

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
January 25, 2022

Minute No.

Event/Action

General

Chairman Campo convened the in-person and virtual Port Commission meeting and provided opening remarks along with Port Commissioners

Minutes

2022-0125-01 Approve the minutes of the November 18, 2021 and December 7, 2021 Port Commission meetings

Staff Reports

2022-0125-02(a) Roger Guenther, Executive Director, presented a summary of selected financial and operational matters

2022-0125-02(b) Tom Heidt, Chief Operating Officer, presented a monthly contract report

Appearances

2022-0125-03(a) Chairman Campo recognized Dwayne Morrow, East Harris County Empowerment Council, who addressed the Port Commission

2022-0125-03(b) Chairman Campo recognized Leticia Ablaza, Air Alliance Houston, who addressed the Port Commission

2022-0125-03(c) Chairman Campo introduced Capt. Bill Diehl, President, Greater Houston Port Bureau, who addressed the Port Commission

2022-0125-03(d) Chairman Campo introduced Niels Aalund, Vice-President, West Gulf Maritime Association (WGMA), who addressed the Port Commission

F. Executive

2022-0125-04 Chairman Campo recognized Tom Heidt to provide a report of selected Executive Division agenda items

2022-0125-05 RCA F1 was pulled from the agenda

<u>Minute No.</u>	<u>Event/Action</u>
2022-0125-06	Acknowledgment of a gift to the Port Authority under Special District Local Laws Code Section 5007.228: \$1,000 from Magellan Terminals Holdings, L.P. for equipment, training, or team building
	G. Business Equity (no items)
	H. Commercial
2022-0125-07	Chairman Campo recognized Tom Heidt to provide a report of selected Commercial Division agenda items
2022-0125-08	Approve a lease for a three-year term with AllTrans Port Services, LLC for approximately 3.04 acres in Block 23, Industrial Park East, effective no earlier than February 1, 2022, at an annual base rent of approximately \$115,824, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index
2022-0125-09	Approve amendments of two leases with Kinder Morgan Petcoke, L.P. for approximately 90.3 acres and 23.18 acres at the Bulk Materials Handling Plant to extend the terms for five years to expire June 30, 2027, effective no earlier than July 1, 2022, at combined annual base rents of approximately \$4,237,054.32, subject to annual base rent escalations equal to the increase in the Consumer Price Index for the 90.3-acre lease and 3% for the 23.18-acre lease
2022-0125-10	Approve a second amendment to the lease with TPC Group LLC for approximately 6 acres at Block 3, Sims Bayou, to extend the term for one year, effective no earlier than April 1, 2022, at an annual base rent of approximately \$256,042
	I. Finance
2022-0125-11	Chairman Campo recognized Mr. Heidt to provide a report of selected Finance Division agenda items
2022-0125-12	Approve the purchase of insurance from various carriers effective March 1, 2022, for the Port Authority's primary and excess property and casualty insurance coverage needs
2022-0125-13	Authorize to fund the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for insurance year 2022-2023 and authorize its third-party claims administrator to pay claims in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018

<u>Minute No.</u>	<u>Event/Action</u>
2022-0125-14	Approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2021
2022-0125-15	Approve the change of control of Stacey Braun Associates, Inc. under its investment management agreement for large capitalization growth assets of the Port of Houston Authority Restated Retirement Plan
	J. Infrastructure
2022-0125-16	Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure Division agenda items
2022-0125-17	Approve staff's ranking of vendors and award a professional services contract to design the Port Coordination Center renovations at Turning Basin Terminal to the top-ranked proposer: staff ranking – first, English & Associates Architects, Inc., second, Martinez Architects; and third, Sigma Engineers Port Commission adopted the staff-recommended ranking and authorized award
2022-0125-18	Approve a change order with Satterfield & Pontikes Construction, Inc. to perform additional work associated with the construction of Container Yard 2 South at Bayport Container Terminal
2022-0125-19	Enter into a pipeline alteration agreement for possible pipeline relocation construction with the Gulf Coast Authority in Segment 3 of the Houston Ship Channel Expansion Channel Improvement
2022-0125-20	Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: BWC Terminals Holdings, LLC, Concha Chemical Pipeline LLC, DCP Sand Hills Pipeline, LLC, Energy Transfer Mont Belvieu NGLs LP, Kinder Morgan Crude & Condensate LLC, Kinder Morgan Tejas Pipeline LLC, Kinder Morgan Texas Pipeline LLC, KM Liquids Terminals LLC, Linde, Inc., Shell Chemical LP, Shell Pipeline Company LP, South Tex 66 Pipeline Company, LTD, and Valero Refining-Texas, LP
2022-0125-21	Issue a pipeline license to Easton Energy Pipelines, LLC for one 8-inch isobutane pipeline crossing the Port Authority's Southside Mainline railroad right-of-way, near West Belmont Street
2022-0125-22	Approve the transfer of the license for a six-inch sulfuric acid pipeline from Sekisui Specialty Chemicals America, LLC to PCI QOZB, LLC under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way

