based system. Port projects that involve new installations or upgrades to access control and credentialing systems, should exhibit compliance with TWIC standards and program specifications. Recipients of grant funding for the implementation of TWIC systems may be requested by the Federal government to apply these systems in a field test of TWIC readers in accordance with the SAFE Port Act. Systems implemented with grant funding may be used by recipients to comply with the TWIC rulemaking requirements. However, *the fees associated with the application for and issuance of the TWIC cards themselves are ineligible for award consideration.*

Allowable costs under this section include those projects that will ensure the safe and secure transit of foreign seafarers and shore staff/support [who are not eligible for TWIC] to and from the vessel while at MTSA regulated facilities. For additional information, see FEMA IB #346, titled “Port Security Grant Program Allowable Costs for Seafarers and Shore Staff/Support.”

PSGP TWIC funding recipients may be required to provide data and lessons learned from the application of card readers and associated systems. Systems implemented with grant funding may be used by recipients to comply with all TWIC rulemaking requirements once established. See FEMA IB #343 for additional guidance on funding for TWIC projects.

### **Training**

Funding for personnel training will generally be limited to those courses that have been listed in the FEMA approved course catalog by the FEMA National Training and Education Division (NTED) or the Maritime Administration (MARAD). Approved courses are listed in the following catalogs maintained by NTED: *NTED Course Catalog*; *Federal Sponsored Course Catalog*; and the *State-Sponsored Course Catalog*. The catalogs may be viewed at the <http://www.firstrespondertraining.gov> website. MARAD maintains a list of approved courses that satisfy the specialized maritime security training requirements of Section 109 of the Maritime Transportation Security Act of 2002. These courses include Company Security Officer (CSO); Facility Security Officer (FSO); Maritime Security for Vessel Personnel with Specific Security Duties (VPSSD); Maritime Security for Facility Personnel with Specific Security Duties (FPSSD); Maritime Security Awareness

(MSA), and; Maritime Security for Military, First Responder, and Law Enforcement Personnel (MSLEP). Additional information on the MARAD approved courses can be found at:

[http://www.marad.dot.gov/education\\_landing\\_page/mtsa\\_course\\_certification/mtsa.htm](http://www.marad.dot.gov/education_landing_page/mtsa_course_certification/mtsa.htm).

Funding for other training courses may be permitted on a case-by-case basis depending on the specific training needs of the eligible PSGP applicant. In such case, the applicant will be required to explain in the Investment Justification (IJ) why none of the approved courses as mentioned above satisfy the identified training need and must submit detailed course information for review and consideration by the local field review team and the National Review Panel. The IJ must also provide assurance that the requested course:

- Falls within the FEMA mission scope to prepare State, local, tribal, and territorial personnel to prevent, protect against, respond to, and recover from acts of terrorism and catastrophic events
- Builds additional capabilities that support a specific training need identified by the Port-Wide Risk Mitigation Plan (if applicable), Area Maritime Security Plan, Area Maritime Security Committee, or Coast Guard Captain of the Port
- Addresses specific tasks and/or competencies articulated in FEMA's *Emergency Responder Guidelines* and the *Homeland Security Guidelines for Prevention and Deterrence*
- Address specific capabilities and related tasks articulated in the core capabilities identified in the NPG
- Supports PSGP priorities

There is no limit to the number of deliveries of training courses not approved by FEMA or MARAD or listed within the State or Federal Sponsored course catalog if:

- The course meets the five criteria listed above
- The course is offered only within a jurisdiction or an agency within a jurisdiction (i.e., the course is not intended for delivery outside of the jurisdiction)

### **Exercises**

Funding used for exercises will only be permitted for those exercises that are in direct support of a facility or port area's MTSA required exercises (see 33 CFR 105.220 for a facility and 33 CFR 103.515 for the AMSP). These exercises must be coordinated with the Captain of the Port (COTP) and AMSC and adhere to the guidelines outlined in DHS Homeland Security Exercise and Evaluation Program (HSEEP). More information on HSEEP may be found at <https://hseep.dhs.gov>.

