

I N D E X
PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
December 8, 2020

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the virtual Port Commission meeting and provided opening remarks
	Minutes
2020-1208-01	Approve the minutes of the October 27, 2020 Port Commission meeting
	Staff Reports
2020-1208-02	Roger Guenther, Executive Director, presented a summary of selected operational matters
	Appearances
2020-1208-03(a)	Chairman Campo recognized Commissioner Rodney Ellis, Harris County Precinct 1, who addressed the Port Commission
2020-1208-03(b)	Chairman Campo recognized Council Member Robert Gallegos, Houston City Council District I, who addressed the Port Commission
2020-1208-03(c)	Chairman Campo introduced Commissioner Roland Garcia, Board of Pilot Commissioners for Harris County Ports, who addressed the Port Commission
2020-1208-03(d)	Chairman Campo introduced Dr. Elena Craft, Environmental Defense Fund, who addressed the Port Commission
2020-1208-03(e)	Chairman Campo introduced Rodney Strong, Project Executive, Griffin & Strong P.C., who addressed the Port Commission and introduced Michele Clark-Jenkins, Project Manager, who presented the findings and recommendations of the Port of Houston Authority 2020 Disparity Study
2020-1208-03(f)	Chairman Campo recognized Ingrid Robinson, President, Houston Minority Supplier Development Council, who addressed the Port Commission

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2020-1208-03(g)	Chairman Campo recognized Nannette Ray, MBEIC (MBE Input Committee) Chair, Houston Minority Supplier Development Council, who addressed the Port Commission
2020-1208-03(h)	Chairman Campo recognized Terence Narcisse, Executive Director, East Harris County Empowerment Council, who addressed the Port Commission

F. Executive

2020-1208-04	Chairman Campo recognized Mr. Heidt to provide a report of selected Executive Division agenda items
2020-1208-05	Approve the Port Authority's membership in the National Association of Waterfront Employers and payment of dues for a period of one year
2020-1208-06	Enter into a service agreement with the Greater Houston Port Bureau, Inc. to provide vessel traffic movement data (real-time and historical) for a one-year period in the amount of \$80,000, and subscribe to HarborLights for twenty-five users in the amount of \$10,000
2020-1208-07	Approve and adopt the proposed Internal Audit 2021 Annual Audit Plan.
2020-1208-08	Authorize an amendment to the Amended Interlocal Agreement with the Board of Pilot Commissioners for Harris County Ports to provide for limited services

G. Commercial

2020-1208-09	Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial Division agenda items
2020-1208-10	Approve a one-year lease with R. Warehousing & Port Services, Inc. for approximately 8.32 acres at Northside Turning Basin effective no earlier than January 1, 2021, at an annual rent of \$193,789
2020-1208-11	Approve a sixth amendment to the Lease Agreement with Sesco Cement Corp. for approximately 20.14 acres out of the Turning Basin West to extend the original lease term from thirty-one years and six months to fifty years, effective January 1, 2021, at an annual rent of \$396,455 subject to annual base rent escalation of the Consumer Price Index not to exceed 4%
2020-1208-12	Authorize the extended term of a month-to-month lease with R. Warehousing & Port Services, Inc. for approximately 2 acres out of the Northside Turning Basin effective no earlier than January 1, 2021 with a

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3% annual increase on an existing month-to-month premium rate for an annual rent of \$91,142

H. Finance

2020-1208-13 Chairman Campo recognized Mr. Heidt to provide a report of selected Finance Division agenda items

2020-1208-14 Authorize payment to the Harris County Appraisal District for appraisal services to be provided to the Port Authority for fiscal year 2021 in an amount not to exceed \$405,000, and authorize payment to the Harris County Tax Assessor-Collector for collection services for the 2020 tax year in an amount not to exceed \$1,100,000

2020-1208-15 Acknowledge receipt and filing of the revised report regarding the Port of Houston Authority Restated Retirement Plan prepared by AndCo Consulting LLC, an independent investment consultant, as required by Texas Government Code Sec. 802.109

2020-1208-16 Approve the actuarial valuation report dated as of August 1, 2020 for the Port of Houston Authority Restated Retirement Plan (Pension Plan)

2020-1208-17 Adopt an amended investment policy for the Port of Houston Authority Restated Retirement Plan (Pension Plan)

2020-1208-18 Adopt an amended investment policy for the Port of Houston Authority OPEB Plan, an irrevocable trust established for other post-employment benefits

2020-1208-19 Authorize the Executive Director to develop a plan of action and program for the commission's consideration to address disparities in the participation of small-, minority-, and woman-owned businesses in Port Authority contracts.

The proposed plan of action and program should address departmental responsibilities for, but not be limited to, the following:

- Development of goals, objectives, and measurements;
- Implementation guidelines;
- Procurement and award of contracts;
- Monitoring, administration, and accountability of these contracts;
- Awareness and accessibility of the program and its administration.

It should also include budget recommendations for proposed staffing, support, training, necessary technology investments, and timelines

I. Infrastructure

<u>Minute No.</u>	<u>Event/Action</u>
2020-1208-20	Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure Division agenda items
2020-1208-21	<p>Approve staff's ranking of vendors and award a two-year environmental consulting agreement for general environmental consulting services to the top-ranked proposer: staff ranking- first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, InControl Technologies, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2020-1208-22	<p>Approve staff's ranking of vendors and award a professional services contract for the design of Wharf 7 at Bayport Container Terminal to the top-ranked proposers: staff ranking – first, Jacobs Engineering Group, Inc.; second, Hatch Associates Consultants, Inc.; and third, AECOM Technical Services, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2020-1208-23	Award a construction contract to AAA Asphalt Paving, Inc. for the annual pavement drainage and dust control work at Industrial Park East
2020-1208-24	Amend the professional services contract with HDR Engineering, Inc. for engineering services associated with the management of placement areas at Bayport Container Terminal
2020-1208-25	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal
2020-1208-26	Approve a change order with Standard Constructors, Inc. to perform additional work associated with land development preparation south of Port Road at Bayport Container Terminal
2020-1208-27	Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: ExxonMobil Pipeline Company, South Tex 66 Pipeline Company, LTD, and Valero Refining-Texas, LP
2020-1208-28	Issue a marine construction permit to Russell Marine, LLC to dredge a 4.33-acre area in Old River
2020-1208-29	Issue a transmission line license to Comcast Cable Communications Management, LLC for one fiber optic cable line over the Port Terminal Railroad Association's Southside Mainline railroad right-of-way

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2020-1208-30	Issue a pipeline license to Chevron Phillips Chemical Company LP for two 8-inch refined petroleum products pipelines under and across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way
2020-1208-31	Amend a marine construction permit to CGBM Global LLC to modify the placement of two spud barges for the purpose of securing fleeting vessels and to rescind a previous authorization for the construction of a bulkhead, a 1.0-acre area of fill, installation of eight pilings, dredging to -8.0 feet Mean Lower Low Water, and the removal of approximately 27,000 cubic yards of dredged material in Old River
2020-1208-32	Amend a marine construction permit to CGBM Global LLC to modify the placement of one spud barge for the purpose of permitting a marine fueling and supply station, and increase the authorized dredge depth from -4.0 to -12.0 feet Mean Lower Low Water in Old River
2020-1208-33	Enter into a reimbursement agreement for design and permitting with Energy Transfer Operating L.P. related to pipeline relocated within Segment 1 of the Houston Ship Channel Expansion Channel Improvement Project at a total cost not to exceed \$2,000,000, for which the Port Authority would be responsible for one half, for a total amount not to exceed \$1,000,000

J. Operations

2020-1208-34	Chairman Campo recognized Mr. Heidt to provide a report of selected Operations Division agenda items
2020-1208-35	Award a three-year contract to Johnson Controls Fire Protection LP, using the Texas Comptroller's Texas Multiple Award Schedule contract, for the purchase of monitoring, inspection, repair services, and spare parts for fire alarm and suppression systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2020-1208-36	Recommendation to issue Stevedore Licenses for one-year terms commencing January 1, 2021, to Agri American Stevedores, LLC; APS Stevedoring, LLC; BBM Terminals Corp.; Ceres Gulf, Inc.; Cooper/Ports America; Gulf Stream Marine, Inc.; Jacintoport International, LLC; Marine Terminal Corporation East; Richardson Stevedoring and Logistics Services, Inc.; Schroder Marine Service; Southern Stevedoring Co.; and Suderman Contracting Stevedores, Inc., upon each applicant's satisfactory completion of all requirements and obligations for license issuance
2020-1208-37	Reissue and amend Port Authority Tariff Nos. 8, 14, and 15 covering the Turning Basin Terminals, Barbours Cut Terminal, and Bayport Container Terminal, all effective on or around January 1, 2021 and a 3% increase in

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	the Harbor Fee, such increase to be included and published in Port Authority Tariff No. 8 effective January1, 2021
2020-1208-38	Amend the Freight Handling Assignment Agreements for terminal services at the Turning Basin Terminal to extend the term of the agreements through March 31, 2021
2020-1208-39	Amend the lease between Terminal Link Texas, LLC and the Port Authority to provide for a right of first refusal to lease a 22.36-acre site at Bayport Container Terminal
2020-1208-40	Hold steady any “Carrier’s Commitment Discount Level” that would otherwise decrease for the six-month period beginning January 1, 2021, under Port Authority Marine Terminal Services Agreements
2020-1208-41	Authorize the amended Industrial Water Supply Agreement with the City of Pasadena
2020-1208-42	Rescind a purchase order with Carrier Enterprise, LLC, and issue a purchase order to Carrier Corporation for purchase and installation of two 150-ton chiller units for the Bayport Container Terminal's Administration and Maintenance & Repair buildings, using the Sourcewell cooperative purchase program
K. People	
2020-1208-43	Chairman Campo recognized Mr. Heidt to provide a report of selected People Division agenda items
2020-1208-44	Authorize an agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for calendar year 2021 for the Port Authority’s self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents
2020-1208-45	Authorize an amended agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority’s self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents for calendar year 2021
2020-1208-46	Authorize funding for calendar year 2021 for the payment of claims from the Port Authority’s self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents

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2020-1208-47	Enter into a one-year agreement with the Houston International Seafarers' Center to provide humanitarian services to seafarers whose vessels call at the terminals of the Port Authority, effective January 1, 2021
\	L. Port Security and Emergency Operation
2020-1208-48	Chairman Campo recognized Mr. Heidt to provide a report of selected Port Security and Emergency Operations Division agenda items
2020-1208-49	Approve staff's ranking of vendors and award a two-year service contract for shipyard maintenance services of six Port Authority vessels to the top ranked proposer: staff ranking – first, Southwest Shipyard, L.P.; second, National Cotton Inc. dba Pier 77 Marine; and third, Marine TeKno Services, LLC Port Commission adopted the staff-recommended ranking and authorized award
2020-1208-50	Enter into a three-year governmental services contract with the City of La Porte Emergency Medical Service for emergency medical services
2020-1208-51	Renew a Memorandum of Understanding with the City of Houston for five years to provide closed Point of Dispensing Services in the event of a public health emergency
	M. Technology
2020-1208-52	Chairman Campo recognized Mr. Heidt to provide a report of selected Technology Division agenda items
2020-1208-53	Approve staff's ranking of vendors and award a security services contract in an amount not to exceed \$3,100,000 subject to potential Port Security grant reimbursement of \$450,000 for Security Operations Center (SOC), System Information and Event Management (SIEM), Threat Intelligence Platform (TIP), and Security Orchestration & Automated Response (SOAR) services payable over three years plus two one-year renewal options to the top-ranked proposer: staff ranking- first, Critical Start, Inc.; second, Red River Technology LLC; and third, Fulcrum Technology Solutions Port Commission adopted the staff-recommended ranking and authorized award
2020-1208-54	Approve staff's ranking of vendors and award a security services contract in an amount not to exceed \$75,000 subject to potential Port Security grant reimbursement of \$56,250 for information security training for Port

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Authority employees and third party users of Port Authority information and technology systems payable over three years plus two one-year renewal options to the top-ranked proposer: staff ranking- first, Red River Technology LLC; second, Critical Start, Inc.; and third, CapGemini America

Port Commission adopted the staff-recommended ranking and authorized award

2020-1208-55

Issue a purchase order to SHI Government Solutions for a three-year purchase agreement of next generation anti-virus Endpoint Protection Platform/Endpoint Detection and Response (EPP/EDR) software, using Texas Department of Information Resources' cooperative purchase program, for the three years

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

2020-1208-56

Authorize Chairman Campo to negotiate with Roger Guenther on future compensation

2020-1208-57

Authorize the Port Authority to enter into or amend the agreements for legal services with (a) Baker Wotring LLP, (b) Haynes and Boone, LLP, (c) W. Allyn Hoaglund, and (d) Amy Loeserman Klein on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing

Adjourn Meeting

**Port of Houston Authority
Port Commission Public Meeting**

**Houston, Texas
December 8, 2020**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on December 8, 2020 at 9:15 a.m., via Cisco WebEx. The following commissioners, staff, and counsel were present:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Dean Corgey, Commissioner
Cheryl Creuzot, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roy Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo began the meeting by announcing that the Houston Ship Channel complex and its public and private terminals, collectively known as the Port of Houston, had become the number one port in the United States in terms of total waterborne tonnage. The ranking was released by the U.S. Army Corps of Engineers Navigation and Civil Works Decision Support Center, which tracks and compiles the figures. Nearly 285 million tons of cargo moved through the Port of Houston in 2019, which was about 47 million tons more than any other U.S. port, and a six percent increase compared to the previous year.

Chairman Campo further explained that the Port of Houston surpassed the Port of South Louisiana, which had previously held the top spot. The Port of Houston also continued as the leader in foreign waterborne tonnage for the last 24 years. The number one ranking and its importance to the region, state, and nation highlighted the need to expedite the improvements of the Houston Ship Channel to accommodate growth and ensure safe and efficient trade for the U.S.

Chairman Campo gave an update on Water Resources Development Act (WRDA) legislation, noting that according to the congressional committees of jurisdiction – the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure – a final agreement on WRDA 2020 had been reached and the authorization for the channel improvement project had been included in the final bill text. The bill was set to be voted on in the forthcoming week, which would put the Port Authority one step closer to commencement of the much-needed project.

Chairman Campo reminded the Port Commission that while the congressional authorization of Project 11 was significant, the next major step in the delivery process was to secure a “new start” designation from the administration and to receive discretionary funding from the U.S. Army Corps of Engineers. Securing a “new start” was critical to the

process for expedited commencement of construction, as there were a limited number of “new starts” in the Energy and Water Appropriations bill.