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J. Operations

- 2022-0125-23 Chairman Campo recognized Mr. Heidt to provide a report of selected Operations Division agenda items
- 2022-0125-24 Award a contract to Hillary Machinery, Inc. for the purchase of milling equipment to fabricate parts and specialty tools for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
- 2022-0125-25 Award a three-year contract to Briggs Equipment, the sole source provider, for the purchase of captive spare and replacement parts for Hyster container handling equipment at Barbours Cut Terminal
- 2022-0125-26 Award a contract to Konecranes, Inc., the sole source provider, for the purchase and installation of gantry disable indicator lights on rubber-tired gantry cranes at Barbours Cut Terminal and Bayport Container Terminal
- 2022-0125-27 Award a two-year contract to MAT Malmedie Antriebstechnik GmbH, the sole source provider, for the purchase of spare and replacement drum couplings for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal
- 2022-0125-28 Authorize additional purchase order funding for continuing pandemic response services with Ambassador Services, LLC
- 2022-0125-29 Rescind the award of a contract for the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Terminal awarded to Brieda Cabins S.r.l. A Socio Unico
- 2022-0125-30 Amend the professional services agreement with APTIM Port Services International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal
- 2022-0125-31 Approve a Marine Terminal Service Agreement with HMM Co., Ltd. (America)
- 2022-0125-32 Enter a Facility Use Agreement with Buffalo Marine Service, Inc. for layberth of barges at certain Turning Basin Terminal wharves at a monthly dockage rate of \$12,075 for a term of two years with one two-year option at a monthly dockage rate of \$12,678.75
- 2022-0125-33 Make revisions (i) to Tariff 14, Subrule 093 and Tariff 15, Subrule 095, to provide that no more than two vessels in the same liner service may have their cargo stored on terminal at any given time, unless permitted by terminal management, (ii) to Tariff 14 Subrule 073 and Tariff 15 Subrule

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075, regarding the handling of hazardous cargo, and (iii) to Tariff 14 and 15, to provide a new subrule for rail storage

2022-0125-34 Approve an amendment to the lease with CMC Americas LLC for 22.52 acres at Bayport Container Terminal Complex south of Port Road, providing for reimbursement of the tenant's costs for mitigating certain soil conditions of approximately 2.5 acres

2022-0125-35 Amend the contract awarded to Konecranes, Inc. for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control systems retrofit for four rubber-tired gantry (RTG) cranes at Bayport Container Terminal for a revised contract amount

K. People (no items)

L. Security and Emergency Operations

2022-0125-36 Chairman Campo recognized Mr. Heidt to provide a report of selected SEO Division agenda items

2022-0125-37 Approve a purchase order to Metro Fire Apparatus Specialists, Inc. for the purchase of ten self-contained breathing apparatuses, ten cylinders, and ten masks, using the Houston-Galveston Area Council's cooperative purchasing program

2022-0125-38 Enter into a two-year interlocal agreement with San Jacinto College to provide fireboat simulation training for the Fire Department

M. Technology

2022-0125-39 Chairman Campo recognized Mr. Heidt to provide a report of selected Technology Division agenda items

2022-0125-40 Issue a purchase order to CDW Government LLC for purchase of miscellaneous computer parts and accessories, using OMNIA Partners, a cooperative purchase program

2022-0125-41 Issue a purchase order to Smart-Tecs, the sole source provider, for the purchase of spare parts for the Gate Operating System environment

2022-0125-42 Amend and extend, for an additional five years, the contract with Comcast Cable Communications Management, LLC for additional circuits supporting the disaster recovery data center

Recess Open Meeting and Convene Executive Session

Minute No.

Event/Action

Reconvene Open Meeting

2022-0125-43

Motion to authorize the Port Authority to hire a chief audit executive as discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

Closing Remarks by Chairman and Commissioners

Adjourn Meeting

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

**Houston, Texas
January 25, 2022**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on January 25, 2022, at 9:15 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029, and 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 his opening remarks by reflecting on the Port Authority's success in 2021 and congratulating staff and partners on moving more cargo than ever before, despite the challenges brought on by disruptions to the supply chain, the ongoing COVID-19 pandemic, and labor shortages. The Port Authority generated \$263 million in free cash flow, which exceeded the 2021 budget by \$81 million. He went on to highlight the progress made on Project 11, for which construction was set to begin and funded through Segment 3 due to a \$142 million award to the Army Corps of Engineers for its share of that segment.

Chairman Campo highlighted some additional strategic wins from 2021, including the launch of the Business Equity Division, the successful small business program, an improved safety record, implementation of the Port Authority's diversity, equity, and inclusion (DEI) plan, and publishing its first ES2G report. He acknowledged the 100th anniversary of the Houston Pilots and noted that there was a resolution to honor the anniversary on the agenda.

Commissioner Corgey moved to approve a Resolution of the Port Commission in honor of the Hundred-Year Anniversary of the Houston Pilots, seconded by Commissioner Mease. The resolution was approved.

Commissioner Fitzgerald emphasized that having both land and capital put the Port Authority in a strong financial position.

(2022-0125-01) Chairman Campo called for a motion to approve the minutes of the November 18, 2021 and December 7, 2021 Port Commission meetings.

Commissioner Mease moved for approval, seconded by Commissioner DonCarlos. The minutes were approved as written.

(2022-0125-02) Staff Reports

(a) Roger Guenther, Executive Director, presented a summary of selected 2021 operating results:

- General cargo and breakbulk came storming back in 2021 through the Port Authority's multipurpose terminals.
- There was an overall 52% increase in cargo tonnage when compared to 2020. Bagged goods, auto imports, lumber, and wind power equipment all demonstrated increases from the previous calendar year.
- Steel bounced back strongly, reaching more than 3.4 million tons through the calendar year.
- Overall volume across public wharves reached nearly 52 million tons, a new record which topped 2019 by nearly 4 million tons.
- Container volume was strong throughout the year, reaching a total of 3.45 million twenty-foot equivalent units (TEUs), 15% higher than in 2020.
- There were still challenges in the supply chain.
 - There was a tremendous increase in import volume.
 - Gate activity was consistently more than 11,000 transactions daily.
 - Ships continued to wait at anchor but not at levels that other ports saw.
 - Dwell time had subsided, but containers were still sitting longer than the pre-pandemic levels. Gate hours would be lengthened in an effort to handle increasing demand.
 - There were numerous record days on gate transactions and lifts on container ships.
- Financially, the results of all of the Port Authority's operations and real estate activities supporting operations contributed to a cash flow of more than \$260 million that would be invested in facilities to stay ahead of the demand through the public terminals.
- Three new ship-to-shore cranes were expected to arrive at the Bayport Container Terminal in the near future.