PSGP funds may be used for the following training and/or exercise activities:

- **Hiring of Full or Part-Time Staff or Contractors/Consultants** to support training and/or maritime security exercise-related activities. Payment of salaries and fringe benefits must be in accordance with the policies of the State or unit(s) of local government and have the approval of the State or awarding agency, whichever is applicable. Such costs must be included within the funding allowed for program management personnel expenses, which must not exceed 15 percent (15%) of the total allocation. In no case is dual compensation allowable (see above).
- **Overtime and Backfill.** The entire amount of overtime costs, including payments related to backfilling personnel, which are the direct result of attendance at FEMA and/or approved training courses and programs and/or maritime security exercise-related activities are allowable. Reimbursement of these costs should follow the policies of the State or local unit(s) of government or the awarding agency, whichever is applicable. In no case is dual compensation allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of time (e.g., 1:00 p.m. to 5:00 p.m.), even though such work may benefit both activities.
- **Travel.** Travel costs (e.g., airfare, mileage, per diem, hotel) are allowable as expenses by employees who are on travel status for official business related to approved training and exercises.
- **Training workshops and conferences.** Grant funds may be used to plan and conduct training workshops or conferences to include costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, travel, and training plan development.
- **Funds used to develop, deliver, and evaluate training,** including costs related to administering the training, planning, scheduling, facilities, materials and supplies, reproduction of materials, and equipment. Training should provide the opportunity to demonstrate and validate skills learned, as well as to identify any gaps in these skills. Any training or training gaps, including those for children and individuals with disabilities or access and functional needs, should be identified in the AAR/IP and addressed in the training cycle.
- **Funds used to design, develop, conduct, and evaluate a maritime security exercise.** Includes costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, travel, and documentation. Grantees are encouraged to use free public space/locations/facilities, whenever available, prior to the rental of space/locations/facilities. Exercises should provide the opportunity to demonstrate and validate skills learned, as well as to identify any gaps in these skills. Any exercise or exercise gaps, including those for children and individuals with disabilities or access and functional needs, should be identified in the AAR/IP and addressed in the exercise cycle.
- **Certification/Recertification of Instructors** is an allowable cost. States are encouraged to follow the FEMA Instructor Quality Assurance Program to

ensure a minimum level of competency and corresponding levels of evaluation of student learning. This is particularly important for those courses that involve training of trainers. This information is contained in an IB 193, issued October 20, 2005.

- **Supplies.** Supplies are items that are expended or consumed during the course of the planning and conduct of the training project(s) (e.g., copying paper, gloves, tape, and non-sterile masks). These costs will contribute to the five percent (5%) M&A cap.
- **Other items.** These costs may include the rental of space/locations for exercise planning and conducting approved training courses, rental of equipment, etc. For PSGP funded courses, the cost of fuel may be allowed in cases where the participating entity must provide its own equipment (such as boats, response vehicles, etc.). For maritime security exercises, the cost of fuel, exercise signs, badges, etc. may be allowed. Costs associated with inclusive practices and the provision of reasonable accommodations and modifications to provide full access for children and adults with disabilities.

Approved security exercise programs include:

- *Area Maritime Security Training and Exercise Program (AMSTEP):* AMSTEP is the USCG developed mechanism by which AMSCs and Federal Maritime Security Coordinators will continuously improve security preparedness in the port community. It is an integral part and a strategic implementation of the DHS HSEEP for the maritime sector. Rooted in long-standing USCG exercise policy and procedures, AMSTEP aligns to support the National Preparedness Guidelines and the National Strategy for Maritime Security. Through a structured approach, AMSTEP focuses all exercise efforts, both public and private, on improving the AMSPs and individual vessel and facility security plans of the nation's seaports.
- *Intermodal Security Training Exercise Program:* I-STEP was established by TSA to enhance the preparedness of our nation's surface-transportation sector network with meaningful evaluations of prevention, preparedness, and ability to respond to terrorist-related incidents. I-STEP improves the intermodal transportation industry's ability to prepare for and respond to a transportation security incident (TSI) by increasing awareness, improving processes, creating partnerships, and delivering transportation-sector network security training exercises. I-STEP provides security-exercise tools and services to modal operators through TSA general managers. The tools include software for exercise design, evaluation and tracking for a mix of tabletop, advanced tabletop and functional exercises. More information on I-STEP is available at [http://www.tsa.gov/what\\_we\\_do/layers/istep/index.shtm](http://www.tsa.gov/what_we_do/layers/istep/index.shtm).
- *National Preparedness for Response Exercise Program (NPREP):* The USCG NPREP focuses on exercise and evaluation of government area contingency plans and industry spill response plans (oil and hazardous substance). NPREP is a coordinated effort of the four Federal agencies with responsibility for oversight of private-sector oil and hazardous substance pollution response

preparedness: USCG, the U.S. Environmental Protection Agency, the U.S. Department of Transportation's Research and Special Programs Administration, and the U.S. Department of the Interior's Bureau of Ocean Energy Management, Regulation and Enforcement. These agencies worked with Federal, State, and local governments, the oil and marine transportation industry, cleanup contractors, and the general public to develop the program. NPREP meets the OPA mandate for exercises and represents minimum guidelines for ensuring overall preparedness within the response community. The guidelines, which are reviewed periodically through a public workshop process, outline an exercise program that satisfies the exercise requirements of the four Federal regulatory agencies. More information on NPREP is available at <http://www.boemre.gov/offshore/OilSpillProgram/Assets/PDFs/PREPGuidelines.pdf>.