Chairman Campo emphasized that the Port Authority, along with its industry partners, continued to advocate for inclusion of Project 11 in a “new start” appropriation to move quickly to advertisement and construction of the deepening and widening project, adding that the design for the project was nearing 100% completion.

Chairman Campo commented on the disparity study, which was to be presented later in the meeting. The Port Authority contracted with Griffin & Strong, P.C. to perform the study a year and a half ago. The Port Authority had been asked, by local governments responsible for the appointments of the commissioners, to perform the study; Harris County recently completed its study and METRO was expected to complete one early in 2021.

Chairman Campo remarked that a disparity study was about looking at the past to think about the future. The disparity study set a benchmark and showed that the Port Authority had a lot of work to do to provide social, racial, and economic equity for the community. The Port Authority had an incredibly successful small business enterprise program that had exceeded \$600 million brought to the local community, and with the knowledge gained from the study the program could further be enhanced to provide more economic, social, and racial equity.

Chairman Campo announced that the new Pilot Commission had recently approved a new funding and operational plan, effective January 1, 2021. He thanked the pilots and Roland Garcia, the chair of the Transition Committee, for all its work in getting the new commission up and running. The Port Commission would be completely disconnected from the Pilot Commission, and the current interlocal agreement would be modified and become more of a cooperation agreement. There would be no monetary commitments between the two commissions.

Finally, Chairman Campo thanked Port Authority employees for all their hard work during a challenging year and wished everyone a happy holiday. Given all the challenges faced in 2020, most notably being the pandemic, he felt it was a very good year for the Port Authority.

(2020-1208-01) Chairman Campo called for a motion to approve the minutes of the October 27, 2020 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Cloonan. The minutes were approved as written.

(2020-1208-02) Roger Guenther, Executive Director, presented a summary of selected operational matters as follows.

Mr. Guenther recognized service milestones and retirements for Port Authority staff. He noted that those individuals had been shown on a slideshow prior to the meeting and would continue to be highlighted during the executive session interim. He remarked that it was unfortunate that the retirements and service milestones had been celebrated virtually during the year.

Mr. Guenther highlighted November 2020 operating results:

- November container volume continued at a strong pace and was up 7% versus November 2019.
- Through eleven months the Port Authority had handled 2.72 million twenty-foot equivalent units (TEUs), which put it virtually flat year-to-date versus 2019.
- General cargo tonnage was down 40% compared to the prior year.
- Revenue was down just 1% through November of 2019.

Mr. Guenther showed photos of recent environmental and community initiatives that highlighted the Port Authority's continued commitment to improvement to quality of life and sustainability for the region. One of the photos was an electric yard mule received the prior week at the Bayport Container Terminal. The mule was a Kalmar-Ottawa T2E model delivered by Briggs Equipment, which cost approximately \$320,000, fully funded through a grant from the Texas Commission on Environmental Quality (TCEQ). That grant would also pay for the charging station and a one-year study to verify its efficiency.

Mr. Guenther remarked on the Galena Park and Jacinto City sidewalk project, which connected students to schools. The contract value was for \$328,800, but to pedestrians and bike riders, the safety provided by the project was priceless. He noted that the official partnership for the project was among the Port Authority, Harris County, and Galena Park. Jacinto City was involved in the planning though not able to contribute to the project, since it was not inside the city's boundary. The project broke ground on August 3, 2020 and with estimated completion in January 2021.

Finally, Mr. Guenther explained how the Port Authority continued to meet frequently with the Healthy Port Communities Coalition and the Environment Defense Fund regarding concerns and priorities, and the Port Authority would continue to do so. The agenda for the Community Relations Committee meeting after the Port Commission, included a detailed discussion of environmental initiatives and outreach.

(2020-1208-03) Appearances

(a) Chairman Campo recognized Commissioner Rodney Ellis, Harris County Precinct 1, who addressed the Port Commission.

Commissioner Ellis referenced a note that he had sent Chairman Campo when he was appointed to the Port Commission. He thanked the Port Commission for agreeing to do the disparity study. He noted that Harris County had done its study and both studies seemed to have produced similar numbers. METRO was in the process of completing its study and Harris County had also requested that the hospital district – Harris Health – commence a disparity study of its own.

Commissioner Ellis quoted from Harris County’s disparity study, saying that it found a lot of “misplaced exceptionalism.” When he thought about what this meant, he remembered his days on the City Council and how the councilmembers often used the term “model for the nation” despite there being no metrics to measure such a claim. The term was similarly used during Commissioner Ellis’s time spent working for the State of Texas. He felt the phrase could be attributed to the braggadocious nature of Texans.

Commissioner Ellis emphasized that metrics were important. The metrics of the disparity study show that there was a long way to go toward leveling the playing field. He noted that the U.S. Chamber of Commerce found that the pandemic’s disproportionate impact on minority-owned small businesses was further evidence of systemic inequity in the country. The pandemic could exacerbate and elongate the struggles that were already facing minority-owned and women-owned businesses.

Commissioner Ellis commended Mr. Strong and his group for the work done on the disparity study. He was hopeful about the collaboration among Harris County, the City of Houston, the hospital district, METRO, and the Port Authority, so that in one hundred years minority- and women-owned businesses would not still be at the back of the bus.

Commissioner Ellis asked that the Port Commission make a presentation to Harris County Commissioners Court after it had implemented the recommendations provided in the disparity study. He added that resources should be pulled together to implement such change.

(b) Chairman Campo recognized Council Member Robert Gallegos, Houston City Council District I, who addressed the Port Commission.

Councilman Gallegos remarked that it was his first time addressing the Port Commission. He thanked the Port Authority for working with the City of Houston on the 15 acres on the northside of Buffalo Bayou for the expansion of Hidalgo Park. He also noted that he was part of the discussion in 2018 when the Port Authority was contemplating doing a disparity study, was glad that the Port Authority decided to conduct one, and was looking forward to reviewing the findings.

Councilman Gallegos felt that the completion of the disparity study marked the beginning of the future of port operations and that findings of the study would provide

recommendations to resolve past disparities based on race and gender. He was hopeful that a fair playing field would result, so that everyone would have the opportunity of doing business with one of the major economic entities in the City of Houston – the Port Authority.

(c) Chairman Campo recognized Commissioner Roland Garcia, Board of Pilot Commissioners for Harris County Ports, who addressed the Port Commission.

Commissioner Garcia observed that he last addressed the Port Commission at its September 2020 meeting. He was pleased to inform the Port Commission that the Request for Proposals (RFP) process had been completed and contracts had been negotiated and completed – a massive effort by the Transition Committee. A funding milestone had been reached with the Houston Pilots, who had stepped up with an interim 15-month funding plan.

Commissioner Garcia noted that a conservative budget had been passed based in part on estimates that had been received from the Port Authority and in part based on market responses to various RFPs. The budget totaled approximately \$350,000, contracts for an executive director and investigator had been negotiated, and legal counsel had also been obtained through the process. Commissioner Garcia added that a lease had been negotiated with the Economic Alliance Houston Port Region. This was a good location that was well known to the port community.

Finally, Commissioner Garcia explained that there was a request on the agenda to adopt a slimmed down version of the interlocal agreement to facilitate the cooperation and transition of the Pilot Board in perpetuity. This agreement would allow the two entities to promote the common goal of a safe and efficient waterway.

Commissioner Garcia concluded his remarks by assuring the Port Commission that the Pilot Board would be fully independent and self-sustaining, and looked forward to ongoing cooperation with the Port Commission.

(d) Chairman Campo recognized Dr. Elena Craft, Environmental Defense Fund, who addressed the Port Commission.

Dr. Craft introduced herself as the Senior Director for Climate and Health at the Environmental Defense Fund and a toxicologist by training, working on environmental health issues in the Houston region for close to 15 years. She noted that she had gotten to know many Port Authority staff members over the years, had worked closely with them on a variety of environmental issues, and helped secure over \$20 million in grant funding for projects such as the electric yard mule previously mentioned by Mr. Guenther.

Dr. Craft was concerned that Project 11 undermined recent commitments by Port Authority leadership to achieve the goal of being an environmental leader. The project relied on some of the oldest and dirtiest equipment to dredge the channel, ultimately generating as much pollution as an oil refinery or power plant along the channel. She stated that the issue was that the pollution would exacerbate Houston's decades-old problem with ground level ozone and would cause the greatest harm to the communities along the channel.

Dr. Craft explained how ozone contributed to adverse health conditions, such as asthma and heart disease among many others. New research also showed how it contributed to underlying conditions which made COVID-19 deadlier. Recent statements by the Center for Disease Control stated that COVID-19 mortality rates were as much as three times higher in black and brown communities.

Dr. Craft also believed that the Project 11 plan, as it stood, would undermine a lot of work done by her organization with other industry partners along the ship channel to reduce pollution from marine vessels. Many projects had been identified that could reduce such pollution, but Project 11 would erode most of that reduction.

Dr. Craft explained that without offsetting the thousands of tons of pollution generated by Project 11, the project could trigger stricter environmental regulations for companies along the ship channel, because Houston was on the cusp of being designated a severe non-attainment area for ozone. Basically, air pollution was a zero-sum game for the region, and if the Port Authority generated a lot of pollution through its projects, then reductions would ultimately have to be made by others operating in the region.

Dr. Craft noted that the Port Authority had originally told the Texas Commission on Environmental Quality (TCEQ) that it would mitigate dredging pollution by purchasing discreet emission reduction credits for approximately \$16 million. However, for reasons that Dr. Craft thought were unclear, the TCEQ said it was no longer necessary to purchase said credits.

Dr. Craft emphasized that her organization had specific ideas on how to reduce diesel emission pollution from Project 11. She wanted it to be clear that she was not trying to undermine the project, but simply wanted the project to be completed as responsibly as possible and that the Port Authority be held accountable to its mission of being an environmental leader.

Dr. Craft stated that other dredging projects in the country had run into similar issues and had found ways to offset emissions. She provided some examples to Port Authority staff such as the Port of New York/New Jersey, which replaced older tugboats with newer and cleaner engines to offset pollution caused by dredging projects.

Dr. Craft concluded by explaining that TCEQ would not formalize the conformity determination until after the public comment period. She encouraged the public to submit comments asking TCEQ to require mitigation of the thousands of tons of pollution caused by the project.

Chairman Campo appreciated Dr. Craft's comments and concerns. He noted that Project 11 was essentially an U.S. Army Corps of Engineers project with the Port Authority playing a secondary role, and ultimately the Port Authority wanted to be good environmental stewards.

Commissioner Corgey asked Dr. Craft to send him the example from New York/New Jersey.

(e) Chairman Campo recognized Rodney Strong, Project Executive, Griffin & Strong P.C., who addressed the Port Commission and introduced Michele Clark-Jenkins, Project Manager, who presented the findings and recommendations of the Port of Houston Authority 2020 Disparity Study.

Mr. Strong explained that Michele Clark-Jenkins, the project manager, would be giving the presentation on the findings of the disparity study. Other contributors to the project were available to answer any questions.

Ms. Jenkins began her visual presentation by describing in detail the technical approach taken, beginning with a legal analysis and ending with the final report and recommendations. She described a disparity study as an objective research tool that determined whether an inference of active or passive discrimination could be made regarding a governmental agency's contracting, or contracting in the agency's marketplace.

Ms. Jenkins detailed the legal basis for disparity studies. She cited several cases which formed the factual basis for remedial contracting programs, including the 1989 U.S. Supreme Court case *City of Richmond v. J.A. Croson Co.* The case found that preference programs could run afoul of the fourteenth amendment.

Ms. Jenkins outlined the study parameters. The period of study was expenditures between fiscal year 2015 through fiscal year 2019 and included the industry categories of construction, architectural and engineering, professional services, other services, and goods. The relevant geographic market area was Harris, Montgomery, and Fort Bend Counties. Ms. Jenkins noted that more than 85% of the Port Authority's dollars was being spent in the three counties.

Ms. Jenkins explained the measurement basis used to determine if firms were available to do business with the Port Authority. This included looking at firms that demonstrated an interest in doing business with government, that were located within the

market area, and that performed in the relevant industry category. The ability to perform the work was tested in a regression analysis, which showed whether race, ethnicity, or gender factors were impediments to the success of the minority-owned or women-owned business enterprises (M/WBE) in obtaining awards in the marketplace.

Ms. Jenkins referenced the slides in her presentation, which outlined the findings based on industry category, and explained what each column meant and how it related to the findings of the study.

- There was underutilization of M/WBE firms in the construction services and architectural and engineering categories; the figures in the two categories represented both prime and subcontractors.
- Reviewing the findings of the professional services industry category, in which there was no measurable subcontracting, there was an overutilization of Hispanic American firms, a statistically insignificant underutilization of Asian American firms, and overall, an underutilization of M/WBE firms.
- In other services category, both prime and subcontractors were looked at; there was an underutilization of M/WBE firms.
- In the goods category, there were no appreciable subcontractors, which was expected, and an underutilization of M/WBE firms.

Ms. Jenkins described that her firm found statistically significant underutilization of minority and woman owned firms in all five industry categories, except Asian American and Hispanic American owned firms as prime contractors in professional services. Further, a regression analysis found that disparities by race, ethnicity, or gender status of the firm owners remained after controlling for capacity and other race and gender-neutral factors.

Ms. Jenkins also explained that extensive anecdotal collection was conducted, including public hearings, individual interviews, focus groups, informational meetings, surveys, and correspondence with the community. The anecdotal evidence agreed with the statistical evidence collected.

Ms. Jenkins outlined the recommendations resulting from the disparity study.

- The first recommendation revolved around technical assistance and review of specialization. She urged the Port Authority to invite firms to work with others to provide technical assistance to increase the number of firms that could provide assistance to the Port Authority. She also encouraged the Port Authority to provide policies that encouraged and rewarded firms for mentoring M/WBE's.