Mr. Guenther recognized a Port Authority employee who recently achieved the "You" designation: Eric Dickinson, Assistant Maintenance Manager, Turning Basin Maintenance, had been awarded it, along with R, E, A, and D awards. His achievement was recognized at the meeting by the presentation of the Y.

Mr. Guenther gave background on how the first four letters of recognition was received.

- Respect by Mike Gignac in November of 2021, for his time participating in 16+ cross functional teams or committees;
- Respect by Garret Berg in November of 2021, for helping build eight wooden mini-libraries for local schools;
- Excellence by Mike Zieseimer in June of 2019, for assisting the Port Security team with critical and time sensitive matters without hesitation;
- Excellence by Marcus Woodring in October of 2020, for assisting with installation of the National Oceanic and Atmospheric Administration (NOAA) meter under the 610 bridge;
- Excellence by Garret Berg in November of 2020, for his work on building welcome signs for a local community neighborhood;
- Accountability by Mike Gignac in February of 2020, for his assistance on the Water Meter Cross Functional Team;
- Diligence by the 2019 Interns in August of 2019, for the above and beyond assistance with the interns' project at Mission Milby; and
- Diligence by Jessica Shaver in April of 2021, for his diligent participation and work on the Reunited Committee.

Mr. Guenther then recognized Kent Stillwell from the Police Department and Tom Heidt on their 40 years of service.

Mr. Guenther emphasized that “people helping people” was a theme for 2021. Staff donated \$50,000 toward the Port Authority’s Employee Catastrophic Assistance Fund after the freeze in February 2021, and the Port Security and Emergency Operations Division helped to coordinate 12,000 COVID-19 vaccines for seafarers.

Mr. Guenther explained that big steps were taken in sustainability in the past year. The Sustainability Action Plan was developed in addition to the ES2G report and the updated Clean Air Strategy Plan. Additionally, \$300,000 in grants had been provided for community projects. Safety continued to be a top priority in 2021 as the Port Authority continued to battle COVID-19 and maintained a Lost Time Incident Rate well under industry average.

Commissioner Mease remarked that the Port Authority had accomplished a lot despite circumstances in 2021. He congratulated staff on a job well done.

Commissioner Corgey noted that the Port Authority had been an industry leader for many years. Mr. Guenther agreed and stated that he wanted to be the model for how things were done.

- (b) Tom Heidt, Chief Operating Officer, presented a monthly contract report.

Mr. Heidt explained that the report was a single page outlining various ongoing projects and would be prepared and presented every month at the Port Commission meeting. More detailed quarterly reports would also be prepared and include all current Port Authority projects. The reports also included a business equity component.

Commissioner Fitzgerald questioned whether there had been any difficulties or shortages in ordering supplies. Mr. Guenther confirmed there were COVID-19 related shutdowns and labor shortages, and a push for near zero-emission equipment. Also, slowdown in the ship-to-shore crane ordering process created a desire to have a long-term agreement in place that contained known pricing.

Chairman Campo asked if, in addition to the one-page monthly report, there would be a separate one for Project 11. Mr. Heidt confirmed there would be.

(2022-0125-03) Appearances

(a) Chairman Campo recognized Dwayne Morrow, East Harris County Empowerment Council, who addressed the Port Commission.

Mr. Morrow stressed that he supported efforts to move to zero emissions and was encouraged to see the Port Authority take the issue to heart through the award of its dredging contract last fall. He wanted to see a commitment by the Port Authority to continue such efforts in future dredging contracts for Project 11.

Chairman Campo responded that it was hard to go backwards, especially when already moving forward, and it was an issue that would be focused on.

(b) Chairman Campo recognized Leticia Ablaza, Air Alliance Houston, who addressed the Port Commission.

Ms. Ablaza believed that everyone had the right to breath clean air. Where one lived, worked, learned, or played should not determine health outcomes. Houston's port was leading others in projects and financial gains, but it should also be an example doing so in an environmentally responsible manner, by not negatively impacting surrounding residents' health.

Ms. Ablaza explained that she had been reviewing the Clean Air Strategy Plan and had strong concerns about targets for emissions reduction. She wanted specific, measurable targets for emissions reduction and commended Rich Byrnes, Chief Port Infrastructure Officer, and Maria Aguirre, Director, Community Relations, for their community outreach and dialogue. She concluded by asking how the Port Authority planned to fund the ES2G, as many initiatives could positively impact communities along the channel.

Chairman Campo answered that the ES2G was the first step and clearly there needed to be specific measurements and financial commitments. He hoped Ms. Ablaza would be a part of the future discussions.

(c) Chairman Campo introduced Capt. Bill Diehl, President, Greater Houston Port Bureau, who addressed the Port Commission.

Capt. Diehl recognized Chairman Campo as the Greater Houston Port Bureau's 2022 Maritime Leader of the Year. Industry was pleased with the accomplishments relating to Project 11 attained in the past year. The award would be presented at the upcoming Port Bureau's Annual Maritime Dinner – the largest maritime dinner in the nation.

Chairman Campo thanked Capt. Diehl and the Port Bureau. He was humbled and proud to accept the award.

(d) Chairman Campo introduced Niels Aalund, Vice-President, West Gulf Maritime Association (WGMA), who addressed the Port Commission.

