

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 363
Judiciary

(Delegate Taylor, *et al.*)

Public Safety - Potomac River Bridges Security Zone Pilot Program

This bill creates a Potomac River Bridges Security Zone Pilot Program in the Department of State Police (DSP) to provide a 500-foot security zone in the water surrounding the Woodrow Wilson Memorial Bridge and the Harry W. Nice Memorial Potomac River Bridge. DSP must contract with a private security firm to patrol the security zone surrounding each bridge in one or more vessels piloted by retired military personnel and manned by retired police officers. The private security firm personnel conducting the patrols of the security zone must: (1) monitor the security zone for potential threats to public safety; and (2) provide assistance to recreational boaters in distress, as needed. The Secretary of State Police must report to the General Assembly on the status of, and the benefits accrued from, the pilot program by December 1 of each year.

The bill terminates September 30, 2012.

Fiscal Summary

State Effect: General fund expenditures may increase by \$310,600 to \$410,000 in FY 2010; and by \$653,000 to \$900,000 in both FY 2011 and 2012. Reporting requirements for DSP can be met with existing budgeted resources.

Local Effect: None.

Small Business Effect: Potentially significant for a security firm successfully bidding on the water patrol contract.

Analysis

Current Law: DSP has the general duty to safeguard the lives and safety of all persons in the State, to protect property, and to assist in securing to all persons the equal protection of the laws. Among nine statutorily specified duties, DSP has the responsibility to detect and prevent the commission of crime, preserve order at public places, and maintain the safe and orderly flow of traffic on public streets and highways. DSP is not specifically charged to patrol or police the State's waterways. However, DSP must perform any other duty that may be assigned by the General Assembly. (*See* Public Safety Article, § 2-301.)

The Maryland Natural Resources Police (MNRP) has all the powers conferred upon police officers of the State, which may be exercised anywhere within the State. MNRP specifically is charged with enforcing the natural resource laws of the State. (*See* Natural Resources Article, § 1-204.) MNRP has statewide authority to enforce conservation, boating, and criminal laws, as well as to provide primary law enforcement services for Maryland's State parks, State forests, and public lands owned and managed by DNR.

The Governor's Office of Homeland Security was established by executive order in June 2003. The office serves as the direct liaison to the U.S. Department of Homeland Security, as well as coordinates State departments, agencies, counties, and municipalities in matters of homeland security and emergency preparedness.

The Maryland Emergency Management Agency (MEMA), which is part of the Maryland Military Department, provides logistical and infrastructure support to the Office of Homeland Security. MEMA manages many of the federal grants that fund a broad range of initiatives leading to enhanced protection from and responses to the full range of natural and man-made disasters which could threaten the State's citizens.

Maryland's procurement processes require competitive bidding through the contracting State agency. Generally, the State's Minority Business Enterprise (MBE) program establishes a goal that at least 25% of the total dollar value of each agency's procurement contracts be awarded to MBEs, including 7% to African American-owned businesses and 10% to woman-owned businesses. There are no penalties for agencies that fail to reach these targets. Instead, agencies are required to use race-neutral strategies to encourage greater MBE participation in State procurements. The MBE program is scheduled to terminate July 1, 2012.

Background: The Governor Harry W. Nice Memorial Bridge is owned, operated, and maintained by the Maryland Transportation Authority. The Woodrow Wilson Memorial Bridge is jointly owned by Maryland, Virginia, and the District of Columbia. The waters of the Potomac River are located exclusively in Maryland.

MNRP is designated as the State's lead agency for homeland security on Maryland waters, and has the charge to develop and implement comprehensive maritime homeland security strategies and programs. Currently, MNRP provides security patrol checks to 27 homeland security sites including the Woodrow Wilson Memorial Bridge and the Harry W. Nice Memorial Bridge. The agency receives a variety federal homeland security grant funding through MEMA for these and other purposes, annually. The bulk of such funding is dedicated to meeting the agency's equipment and infrastructure needs.

State Expenditures: The requirements of this bill would be met by DSP through the State's competitive bid procurement processes. It is assumed that DSP could, in advance of the bill's October 1, 2009 effective date, prepare for a request for proposal (RFP) to be published by that date. In so doing, a contract with a successful security firm bidder could be in effect by January 1, 2010.

The issues that need to be addressed by an RFP and security firm bidders would include the following items:

- *Water Patrol Vessels:* DSP advises that all weather-durable vessels with an enclosed cockpit and a six-person minimum capacity to handle possible distress calls are needed. The number of vessels needed would likely be three to handle circumstances of vessel breakdown and regular out-of-water maintenance. Leasing costs of such vessels would also including insurance, fuel/oil, and general vessel maintenance.
- *Personnel:* At each bridge site, two full-time equivalent persons (FTE) for each of three eight-hour shifts for 365 days per year are needed for round-the-clock patrols. Assuming compliance with Maryland's Living Wage Law, hourly wages for retired military and police personnel would be no less that \$11.72 per hour, and could range much higher depending on employment market factors over the length of the contract.
- *Contractor Overhead:* Estimating the range of these charges for a bidder/contractor cannot be reliably made. DSP estimates that the costs could average about \$60,000 per year or higher, depending upon the experience and existing capabilities of a bidder/contractor.
- *Profit Margins:* Again, reliable estimates of bid amounts cannot be reliably made. Procurement processes could invite profit margins ranging from 5% to 25%.

In any case, contract costs for DSP in fiscal 2010 are expected to cover a half-year of patrols from January 2010 through the end of the fiscal year. Continuing costs for the life of the pilot program would annualize in fiscal 2011 and 2012 and likely reflect, depending on how the winning bidders contract is structured, inflationary factors

(especially on personnel costs). Based on estimates made by DSP and Legislative Services, half-year contract costs for this bill in fiscal 2010 may range between \$310,600 and \$410,000. Future year costs may range between \$653,000 and \$900,000.

Exhibit 1 shows the potential minimum cost under one set of assumptions. This estimate is based on the following facts and assumptions; however, the actual cost of the pilot program will depend on the results of the State procurement process.

- Three water patrol vessels leased at a cost of approximately \$40,000 per vessel, which includes lease payments, liability insurance, fuel, and maintenance on an annualized basis.
- Four contractual FTE employees at each eight-hour shift, with a minimum salary set at \$11.72 per hour.
- 9.15% fringe benefit rate, which includes Social Security, workers' compensation, and unemployment insurance.

Exhibit 1
Potential Minimum Cost of Potomac River Bridges Securing Zone Pilot Program

	<u>Fiscal 2010</u>	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
Contractual Services	\$224,100	\$476,100	\$497,000
Patrol Vessel Lease	56,500	116,300	119,800
Contractor Overhead	30,000	60,600	61,200
Total	\$310,600	\$653,000	\$678,000

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources, Department of State Police, Maryland Department of Transportation, Department of Legislative Services

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