Unauthorized exercise-related costs include:

- Reimbursement for the maintenance and/or wear and tear costs of general use vehicles (e.g., construction vehicles) and emergency response apparatus (e.g., fire trucks, ambulances, repair or cleaning of PPE, etc).
- Equipment that is purchased for permanent installation and/or use, beyond the scope of exercise conduct (e.g., electronic messaging signs).

### **Planning**

FY 2012 PSGP funds may be used for the following types of planning activities in support of one or more of the core capabilities in the NPG:

- Development or Updating of Port-Wide Risk Mitigation Plans to include the conduct of port security vulnerability assessments as necessary to support plan update/development
- Public education and outreach (such as the America's Waterways Watch or Transit Watch). Such activities should be coordinated with local Citizen Corps Council(s), and local Coast Guard Reserves and/or Auxiliary
- Public Alert and warning systems and security education efforts in conjunction with America's Waterways Watch Program or similar public education/outreach programs addressing port security
- Development and implementation of homeland security support programs and adoption of ongoing DHS national initiatives (including building or enhancing preventive radiological and nuclear detection programs) within the maritime transportation system realm
- Development and enhancement of security plans and protocols within the AMSP, PRMP, and/or the BCRTTP in support of maritime security planning and risk mitigation
- Hiring of part-time staff and contractors or consultants to assist with planning activities (not for the purpose of hiring public safety personnel)
- Overtime costs associated with eligible planning activities

- Materials required to conduct the aforementioned planning activities
- Travel and per diem related to the professional planning activities noted in this section
- Other project planning activities with prior approval from DHS

### **Equipment Acquisition**

FY 2012 PSGP funds may be used for the following types of equipment provided it will be used in direct support of maritime security risk mitigation and it supports developing or sustaining one or more core capabilities in the NPG:

- Personal protection equipment
- Explosive device response and remediation equipment
- CBRNE detection equipped patrol watercraft/small boat used to directly support maritime security for a facility or within a port area on a routine basis
- Information sharing technology; components or equipment designed to share maritime security risk information and maritime all hazards risk information with other agencies
- Cyber security enhancement equipment
- Interoperable communications equipment
- Decontamination equipment
- Systems and equipment required for continuity of critical port operations
- Terrorism incident prevention and response equipment
- Physical security enhancement equipment
- Equipment such as portable fencing, CCTVs, passenger vans, mini-buses, etc. to support secure passage of vessel crewmembers through an MTSA regulated facility
- CBRNE detection equipped patrol and fire fighting response vehicles/vessels, provided they will be used primarily for port/facility security and/or response operations. Marine firefighting vessels must be designed and equipped to meet NFPA 1925: Standard on Marine Firefighting Vessels
- Firefighting foam and PKP powder may be purchased by public fire departments which have jurisdictions in a port area and would respond to an incident at an MTSA regulated facility. MTSA facilities may also receive funding for this purpose. Funding will be limited to a one-time purchase based on a worst-case incident at the facility or facilities
- Equipment such as telecommunications, computers, and systems to support State and local agency participation in Interagency Operations Centers (IOC) for port security to include virtual IOC capabilities

### **Specific Guidance on Sonar Devices**

The four types of allowable sonar devices are: imaging sonar, scanning sonar, side scan sonar, and 3-dimensional sonar. These types of sonar devices are intended to support the detection of underwater improvised explosive devices and enhance MDA. The eligible types of sonar, and short descriptions of their capabilities, are provided below:

- *Imaging sonar*: A high-frequency sonar that produces “video-like” imagery using a narrow field of view. The sonar system can be pole-mounted over the side of a craft or hand carried by a diver.
- *Scanning sonar*: Consists of smaller sonar systems that can be mounted on tripods and lowered to the bottom of the waterway. Scanning sonar produces a panoramic view of the surrounding area and can cover up to 360 degrees.
- *Side scan sonar*: Placed inside of a shell and towed behind a vessel. Side scan sonar produces strip-like images from both sides of the device.
- *3-dimensional sonar*: Produces 3-dimensional imagery of objects using an array receiver

### **Other Allowable Costs:**

#### **Maintenance and Sustainment**

The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted.