Mr. Aalund announced he would be retiring in a few days and offered his thanks to the Port Authority for its partnership with WGMA over the years. He reminisced about how he had been visiting the Executive Office Building since it had opened and remarked that whenever he traveled, he was always asked about the Port of Houston and loved to talk about it.

Commissioners Fitzgerald and Corgoy offered their congratulations to Mr. Aalund and reminisced about their past working relationship with him.

(2022-0125-04) Chairman Campo recognized Mr. Heidt to provide a report of selected Executive agenda items.

Mr. Heidt presented Item F2, acknowledgement of a gift to the Port Authority of \$1,000 from Magellan Terminals in support of the Fire Department. The intended use of the gift was for equipment, training, or team building.

(2022-0125-05) RCA F1 was pulled from the agenda.

(2022-0125-06) RCA F2 was presented, moved by Commissioner Corgoy, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgoy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

Chairman Campo noted that there were no items on the Business Equity agenda.

(2022-0125-07) Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial agenda items.

Mr. Heidt explained that agenda Item H2 was approval of amendments to two leases with Kinder Morgan Petcoke at the Bulk Materials Handling Plant, to exercise the second of four five-year options.

(2022-0125-08) RCA H1 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 H1 PASSED.

(2022-0125-09) RCA H2 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 H2 PASSED.

(2022-0125-10) RCA H3 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 H3 PASSED.

(2022-0125-11) Chairman Campo recognized Mr. Heidt to provide a report of selected Finance agenda items.

Mr. Heidt noted that Item I1 was for the purchase of insurance from various carriers for the Port Authority's primary and excess property and casualty insurance coverage needs. This covered \$472 million in total insured value with the biggest chunk being cranes at \$276,000. The amount for approval included the future coverage of the three new ship-to-shore cranes currently in transit.

Item I2 was to authorize funding of the Port Authority's self-insurance loss fund for worker' compensation and general liability claims. Milliman, the third-party actuary, reviewed the historical losses and assessed the projected claims to ensure a healthy balance in the fund, which was well over the ratios called for in the plan.

Commissioner Corgey questioned if the amount was lower than the previous year. Mr. Heidt confirmed it was because there had only been \$261,000 in claims through December 31, 2021.

Mr. Heidt concluded with Item I3: approval of the audited financial statements for the Port Authority's Restated Retirement Plan for the fiscal year ended July 31, 2021. The Audit Committee and Pension and Benefits Committee had already reviewed and approved the item. As of December 31, 2021, the fund had \$230 million and was funded at 109%.

(2022-0125-12) RCA I1 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 I1 PASSED.

(2022-0125-13) RCA I2 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 I2 PASSED.

(2022-0125-14) RCA I3 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 I3 PASSED.

(2022-0125-15) RCA I4 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 I4 PASSED.

(2022-0125-16) Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure agenda items.

Mr. Heidt highlighted Item J1: award a professional services contract to design the Port Coordination Center renovations at the Turning Basin Terminal. A third party had reviewed and identified issues with the building and now staff was designing the renovation. The estimated cost of construction had risen and, if the renovation design eclipsed the cost to construct an entirely new building, a new recommendation would be brought before the Port Commission.

(2022-0125-17) RCA J1 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, English & Associates Architects, Inc., second, Martinez Architects; and third, Sigma Engineers, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2022-0125-18) RCA J2 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 J2 PASSED.

(2022-0125-19) RCA J3 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 J3 PASSED.

(2022-0125-20) RCA J4 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 J4 PASSED.

(2022-0125-21) RCA J5 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 J5 PASSED.

(2022-0125-22) RCA J6 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 J6 PASSED.

(2022-0125-23) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Operations agenda items.

Mr. Heidt noted that Item K1 was for a contract for the purchase of milling equipment to fabricate parts and specialty tools for the Barbours Cut, Bayport, and Turning Basin Terminals. Some of the equipment was purchased in 1961 and maintaining it had become a challenge.

Mr. Heidt explained that Item K5 was to authorize additional purchase order funding for continuing pandemic response services. This was the sixth time money had been added to the contract. The normal cleaning contract was currently out to bid and would be brought to the Port Commission in April 2022; the current agenda item would fund the services through that date. To date, the Port Authority had spent approximately \$9 million on COVID-19 related services, and the Port Authority recently submitted a reimbursement request through FEMA in the amount of \$3 million. More reimbursement requests would be submitted in the future.

Mr. Heidt finished with Item K10 detailing revisions to the Port Authority's Tariff 14 and 15 to manage export receiving windows and providing that no more than two vessels in the same liner service may have their cargo stored on a terminal at any given time unless

permitted by terminal management. Additional revisions included changes in the handling of hazardous cargo and creating a new rule for rail storage.

Commissioner Mease asked what CMC Americas, the tenant referred to in Item K11, did for business.

Mr. Heidt answered that CMC handled containers for the Port Authority and was currently leasing 20 acres of property and wanted an additional two acres out of a thirty-acre tract of land adjacent to its leased premises. The thirty-acre tract of land contained contaminated soil and CMC was willing to mitigate the contamination on the desired two acres if it was reimbursed for its costs. The Port Authority would mitigate the remaining contaminated acreage at a later date.

Commissioner DonCarlos questioned whether the dock space in Item K9 was not needed by the Port Authority. Mr. Heidt answered that the contract stipulated that a tug had to be with the barges that were docked at all times, and if the Port Authority needed the space, then the barges would have to move.

Commissioner DonCarlos then asked about Item K12. He wanted to know if there was language in the contracts when awarded that the prices were set and could not be increased.

Mr. Eriksson assured Commissioner DonCarlos that the contracts do have set pricing, but the particular contract in question had not yet been signed yet staff had decided it was in the best interests of all to increase the price of the contract to the revised quote from the vendor.