- The second recommendation was to strengthen institutional support of the small business development program, particularly with the new race and gender components. During interviews it was found that there was not a lot of institutional support for this program.
- The third recommendation was M/WBE subcontracting goals. She noted that the small business program had done an excellent job bringing in M/WBE's as small businesses. About 8% of all awarded contracts were going to small businesses.
- Robust good faith efforts was the fourth recommendation. Firms needed to demonstrate good faith efforts to meet the qualifications to receive an award. If they did not, then the firm should be deemed nonresponsive.
- Another of the recommendations outlined by Ms. Jenkins was a small business reserve program, that would establish a benchmark of dollars under which only small businesses could bid.
- Ms. Jenkins reviewed mandatory subcontracting in professional services as another recommendation. There was very little subcontracting in the category, and bringing in more firms as subcontractors would help expand the potential for M/WBE firms.
- Ms. Jenkins explained how unbundling very large contracts could provide opportunities for smaller M/WBE firms.
- Another recommendation was strengthening outreach and forecasting so that firms were aware that the Port Authority was open to doing business and willing to assist firms wanting to do business with the Port Authority.
- The Port Authority should consider creating tailored commodity codes in order to narrow down the specific types of work and to notify specific businesses of opportunities.
- Finally, Ms. Jenkins concluded her recommendations by highlighting prompt pay review and bonding assistance. Staff interviews had indicated that prompt pay had become an issue for both prime and subcontractors. She also noted that it was not unusual for firms to not bid due to bonding.

Ms. Jenkins outlined the next steps to implementation including accepting the disparity study report and its recommendations; performing a gap analysis to determine which recommendations require new authorizations and which were an enhancement to an existing program; drafting a new program plan; planning for implementation; determining

a budget and setting staffing needs for new program elements; and developing a training protocol and training staff.

Further, Ms. Jenkins explained that an ongoing step for implementation was to execute the five steps of contract compliance.

- These steps began with an initial assessment of individual M/WBE availability and capacity for specific scopes of work
- Then an on-going campaign was needed, to let the M/WBE business community know that the Port Authority wanted to do business and was willing to work with firms to create opportunities.
- Next the Port Authority needed to encourage and assist firms in getting certified as an M/WBE.
- Greater involvement of small business staff was needed in developing solicitations, and all applicable solicitation packages and awarded contracts should include the M/WBE commitments as contract terms.
- Finally, it was essential that there be close monitoring of vendor performance and the efficient closeout of projects to verify that M/WBE firms were performing the work they were contracted to perform and were compensated in a timely manner.

Chairman Campo noted that neither he nor the commissioners had had a chance to review the report in detail, and emphasized that it was a draft report that needed to be fully vetted by the Port Commission.

Commissioner DonCarlos asked for clarification on the availability of the firms versus the capability of the firms. It was stated that there were 532 M/WBE firms available in construction services yet many of the Port Authority's construction projects were marine-based. Commissioner DonCarlos wanted to know if the 532 businesses was a gross figure or if it reflected the actual number of M/WBE's capable of performing marine construction.

Ms. Jenkins explained that when an analysis was done, it was based on the Port Authority's NIGP codes. All the firms listed worked in the respective category but for purposes of a disparity study specific scopes of work were not accounted for. If a firm performed services in the respective NIGP code, then it was counted as available. The analysis performed was for industries, not specific scopes of work. The scopes of work would be considered when contract goal setting was performed.

Commissioner DonCarlos noted that he hoped that specific figures would be looked at to determine which companies were available, and liked the concept of mentoring and training companies to be qualified to do business with the Port Authority. He was concerned that a broad brush painted the picture of disparity, when in fact training and qualifying M/WBE's was needed.

Ms. Jenkins noted there was a big difference between a disparity study, which looked at broad industries, versus the Port Authority's specific scopes of work. This was why contract-by-contract goal setting was a recommendation.

Commissioner DonCarlos hoped that a program uniquely designed for the Port Authority, involving mentoring and qualifying, resulted from the disparity study. He asked Mr. Guenther if the Port Authority had done an in-depth review of the figures.

Mr. Guenther answered that the data was received the prior week and was still being reviewed. The important thing was to understand the basis with which to build a program. He felt the Port Authority's small business program was very good and it needed to be expanded on with a M/WBE program.

He noted there was a significant dollar amount in the goods category that was for the purchase of wharf cranes, but there were typically no businesses in the U.S. capable of filling such a purchase, and these projects were typically exempted from small business goals. Mr. Guenther's point was that he did not want to discount the conclusions of the study but rather wanted to tailor the program to the Port Authority's business.

Chairman Campo commented that the key was understanding the availability in specialized contracts and breaking them down in order to receive as much participation as possible. He noted that in his past public service there were M/WBE goals and contracts with difficult M/WBE components which were set aside and separately identified. All the projects hit 30% M/WBE participation due to training, mentoring, and breaking down contracts into small parts.

He used the Marriott Marquis hotel as an example which was built privately but with some public funds. Breaking up the contracts to hit 30% M/WBE goals was difficult, but in the end, there was not an extra dollar spent and some of the M/WBE contractors performed better.

Ms. Jenkins asked that the Port Commission consider the issue of discrimination as well. There may be firms that currently cannot do the work but for discrimination. The disparity study inserted the aspect of discrimination. There were no exclusions in the study, it looked at every dollar spent, and which firms those dollars went to. It did not consider which firms could perform the work and which could not.

Commissioner Creuzot asked for clarification regarding the availability of firms, and whether Ms. Jenkins was able to determine the total number of firms in any given area that had expressed interest in working with the Port Authority. Ms. Jenkins clarified if a firm had expressed interest in doing government work, was inside the market area, and provided the services in the industry category, then the firm was counted.

(f) Chairman Campo recognized Ingrid Robinson, President, Houston Minority Supplier Development Council, who addressed the Port Commission.

Ms. Robinson stated her council represented over 150 major corporations and over 650 minority owned businesses across all ethnicities and generated \$1.4 billion in incremental business tax revenue and \$23 billion in economic production to the City of Houston. She commented that the Port Authority's current small business program was designed for businesses through a race-neutral means of encouraging M/WBE business to participate.

Ms. Robinson commented that the results of the disparity study showed that more inclusion of M/WBE firms was needed. She encouraged the Port Authority to develop a race- and gender-conscious program. As a member of the Port Authority's Small Business Advisory Council, she offered her council's assistance and expertise in minority business development to identify and encourage strategies to increase M/WBE participation.

Ms. Robinson emphasized that there was always much more that could be done to ensure that the ideas and goals of a small business program were being met. She was not happy that such disparity had been identified but was excited by the opportunities based on the recommendations made from the disparity study.

Ms. Robinson stated that in technical assistance and review of specialization, the Houston Minority Supplier Development Council could assist through a program called Pathways to Excellence. The program was used by both public and private sector entities to ensure that M/WBE firms could meet qualifying needs. Her council also participated in a national network to help identify M/WBE entities that could be brought to the area and partner with Houston-area firms.

Ms. Robinson noted that her council had a committee to help M/WBE entities to partner together to compete for opportunities not otherwise attainable singlehandedly. By helping form strategic alliances, the Houston Minority Supplier Development Council was able to identify firms that could potentially meet the desired requirements for the Port Authority.

Ms. Robinson felt that her council could identify M/WBE entities in oil and gas and offshore that could provide capabilities to the Port Authority.

(g) Chairman Campo recognized Nannette Ray, Chair, MBEIC (MBE Input Committee), Houston Minority Supplier Development Council, who addressed the Port Commission.

Ms. Ray stated she was the incoming chair of MBEIC which was the voice of minority business owners to the 150 major corporations and government entities that support the Houston Minority Supplier Development Council. Her council generated nearly \$17 billion in annual revenue and over \$4 billion in salaries and benefits, which created a stronger supply chain for its corporate members.

Ms. Ray asked the Port Authority to consider a few things on behalf of all the businesses she represented. She encouraged the Port Authority to adopt the recommendations based on the data in the disparity study, which would lead to a program that considered the ethnic and gender diversity of its vendors.

Additionally, Ms. Ray offered the assistance of her council to identify barriers and offer narrowly-tailored solutions to remove obstacles in the procurement process. She also offered to host a focus group or meeting of member MBE entities to engage in an active discussion on how to increase engagement and utilization of MBE entities.

(h) Chairman Campo recognized Terence Narcisse, Executive Director, East Harris County Empowerment Council, who addressed the Port Commission.

Mr. Narcisse stated that the mission of his council was to improve the quality of life for the cities of Jacinto City and Galena Park, along with the unincorporated communities of Crosby, Channelview, Sheldon, and North Shore. His council was also a member of the Healthy Port Communities Coalition. He found the data from the disparity study to be very interesting and felt that there were several opportunities for the region to be stronger.

He asked the Port Commission if the study would be released in its entirety to the public, and Chairman Campo replied that the disparity study would be released in full to the public.

Mr. Guenther added that the timing on the release may be a few weeks, as staff needed to review the report in full and absorb the data. Chairman Campo agreed with Mr. Guenther and reiterated that a few weeks were needed to review and digest the information. He emphasized that once a program was organized then the committee and Port Commission meetings would be open to the public as well.

(2020-1208-04) Chairman Campo recognized Mr. Heidt to provide a report of selected Executive agenda items.

Mr. Heidt explained that agenda Item F2 was to approve a service agreement with the Greater Houston Port Bureau to provide vessel traffic movement data in real time and to subscribe to its HarborLights system.

Mr. Heidt noted that Item F3 was for the approval and adoption of the proposed 2021 annual audit plan. The plan was discussed and approved by the Audit Committee. There were no major changes to the plan.

Finally, Mr. Heidt stated that Item F4 was the amendment to the interlocal agreement with the Board of Pilot Commissioners for Harris County Pilots that had been discussed earlier.

(2020-1208-05) RCA F1 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

(2020-1208-06) RCA F2 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

(2020-1208-07) RCA F3 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F3 PASSED.

(2020-1208-08) RCA F4 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F4 PASSED.

(2020-1208-09) Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial agenda items.

Mr. Heidt addressed agenda Item G2 – the approval of a sixth amendment with Sesco Cement for the leased property on the southside of the Turning Basin Terminal. Sesco originally had a thirty-one-and-a-half-year lease and wanted to extend the term to fifty years effective from the lease start date of June 1, 2017. Additionally, Sesco would increase its minimum annual guarantee commitment from the current annual amount of one million short tons to two million.

(2020-1208-010) RCA G1 was presented, moved by Commissioner Mease, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2020-1208-11) RCA G2 was presented, moved by Commissioner Mease, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2020-1208-12) RCA G3 was presented, moved by Commissioner Mease, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2020-1208-13) Chairman Campo recognized Mr. Heidt to provide a report of selected Finance agenda items.

Mr. Heidt addressed agenda Item H2, the authorization of payment for services related to outstanding general obligation bonds, to the Harris County Appraisal District for appraisal services to be provided to the Port Authority for fiscal year 2021 at \$405,000 and to the Harris County Tax Assessor-Collector for collection services in the amount of \$1.1 million.

Mr. Heidt stated that agenda Item H4 was to approve the actuarial valuation report for the Port Authority's Restated Retirement Plan. He remarked that after the report, which was dated August 1, 2020, the fund was valued at \$191 million, which was 93.4% funded, and reflected a very strong program.

Mr. Heidt continued: agenda Items H5 and H6 pertained to the Port Authority's retirement plan and other post-employment benefits (OPEB) plan. The request was to amend the investment policy of the two plans to remove the real assets portfolio. The Port Authority had never purchased anything under said asset category and staff had reconsidered its use in the programs.

Mr. Heidt further explained that the two proposed amendments would also give the domestic equity manager flexibility to invest in a security relative to that security's weighting within the managers benchmark.

(2020-1208-14) RCA H2 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2020-1208-15) RCA H3 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2020-1208-16) RCA H4 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2020-1208-17) RCA H5 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2020-1208-18) RCA H6 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H6 PASSED.

(2020-1208-19) RCA H1 was presented.

Commissioner Cloonan moved to authorize the Executive Director to develop a plan of action and program for the Port Commission's consideration to address disparities in the participation of small-, minority-, and woman-owned businesses in Port Authority contracts.

The proposed plan of action and program should address departmental responsibilities for, but not be limited to, the following:

- Development of goals, objectives, and measurements;
- Implementation guidelines;
- Procurement and award of contracts;
- Monitoring, administration, and accountability of these contracts; and
- Awareness and accessibility of the program and its administration.

It should also include budget recommendations for proposed staffing, support, training, necessary technology investments, and timelines.

Seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

Commissioner Cloonan expressed her appreciation for the Port Authority's Disparity Study. She recognized that it was still under review and being refined, but she knew that it was a long time in coming. Given the information and benchmarking that the Port Authority had, it was time to move forward with a plan to address and eliminate barriers for M/WBE firms seeking to do business. The policy changes and programs could be coupled with procedures to effectuate the intent of the policy but making sure it was done with fidelity. She felt it was an opportunity where the Port Authority could do better and, in the end, it would be a benefit to the greater Houston region and community.

Commissioner Corgey thought Commissioner Cloonan had laid out a great program, looked forward to working on it, and felt that it was time to get it completed. He noted there was an immense amount of support within the community.

Chairman Campo thanked the entire team at the Port Authority for the work done on the disparity study.

(2020-1208-20) Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure agenda items.

Mr. Heidt stated that agenda Item I1 was to award a two-year environmental consulting agreement to Spirit Environmental for general environmental services. This was for conducting field studies and inspections, assisting with regulatory review and permitting, conducting environmental site assessments, assisting with asbestos and mold consulting, and assisting with other activities related to the environmental management system.

Mr. Heidt remarked that agenda Item I2, a professional services contract with Jacobs Engineering, was for the design of Wharf 7 at the Bayport Container Terminal. The wharf was approximately 1,000 feet in length built to the depth of 51 feet and capable of handling the 158-foot ship-to-shore cranes. The design would take approximately a year, with construction to follow. The entire project was expected to be completed in late 2023.

Finally, Mr. Heidt explained that agenda Item I13 was to enter into a reimbursement agreement for design and permitting with Energy Transfer Operating L.P. for design and permitting related to pipeline movements related to Project 11. Previous pipeline agreements approved by the Port Commission had been related to Segment 4 of Project 11; the current agenda item pertained to a pipeline located in Segment 1. Mr. Heidt explained that by federal rule, the Port Authority was required to pay fifty percent of the cost of the relocation.

Commissioner Mease questioned agenda Item I2. He understood it was extremely hard to understand the circumstances surrounding the engineering, but asked that whoever

engineered the design made sure numerous change orders did not result. He felt that more investigation could be done to stop the numerous change orders that tended to result.

(2020-1208-21) RCA I1 was presented. Commissioner DonCarlos moved for staff ranking – first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, InControl Technologies, Inc., seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2020-1208-22) RCA I2 was presented. Commissioner DonCarlos moved for staff ranking – first, Jacobs Engineering Group, Inc.; second, Hatch Associates Consultants, Inc.; and third, AECOM Technical Services, Inc., seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2020-1208-23) RCA I3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2020-1208-24) RCA I4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2020-1208-25) RCA I5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2020-1208-26) RCA I6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2020-1208-27) RCA I7 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2020-1208-28) RCA I8 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan,

Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2020-1208-29) RCA I9 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2020-1208-30) RCA I10 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2020-1208-31) RCA I11 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I11 PASSED.