FY 2012 grant funds are intended to support the NPG and fund projects that build and sustain the core capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation. In order to provide grantees the ability to meet this objective, the policy set forth in GPD’s IB 336 (Maintenance and Sustainment) expands the allowability for the support of equipment that has previously been purchased with both Federal grant and non-Federal grant funding. The eligible costs for maintenance and sustainment however needs to be an otherwise allowable expenditure under the applicable grant programs, and be tied to one of the core capabilities in the five mission areas contained within the NPG.

Grantees must comply with all the requirements in 44 CFR Part 13 and 2 CFR Part 215.

#### **Specific Guidance on Construction and Renovation Projects**

The following types of construction and renovation projects are allowable under the FY 2012 PSGP provided they address a specific vulnerability or need identified in a security plan (i.e., FSP, PRMP, BCRTTP, and/or AMSP) or otherwise support the maintenance/sustainment of capabilities and equipment acquired through PSGP funding:

- MDA Fusion Centers; or a specific component of a fusion center that supports MDA
- IOCs for port security
- Port Security Emergency Communications Centers
- Buildings to house generators that support risk mitigation
- Vessel maintenance and security facilities (e.g., repair shops, dock house, ramps, and docks for existing port security assets)

- Hardened security fences/barriers at access points
- Any other building or physical facility that enhances access control to the port/facility area

To be considered eligible for funding, fusion centers, operations centers, and communications centers must offer a port-wide benefit and, to the extent possible, support information sharing and coordination of operations among regional interagency and other port security partners.

Eligible costs for construction may not exceed the greater of \$1,000,000 per project or such greater amount as may be approved by the Secretary, which may not exceed ten percent (10%) of the total amount of the award, as stated in 46 U.S.C. § 70107(b)(2) (Section 102 of the Maritime Transportation Security Act of 2002, Pub. L. 107-295, Nov. 25, 2002)

Grant recipients are not permitted to use FY 2012 PSGP funds for construction projects that are eligible for funding under other Federal grant programs. PSGP funds may only be used for construction activities directly related to port security enhancements.

FEMA is legally required to consider the potential impacts of all PSGP projects on environmental resources and historic properties. Grantees must comply with all applicable environmental planning and historic preservation (EHP) laws, regulations, and Executive Orders (EOs) in order to draw down their FY 2012 PSGP grant funds. To avoid unnecessary delays in starting a project, grantees are encouraged to pay close attention to the reporting requirements for an EHP review. For more information on FEMA's EHP requirements, SAAs should refer to Information Bulletins 329 and 345 (<http://www.fema.gov/government/grant/bulletins/index.shtml>). While all projects receiving Federal funding require an EHP review, any applicant that is proposing a construction project under the FY 2012 PSGP should pay special attention to the EHP requirements. Failure of a grant recipient to meet these requirements may jeopardize Federal funding.

When applying for construction funds, including communications towers, at the time of application, grantees are highly encouraged to submit evidence of approved zoning ordinances, architectural plans, any other locally required planning permits and documents, and to have completed as many steps as possible for a successful EHP review in support of their proposal for funding (e.g., completing the FCC's Section 106 review process for tower construction projects; coordination with their State Historic Preservation Office to identify potential historic preservation issues and to discuss the potential for project effects). Projects for which the grantee believes an Environmental Assessment (EA) may be needed, as defined in 44 CFR 10.8 and 10.9, must also be identified to the FEMA Program Analyst within six (6) months of the award and completed EHP review packets must be submitted no later than 12 months before the end of the Period of Performance. EHP review packets should be sent to [gpdehpinfo@fema.gov](mailto:gpdehpinfo@fema.gov).

Furthermore, FY 2012 PSGP recipients using funds for construction projects must comply with the *Davis-Bacon Act*. Grant recipients must ensure that their contractors or subcontractors for construction projects pay workers employed directly at the work-site no less than the prevailing wages and fringe benefits paid on projects of a similar character. Additional information, including Department of Labor wage determinations, is available from the following website <http://www.dol.gov/compliance/laws/comp-dbra.htm>.

### **Specific Guidance on Explosives Detection Canine Teams (EDCT)**

USCG has identified canine (K-9) explosive detection as the most effective solution for the detection of vehicle borne IEDs. When combined with the existing capability of a port or ferry security/police force, the added value provided through the addition of a canine team is significant. EDCTs are a proven, reliable resource to detect explosives and are a key component in a balanced counter-sabotage program. EDCTs also provide the added psychological deterrent achieved solely through their presence.