Commissioner DonCarlos could not recall ever seeing an RCA like Item K12 before and did not believe it was a good trend. Prices were going crazy and if vendors were going to change bid prices after award, then it would be a problem. Mr. Eriksson agreed, noted that conversations had taken place with the vendor, assured the Port Commission that the agenda item was an anomaly and additionally emphasized that it was a sole source.

Commissioner Mease asked for clarification. As he understood it, the contract was bid, awarded, and then the vendor changed the price after the award.

Mr. Heidt clarified that the contract was not bid as it was sole source, and Mr. Eriksson added that the proposal had not initially included certain pricing. The proposed change, he believed, would ultimately end up benefiting the Port Authority from an overall cost standpoint.

In response to Commissioner Cloonan's query, Mr. Eriksson agreed that the proposed agenda item would not become standard practice but added that the long-term relationship with the vendor had to be taken into account.

(2022-0125-24) RCA K1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2022-0125-25) RCA K2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2022-0125-26) RCA K3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2022-0125-27) RCA K4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2022-0125-28) RCA K5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2022-0125-29) RCA K6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2022-0125-30) RCA K7 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K7 PASSED.

(2022-0125-31) RCA K8 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2022-0125-32) RCA K9 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2022-0125-33) RCA K10 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K10 PASSED.

(2022-0125-34) RCA K11 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K11 PASSED.

(2022-0125-35) RCA K12 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K12 PASSED.

Chairman Campo noted that there were no items on the People agenda

(2022-0125-36) Chairman Campo recognized Mr. Heidt to provide a report of selected Security and Emergency Operations agenda items.

Mr. Heidt asked for approval of Item M1 pertaining to the purchase of ten self-contained breathing apparatuses, ten cylinders, and ten masks for the Fire Department. This was year four of a four-year replacement program. All tanks and masks would thus be upgraded.

(2022-0125-37) RCA M1 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2022-0125-38) RCA M2 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2022-0125-39) Chairman Campo recognized Mr. Heidt to provide a report of selected Technology agenda items.

Mr. Heidt highlighted Item N3: an amendment to extend a contract with Comcast Cable Communications Management for an additional five years. The contract was for additional circuits that supported the disaster recovery data center. The circuits were part of an upgrade package that would double the bandwidth between the Barbours Cut and Bayport Container Terminals, add hardware for redundancy between the data center and the offsite disaster recovery, and provide a prioritization component to the disaster recovery center.

(2022-0125-40) RCA N1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N1 PASSED.

(2022-0125-41) RCA N2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N2 PASSED.

(2022-0125-42) RCA N3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N3 PASSED.

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

It is now 10:19 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 agreement for legal services with Andrews Myers, P.C.; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*); (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Officers and Employees (*Section 551.074, Texas Open Meetings Act*), including deliberation regarding the employment agreement with the Executive Director of the Port Authority; and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

At 11:32 a.m., Chairman Campo reconvened the open meeting 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

(2022-0125-43) Commissioner Creuzot moved to authorize the Port Authority to hire a chief audit executive as discussed in Executive Session and authorize the Executive Director 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 announced that on the forthcoming Thursday the Port Authority would be hosting Senator John Cornyn at the Manchester Terminal to talk about hydrogen. There were currently three bipartisan bills related to hydrogen infrastructure under consideration.

At 11:34 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the January 25, 2022 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject 1. Enter into an Industrial District Agreement with the City of Morgan's Point and approve a payment to the city under that agreement in the net amount not to exceed \$1,500,000.

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize the Port Authority to enter into an Industrial District Agreement with the City of Morgan's Point and approve a payment to the city under that agreement in the net amount not to exceed \$1,500,000, 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:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

Port Authority representatives have undertaken discussions with the Mayor and City Manager of the City of Morgan's Point to consider whether the city would:

- (i) disannex Barbours Cut Terminal property;
- (ii) enter into an Industrial District Agreement for the disannexed property;
- (iii) sell miscellaneous properties south of the terminal to the city;

The agreement would provide, among other things, that during its term, the disannexed property would retain its newly-enacted extraterritorial status, be immune from annexation by the city, and remain exempt from various city powers. The agreement would also acknowledge that the city would have no obligation to provide services to the disannexed property, except water supply and waste water treatment. Finally, the agreement would provide that the Port Authority pay a net amount not to exceed \$1,500,000 to the city, after deducting the sales prices for the miscellaneous properties sold to the city, arrange for third party payments to the city in lieu of sales tax, and landscape the north side of Barbours Cut Blvd. from the west terminal line to Wilson, with screening plantings as agreed on by the parties.

Staff anticipates that Morgan's Point City Council will consider these matters early next month.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize the Port Authority to a Memorandum of Agreement and Industrial District Agreement with the City of Morgan's Point and approve a net payment to the city thereunder in the amount of \$1,500,000.

F. EXECUTIVE

Subject **2. Acknowledgment of a gift to the Port Authority under Special District Local Laws Code Section 5007.228: \$1,000 from Magellan Terminals Holdings, L.P. for equipment, training, or team building.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, acknowledge acceptance under Special District Local Laws Code Section 5007.228 of a gift to the Port Authority: \$1,000 in relief assistance from Magellan Terminals Holdings, L.P. for equipment, training, or team building, and direct the Chief Legal Officer to record the name of the donor, a description of the gift, and a statement of the purpose of the gift in the minutes of the Port Commission.

Category:

General

Department:

Legal

Staff Contact:

Erik Eriksson

Background:

Last month staff at the Magellan Galena Park Terminal contacted Chief William Buck of the Port Authority Fire Department and provided a \$1,000 donation in support of the department. Its intended use is for Fire Department equipment, training, or team building.

The donation was accompanied by an expression of thanks for the department's support of the port and the oil industry.