(2020-1208-32) RCA I12 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I12 PASSED.

(2020-1208-33) RCA I13 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I13 PASSED.

(2020-1208-34) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Operations agenda items.

Mr. Heidt noted that agenda Item J3 was to reissue and amend Port Authority Tariff Nos. 8, 14, and 15 covering the Turning Basin Terminals, the Barbours Cut Container Terminal, and the Bayport Container Terminal. There were three items to be adjusted: first, to increase the Harbor Fee by 3% to help the Port Authority break even on its fire protection responsibility; second, a revision of time disputes to rental charges; and third, revision of gate charges on empty containers and bare chassis at Barbours Cut Container Terminal.

Mr. Heidt explained that in April of 2020 the Port Commission authorized a freeze of the volume incentive timing for May 1 through October 1. January 2021 rates were based of the period the freeze was authorized. Agenda Item J6 was therefore a request to continue the volume incentive through the next six-month period.

Finally, Mr. Heidt highlighted Item J7 to authorize an amendment to the Industrial Water Supply Agreement with the City of Pasadena. The original agreement was very complicated, due to the old cruise terminal. The updated agreement would restate the allowable annual maximum usage, update boundaries of the Bayport Terminal complex, and provide for a monthly credit to the Port Authority for completed utility infrastructure.

(2020-1208-35) RCA J1 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2020-1208-36) RCA J2 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2020-1208-37) RCA J3 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2020-1208-38) RCA J4 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2020-1208-39) RCA J5 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2020-1208-40) RCA J6 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2020-1208-41) RCA J7 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2020-1208-42) RCA J8 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2020-1208-43) Chairman Campo recognized Mr. Heidt to provide a report of selected People agenda items.

Mr. Heidt noted that the first three agenda items were all related and were for the self-funded medical group benefits program. Item K1 was for the stop-loss insurance coverage for individual claims over \$175,000 and aggregate claims for the entire program of \$18 million, Item K2 was for the third-party administration services for the program, while Item K3 was for payment of the actual program in the amount of \$15.5 million. He noted that 2019 was a good year to switch to a self-funded program and 2020 looked good because few people used medical benefits.

Commissioner Corgey felt that staff did a great job. The numbers looked very competitive on the stop-loss.

(2020-1208-44) RCA K1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2020-1208-45) RCA K2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2020-1208-46) RCA K3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2020-1208-47) RCA K4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2020-1208-48) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Security and Emergency Operations agenda items.

Mr. Heidt noted that Item L1 was for the award of a two-year contract for shipyard maintenance services for six Port Authority vessels. The majority of the contract was for the three fireboats, while the rest was for the Sam Houston and various workboats. The contract was strictly for maintenance; any major issues with the vessels would be brought to the Port Commission for approval.

Mr. Heidt continued: Item L3 pertained to a renewal of a memorandum of understanding with the City of Houston to provide closed point of dispensing services in the event of a public health emergency. If there was a public health emergency, Port Authority employees and their families would be able to receive medication and medical supplies during such emergencies. This service would not include any COVID-19 vaccine treatments.

(2020-1208-49) RCA L1 was presented. Commissioner Corgey moved for staff ranking – first, Southwest Shipyard, L.P.; second, National Cotton Inc. dba Pier 77 Marine; and third, Marine TeKno Services, LLC, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2020-1208-50) RCA L2 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2020-1208-51) RCA L3 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2020-1208-52) Chairman Campo recognized Mr. Heidt to provide a report of selected Technology agenda items.

Mr. Heidt noted that agenda Item M1 was to approve staff ranking of a five-year security services contract in the amount of \$3.1 million subject to a potential grant reimbursement in the amount of \$450,000. The contract was for a security operations center, system information and event management, a threat intelligence platform, and security orchestration and automated response services.

(2020-1208-53) RCA M1 was presented. Commissioner DonCarlos moved for staff ranking – first, Critical Start, Inc.; second, Red River Technology LLC; and third, Fulcrum Technology Solutions, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2020-1208-54) RCA M2 was presented. Commissioner DonCarlos moved for staff ranking – first, Red River Technology LLC; second, Critical Start, Inc.; and third, CapGemini America, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2020-1208-55) RCA M3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M3 PASSED.

Chairman Campo called for an Executive Session and asked Mr. Eriksson to make the following announcement:

It is now 11:08 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultations regarding (a) Kozlowski, et al v. Buck et al and (b) proposed amendments to the agreements for legal services with (i) Baker Wotring LLP, (ii) Haynes and Boone, LLP, (iii) W. Allyn Hoaglund, and (iv) Amy Loeserman Klein; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Barbour's Cut Terminal and Beltway 8 vicinity properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), including deliberation regarding amendment to the employment agreement with the Executive Director of the Port Authority; and Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*).

Immediately thereafter the Port Commission retired into closed session.

At 12:21 p.m., Chairman Campo reconvened the open meeting via Cisco WebEx with the following Commissioners, staff, and counsel in attendance:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Dean Corgey, Commissioner
Cheryl Creuzot, Commissioner
Stephen DonCarlos, Commissioner

Clyde Fitzgerald, Commissioner
Roy Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

(2020-1208-56) Commissioner Mease moved to authorize Chairman Campo to negotiate with Roger Guenther on future compensation, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

(2020-1208-57) Commissioner Corgey moved to authorize the Port Authority to enter into or amend the agreements for legal services with (a) Baker Wotring LLP, (b) Haynes and Boone, LLP, (c) W. Allyn Hoaglund, and (d) Amy Loeserman Klein on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

Chairman Campo wished all attendees a happy holiday.

At 12:23 p.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the December 8, 2020 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Approve the Port Authority's membership in the National Association of Waterfront Employers and payment of dues for a period of one year in the amount of \$65,000.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority's membership in the National Association of Waterfront Employers (NAWE) and payment of dues for a period of one year in the amount of \$65,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Government and Public Relations

Staff Contact:

Kerrick Henny

Background:

NAWE is the representative of U.S. marine terminal operators and the stevedoring industry in Washington, D.C., promoting marine cargo efficiency, security and health, a clean environment, international trade, and economic growth through advocacy, education, and industry cooperation. As a port authority and a marine terminal operator, our engagement and alignment with other port authorities and waterfront employers on common interests and issues through NAWE should strengthen needed advocacy at the federal level.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve a one-year membership in the organization to support the Port Authority's mission.

F. EXECUTIVE

Subject	2. Enter into a service agreement with the Greater Houston Port Bureau, Inc. to provide vessel traffic movement data (real-time and historical) for a one-year period in the amount of \$80,000, and subscribe to HarborLights for twenty-five users in the amount of \$10,000, for a total of \$90,000.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, enter into a service agreement with the Greater Houston Port Bureau, Inc. to provide vessel traffic movement data (real-time and historical) for a one-year period in the amount of \$80,000, and subscribe to HarborLights for twenty-five users in the amount of \$10,000, for a total of \$90,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments & Change Orders

Department:

Executive

Staff Contact:

Tom Heidt

Background:

By Minute No. 2019-1211-11, the Port Commission authorized a service agreement with the Greater Houston Port Bureau, Inc. (GHPB), which expires December 31, 2020.

The GHPB is the non-profit agency representing over 800 organizations in the Texas Gulf maritime community. The GHPB generally serves as one of the Port Authority's links to its member businesses, acts as an advocate on behalf of the Port Authority and its other members, and provides other services to its members.

Staff Evaluation/Justification:

Staff recommends that in 2021 the Port Authority continue with GHPB services, by entering into a one-year contract to provide vessel traffic movement data (real-time and historical), and subscription services to HarborLights, and when appropriate, to assist the Port Authority in regulatory and economic development matters. These services could also include expert advice on safety, security, and environmental response issues provided by a prior U.S. Coast Guard Captain of the Port who heads up the GHPB.

Separately, staff proposes to continue as a member of the GHPB, and participate in other activities on an individual basis.

F. EXECUTIVE

Subject	3. Approve and adopt the proposed Internal Audit 2021 Annual Audit Plan.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, approve and adopt the proposed 2021 Annual Audit Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Internal Audit

Staff Contact:

Maxine Buckles

Background:

Section 5007.226(e) of the Texas Special District Local Laws Code requires that the Port Commission "create, approve, and make available on the authority's website a risk-based annual audit plan."

During the third quarter of 2020, the Port Authority's Internal Audit group updated the Annual Risk Assessment (ARA) in accordance with applicable professional auditing standards. Based on the ARA results, and input from the Audit Committee and Port Authority staff, Internal Audit drafted a proposed Annual Audit Plan to serve as the primary guide to carry out its audit responsibilities in an efficient manner for the 2021 fiscal year.

Staff Evaluation/Justification:

The proposed Annual Audit Plan was presented to the Audit Committee at its meeting on October 27, 2020.

The plan focuses on the following key areas:

- Infrastructure (e.g., project and construction management);
- Administration and governance (e.g., human resources);
- Information Technology (e.g., cybersecurity governance, and inventory management);
- Finance and Accounting (e.g., revenue reporting, OPEB, contract compliance, and investments);
- Procurement (e.g., policies and procedures, and interlocal co-op agreements); and
- Entity Compliance (e.g., federal regulations, statutes, tariffs, and internal policies).

The plan is a flexible commitment and may be revised during the year with guidance and input from the Audit Committee, input from Port Authority staff based on audit results and findings, and consideration of internal control procedures and assessment of high-risk areas.

Following review of and discussion regarding the draft plan with the Audit Committee, staff recommends the Port Commission approve and adopt the proposed Internal Audit 2021 Annual Audit Plan.

F. EXECUTIVE

Subject	4. Authorize an amendment to the Amended Interlocal Agreement with the Board of Pilot Commissioners for Harris County Ports to provide for limited services.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize an amendment to the Amended Interlocal Agreement with the Board of Pilot Commissioners for Harris County Ports (Pilot Board) to provide for limited services, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Legal

Staff Contact:

Erik Eriksson

Background:

Beginning in 1923, the regulation of pilot services by the Pilot Board has been an adjunct to the Port Authority's control over channels and waterways and has served to improve the efficiency and effectiveness of the Pilot Board's regulatory efforts.

In order to formalize the cooperation of the two entities, interlocal agreements have been adopted between them, which both parties are authorized to enter into under Texas Government Code Section 791 (the Interlocal Cooperation Act).

As a result of a new appointment process provided in S.B. 1915 enacted by the 86th Legislature in 2019, following the resignation of Port Commissioners from the Pilot Board, separately appointed Pilot Board members succeeded to its governance.

Staff Evaluation/Justification:

An Amended Interlocal Agreement was adopted on December 11, 2019 by both entities, to continue the existing cooperative arrangements and permit the newly seated Pilot Board members to implement new arrangements for carrying out the Pilot Board's statutory duties. The agreement has been extended through December 31, 2020.

The transition process will be complete at year-end, but to facilitate the continued effective discharge of its duties, at its December 7 meeting the Pilot Board acted to request that the Port Commission approve an amendment to the agreement, to provide for limited services. It also authorized that amendment on its own behalf.

- These services would be limited to Port Authority staff consulting and legal advice and non-material use of existing Port Authority resources, e.g. short-term storage.
- The services would not include the expenditure of Port Authority funds.

Legal Division staff recommends that the Port Commission approve an amendment to the Amended Interlocal Agreement with the Board of Pilot Commissioners for Harris County Ports to provide for limited services.

G. COMMERCIAL

Subject	1. Approve a one-year lease with R. Warehousing & Port Services, Inc. for approximately 8.32 acres at Northside Turning Basin effective no earlier than January 1, 2021, at an annual rent of \$193,789.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, approve a one-year lease with R. Warehousing & Port Services, Inc. for approximately 8.32 acres at Northside Turning Basin effective no earlier than January 1, 2021, at an annual rent of \$193,789, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:
By Minute No. 2010-1214-15, the Port Commission authorized the Port Authority and R. Warehousing & Port Services, Inc. to enter into a five-year lease term with a five-year option covering approximately 8.32 acres at the Northside Turning Basin, Port of Houston Block 20A. This lease is expiring. The property is used for the storage and handling of steel products.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve this proposed one-year lease agreement.

G. COMMERCIAL

Subject	2. Approve a sixth amendment to the Lease Agreement with SESCO Cement Corp. for approximately 20.14 acres out of the Turning Basin West to extend the original lease term from thirty-one years and six months to fifty years, effective January 1, 2021, at an annual rent of \$396,455 subject to annual base rent escalation of the Consumer Price Index not to exceed 4%.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, approve a sixth amendment to the Lease Agreement with SESCO Cement Corp. for approximately 20.14 acres out of the Turning Basin West to extend the original lease term from thirty-one years and six months to fifty years, effective January 1, 2021, at an annual rent of \$396,455 subject to annual base rent escalation of the Consumer Price Index not to exceed 4%, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

Sesco Cement Corp. (Sesco) entered into a Lease Agreement with the Port Authority for approximately 10.67 acres of land out of the Turning Basin West commencing on June 1, 2017. The Lease Agreement has since been amended five times, increasing the Leased Premises to the current 20.14 acres in addition to other changes and modifications specifically provided in each amendment.

Under the proposed amendment, addition to the financial value of rental income for the extended term, SESCO would increase its Minimum Annual Guarantee (MAG) commitment from the current annual amount of 1,000,000 short tons to 2,000,000 short tons for years 1 through 5 of the Lease, with additional tonnage to be reconciled upon conclusion of year five of the Lease.

Sesco has completed the development of one of the largest cement processing, bagging, and waterborne shipping operations in the nation. The facility went operational in September 2020.

Staff Evaluation/Justification:

Staff recommends approval of a sixth amendment to the lease to extend the term for an additional eighteen years and six months effective January 1, 2021.

G. COMMERCIAL

Subject	3. Authorize the extended term of a month-to-month lease with R. Warehousing & Port Services, Inc. for approximately 2 acres out of the Northside Turning Basin effective no earlier than January 1, 2021 with a 3% annual increase on an existing month-to-month premium rate for an annual rent of \$91,142.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to extend the term of a month-to-month lease with R. Warehousing & Port Services, Inc. for approximately 2 acres out of the Northside Turning Basin effective no earlier than January 1, 2021 with a 3% annual increase on an existing month-to-month premium rate for an annual rent of \$91,142, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:

The Port Authority currently has a month-to-month lease with R. Warehousing & Port Services, Inc. at the Port Authority's Northside Turning Basin property, that will be in effect for more than one year as of December 31, 2020. R. Warehousing & Port Services, Inc annual rental is currently \$88,488 and is based upon the premium rate for a month-to-month lease. R. Warehousing & Port Services, Inc. uses the leased premises for the storage of steel.