Eligibility for funding of EDCTs is restricted to:

- U.S. Ferry Systems regulated under 33 CFR Parts 101, 103, 104, and the passenger terminals these specific ferries service under 33 CFR Part 105
- MTSA regulated facilities
- Port authorities, port police and local law enforcement agencies that provide direct layered security for these U. S. Ferry Systems and MTSA regulated facilities and are defined in the AMSP, FSP, or VSP

Applicants may apply for up to \$300,000 (\$150,000/year for two years) to support this endeavor. At the end of the grant period (24 months), grantees will be responsible for maintaining the heightened level of capability provided by the EDCT.

**EDCT Eligible Costs.** Funds for these EDCTs may **not** be used to fund drug detection and apprehension technique training. Only explosives detection training for EDCTs will be funded. The PSGP EDCT funds may only be used for **new** capabilities/programs and cannot be used to pay for existing capabilities/programs (e.g., K-9 teams) already supported by the port area or system. Non-supplanting restrictions apply.

Eligible costs include:

- Contracted K-9 and Handler providing services in accordance with PSGP guidance
- Salary and fringe benefits of new full or part-time K-9 handler positions
- Training and certifications (travel costs associated with training for full or part time agency handlers, and canines are allowable)
- Equipment costs

- Purchase and train a K-9 (training specific to the detection of common explosives odors is allowable)
- K-9 maintenance costs (K-9 costs include but are not limited to: veterinary, housing, and feeding costs)

**Ineligible EDCT costs.** Ineligible costs include but are not limited to:

- Hiring costs
- Meals and incidentals associated with travel for initial certification
- Vehicles used solely to transport canines

**EDCT Certification.** Each EDCT, composed of one dog and one handler, must be certified by an appropriate, qualified organization. Such K-9 should receive an initial basic training course and weekly maintenance training sessions thereafter to maintain the certification. The basic training averages ten weeks for the canine team (handler and canine together) with weekly training and daily exercising. Comparable training and certification standards, such as those promulgated by the TSA Explosive detection canine program, the National Police Canine Association (NPCA), the U.S. Police Canine Association, (USPCA) or the International Explosive Detection Dog Association (IEDDA) may be used to meet this requirement. Certifications and training records will be kept on file with the grantee and made available to DHS upon request.

**EDCT Submission Requirements.** Successful applicants will be required to submit an amendment to their approved VSP or FSP per 33 CFR Parts 104 and/or 105 detailing the inclusion of a canine explosive detection program into their security measures.

The grantee will ensure that a written plan or standard operating procedure (SOP), exists that describes EDCT deployment policy to include visible and unpredictable deterrent efforts and on-call EDCTs rapid response times as dictated by the agency's FSP or VSP. The plan must be made available to FEMA and USCG upon request.

The grantee will comply with requirements for the proper storage, handling and transportation of all explosive training aids in accordance with the Bureau of Alcohol, Tobacco, Firearms and Explosives's Publication 5400.7 (ATF P 5400.7) (09/00), *Federal Explosive Law and Regulation*.

**Additional EDCT Resources Available for K-9 Costs.** The PSGP, while providing the ability to defray some start up costs, does not cover any recurring costs associated with EDCT programs. However, the Transit Security Grant Program (TSGP) and HSGP are two additional DHS grant programs that can provide funding for certain operational costs associated with heightened states of alert within the port area and nationally. DHS strongly encourages applicants to investigate their

eligibility, and potential exclusions, for these resources when developing their canine programs.

### **Unallowable Costs**

The following projects and costs are considered ineligible for award consideration:

- Any project that does not provide a compelling maritime security benefit or have a direct nexus toward maritime security risk mitigation. For example, projects that are primarily for economic or safety benefit (as opposed to having a direct security benefit) are ineligible for PSGP funding. In addition, projects that provide a broad homeland security benefit (for example, a communication system for an entire city, county, State, etc.) as opposed to providing primary benefit to the port are ineligible for PSGP funding since these project should be eligible for funding through other preparedness grant programs
- The development of risk/vulnerability assessment models and methodologies except as required to update PRMPs
- Cost of conducting vulnerability assessments to evaluate and make recommendations with respect to security except as required to update PRMPs
- Projects in which Federal agencies are the primary beneficiary or that enhance Federal property, including voluntary sub-components of a Federal agency
- Projects that study technology development for security of national or international cargo supply chains (e.g., e-seals, smart containers, container tracking or container intrusion detection devices)
- Proof-of-concept projects
- Projects that duplicate capabilities being provided by the Federal government (e.g., vessel traffic systems)
- Proposals in which there are real or apparent conflicts of interest
- Business operating expenses (certain security-related operational and maintenance costs are allowable – see “Maintenance and Sustainment” and “Operating Costs” for further guidance)
- TWIC card fees
- Signage, projects for placarding and billboards, or hard fixed structure signage
- Reimbursement of pre-award security expenses
- Outfitting facilities, vessels, or other structures with equipment or items providing a hospitality benefit rather than a direct security benefit. Examples of such equipment or items include, but are not limited to: office furniture, CD players, DVD players, AM/FM radios, TVs, stereos, entertainment satellite systems, Entertainment cable systems and other such entertainment media, unless sufficient justification is provided
- Weapons and associated equipment (i.e., holsters, optical sights, and scopes), including, but not limited to: non-lethal or less than lethal weaponry

- including firearms, ammunition, and weapons affixed to facilities, vessels, or other structures
- Expenditures for items such as general-use software (word processing, spreadsheet, graphics, etc), general-use computers, and related equipment (other than for allowable M&A activities, or otherwise associated) preparedness or response functions), general-use vehicles and licensing fees
  - Other items not in accordance with the AEL or previously listed as allowable costs
    - Land acquisitions and right of way purchases
    - Funding for standard operations vehicles utilized for routine duties, such as patrol cars and fire trucks
    - Fuel costs (except as permitted for training and exercises)
  - Exercise(s) that do not support maritime security preparedness efforts
  - Patrol Vehicles and Fire Fighting Apparatus, other than those CBRNE detection equipped vehicles for port area and/or facility patrol or response purposes
  - Providing protection training to public police agencies or private security services to support protecting VIPs or dignitaries

## Appendix D – FY 2012 PSGP Investment Justification Template

Investment Heading	
Port Area	
State	
Applicant Organization	
Investment Name	
Investment Amount	\$

### I. Background

**Note: This section only needs to be completed once per application, regardless of the number of Investments proposed. The information in this section provides background and context for the Investment(s) requested, but does not represent the evaluation criteria used by DHS for rating individual Investment proposals.**

I. Provide an overview of the port area, MTSA regulated facility, or MTSA regulated vessel	
Response Type	Narrative
Page Limit	Not to exceed 1 page
Response Instructions	<ul style="list-style-type: none"> <li>• Area of Operations:               <ul style="list-style-type: none"> <li>- Identify COTP Zone</li> <li>- Identify eligible port area</li> <li>- Identify exact location of project site (i.e., physical address of facility being enhanced)</li> <li>- Identify who the infrastructure (project site) is owned or operated by, if not by your own organization</li> </ul> </li> <li>• Point(s) of contact for organization (include contact information):               <ul style="list-style-type: none"> <li>- Identify the organization's Authorizing Official for entering into grant agreement, including contact information</li> <li>- Identify the organization's primary point of contact for management of the project(s)</li> </ul> </li> <li>• Ownership or Operation:               <ul style="list-style-type: none"> <li>- Identify whether the applicant is a private entity or a State or local agency</li> </ul> </li> <li>• Role in providing layered protection of regulated entities (applicable to State or local agencies only):               <ul style="list-style-type: none"> <li>- Describe your organization's specific roles, responsibilities and activities in delivering layered protection</li> </ul> </li> <li>• Important features:               <ul style="list-style-type: none"> <li>- Describe any operational issues you deem important to the consideration of your application (e.g., interrelationship of your operations with other eligible high-risk ports, etc.)</li> </ul> </li> <li>• Ferry systems required data:</li> <li>• Infrastructure</li> <li>• Ridership data</li> <li>• Number of passenger miles</li> <li>• Number of vehicles per vessel, if any</li> <li>• Types of service and other important features</li> <li>• System map</li> <li>• Geographical borders of the system and the cities and counties served</li> </ul>

	<ul style="list-style-type: none"> <li>• Other sources of funding being leveraged for security enhancements</li> </ul>
Response	

## II. Strategic and Program Priorities

II.A. Provide a brief abstract of the Investment list just ONE investment.	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	Provide a succinct statement summarizing this Investment
Response	