Staff Evaluation/Justification:

Section 5007.228 of the Special District Local Laws Code provides that the Port Authority may accept a gift valued at \$500 or more if the Port Commission acknowledges the acceptance of the gift within 90 days of its receipt.

The statute additionally provides that the Port Authority must record the name of the donor, a description of the gift, and a statement of the purpose of the gift in the minutes of the Port Commission.

The Legal Department recommends that the Port Commission acknowledge acceptance of this gift as provided above.

H. COMMERCIAL

Subject 1. Approve a lease for a three-year term with AllTrans Port Services, LLC for approximately 3.04 acres in Block 23, Industrial Park East, effective no earlier than February 1, 2022, at an annual base rent of approximately \$115,824, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, approve a lease for a three-year term with AllTrans Port Services, LLC for approximately 3.04 acres in Block 23, Industrial Park East, effective no earlier than February 1, 2022, at an annual base rent of approximately \$115,824, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index, 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)
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

AllTrans Port Services, LLC (AllTrans) has requested that the Port Authority lease approximately 3.04 acres at Block 23, Industrial Park East, for a three-year term. AllTrans has leased this property under a month-to-month lease since December 9, 2021 for storing and handling steel products, containers, and general cargo and desires to convert to a term lease. AllTrans plans to use this property for the same purpose under the proposed term lease.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease with AllTrans under the terms described above.

H. COMMERCIAL

Subject **2. Approve amendments of two leases with Kinder Morgan Petcoke, L.P. for approximately 90.3 acres and 23.18 acres at the Bulk Materials Handling Plant to extend the terms for five years to expire June 30, 2027, effective no earlier than July 1, 2022, at combined annual base rents of approximately \$4,237,054.32, subject to annual base rent escalations equal to the increase in the Consumer Price Index for the 90.3-acre lease and 3% for the 23.18-acre lease.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, approve amendments of two leases with Kinder Morgan Petcoke, L.P. for approximately 90.3 acres and 23.18 acres at the Bulk Materials Handling Plant to extend the terms for five years to expire June 30, 2027, effective no earlier than July 1, 2022, at combined annual base rents of approximately \$4,237,054.32, subject to annual base rent escalations equal to the increase in the Consumer Price Index for the 90.3-acre lease and 3% for the 23.18-acre lease, 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)
Strategic Objective 3a. - Cultivate key relationships to accomplish common goals
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
90.3-Acre Lease

By Minute No. 2007-0626-18, the Port Commission authorized a ten-year lease, with four five-year mutual extension options, with Kinder Morgan Petcoke, L.P. for approximately 90.3 acres, including Wharves B1 and B2, out of the Bulk Materials Handling Plant, commencing on July 1, 2007 (the "90.3-acre lease"). The property is used for the storage and handling of dry bulk cargo and "super bags" of dry bulk cargo, or other cargo as approved by the Port Authority.

By Minute No. 2011-0405-12, the Port Commission authorized a first amendment to the 90.3-acre lease to amend provisions relating to Additional Rent as defined in such lease.

By Minute No. 2013-0122-31, the Port Commission authorized a second amendment to the 90.3-acre lease to, among other things, exercise the first of the four five-year mutual extension options, thereby extending the term of the 90.3-acre lease to June 30, 2022.

On December 8, 2021, Kinder Morgan Petcoke, L.P. sent a written notice to the Port Authority of its intention to exercise the second of the four five-year mutual extension options for the 90.3-acre lease, which would result in a termination date of June 30, 2027.

23.18-Acre Lease (formerly, 28.49-Acre Lease)

By Minute No. 2011-0405-12, the Port Commission authorized a term lease, with four five-year mutual extension options, with Kinder Morgan Petcoke, L.P. for approximately 28.49 acres of Block 5 out of the Bulk Materials Handling Plant, commencing on April 8, 2011 and terminating on June 30, 2017 (the "28.49-acre lease" or as described below, the "23.18-acre lease"). The property is used for the construction of improvements and the storage and handling of dry bulk cargo and "super bags" of dry bulk cargo, or other cargo as approved by the Port Authority.

By Minute No. 2013-0122-31, the Port Commission authorized a first amendment to the 28.49-acre lease to, among other things, exercise the first of the four five-year mutual extension options, thereby extending the term of the 28.49-acre lease to June 30, 2022.

By Minute No. 2013-0625-33, the Port Commission authorized a second amendment to the 28.49-acre lease to, among other things, increase the leased premises to approximately 29.02 acres of Block 5 and Block 9 out of the Bulk Materials Handling Plant.

By Minute No. 2018-0130-14, the Port Commission authorized a third amendment to the 28.49-acre lease to reduce the leased premises to approximately 23.18 acres. This amendment enabled the Port Authority to acquire leased property to secure a workable land lease for the proposed Port Authority's Green Bayou Liquid Bulk Export Terminal development.

On December 8, 2021, Kinder Morgan Petcoke, L.P. sent a written notice to the Port Authority of its intention to exercise the second of the four five-year mutual extension options for the 23.18-acre lease, which would result in a termination date of June 30, 2027.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed two lease amendments.

H. COMMERCIAL

Subject	3. Approve a second amendment to the lease with TPC Group LLC for approximately 6 acres at Block 3, Sims Bayou, to extend the term for one year, effective no earlier than April 1, 2022, at an annual base rent of approximately \$256,042.
Meeting	Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 25, 2022 meeting, approve a second amendment to the lease with TPC Group LLC for approximately 6 acres at Block 3, Sims Bayou, to extend the term for one year, effective no earlier than April 1, 2022, at an annual base rent of approximately \$256,042, 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) STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
By Minute No. 2020-0428-09, the Port Commission authorized a one-year lease with TPC Group LLC for approximately 6 acres out of Block 3, Sims Bayou. The property is used for parking vehicles for TPC Group LLC's contract refinery personnel.