An amendment to the Water Code adopted in the 2011 legislative session requires that the Port Commission approve month-to-month leases in effect for more than one year.

Staff Evaluation/Justification:

Authorize the extended term of a month-to-month lease with R. Warehousing & Port Services, Inc. for approximately 2 acres out of the Northside Turning Basin effective no earlier than January 1, 2021 with a 3% annual increase on an existing month-to-month premium rate for an annual rent of \$91,142.

H. FINANCE

Subject	1. Review, deliberation, and possible action regarding the Port of Houston Authority 2020 Disparity Study.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action, Report
Recommended Action	The Port Commission, at its December 8, 2020 meeting, review, deliberate, and consider taking possible action regarding the Port of Houston Authority 2020 Disparity Study, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to any such action.
Goals	<p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p> <p>Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port</p> <p>Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact</p> <p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p> <p>Strategic Objective 3b. - Demonstrate transparency and accountability</p> <p>Strategic Objective 3a. - Cultivate key relationships to accomplish common goals</p>

Category:

General

Department:

Finance

Staff Contact:

Gilda Ramirez

Background:

After consideration by and recommendations from the Procurement and Small Business Development Task Force, the Port Commission, at its July 29, 2019 meeting, awarded a professional services contract for disparity study consulting services to Griffin & Strong, P.C.

The study aim was to determine the availability of qualified small-, minority-, and woman-owned businesses in the Port Authority's market area, and analyze the extent to which disparities, if any, exist in the Port Authority's utilization of such businesses in its contracting processes. Additionally, to the extent significant disparities were found to exist, the disparity study was to examine the extent to which these disparities might have been impacted by past or present discrimination.

The scope of the study work conducted by the consultant and its team included:

- Data assessment
- Quantitative data collection
- Case law and policy reviews
- Extensive outreach including interviews and surveys
- Private sector, market, utilization, availability, and disparity analyses, and
- Preparation of its final report, the Port of Houston Authority 2020 Disparity Study.

Staff anticipates that the firm would publicly present the study at the December 8, 2020 meeting.

Staff Evaluation/Justification:

Staff anticipates that the disparity study conclusions can serve as the foundation for enhancements to the Port Authority's existing Small Business Development Program, and for future policies and programs focused on inclusion and equity in the Port Authority's procurement and contracting practices.

Accordingly, staff requests that the Port Commission deliberate and consider taking possible action regarding the Port Authority 2020 Disparity Study, including instruction to staff to develop measures to address disparities in the participation of small-, minority-, and woman-owned businesses in Port Authority contracts.

H. FINANCE

Subject **2. Authorize payment to the Harris County Appraisal District for appraisal services to be provided to the Port Authority for fiscal year 2021 in an amount not to exceed \$405,000, and authorize payment to the Harris County Tax Assessor-Collector for collection services for the 2020 tax year in an amount not to exceed \$1,100,000.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, (a) authorize payment to the Harris County Appraisal District for appraisal services to be provided to the Port Authority for fiscal year 2021 in an amount not to exceed \$405,000, (b) authorize payment to the Harris County Tax Assessor-Collector for tax collection services for the 2020 tax year in an amount not to exceed \$1,100,000, and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

General

Department:

Controller

Staff Contact:

Curtis Duncan

Background:

The Harris County Appraisal District provides appraisal services to the Port Authority in connection with its ad valorem taxes. As provided in Section 6.06(d), Texas Property Tax Code, "each taxing unit [e.g., the Port Authority] participating in the [appraisal] district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the [appraisal] district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the [appraisal] district by each participating unit for that year."

In addition, pursuant to statute, the Harris County Tax Assessor-Collector is charged with the assessment and collection of taxes levied on behalf of the Port Authority within the Port Authority's jurisdiction, and receives compensation for such services as agreed to by the Port Commission and Harris County Commissioners Court. In July 2007, the Harris County Commissioners Court adopted a fee schedule, which remains in use at the present time, such that each taxing unit is charged property tax collection fees at the rate of \$1.10 per parcel plus \$0.0275 per hundred dollars of taxable valuation.

Staff Evaluation/Justification:

The Harris County Appraisal District has indicated that the estimated cost allocation to the Port Authority for appraisal services to be provided for fiscal year 2020 is under \$405,000. Staff recommends that the Port Commission authorize payment of such expense, which is usually invoiced and paid in four quarterly installments, the first of which is due by December 31, 2020, in the not to exceed amount referenced above.

The Harris County Tax Assessor-Collector notified the Port Authority that the estimated preliminary property tax collection fees for the 2020 tax year is under \$1,100,000. This fee is normally withheld at

the rate of 2.5% from all Port Authority tax collections starting July 2020 until the full amount is collected.

Staff also recommends Port Commission authorization of such collection fees, in the not to exceed amount referenced above.

H. FINANCE

Subject **3. Acknowledge receipt and filing of the revised report regarding the Port of Houston Authority Restated Retirement Plan prepared by AndCo Consulting LLC, an independent investment consultant, as required by Texas Government Code Sec. 802.109.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, acknowledge receipt and filing of the revised report regarding the Port of Houston Authority Restated Retirement Plan prepared by AndCo Consulting LLC, an independent investment consultant, and authorize the Executive Director to submit such report on its behalf to the State Pension Review Board, all as required by Texas Government Code Sec. 802.109.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

Changes to Texas Government Code Chapter 802 were enacted in the 86th Legislative Session in 2019 to expand and update the reporting requirements for public retirement systems. Senate Bill No. 322 requires a retirement system to engage an independent firm to evaluate the appropriateness, adequacy, and effectiveness of investment practices and performance and to make recommendations for improving the investment policies, procedures, and practices.

By Minute No. 2020-0428-18, the Port Commission acknowledged the receipt and filing of such a report at its April 28, 2020 Port Commission meeting.

In July 2020, Port Authority staff and AndCo Consulting LLC both received feedback from the Texas Pension Review Board (PRB) regarding recommended revisions to the report these are stated below:

- The report did not offer areas of recommended improvements to investment performance, or if there were no recommended improvements, the report did not explain why, and
- AndCo Consulting LLC did not include an explanation as to why the firm was qualified to provide the review and prepare the report.

AndCo Consulting LLC has now prepared and delivered the revised investment performance report for the Port Authority Restated Retirement Plan.

Staff Evaluation/Justification:

AndCo Consulting LLC is an independent investment consulting firm qualified to provide the required performance and investment practice evaluation report and is currently under contract to provide the Port Authority with investment consulting services for the Port of Houston Authority Restated Retirement Plan.

The current AndCo Consulting LLC contract will cover this additional service at no additional cost or expense to the Port Authority or the Port of Houston Authority Restated Retirement Plan.

Staff presented the revised report to the November 10, 2020 Pension and Benefits Committee. At that meeting, the Pension and Benefits Committee approved staff's recommendation that the Port Commission acknowledge receipt of this revised report.

Accordingly, staff recommends that the Port Commission acknowledge receipt and filing of the revised report prepared by AndCo Consulting LLC, regarding the Port of Houston Authority Restated Retirement Plan.

H. FINANCE

Subject	4. Approve the actuarial valuation report dated as of August 1, 2020 for the Port of Houston Authority Restated Retirement Plan (Pension Plan).
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, (a) approve the actuarial valuation report dated as of August 1, 2020 for the Port of Houston Authority Restated Retirement Plan (Pension Plan), (b) authorize staff to file the report with the Texas Pension Review Board, and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

General

Department:

Controller / Treasury

Staff Contact:

Curtis Duncan / Roland Gonzalez

Background:

Section 802.101, Texas Government Code, states:

“(a) The governing body of a public retirement system shall employ an actuary, as a full-time or part-time employee or as a consultant, to make a valuation at least once every three years of the assets and liabilities of the system on the basis of assumptions and methods that are reasonable in the aggregate, considering the experience of the program and reasonable expectations, and that, in combination, offer the actuary's best estimate of anticipated experience under the program. The valuation must include a recommended contribution rate needed for the system to achieve and maintain an amortization period that does not exceed 30 years.

(b) On the basis of the valuation, the actuary shall make recommendations to the governing body of the public retirement system to ensure the actuarial soundness of the system. The actuary shall define each actuarial term and enumerate and explain each actuarial assumption used in making the valuation. This information must be included either in the actuarial study or in a separate report made available as a public record.

(c) The governing body of a public retirement system shall file with the State Pension Review Board a copy of each actuarial study and each separate report made as required by law.

(d) An actuary employed under this section must be a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, or an enrolled actuary under the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.).”

The actuarial valuations for the Pension Plan are prepared by Milliman, the Port Authority's actuary, using investment return assumption rates approved by the Port Commission.

By Minute No. 2020-1027-11, the Port Commission last approved a reduction of the actuarial assumption rate from 6.50% to 6.25%.

Staff Evaluation/Justification:

Milliman has prepared an actuarial valuation report for the Pension Plan, dated as of August 1, 2020, showing an actuarial value of Pension Plan assets of \$191,251,270, and an Unfunded Actuarial Accrued Liability (UAAL) of \$13,596,861. Using the approved actuarial assumption rate of 6.25% and other reasonable assumptions and methodologies, Milliman has estimated the Actuarially Determined Contribution (ADC) for the fiscal year ending July 31, 2021 to be \$5,833,536. As of August 1, 2020, the funded ratio of the Pension Plan was 93.4%.

Staff recommends that the Port Commission approve the Pension Plan actuarial valuation report dated as of August 1, 2020, whereupon staff would post the report on the Port Authority's website (<http://porthouston.com>) and file it with the Texas Pension Review Board in compliance with statutory requirements.

H. FINANCE

Subject **5. Adopt an amended investment policy for the Port of Houston Authority Restated Retirement Plan (Pension Plan).**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, adopt an amended investment policy for the Port of Houston Authority Restated Retirement Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:
General

Department:
Treasury

Staff Contact:
Roland Gonzalez

Background:
By Minute 2019-1211-32, the Port Commission last adopted an amended investment policy for the Pension Plan, which states:

"To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy (the "Policy") for the Port of Houston Authority Restated Retirement Plan (the "Plan"), the Port Commission of the Port of Houston Authority of Harris County, Texas (the "Commission") will endeavor to review the Policy at least annually."

Staff Evaluation/Justification:

Staff and the Port Authority's pension consultant, AndCo Consulting, LLC, propose several revisions to the investment policy, including:

- Removal of one asset class:
 - Real Assets Portfolio (consisting of Infrastructure and MLP assets),
- Revisions to the Target Asset Allocations resulting from the removal of the above asset class:
 - Large Cap Domestic to 20.0%, from 15.0%
 - Global Tactical Asset Allocation (GTAA) to 5.0%, from 2.5%. This strategy attempts to exploit short-term market inefficiencies or long-term market trends across asset classes or sectors.
- Revisions to the Overall Investment Objective (to ensure the composite benchmark mix corresponds proportionally to the new Target Asset Allocation).
- Provide domestic equity managers flexibility to invest in a security relative to that security's weighting within the manager's benchmark.

The proposed Policy changes comply with applicable statutes, including Chapter 802, Texas Government Code. The Pension and Benefits Committee and staff recommend that the Port Commission adopt an amended investment policy for the Pension Plan, as proposed.

H. FINANCE

Subject **6. Adopt an amended investment policy for the Port of Houston Authority OPEB Plan, an irrevocable trust established for other post-employment benefits.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, adopt an amended investment policy for the Port of Houston Authority Other Post Employment Benefit OPEB Plan, an irrevocable trust established for other post-employment benefits, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

By Minute 2019-1211-33, the Port Commission last adopted an amended investment policy for the OPEB Plan, which states:

"To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy (the "Policy") for the OPEB Trust (the "Trust"), the Port Commission of the Port of Houston Authority of Harris County, Texas (the "Commission") will endeavor to review the Policy at least annually."

Staff Evaluation/Justification:

Staff and the Port Authority's pension consultant, AndCo Consulting, LLC, propose several revisions to the investment policy, including:

- Removal of one asset class:
 - Real Assets Portfolio (consisting of Infrastructure and MLP assets),
- Revisions to the Target Asset Allocations resulting from the removal of the above asset class:
 - Large Cap Domestic to 20.0%, from 15.0%
 - Global Tactical Asset Allocation (GTAA) to 5.0%, from 2.5%. This strategy attempts to exploit short-term market inefficiencies or long-term market trends across asset classes or sectors.
- Revisions to the Overall Investment Objective (to ensure the composite benchmark mix corresponds proportionally to the new Target Asset Allocation).
- Provide domestic equity managers flexibility to invest in a security relative to that security's weighting within the manager's benchmark.

The proposed Policy changes comply with applicable statutes. The Pension and Benefits Committee and staff recommend that the Port Commission adopt an amended investment policy for the OPEB Plan, as proposed.

I. INFRASTRUCTURE

Subject	1. Approve staff’s ranking of vendors and award a two-year environmental consulting agreement in an amount not to exceed \$200,000 for general environmental consulting services to the top-ranked proposer: staff ranking- first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, InControl Technologies, Inc.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020, meeting: (a) approve staff’s ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, InControl Technologies, Inc.; (b) award a two-year environmental consulting agreement to Spirit Environmental, LLC for storm water quality program management in an amount not to exceed \$200,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port Strategic Objective 4a. - Implement an innovative environmental leadership strategy

Category:
Awards, Amendments & Change Orders

Department:
Environmental Affairs

Staff Contact:
Trae Camble

Background:
The Port Authority is seeking to obtain an environmental consultant to assist the Port Authority’s Environmental Affairs Department (EAD) staff with general environmental consulting services, which includes conducting field studies and inspections, assisting with regulatory review and permitting, conducting environmental site assessments, assisting with asbestos and mold consulting, and assisting with other activities related to the environmental management system as directed by EAD staff.

The Port Authority notified vendors regarding its request for proposals (RFP) using the Port Authority’s BuySpeed Eprocurement System and the project was advertised on the Port Authority’s website and in a local newspaper. Thirty-six vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:
On September 16, 2020, thirteen RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required analysis and design services:

- Spirit Environmental, LLC
- Terra Nova Consulting, Inc.
- InControl Technologies, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Spirit Environmental, LLC for an environmental consulting agreement, and act as otherwise described above.