II.B. Describe how the Investment will address one or more of the PSGP priorities, NPG core capabilities, and Area Maritime Security Plan or COTP Priorities (how it corresponds with PRMP for Group I and II)	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	<ul style="list-style-type: none"> <li>• Describe how, and the extent to which, the investment addresses: <ul style="list-style-type: none"> <li>- Enhancement of Maritime Domain Awareness</li> <li>- Enhancement of IED and CBRNE prevention, protection, response and recovery capabilities</li> <li>- Port resilience and recovery capabilities</li> <li>- Training and exercises</li> <li>- Efforts supporting the implementation of TWIC</li> </ul> </li> <li>• Describe how the investment builds or sustains one or more NPG core capabilities</li> <li>• Area Maritime Security Plan and/or Captain of the Port Priorities</li> </ul>
Response	

## III. Impact

III.A. Describe how the project offers the highest risk reduction potential at the least cost.	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	<ul style="list-style-type: none"> <li>• Discuss how the project will reduce risk in a cost effective manner <ul style="list-style-type: none"> <li>- Discuss how this investment will reduce risk (e.g., reduce vulnerabilities or mitigate the consequences of an event) by addressing the needs and priorities identified in earlier analysis and review</li> </ul> </li> </ul>
Response	

III.B. Describe current capabilities similar to this Investment	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	<ul style="list-style-type: none"> <li>• Describe how many agencies within the port have existing equipment that are the same or have similar capacity as the proposed project</li> <li>• Include the number of existing capabilities within the port that are identical or equivalent to the proposed project</li> </ul>
Response	

#### IV. Funding & Implementation Plan

- Complete the IV.A. to identify the amount of funding you are requesting for this investment only
- Funds should be requested by allowable cost categories as identified below
- Applicants must make funding requests that are reasonable and justified by direct linkages to activities outlined in this particular Investment

The following template illustrates how the applicants should indicate the amount of FY 2012 PSGP funding required for the investment and how these funds will be allocated across the cost elements.

IV.A. Investment Funding Plan	FY 2012 PSGP Request Total	Match	Grand Total
<i>Maritime Domain Awareness</i>			
<i>IED and CBRNE Prevention, Protection, Response and Recovery Capabilities</i>			
<i>Training</i>			
<i>Exercises</i>			
<i>TWIC Implementation</i>			
<i>Operational Costs</i>			
<i>M&amp;A</i>			
<b>Total</b>			

IV.B. Provide a high-level timeline, milestones and dates, for the implementation of this Investment such as stakeholder engagement, planning, major acquisitions or purchases, training, exercises, and process/policy updates. <u>Up to 10 milestones</u> may be provided.	
Response Type	Narrative
Page Limit	Not to exceed 1 page
Response Instructions	<ul style="list-style-type: none"> <li>• Only include major milestones that are critical to the success of the Investment</li> <li>• Milestones are for this discrete Investment – those that are covered by the requested FY 2012 PSGP funds and will be completed over the 24-month grant period starting from the award date, giving consideration for review and approval process up to 12 months (estimate 24 month project period)</li> <li>• Milestones should be kept to high-level, major tasks that will need to occur (i.e., Design and development, begin procurement process, site preparations, installation, project completion, etc.)</li> <li>• List any relevant information that will be critical to the successful completion of the milestone (such as those examples listed in the question text above)</li> </ul> <p><i>Note: Investments will be evaluated on the expected impact on security relative to the amount of the investment (i.e., cost effectiveness). An itemized Budget Detail Worksheet and Budget Narrative must also be completed for this investment. See following section for a sample format</i></p>
Response	

## Appendix E – Sample Budget Detail Worksheet

### A. Sample Budget Detail Worksheet

**Purpose.** The Budget Detail Worksheet may be used as a guide to assist applicants in the preparation of the budget and budget narrative. You may submit the budget and budget narrative using this form or in the format of your choice (plain sheets, your own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to your budget may be deleted.

**A. Personnel.** List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

Name/Position	Computation	Cost
		\$
<b>Total Personnel</b>		\$

**B. Fringe Benefits.** Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project.

Name/Position	Computation	Cost
		\$
<b>Total Fringe Benefits</b>		\$

**C. Travel.** Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meeting, etc.). Show the basis of computation (e.g., six people to three-day training at \$X airfare, \$X lodging, \$X subsistence). In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and unit costs involved. Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location	Item	Computation	Cost
				\$
<b>Total Travel</b>				\$

**D. Equipment.** List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than one year. (Note: Organization's own capitalization policy and threshold amount for classification of equipment may be used). Expendable items should be included either in the "Supplies" category or in the "Other" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the

“Contractual” category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Item	Computation	Cost
		\$
	<b>Total Equipment</b>	\$

**E. Supplies.** List items by type (office supplies, postage, training materials, copying paper, and other expendable items such as books, hand held tape recorders) and show the basis for computation. (Note: Organization’s own capitalization policy and threshold amount for classification of supplies may be used). Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items	Computation	Cost
		\$
	<b>Total Supplies</b>	\$

**F. Consultants/Contracts.** Indicate whether applicant’s formal, written Procurement Policy or the Federal Acquisition Regulations are followed.