By Minute No. 2021-0223-06, the Port Commission authorized an amendment to the Lease to extend it for an additional one-year term, effective no earlier than April 1, 2021, at an annual base rent of approximately \$248,584.

TPC Group LLC has requested an additional one year extension. The property would be used for the same purpose as stated above. The annual base rent would be subject to escalation of the greater of 3% or the increase in the Consumer Price Index.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve the proposed lease amendment.

I. FINANCE

Subject **1. Approve the purchase of insurance from various carriers effective March 1, 2022, for the Port Authority's primary and excess property and casualty insurance coverage needs, in a total amount not to exceed \$5,517,350.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, (i) approve the purchase of insurance from various carriers effective March 1, 2022, for the Port Authority's primary and excess property and casualty insurance coverage needs as set forth below, in a total amount not to exceed \$5,517,350, (ii) authorize contract renewal negotiations with the insurance carriers prior to contract expiration, to better determine in advance the need to issue a formal request for proposals for the next contract year, and (iii) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Type of Coverage; Premium; Carrier(s)

(1) Property - (buildings, contents, electronic data processing equipment); \$1,754,453 with Various Carriers in a Layered Program, as depicted on participation graph

(2) Terrorism - \$26,231 with Lloyd's Syndicate carrier

(3) Contractors Equipment - \$1,873,666 plus Additional Estimated New Premium \$244,356; in Layered Program with multi-carriers

(4) Boiler & Machinery/Equipment Breakdown - \$95,480 with carrier, Travelers

(5) Excess Workers' Compensation - \$255,310 with carrier, Midwest Employers

(6) Excess Umbrella - \$685,000 with carrier, Lloyds of London

(7) Public Officials - \$240,158 with carrier, AIG and ACE

(8) Crime - \$9,003 with carrier, Travelers

(9) Cyber - \$53,458 with carrier, Corvus

(10) Fiduciary Liability - \$500,200 with carrier, Great American

(11) Special Events - \$7,612 with carrier, Nationwide

(12) Fire Truck Auto PD - \$13,135 with carrier, Great American

(13) Foreign Package - \$ 2,500 with carrier, AIG

(14) Special Crime - \$10,395 with carrier, US Specialty Ins. Co.

(15) Mobile Command Center - \$24,580 with carrier, Travelers Lloyds

(16) Maritime Education - \$1,141 with, Federal Insurance Company

(17) UST/AST - \$4,720 with, Commerce & Industry

(18) Hull/Protection & Indemnity (Marine) - \$160,946 with various carriers

(19) Pollution for P/I (Vessels) - \$10,077 with carriers: State National/Starr/Ascot

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

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Norma Essary

Background:

The Port Commission has previously awarded a one-year contract extension to McGriff Insurance Services (McGriff) to serve as the Port Authority's Broker of Record in the procurement of Property and Casualty insurance coverage.

McGriff's contractual responsibilities include assisting staff in the development of insurance specifications, submitting those specifications to select insurance markets, assisting in evaluating proposals received, assisting in negotiating policy terms and conditions with carriers, and making recommendations for placement of coverage.

Staff Evaluation/Justification:

The total amount requested by staff of \$5,517,350 takes into account that premiums on several policies are subject to adjustment for asset additions, actual payroll amounts, and revenue, as well as the timing and values of asset additions.

Staff recommends, and McGriff concurs, that the Port Authority enter into contracts with the carriers indicated herein for the type of coverage and maximum annual premiums listed, as providing the best value to the Port Authority to address its property and casualty risk exposures.

I. FINANCE

Subject	2. Authorize \$1,000,000 to fund the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for insurance year 2022-2023 and authorize its third-party claims administrator to pay claims in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018.
Meeting	Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 25, 2022 meeting, authorize \$1,000,000 to fund the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for the insurance year 2022-23 and authorize its third-party claim administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018, 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) Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact Strategic Objective 3b. - Demonstrate transparency and accountability

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Norma Essary

Background:

By Minute No. 2010-0928-09, the Port Commission authorized establishment of a self-insurance program effective March 1, 2010. Port Authority staff recommended several minor amendments in February 2015 and March 2018, and those were subsequently approved by the Port Commission when it adopted an Amended Insurance Program and Indemnification Policy (Program) by Minute No. 2015-0224-40, as amended by Minute No. 2018-0327-13. The Program has been a cost-effective risk financing alternative to traditional insurance, and would provide protection for the Port Authority, the Port Commission, and employees for the insurance year from March 1, 2022 to February 28, 2023.

Staff Evaluation/Justification:

Based upon actuarial projections as of June 30, 2021 and analysis of the cumulative funded position of the reserve, staff recommends the Port Commission authorize \$1,000,000 to be added into the dedicated self-insurance loss fund account to pay for all covered claim costs and expenses related to workers' compensation and liability claims expected to be incurred during the 2022-2023 insurance year.

These funds are initially retained by the Port Authority; periodic transfers would be made to the Port Authority's third-party claim administrator on an "as-needed" basis to enable payment of claim costs.

I. FINANCE

Subject	3. Approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2021.
Meeting	Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 25, 2022 meeting, approve the audited financial statements for the Port Authority Restated Retirement Plan for the fiscal year ended July 31, 2021, 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:
Accounting / Treasury

Staff Contact:
Curtis Duncan / Roland Gonzalez

Background:
Section 802.103, Texas Government Code, states:

“(a) ... the governing body of a public retirement system shall publish an annual financial report showing the financial condition of the system as of the last day of the fiscal year covered in the report. The report must include the financial statements and schedules examined in the most recent audit performed as required by Section 802.102 and must include a statement of opinion by the certified public accountant as to whether or not the financial statements and schedules are presented fairly and in accordance with generally accepted accounting principles.