I. INFRASTRUCTURE

Subject	2. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$2,629,550 for the design of Wharf 7 at Bayport Container Terminal to the top-ranked proposers: staff ranking – first, Jacobs Engineering Group, Inc.; second, Hatch Associates Consultants, Inc.; and third, AECOM Technical Services, Inc.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Jacobs Engineering Group, Inc.; second, Hatch Consultants, Inc.; and third, AECOM Technical Services, Inc.; (b) award a professional services contract to Jacobs Engineering Group, Inc., the top-ranked proposer for the design of Wharf 7 at Bayport Container Terminal in an amount not to exceed \$2,629,550; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project would include the design of Wharf 7 at Bayport Container Terminal consisting of 1,000-foot of wharf and associated infrastructure. Port Authority staff also expects to request additional professional services for the construction phase of this work at a later time.

The Port Authority notified vendors regarding its request for qualifications (RFQs) using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-five vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On May 20, 2020, nine RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required analysis and design services:

- Jacobs Engineering Group, Inc.
- Hatch Associates Consultants, Inc.
- AECOM Technical Services, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Jacobs Engineering Group, Inc. for the design of Wharf 7 at Bayport Container Terminal, and act as otherwise described above.

I. INFRASTRUCTURE

Subject **3. Award a construction contract to AAA Asphalt Paving, Inc. for the annual pavement drainage and dust control work at Industrial Park East in an amount not to exceed \$600,000.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, award a construction contract to AAA Asphalt Paving, Inc. for the annual pavement drainage and dust control work at Industrial Park East in an amount not to exceed \$600,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of asphalt, pavement, drainage, and dust suppression efforts at Industrial Park East.

Proper preservation and maintenance of roadways around Industrial Park East help meet regulatory expectations. The Texas Commission on Environmental Quality (TCEQ) last verified the Port Authority's dust control compliance action plans in 2014. The Port Authority has represented to TCEQ that it intends to continue with dust suppression yearly.

The Port Authority notified vendors regarding its request for competitive sealed bids (CSBs) for the annual pavement drainage and dust control work at Industrial Park East using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On November 4, 2020, two CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a contract to AAA Asphalt Paving, Inc., the lowest and best responsible bidder for the annual pavement drainage and dust control work at Industrial Park East.

I. INFRASTRUCTURE

Subject **4. Amend the professional services contract with HDR Engineering, Inc. for engineering services associated with the management of placement areas at Bayport Container Terminal in an amount not to exceed \$75,000.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, approve an amendment to the professional services contract with HDR Engineering, Inc. for engineering services associated with the management of placement areas at Bayport Container Terminal in an amount not to exceed \$75,000, and authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2017-0131-25, the Port Commission awarded a professional services contract to HDR Engineering, Inc. to perform engineering services associated with the management of placement areas at Bayport Container Terminal.

This proposed amendment would consist of:

- Additional funding to continue providing construction phase services
- Extend the contract duration through May 31, 2021

Staff Evaluation/Justification:

Staff has reviewed HDR Engineering, Inc.'s proposal and found it to be fair and reasonable.

Staff recommends the Port Commission approve the amendment of the professional services contract with HDR Engineering, Inc.

I. INFRASTRUCTURE

Subject **5. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal in an amount not to exceed \$226,103.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal in an amount not to exceed \$226,103, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:
Awards, Amendments & Change Orders

Department:
Project and Construction Management

Staff Contact:
Roger H. Hoh, P.E.

Background:
By Minute No. 2020-0520-21, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. for the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal.

This change order includes removing and relocating water lines and electrical conduits under the deck in connection with the installation of new drilled shaft and pile caps.

Staff Evaluation/Justification:
Port Authority staff has reviewed the proposal submitted by McCarthy Building Companies, Inc. and found it to be fair and reasonable. Therefore, staff recommends that the Port Commission authorize this change order.

I. INFRASTRUCTURE

Subject	6. Approve a change order with Standard Constructors, Inc. to perform additional work associated with land development preparation south of Port Road at Bayport Container Terminal in an amount not to exceed \$55,699.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, approve a change order with Standard Constructors, Inc. to perform additional work associated with land development preparation south of Port Road at Bayport Container Terminal in an amount not to exceed \$55,699, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2020-0623-19, the Port Commission awarded a construction contract to Standard Constructors, Inc. for land development preparation south of Port Road at Bayport Container Terminal.

This change order includes the following items:

- The additional cost to remobilize crew and equipment to complete the installation of the box culverts across Heavy Haul Road
- A time extension of an additional 10 calendar days for the entire project

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Standard Constructors, Inc. and found it to be fair and reasonable. Therefore, staff recommends that the Port Commission authorize this change order.

I. INFRASTRUCTURE

Subject **7. Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: ExxonMobil Pipeline Company, South Tex 66 Pipeline Company, LTD, and Valero Refining-Texas, LP.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to approve the renewal of the following expiring licenses for new ten-year terms: ExxonMobil Pipeline Company, South Tex 66 Pipeline Company, LTD, and Valero Refining-Texas, LP, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

The pipeline licensees listed below have applied to renew their licenses:

Company	File No.	License Fee
ExxonMobil Pipeline Company	2000-0015	\$114,233
South Tex 66 Pipeline Company, LTD	2007-0350	\$145,895
Valero Refining-Texas, LP	1988-0202	\$18,392
Total		\$278,520

Staff Evaluation/Justification:

The applications were reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association when applicable. The licenses are to be renewed subject to the Port Authority's usual terms and conditions.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	8. Issue a marine construction permit to Russell Marine, LLC to dredge a 4.33-acre area in Old River.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to issue a marine construction permit to Russell Marine, LLC to dredge a 4.33-acre area in Old River, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Russell Marine, LLC, Port Authority File No. 2020-0280, has applied for a marine construction permit to dredge a 4.33-acre area in Old River, in the WT Carter Survey, A-1709.

The proposed dredge depth would be -12.0-feet plus a 2-foot overdredge below Mean Lower Low Water, to remove approximately 20,714-cubic yards of dredged material. The dredged material would be transferred via truck or barge to the Adloy Dredged Material Placement Area.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	9. Issue a transmission line license to Comcast Cable Communications Management, LLC for one fiber optic cable line over the Port Terminal Railroad Association's Southside Mainline railroad right-of-way.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to issue a transmission line license to Comcast Cable Communications Management, LLC for one fiber optic cable line over the Port Terminal Railroad Association's Southside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Comcast Cable Communications Management, LLC, Port Authority File No. 2020-0307, has applied for a transmission line license for one fiber optic cable line over the Port Terminal Railroad Association's Southside Mainline railroad right-of-way, in the George Ross Survey, A-646.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions. The \$2,500 as-built deposit has been paid. Staff recommends the application and license fees be waived since this project would provide service to the Port Terminal Railroad Association.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **10. Issue a pipeline license to Chevron Phillips Chemical Company LP for two 8-inch refined petroleum products pipelines under and across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to issue a pipeline license to Chevron Phillips Chemical Company LP for two 8-inch refined petroleum products pipelines under and across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Chevron Phillips Chemical Company LP, Port Authority File No. 2020-0306, has applied for a pipeline license for two 8-inch refined petroleum products pipelines under and across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way, in the James Seymour Survey, A-698.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$10,604. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	11. Amend a marine construction permit to CGBM Global LLC to modify the placement of two spud barges for the purpose of securing fleeting vessels and to rescind a previous authorization for the construction of a bulkhead, a 1.0-acre area of fill, installation of eight pilings, dredging to -8.0 feet Mean Lower Low Water, and the removal of approximately 27,000 cubic yards of dredged material in Old River.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to amend a marine construction permit to CGBM Global LLC to modify the placement of two spud barges for the purpose of securing fleeting vessels and to rescind a previous authorization for the construction of a bulkhead, a 1.0-acre area of fill, installation of eight pilings, dredging to -8.0 feet Mean Lower Low Water, and the removal of approximately 27,000 cubic yards of dredged material in Old River, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

CGBM Global LLC, Port Authority File No. 2015-0377, has applied to amend a marine construction permit to modify the placement of two spud barges to be perpendicular to the shoreline for the purpose of securing fleeting vessels and to rescind a previous authorization for the construction of a bulkhead, a 1.0-acre area of fill, installation of eight pilings, dredging to -8.0-foot Mean Lower Low Water, and the removal of approximately 27,000-cubic yards of dredged material in Old River, in the W. Carter Survey, A-1709, and J. Harrell Survey, A-330.

The existing permit authorizes the placement of two spud barges, the construction of a bulkhead, a 1.0-acre area of fill, installation of eight pilings, dredging to -8.0-foot Mean Lower Low Water, and the removal of approximately 27,000-cubic yards of dredged material.

CGBM Global LLC along with AccuTRANS Fleeting Services LLC has operated a fleet management service for over 20 years and has owned property in the vicinity of this project for over five years.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **12. Amend a marine construction permit to CGBM Global LLC to modify the placement of one spud barge for the purpose of permitting a marine fueling and supply station, and increase the authorized dredge depth from -4.0 to -12.0 feet Mean Lower Low Water in Old River.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to amend a marine construction permit to CGBM Global LLC to modify the placement of one spud barge for the purpose of permitting a marine fueling and supply station, and increase the authorized dredge depth from -4.0 to -12.0 feet Mean Lower Low Water in Old River, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

CGBM Global LLC, Port Authority File No. 2017-0031, has applied to amend a marine construction permit to modify the placement of one spud barge to be perpendicular to the shoreline for the purpose of providing fuel, lubricants, and other supplies to marine tugs and vessels, and increase the authorized dredge depth from -4.0 to -12.0 feet Mean Lower Low Water in Old River, in the J. Harrell Survey, A-330.

The existing permit authorizes the placement of a spud barge, the construction of a bulkhead, a 0.5 acre area of fill, installation of six pilings, dredging to -4.0-feet Mean Lower Low Water, and the removal of approximately 13,500-cubic yards of dredged material to a private placement area.

CGBM Global LLC along with AccuTRANS Fleeting Services LLC has operated a fleet management service for over 20 years and has owned property in the vicinity of this project for over five years.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **13. Enter into a reimbursement agreement for design and permitting with Energy Transfer Operating L.P. related to pipeline relocated within Segment 1 of the Houston Ship Channel Expansion Channel Improvement Project at a total cost not to exceed \$2,000,000, for which the Port Authority would be responsible for one half, for a total amount not to exceed \$1,000,000.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to enter into a reimbursement agreement for design and permitting with Energy Transfer Operating L.P. related to pipeline relocated within Segment 1 of the Houston Ship Channel Expansion Channel Improvement Project at a total cost not to exceed \$2,000,000, for which the Port Authority would be responsible for one half, for a total amount not to exceed \$1,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Project 11

Department:
Channel Operations

Staff Contact:
Garry McMahan

Background:

As part of the Houston Ship Channel Expansion Channel Improvement Project (HSC ECIP), several pipelines would have to be removed and relocated in order to meet U.S. Army Corps of Engineers safety requirements. The companies previously identified as pipeline owners include: Kinder Morgan Texas Pipeline LP (two pipelines); HSC Pipeline Partnership, LLC; Seminole Pipeline Company LLC; Explorer Pipeline Company; Colonial Pipeline Company; Praxair Inc, (two pipelines); Equistar Chemicals, LP; and INEOS USA LLC. Agreements with these companies were approved at the July Port Commission meeting, with an additional approval (Southtex 66 Pipeline Company, Ltd) at the October Port Commission meeting.

Port Authority staff now has identified an additional pipeline, owned by Energy Transfer Operating L.P., that would have to be relocated in Segment 1.

Costs for relocation for all of these pipelines are estimated to range of \$4.2 million to \$20 million per pipeline. The design phase is expected to help narrow down those costs, and the Port Authority would also be responsible for half of those costs.

Staff Evaluation/Justification:

The Channel Operations department staff recommends approval of this additional contract to facilitate continued accelerated progress on the HSC ECIP project

J. OPERATIONS

Subject	1. Award a three-year contract to Johnson Controls Fire Protection LP, using the Texas Comptroller's Texas Multiple Award Schedule contract, for the purchase of monitoring, inspection, repair services, and spare parts for fire alarm and suppression systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$400,000.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission at its December 08, 2020 meeting, award a three-year contract to Johnson Controls Fire Protection LP for monitoring, inspection, repair services, and spare parts for fire alarm and suppression systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Texas Comptroller's Texas Multiple Award Schedule contract, in an amount not to exceed \$400,000, determine that this procurement method provides best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2017-1023-44, the Port Commission awarded a three-year contract to SimplexGrinnell, LP for the purchase of monitoring, inspection, repair services, and spare parts for fire alarm and suppression systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Texas Comptroller's Texas Multiple Award Schedule (TXMAS) contract in an amount not to exceed \$400,000.

This contract is set to expire on December 31, 2020. Monitoring, inspection, and repairs to fire alarm and suppression systems at these facilities are required to comply with fire and safety standards, as well as ensure the protection of personnel and Port Authority property.

The Texas Comptroller's Office TXMAS contracts are derived from certain federal government General Services Administration (GSA) awards. GSA enters into long-term government-wide contracts with commercial firms to provide access to commercial products and services at volume discount pricing.

TXMAS contracts permit local governments that are members of the Texas Comptroller's Cooperative Purchasing Program (CO-OP) to use the competitively procured GSA pricing, or to negotiate a lower price, for the purchase of certain goods and services, including those related to fire alarm and suppression services and products.

By Minute No. 2001-0827-38, the Port Commission granted authority for the Port Authority to become a CO-OP member, thereby permitting purchases from vendors using TXMAS contracts.

The Texas Comptroller's Office is an agency of the state, and the Port Authority has entered into an agreement with the state; therefore the use of the Comptroller Office's TXMAS program is an acceptable purchasing method for the Port Authority in accordance with Texas Water Code Section 60.454. Moreover, Government Code 2155.504 permits the Port Authority to purchase directly from a vendor under a TXMAS contract, and provides that such purchases satisfy any requirement of state law relating to competitive procurement.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring monitoring, inspection, repair services, and spare parts for fire alarm and suppression systems through the Texas Comptroller's TXMAS purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Maintenance Department has determined that the best availability, price, and contract term for the items needed is provided by Johnson Controls Fire Protection LP under the pricing schedule obtained from that vendor's contract with the state Comptroller's TXMAS program, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and three-year contract.

