

**Marine Exchange of Puget Sound
Port Security Grant Program (PSGP) FY09, FY10
Updated Status -February 26, 2010**

Important Considerations

FEMA has changed the rules for the FY10 PSGP round. Prior rounds had deadlines that floated based on progress of previous rounds. *For the FY10 round, the deadline for the Fiduciary Agent to submit applications to FEMA will be fixed, with no extensions.* As a result, FY10 submissions will be due *before* FY09 submissions. Although the FY10 round requires no match, it is expected to be fully subscribed and some applications will not make the cut, so applicants are encouraged to consider possibilities of in-kind matches in rounds 08 or 09, as discussed below.

Another change from rounds prior to FY07 Supplemental is that in order to be eligible, applicants no longer must be 33 CFR 105 regulated facilities. Any private or public agency or organization is eligible if their proposed project would potentially impact the security and/or resiliency of the Puget Sound port-wide area. Profit-making projects are not eligible, however. *If services are to be performed using grant funds, the entity that will receive the services must submit the application, receive the award, and then request bids for the service in accordance with Federal procurement requirements.*

Also, beginning with the FY07 Supplemental round, all PSGP grants for the Puget Sound region utilize a Fiduciary Agent (FA) that serves as the primary point of contact with the Federal Emergency Management Agency (FEMA) for applications, management, and administration of the program. The FA is the official grantee and recipient of all PSGP funding. The FA then distributes funds to sub-grantees and administers the grants on behalf of FEMA and the Puget Sound Area Maritime Security Committee. The FA does not have a role in selection of grant subrecipients.

The FEMA guidance for each round (see links at the bottom of this document) can be helpful, particularly the sections on allowable and unallowable costs. When reading these documents, remember that for large port areas including Puget Sound, the terms *grantee* and *recipient* refer to the *Fiduciary Agent (FA)*. An actual applicant for project funding is a *subgrantee* or *subrecipient*.

Comparison of Rounds

FY09

- \$26 million
- In-kind or cash match or waiver required. (Note: For construction, the match must be cash, not in-kind.)
- FA: Marine Exchange of Puget Sound machapman@marineexchangesea.com
- FA requests submission of a brief project description and informal discussion before preparation of complete application (see suggested format below)
- Initial opening deadline for applications from sub-grantees has not yet been set.

FY10

- \$20 million
- No match required
- FA: Marine Exchange of Puget Sound machapman@marineexchangesea.com
- FA requests submission of a brief preliminary project description and informal discussion before preparation of complete application (see suggested format below)
- **Marine Exchange of Puget Sound requests that applications for PSGP FY10 grants be received by March 1. All applications received will be processed and submitted for review and**

consideration. Any applications received after March 1 may be processed and submitted if time permits. Otherwise, the Fiduciary Agent will discuss options for submission in Round FY08 or FY09. Contact us for more information.

FY11 and beyond

- FEMA's presumption is that there will be future rounds
- No further information is available at this time

Round FY08 is still open. For details, see <http://www.portoftacoma.com/Page.aspx?nid=405> and/or email round8grants@portoftacoma.com.

FY09 and FY10 – Preliminary Project Description Format

For each project, please briefly provide the following:

- Applicant's name and contact information
- Description of project and associated equipment
- Estimated cost
- Cash or in-kind match if available
- How the project will improve Puget Sound port-wide risk management/mitigation and/or resiliency/resumption of trade

Email these project descriptions to machapman@marineexchange.com. They are being accepted now.

Cost-Sharing (Matches) and Waivers

Where cost-sharing is required, the recipient's required match is 25% of the entire project cost, or 1/3 of the requested Federal share.

Following is the exact language from FEMA's FY09 guidance regarding cost-sharing:

“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 2009 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).”

Note: In order to qualify as an in-kind match, costs must be “allowable costs” as defined in detail in the PSGP FY09 Guidance. Salaries of recipients' employees are specifically not allowable. Whether a proposed in-kind match will qualify depends heavily on the nature of the project. For further discussion of what costs would constitute an in-kind match, consult the FA on the round for which you plan to apply.

Match waivers are being granted somewhat more liberally than in the past. Waivers can be for downgrading a cash match to an in-kind match, a cash match to no match, or an in-kind match to no match.

No waivers will be automatic. To receive a match, a compelling justification must be presented:

- Evidence that the project is critical for region-wide security or resiliency/resumption of trade
- Endorsement of the need for waiver, by the Captain of the Port
- Explanation of why a match is not possible

Strategies for Meeting Cost-Sharing Requirements

- 1) Consider region-wide impact of projects and seek partnerships with other organizations that would benefit and might be able to contribute to the cash or in-kind match.
- 2) Divide a project into distinct parts, each of which can be completed within the grant period of a specific FY round and taking advantage of different match requirements for those years. For example:
 - If some cash match is available, propose a cash match for one part of the project (FY08), and an in-kind match for the other (FY09). Or apply for the entire project under FY09, proposing a partial cash match and a waiver for the remaining portion.
 - If a partial in-kind match is available, propose an in-kind match for one part of the project (FY09) and no match for the other (FY10).
- 3) Request waivers for the entire project under FY08 or FY09 rounds but be sure you have a compelling argument as described above.
- 4) Be creative but stay within guidelines

PSGP Priorities as Set Forth in FEMA Guidance

For all three rounds, the priorities and selection criteria are very similar, with minor differences:

- Overall Priorities
 - Enhancement of the port area's Maritime Domain Awareness (MDA)
 - Enhancing Improvised Explosive Device (IED) prevention, detection, response and recovery capabilities – for FY10, add Chemical, Biological, Radiological, Nuclear, and high-yield Explosive (CBRNE)
 - Training and exercises (e.g., training programs approved by USCG and Maritime Administration (MARAD) – for FY10, add TSA's Intermodal Security Training Exercise Program (I-STEP)
 - Efforts supporting implementation of the Transportation Worker Identification Credential (TWIC)
- Additional Priorities for Large Port-Wide Regions such as Puget Sound
 - Expand emphasis on region-wide partnerships and regional management of risk and business continuity/resumption of trade
 - Address surface, underwater, and land-based threats
 - Target best risk mitigation strategies aimed at port-wide security and business continuity/resumption of trade
 - Align projects with all applicable government-required security plans, including the region's Port-Wide Risk Mitigation/Management and Resiliency/Resumption of Trade Plan.

New in FY10 is increased emphasis on the small boat threat.

Guidance & Contacts

- Main Grants Page
 - <http://www.fema.gov/government/grant/>
- FY09 Guidance
 - <http://www.fema.gov/government/grant/psgp/index09.shtm>
- FY10 Guidance
 - <http://www.fema.gov/government/grant/psgp/index.shtm>

For further information, contact the FA for the round in which you are considering submission of an application. See FA email web or email contact information under “Comparison of Rounds” above.