**Consultant Fees:** For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Name of Consultant	Service Provided	Computation	Cost
			\$
		<b>Subtotal – Consultant Fees</b>	\$

**Consultant Expenses:** List all expenses to be paid from the grant to the individual consultant in addition to their fees (i.e., travel, meals, lodging, etc.)

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Item	Location	Computation	Cost
			\$
		<b>Subtotal – Consultant Expenses</b>	\$

**Contracts:** Provide a description of the product or services to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. Any sole source contracts must follow the requirements set forth in 44 CFR Section 13.36.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Item	Cost
	\$
<b>Subtotal – Contracts</b>	\$
<b>Total Consultants/Contracts</b>	\$

**G. Other Costs.** List items (e.g., reproduction, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, and provide a monthly rental cost and how many months to rent.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

**Important Note:** If applicable to the project, construction costs should be included in this section of the Budget Detail Worksheet.

Description	Computation	Cost
		\$
	<b>Total Other</b>	\$

**H. Indirect Costs.** Indirect costs are allowed only if the applicant has a federally approved indirect cost rate. A copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant’s cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant’s accounting system permits, costs may be allocated in the direct costs categories.

Description	Computation	Cost
		\$
	<b>Total Indirect Costs</b>	\$

**Budget Summary** - When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total direct costs and the total project costs. Indicate the amount of Federal funds requested and the amount of non-Federal funds that will support the project.

Budget Category	Federal Amount	Non-Federal Amount
A. Personnel	\$	\$
B. Fringe Benefits	\$	\$
C. Travel	\$	\$
D. Equipment	\$	\$
E. Supplies	\$	\$
F. Consultants/Contracts	\$	\$
G. Other	\$	\$
H. Indirect Costs	\$	\$

Total Requested Federal Amount	Total Non-Federal Amount
\$	\$
Combined Total Project Costs	
\$	

## Appendix F – Sample MOU/MOA Template

**Memorandum of Understanding / Agreement  
Between [provider of layered security] and [recipient of layered security]  
Regarding [provider of layered security's] use of port security grant program funds**

- 1. PARTIES.** The parties to this Agreement are the [Provider of Layered Security] and the [Recipient of security service].
- 2. AUTHORITY.** This Agreement is authorized under the provisions of [applicable Area Maritime Security Committee authorities and/or other authorities].
- 3. PURPOSE.** The purpose of this Agreement is to set forth terms by which [Provider of security service] shall expend Port Security Grant Program project funding in providing security service to [Recipient of security service]. Under requested FY 2012 PSGP grant, the [Provider of security service] must provide layered security to [Recipient of security service] consistent with the approach described in an approved grant application.
- 4. RESPONSIBILITIES:** The security roles and responsibilities of each party are understood as follows:
- (1). [Recipient of security service]  
Roles and responsibilities in providing its own security at each MARSEC level
- (2) [Provider of security service]
- An acknowledgement by the facility that the applicant is part of their facility security plan.
  - The nature of the security that the applicant agrees to supply to the regulated facility (waterside surveillance, increased screening, etc).
  - Roles and responsibilities in providing security to [Recipient of security service] at each MARSEC level.
- 5. POINTS OF CONTACT.** [Identify the POCs for all applicable organizations under the Agreement; including addresses and phone numbers (fax number, e-mail, or internet addresses can also be included).]
- 6. OTHER PROVISIONS.** Nothing in this Agreement is intended to conflict with current laws or regulations of [applicable State] or [applicable local Government]. If a term of this agreement is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this agreement shall remain in full force and effect.
- 7. EFFECTIVE DATE.** The terms of this agreement will become effective on (EFFECTIVE DATE).
- 8. MODIFICATION.** This agreement may be modified upon the mutual written consent of the parties.
- 9. TERMINATION.** The terms of this agreement, as modified with the consent of both parties, will remain in effect until the grant end dates for an approved grant. Either party upon [NUMBER] days written notice to the other party may terminate this agreement.

**APPROVED BY:**

\_\_\_\_\_  
Organization and Title

(Date) (Date)

\_\_\_\_\_  
Signature