J. OPERATIONS

Subject **2. Recommendation to issue Stevedore Licenses for one-year terms commencing January 1, 2021, to Agri American Stevedores, LLC; APS Stevedoring, LLC; BBM Terminals Corp.; Ceres Gulf, Inc.; Cooper/Ports America; Gulf Stream Marine, Inc.; Jacintoport International, LLC; Marine Terminal Corporation East; Richardson Stevedoring and Logistics Services, Inc.; Schroder Marine Service; Southern Stevedoring Co.; and Suderman Contracting Stevedores, Inc., upon each applicant's satisfactory completion of all requirements and obligations for license issuance.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission at its December 08, 2020 meeting, grant authority to issue Stevedore Licenses for one-year terms commencing January 1, 2021, to Agri American Stevedores, LLC; APS Stevedoring, LLC; BBM Terminals Corp.; Ceres Gulf, Inc.; Cooper/Ports America; Gulf Stream Marine, Inc.; Jacintoport International, LLC; Marine Terminal Corporation East; Richardson Stevedoring and Logistics Services, Inc.; Schroder Marine Service; Southern Stevedoring Co.; and Suderman Contracting Stevedores, Inc., upon each applicant's satisfactory completion of all requirements and obligations for license issuance, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:
By Minute No. 2019-1211-64, the Port Commission awarded certain stevedore licenses for one-year terms expiring December 31, 2020.

Staff Evaluation/Justification:
Staff is currently receiving stevedore license applications from companies interested in being licensed to work at Port Authority facilities during 2021 and is in the process of reviewing those applications.

Staff recommends that the Port Commission authorize licenses to be issued to the applicants as set forth above for such Port Authority facilities as determined by staff; provided however, that issuance be conditioned upon the applicant's satisfactory completion of outstanding license requirements and obligations, if any, and satisfaction of current license requirements.

J. OPERATIONS

Subject	3. Reissue and amend Port Authority Tariff Nos. 8, 14, and 15 covering the Turning Basin Terminals, Barbours Cut Terminal, and Bayport Container Terminal, all effective on or around January 1, 2021 and a 3% increase in the Harbor Fee, such increase to be included and published in Port Authority Tariff No. 8 effective January 1, 2021.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the re-issuance and amendment of Port Authority Tariff Nos. 8, 14, and 15, to amend certain subrules, including subrules relating to: (i) Revision of time disputes to rental charges in Tariff 14 and 15; (ii) Revision of gate charges on empty containers and bare chassis in Tariff 14 to conform with Tariff 15; (iii) and a 3% increase in the Harbor Fee, such increase to be included and published in Port Authority Tariff No. 8 effective January 1, 2021; and (iv) further authorize the Executive Director to do any and all things reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:
The Port Authority has reissued its Tariff Nos. 8, 14, and 15 each calendar year since 2008 and staff requests that these tariffs be again reissued effective on or about January 1, 2021.

Staff Evaluation/Justification:
Recommended revisions to Tariff Nos. 8, 14, and 15 include amending subrules relating to:

1. Revision of time disputes to rental charges in Tariff 14 and 15;
2. Revision of gate charges on empty containers and bare chassis in Tariff 14 to conform with Tariff 15.

The recommended revisions also include other minor clarifications, corrections, and updates of Tariff Nos. 8, 14, and 15.

Staff is separately requesting a 3% increase in the Harbor Fee per vessel charge, to continue to permit a fee that is both reasonable and more precisely compensates the Port Authority for the cost of fire response and related services.

Staff proposes that these changes become effective as set forth above, and therefore recommend that the Port Commission approve this item.

J. OPERATIONS

Subject	4. Amend the Freight Handling Assignment Agreements for terminal services at the Turning Basin Terminal to extend the term of the agreements through March 31, 2021.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, extend the current Freight Handling Assignment Agreements at the Turning Basin Terminal for an additional term of three-months effective December 31, 2020 and waive the guaranteed minimum tonnages during the extension period, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:

By Minute 2017-0524-34 of its May 24, 2017 meeting, the Port Commission granted authority to enter into Freight Handling Assignment Agreements (Agreements) for terminal services at the Turning Basin Terminal. The cargo handling services at the public facilities in the Turning Basin Terminal are performed by stevedores working in assigned locations under these Agreements with the Port Authority. The Agreements set forth the terms and conditions under which the stevedores would perform freight handling services at the assigned facilities. Pursuant to the Agreements, the stevedores guarantee to handle minimum tonnages or to pay specified revenue amounts based upon the square footage of the assigned areas. Port Authority staff considers the projected cargo volumes of the stevedores in evaluating and recommending stevedores for assignment of particular facilities.

By Minute 2020-0730-51, the Port Commission granted authority for the Agreements to be extended for an additional four-month period for further evaluation and for the guaranteed minimum tonnages not be applied.

Staff Evaluation/Justification:

Port Authority staff has reviewed and evaluated the current freight handling assignments and future needs of the Port Authority and recommends the Port Commission authorize extending the term of the Freight Handling Assignments at the Turning Basin Terminal for an additional three-month period, a total 10-month extension, for further evaluation through March 31, 2020. During these additional three months, it is also recommended that the guaranteed minimum tonnages not be applied.

J. OPERATIONS

Subject	5. Amend the lease between Terminal Link Texas, LLC and the Port Authority to provide for a right of first refusal to lease a 22.36-acre site at Bayport Container Terminal.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, amend the lease between Terminal Link Texas, LLC and the Port Authority to provide for a right of first refusal to lease a 22.36-acre site at Bayport Container Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Operations

Staff Contact:

Jeff Davis

Background:

The Port Authority and Terminal Link Texas, LLC (TLT) previously entered into the Amended and Restated Lease Agreement (File No. 2006-0158) dated May 4, 2017 (Lease). The Port Authority and TLT entered into a First Amendment to Lease dated October 16, 2019 and a second Amendment to Lease dated August 29, 2019, granting right of first refusal to TLT to lease a certain area at the Bayport Container Terminal, with such right of first refusal to expire December 31, 2020. Staff now recommends extending and modifying this right of first refusal.

Staff Evaluation/Justification:

In order to aid TLT in its planning for future operations in and around the Bayport Container Terminal, which may generate future commercial activity, transportation of cargo into the Bayport Container Terminal, the flow of additional cargo into the Bayport Container Terminal, and additional equipment storage, break bulk storage, laden storage, empty container storage or container freight station space in and around the Bayport Container Terminal, staff recommends amending the Lease to give TLT a right of first refusal to a certain 22.36-acre footprint at the Bayport Container Terminal from January 1, 2021 through June 30, 2021.

Staff recommends the Port Commission approve the amendment to the above lease between TLT and the Port Authority.

J. OPERATIONS

Subject	6. Hold steady any "Carrier's Commitment Discount Level" that would otherwise decrease for the six-month period beginning January 1, 2021, under Port Authority Marine Terminal Services Agreements.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize Port Authority to hold steady any "Carrier's Commitment Discount Level" that would otherwise decrease for the six-month period beginning January 1, 2021, under Port Authority Marine Terminal Services Agreements, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:

Port Authority customers including global container carriers continue to experience difficult business conditions due to the COVID—19 pandemic. Staff has concluded that it would be appropriate to help customers address the impacts of the pandemic.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize this measure addressing container lines under contract with the Port Authority. The Port Authority would offer to amend its Marine Terminal Services Agreements to hold steady any "Carrier's Commitment Discount Level" that would otherwise decrease for the six-month period beginning January 1, 2021.

- These agreements provide customers with volume discounts that are adjusted every six-months – the January to June performance period discount, for example, is based on a customer's volume measured over the preceding May 1 through October 31 period.
- This proposed measure would "hold harmless" customers that experienced lower volumes over that period as a result of the disruptions in the world-wide container industry from the COVID—19 pandemic in this regard.

J. OPERATIONS

Subject	7. Authorize the amended Industrial Water Supply Agreement with the City of Pasadena.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to enter into the amended Industrial Water Supply Agreement with the City of Pasadena, to restate the allowable annual maximum usage, update the boundaries of the Bayport Terminal Complex, and provide for a monthly credit to the Port Authority for completed utility infrastructure, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to such action.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

General

Department:

Operations

Staff Contact:

Ryan Mariacher

Background:

In 2007, in conjunction with the development of the Bayport Terminal Complex, the Port Authority entered into a Water Supply Agreement with the City of Pasadena (City) to provide for water service at that location, including water for fire protection and other ordinary site uses, vessels, and the Port Authority's lessees and other occupants/tenants.

The City and the Port Authority have now renegotiated the agreement that takes account of updated circumstances. The City Council approved this agreement at its meeting of November 3, 2020.

Staff Evaluation/Justification:

The Water Supply Agreement will provide water at the City's industrial water rates, and provides for the expanded footprint of the complex, allows for water to be supplied for industrial and commercial development, and resets the allowable annual maximum based on forecasted demand. Finally, the agreement defines a monthly credit of \$5,416.30 to the Port Authority for 20 years following execution of the agreement, to be adjusted every five years by the consumer price index, in consideration for the elevated water storage tank and 12 inch water line built by the Port Authority as provided for under the original agreement.

Staff recommends that the Port Commission approve the Industrial Water Supply Agreement.

J. OPERATIONS

Subject **8. Rescind a purchase order with Carrier Enterprise, LLC, and issue a purchase order to Carrier Corporation for purchase and installation of two 150-ton chiller units for the Bayport Container Terminal's Administration and Maintenance & Repair buildings, using the Sourcewell cooperative purchase program, in an amount not to exceed \$260,000.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, rescind the Port Authority's purchase order with Carrier Enterprise, LLC, and authorize the Port Authority to issue a purchase order to Carrier Corporation for purchase and installation of two 150-ton chiller units for the Bayport Container Terminal's Administration and Maintenance & Repair buildings, using the Sourcewell cooperative purchase program, in an amount not to exceed \$260,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

Two 150-ton chiller units currently operate at the Administration and Maintenance and Repair buildings at Bayport Container Terminal. One unit is no longer operating due to excessive internal corrosion, and the other is currently operating but with no back-up. To address this staff is seeking to purchase and install new chiller units at this location.

The Director of Procurement Services has determined that conducting this procurement through the Sourcewell cooperative purchasing program both satisfies competitive purchase requirements and provides the best value to the Port Authority.

By Minute No. 2020-0929-39, the Port Commission authorized issuance of a purchase order to Carrier Enterprise, LLC, using the Sourcewell cooperative purchase program, to address these needs.

Staff Evaluation/Justification:

Staff has now determined that the best availability, installation, and price under the Sourcewell-obtained pricing schedule for this project is provided by Carrier Corporation, not Carrier Enterprise, LLC.

In addition, staff has been informed that Carrier Corporation and Carrier Enterprise, LLC are not related entities, and therefore this matter cannot be resolved under the Executive Director's authority.

Accordingly, staff recommends that the Port Commission rescind the purchase order with Carrier Enterprise, LLC, and approve the best value determination regarding the procurement from, and issuance of a purchase order to, Carrier Corporation.

K. PEOPLE

Subject	1. Authorize an agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for calendar year 2021 for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents, in an amount not to exceed \$1,885,980.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting: (a) authorize an agreement with Aetna Life Insurance Company to provide stop-loss coverage for calendar year 2021 for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents, in an amount not to exceed \$1,885,980; (b) authorize renewal negotiations with the Aetna Life Insurance Company prior to contract expiration; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a five-year contract to Lockton Companies LLC (Lockton), to serve as the Port Authority's Broker of Record for Health & Welfare Benefits.

Lockton's contractual responsibilities include providing employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and providing recommendations on provider selections.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-insured program, the Port Authority proceeded with the implementation of a self-funded group medical benefit program administered by Aetna for 2019.

By Minute No. 2019-1022-39, the Port Commission approved the purchase of insurance from Aetna to provide stop-loss coverage for calendar year 2020 for the self-funded group medical plan. This approval also authorized contract renewal negotiations with the Aetna Life Insurance Company prior to contract expiration.

Staff Evaluation/Justification:

Lockton and Port Authority staff have now negotiated an agreement with Aetna Life Insurance Company for stop-loss coverage for the 2021 self-funded group medical benefit program.

Staff recommends that the Port Commission authorize an agreement with Aetna Life Insurance Company for stop-loss coverage for the self-funded medical plan for 2021. The stop-loss coverage would (1) cover

any claims in excess of \$175,000 per individual claimant and (2) cover any claims in excess of an aggregate amount of 120% of projected claims. As of this time, based on projected enrollment numbers, claims are projected to total \$15,500,000. Thus, the aggregate stop-loss coverage would be estimated to provide funding if the aggregate amount of claims exceeds \$18,600,000.

Staff additionally recommends that the Port Commission authorize renewal negotiations with Aetna prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

K. PEOPLE

Subject	2. Authorize an amended agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents for calendar year 2021, in an amount not to exceed \$48,000.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting: (a) authorize an amended agreement with Aetna Life Insurance Company to provide professional third-party administration (TPA) services for the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents for calendar year 2021, in an amount not to exceed \$48,000; (b) authorize renewal negotiations with the Aetna Life Insurance Company prior to contract expiration; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a contract to Lockton Companies LLC (Lockton), to provide employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and providing recommendations on provider selections.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-insured program, the Port Authority proceeded with the implementation of a self-funded group medical program administered by Aetna for 2019.

By Minute No. 2018-0925-04, the Port Commission awarded a contract to Aetna Life Insurance Company (Aetna) for third-party administrative services for a self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and their dependents, for calendar year 2019. By Minute No. 2019-1022-40, the Port Commission authorized an amendment to this contract for services in 2020, and also authorized contract renewal negotiations with Aetna Life Insurance Company prior to contract expiration.

Accordingly, Lockton and staff began negotiations with Aetna for third-party administrative services for the 2021 self-funded group medical program.

Staff Evaluation/Justification:

Lockton and Port Authority staff have now negotiated an amendment with Aetna Life Insurance Company for professional third-party administration services for the 2021 self-funded group medical benefit program.

The proposed agreement would allow the Port Authority to continue to offer access to the same medical plans as were offered in 2019 and 2020, which includes an Open Access Managed Choice \$250 Deductible plan and a KelseyCare Health Maintenance Organization (HMO) style plan with a \$0 deductible.

Staff recommends that the Port Commission authorize an amended agreement with Aetna Life Insurance Company for TPA services. Staff additionally recommends that the Port Commission authorize renewal negotiations with Aetna prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

K. PEOPLE

Subject	3. Authorize funding, in an amount not to exceed \$15,500,000, for calendar year 2021 for the payment of claims from the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize funding, in an amount not to exceed \$15,500,000, for calendar year 2021 for the payment of claims from the Port Authority's self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and dependents, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Agreements, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a five-year contract to Lockton Companies LLC (Lockton), to serve as the Port Authority's broker of record and provide consulting services relating to the Port Authority's group health and welfare benefits.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-insured program, the Port Authority proceeded with the implementation of a self-funded group medical benefit program administered by Aetna for 2019.

The Pension and Benefits Committee reviewed a report on the status of the 2020 self-funded medical program at its September 23, 2020 meeting. Lockton and staff recommended, and the Pension and Benefits Committee concurs, that the Port Authority continue with the self-funded program for calendar year 2021.

Staff Evaluation/Justification:

The Port Authority's open enrollment period for calendar year 2021 occurred from October 26 – November 6, 2020. Based upon the enrollment information, staff and Lockton recommend that \$15,500,000 be reserved for the self-insurance account to pay for all covered claims for calendar year 2021 from the Port Authority's self-funded group medical insurance program for active employees, retirees who are not Medicare-eligible, and dependents.

The payment of covered claims from the dedicated account is expected to be administered by Aetna pursuant to its third-party administration services agreement with the Port Authority.

Staff recommends the Port Commission approve the above funding.

K. PEOPLE

Subject	4. Enter into a one-year agreement with the Houston International Seafarers' Center to provide humanitarian services to seafarers whose vessels call at the terminals of the Port Authority, effective January 1, 2021, in an amount not to exceed \$90,000.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, enter into a one-year agreement with the Houston International Seafarers' Center to provide humanitarian services to seafarers whose vessels call at the terminals of the Port Authority, effective January 1, 2021, in an amount not to exceed \$90,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Awards, Amendments & Change Orders

Department:

Community Relations & Events

Staff Contact:

Leslie Herbst

Background:

The Houston International Seafarers' Center (Seafarers' Center), with locations at the Turning Basin Terminal and adjacent to Barbours Cut Terminal, is internationally recognized for its outstanding services and facilities for visiting seafarers. By providing a positive social, recreational, and ecumenical spiritual environment, the Seafarers' Center is an asset to both the Port Authority and the communities surrounding the port.

This agreement with the Port Authority would permit the Seafarers' Center to continue to provide the following services on a non-discriminatory basis to seafarers from all commercial vessels that call on the public and private terminals in the Port of Houston: operation of two Seafarers' Centers, transportation services, safety functions, communications, banking, emergency accommodations, recreational facilities, commissary facilities, a restaurant, mail and courier services, counseling services, and other services mutually deemed necessary. In addition, the Port Authority will also continue to invoice vessels docking at Port Authority terminals for the \$98 voluntary fee supporting the operations of the Seafarers' Center and further remit that payment within thirty days upon receipt to the Seafarers' Center. The current service agreement with the Seafarers' Center expires December 31, 2020.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize a new service agreement with the Seafarers' Center for one year. Pursuant to the service agreement, the Seafarers' Center would submit its annual report for the past year, along with support materials, as requested by the Port Authority.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a two-year service contract in an amount not to exceed \$690,950 for shipyard maintenance services of six Port Authority vessels to the top ranked proposer: staff ranking – first, Southwest Shipyard, L.P.; second, National Cotton Inc. dba Pier 77 Marine; and third, Marine TeKno Services, LLC.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Southwest Shipyard, L.P.; second, National Cotton Inc. dba Pier 77 Marine; and third, Marine TeKno Services, LLC; (b) award a two-year service contract to the top-ranked proposer for shipyard maintenance services for six Port Authority vessels in an amount not to exceed \$690,950; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable and necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Awards, Amendments & Change Orders

Department:

Fire

Staff Contact:

Chief William Buck

Background:

The Port Authority's three fireboats, and the M/V Sam Houston, the M/V Farnsworth, and the M/V Vernon Bailey, are periodically dry-docked at local shipyards for preventive maintenance and/or repairs. The dry-docking work includes inspecting hull integrity, hull sandblasting and scraping, aligning shafts and propellers, replacing shell plating, bottom painting, and other marine-related repairs, and preventative maintenance activities.

The prior two-year contract to provide shipyard maintenance services for the six Port Authority vessels expired on October 31, 2020, and it is in the best interest of the Port Authority to procure such shipyard services again to continue to maintain its vessels.

The Port Authority notified vendors regarding its request of competitive sealed proposal (CSPs) to provide shipyard maintenance services for six Port Authority vessels using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eleven vendors downloaded the project materials from Buyspeed.

Staff Evaluation/Justification:

On October 21, 2020, three responses were reviewed and opened. The responses were evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as offering the best value to provide the required services:

- Southwest Shipyard, L.P.
- National Cotton Inc. dba Pier 77 Marine
- Marine TeKno Services, LLC

Following review, staff recommends that the Port Commission award a two-year contract to SouthWest Shipyard, L.P. The recommended shipyard is located on Brady's Island, which is in close proximity to the vessels, and is familiar with the required work.

The total amount of the proposed contract is broken down as follows: FIREBOAT 1 - \$200,000 for two dry dockings and preventive maintenance over two years; FIREBOAT 2 - \$200,000 for two dry dockings and preventive maintenance over two years; FIREBOAT 3 - \$200,000 for two dry dockings and preventive maintenance over two years; VERNON BAILEY - \$800 for one dry docking and emergency repairs, as necessary, over two years; FARNSWORTH - \$4,500 for one dry docking and emergency repairs, as necessary, over two years; SAM HOUSTON - \$86,450 for one dry docking and preventive maintenance in two years.

Accordingly, three distinct Purchase Orders would be created for this contract, each managed by the department responsible for its own vessel(s).

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject **2. Enter into a three-year governmental services contract with the City of La Porte Emergency Medical Service for emergency medical services in an amount not to exceed \$226,259.25.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020 meeting, authorize a three-year governmental services contract with the City of La Porte Emergency Medical Service (EMS) for emergency medical services in an amount not to exceed \$226,259.25, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact

Category:

Awards, Amendments & Change Orders

Department:

Fire

Staff Contact:

Chief William Buck

Background:

The Port Authority's Fire Department provides first responder medical services at the Barbours Cut Terminal and Bayport Container Terminal. The City of La Porte EMS provides follow-on EMS services as required, including ambulance response, and transport of injured persons to appropriate medical facilities.

The current three-year contract for these services is set to expire on January 31, 2021, and it is in the best interests of the Port Authority to maintain on-call EMS services for the safety of its workforce.

Staff Evaluation/Justification:

Due to the continued potential need for emergency medical services at Barbours Cut Terminal and/or Bayport Container Terminal, staff recommends that the Port Commission enter into this contract with the City of La Porte for EMS services.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	3. Renew a Memorandum of Understanding with the City of Houston for five years to provide closed Point of Dispensing Services in the event of a public health emergency.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, authorize the Port Authority to renew a Memorandum of Understanding with the City of Houston for five years to provide closed Point of Dispensing Services in the event of a public health emergency, and authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact

Category:
General

Department:
Emergency Management

Staff Contact:
Colin Rizzo

Background:

The Center for Disease Control and Prevention (CDC) maintains a City Readiness Initiative (CRI) program for the distribution of preventive medicines in the event of a large-scale public health emergency, to help cities improve their ability to quickly and effectively deliver medication and medical supplies during such emergencies. This is accomplished by enrolling large organizations within cities to distribute medicine and medical supplies to their employees, families, and other applicable individuals, through Points of Dispensing (POD).

The City of Houston, acting through its Health Department, participates in the CDC's CRI program to enroll organizations throughout the Greater Houston Area. The Port Authority meets all necessary criteria to act as a "closed" POD due to its size, willingness to receive training, and ability to dispense medication and medical supplies. A closed POD assists the city in alleviating the burden on public or open PODs.

Staff Evaluation/Justification:

Operating a closed POD comes at no cost to the Port Authority. Training of Port Authority employees who volunteer to distribute the medication would be provided in cooperation with the City of Houston. By acting as a closed POD, the Port Authority can ensure vital continuity of maritime operations because employees, dockworkers, tenants, pilots, and their families would be able to gain quicker access to medication.

The previous five year Memorandum of Understanding is set to expire therefore staff recommends that the Port Commission authorize the Port Authority to renew the Memorandum of Understanding with the City of Houston to provide closed POD services to employees, dockworkers, tenants, pilots, and their families in the event of a public health emergency for a period of five years.

M. TECHNOLOGY

Subject **1. Approve staff’s ranking of vendors and award a security services contract in an amount not to exceed \$3,100,000 subject to potential Port Security grant reimbursement of \$450,000 for Security Operations Center (SOC), System Information and Event Management (SIEM), Threat Intelligence Platform (TIP), and Security Orchestration & Automated Response (SOAR) services payable over three years plus two one-year renewal options to the top-ranked proposer: staff ranking- first, Critical Start, Inc.; second, Red River Technology LLC; and third, Fulcrum Technology Solutions.**

Meeting Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 8, 2020, meeting:
 (a) approve staff’s ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Critical Start, Inc.; second, Red River Technology LLC; and third, Fulcrum Technology Solutions;
 (b) award a security services contract to Critical Start, Inc. Security Operations Center (SOC), System Information and Event Management (SIEM), Threat Intelligence Platform (TIP), and Security Orchestration & Automated Response (SOAR) services payable over three years plus two one-year renewal options in an amount not to exceed \$3,100,000;
 (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and
 (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact
 Strategic Objective 2c. - Enhance efficiency and resilience through innovative technology and other means
 Strategic Objective 2b. - Drive development of landside infrastructure and inland distribution networks
 Strategic Objective 1c. - Deliver excellence and continuous improvement in all core functions
 STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
 STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:
 Awards, Amendments & Change Orders

Department:
 Information Technology

Staff Contact:
 Christopher Wolski

Background:
 The Port Authority is seeking to obtain information security services and support to improve the cybersecurity posture of the Port Authority. The incorporation of next-generation capabilities and threat

intelligence would improve the timeliness of responses to cyber threats directly or indirectly targeting the Port Authority.

This expenditure is subject to potential Port Security grant reimbursement of \$450,000.

The Port Authority notified vendors regarding its request for proposals (RFP) via notification on BuySpeed of an invitation to participate in a mandatory preliminary meeting after the organizations were able to provide proof that the firms met minimum security criteria. The meeting was attended by seventeen vendors. Eleven firms submitted proposals based on the project materials they received after the mandatory meeting.

Staff Evaluation/Justification:

On September 16, 2020, eleven RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required analysis and design services:

- Critical Start, Inc.
- Red River Technology LLC
- Fulcrum Technology Solutions

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Critical Start, Inc. for information security operations that includes SOC and SIEM starting in the first quarter of 2021 and TIP and SOAR services starting in first quarter of 2022, and act as otherwise described above.

M. TECHNOLOGY

Subject	2. Approve staff’s ranking of vendors and award a security services contract in an amount not to exceed \$75,000 subject to potential Port Security grant reimbursement of \$56,250 for information security training for Port Authority employees and third party users of Port Authority information and technology systems payable over three years plus two one-year renewal options to the top-ranked proposer: staff ranking- first, Red River Technology LLC; second, Critical Start, Inc.; and third, CapGemini America.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020, meeting: (a) approve staff’s ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Red River Technology LLC; second, Critical Start, Inc.; and third, CapGemini America; (b) award a security services contract to Red River Technology LLC for information security training for Port Authority employees and third party users of Port Authority information and technology systems payable over three years plus two one-year renewal options in an amount not to exceed \$75,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact</p> <p>Strategic Objective 3b. - Demonstrate transparency and accountability</p> <p>Strategic Objective 2c. - Enhance efficiency and resilience through innovative technology and other means</p> <p>Strategic Objective 1c. - Deliver excellence and continuous improvement in all core functions</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p>
Category:	Awards, Amendments & Change Orders
Department:	Information Technology
Staff Contact:	Christopher Wolski
Background:	The Port Authority is seeking to obtain information security services and support to improve the cybersecurity posture of the Port Authority. Providing all users of Port Authority information and technology systems a pre-requisite training prior to their access to these systems, would increase security by providing cybersecurity event identification training extending ‘see something say something’ to cybersecurity.

The Port Authority notified vendors regarding its request for proposals (RFP) on BuySpeed of an invitation to participate in a mandatory preliminary meeting after the organizations were able to provide proof that the firms met minimum security criteria.

This expenditure is subject to potential Port Security grant reimbursement of \$56,250.

Nine firms submitted proposals based on the project materials they received after the mandatory meeting.

Staff Evaluation/Justification:

On September 16, 2020, nine RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required analysis and design services:

- Red River Technology LLC
- Critical Start, Inc.
- CapGemini America

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Red River Technology LLC for information security training for Port Authority employees and 3rd party users of Port Authority information and technology systems, and act as otherwise described above.

M. TECHNOLOGY

Subject	3. Issue a purchase order to SHI Government Solutions for a three-year purchase agreement of next generation anti-virus Endpoint Protection Platform/Endpoint Detection and Response (EPP/EDR) software, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000 for the three years.
Meeting	Dec 8, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 8, 2020 meeting, issue a purchase order to SHI Government Solutions for a three-year purchase agreement of next generation anti-virus Endpoint Protection Platform/Endpoint Detection and Response (EPP/EDR) software, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000 for the three years, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact</p> <p>Strategic Objective 2c. - Enhance efficiency and resilience through innovative technology and other means</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p>

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Christopher Wolski

Background:

The Port Authority is seeking to obtain approval for a three-year purchase agreement to be invoiced annually for next generation anti-virus EPP/EDR software. The Texas Department of Information Resources (DIR) is a department of the State of Texas and has cooperative purchasing programs which may be used by the Port Authority.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the next generation anti-virus software through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined the current anti-virus solution, Trend Micro, reaches the end of support in March, 2021. This requires the Port Authority to look at a replacement that can bring next-generation anti-virus, also known as Endpoint Protection Platform (EPP), capabilities to the Port Authority.

The demands of a distributed workforce require cloud-based monitoring of devices, no matter where they are in the world. Many EPP products include a technology called Endpoint Detection and Response (EDR). EDR provides Port Authority information security analysts and support desk technicians the ability to remotely remediate information security events and incidents if the device can connect to the

Internet for incident detection and response. The purchase of the next generation anti-virus software was reviewed to ensure the best availability, price, and contract term for the item needed; which is provided by SHI Government Solutions under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.