(b) The governing body of a public retirement system shall, before the 211th day after the last day of the fiscal year under which the system operates, file with the State Pension Review Board a copy of each annual financial report it makes as required by law.”

The Port Authority engaged BKD LLP, its external auditing firm, to conduct an audit of the Port of Houston Authority Restated Retirement Plan (Pension Plan) for the fiscal year ended July 31, 2021 in accordance with statutory requirements.

The audited financial statements for the Pension Plan for the fiscal year ended July 31, 2021 included a statement of opinion by BKD LLP, reading as follows:

“In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Port of Houston Authority Restated Retirement Plan fiduciary net position as of July 31, 2021, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America.”

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the audited financial statements for the Pension Plan for the fiscal year ended July 31, 2021, whereupon the Port Authority will file such financial statements with the Texas Pension Review Board.

I. FINANCE

Subject **4. Approve the change of control of Stacey Braun Associates, Inc. under its investment management agreement for large capitalization growth assets of the Port of Houston Authority Restated Retirement Plan.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, approve the change of control of Stacey Braun Associates, Inc. under its investment management agreement for large capitalization growth assets of the Port of Houston Authority Restated Retirement Plan, from Martin H. Wexler to current owners and employees of Stacey Braun Associates, Inc., 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 No. 2008-0325-15, the Port Commission authorized an investment management agreement with Stacey Braun Associates, Inc. (Manager) for its management of large capitalization growth assets of the Port of Houston Authority Restated Retirement Plan (Pension Plan).

Staff Evaluation/Justification:

By notice dated November 29, 2021, Manager notified the Port Authority that Martin H. Wexler, the principal equity owner and chief executive officer of Manager, passed away, and his principal equity interest in Manager is expected to transfer to his estate, and then be distributed from his estate to current owners and employees of Manager. Such notice also indicated that Manager will remain 100% owned by current owners and employees of Manager, including Douglas Wexler, Paul Wexler, Peter Willis, and June Wexler. Accordingly, Manager has requested the Port Authority's consent to the change of control of Manager.

The Port Authority's investment management agreement with Manager requires the Port Authority's consent to Manager's "assignment" of such agreement in accordance with the Investment Advisers Act of 1940 (the Act). The Act in turn provides that "assignment" generally includes "any direct or indirect transfer of an investment advisory contract by an adviser or any transfer of a controlling block of an adviser's outstanding voting securities" (Section 202(a)(1)).

Staff and the Port Authority's external retirement plans investment consultants at AndCo Consulting have reviewed the matter, have determined that Manager is expected to continue to operate without disruption in the services provided by Manager, and accordingly recommends that the Port Commission approve the change of control of the investment management agreement with Manager. This change of control was reviewed and recommended for Port Commission approval by the Pension and Benefits Committee at its meeting held on January 19, 2022.

J. INFRASTRUCTURE

Subject	1. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$170,110 to design the Port Coordination Center renovations at Turning Basin Terminal to the top-ranked proposer: staff ranking – first, English & Associates Architects, Inc., second, Martinez Architects; and third, Sigma Engineers.
Meeting	Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 25, 2022 meeting: (a) approve staff's ranking of the most qualified vendor, based on the selection criteria, in the following order – first, English & Associates Architects, Inc.; second, Martinez Architects; and third, Sigma Engineers; (b) award a professional services contract to English & Associates Architects, Inc. to design the Port Coordination Center renovations at Turning Basin Terminal in an amount not to exceed \$170,110; (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 consists of the potential renovation of the Port Coordination Center building to meet the current needs of the Port Security and Emergency Operations department. This renovation would include roof repairs and reconfiguring the existing spaces and upgrading the heating, ventilation, and air conditioning (HVAC) to work more efficiently.

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. Ten vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On October 20, 2021, three 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:

- English & Associates Architects, Inc.
- Martinez Architects
- Sigma Engineers

"Exhibit A"

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to English & Associates Architects, Inc. to design the Port Coordination Center renovations at Turning Basin Terminal and act as otherwise described above.

J. INFRASTRUCTURE

Subject 2. Approve a change order with Satterfield & Pontikes Construction, Inc. to perform additional work associated with the construction of Container Yard 2 South at Bayport Container Terminal in an amount not to exceed \$52,453.

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, approve a change order with Satterfield & Pontikes Construction, Inc. to perform additional work associated with the construction of Container Yard 2 South at Bayport Container Terminal in an amount not to exceed \$52,453, 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. 2020-0730-18, the Port Commission awarded a construction contract to Satterfield & Pontikes Construction, Inc. for the construction of Container Yard 2 South at Bayport Container Terminal.

This proposed change order addresses additional striping, telecommunications work, and adjustments to lower an electrical panel for ease of access.

This is the fifth change order to this contract for a total change order value to date of \$323,799, which is 1.7% of the total contract value.

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Satterfield & Pontikes Construction, Inc. and found it to be fair and reasonable.

Therefore, staff recommends that the Port Commission authorize this change order.

J. INFRASTRUCTURE

Subject **3. Enter into a pipeline alteration agreement for possible pipeline relocation construction with the Gulf Coast Authority in Segment 3 of the Houston Ship Channel Expansion Channel Improvement.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize the Port Authority to enter into a pipeline alteration agreement for possible pipeline relocation construction with the Gulf Coast Authority in Segment 3 of the Houston Ship Channel Expansion Channel Improvement, 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:

The Gulf Coast Authority (GCA) has a discharge pipeline that may be in conflict with Project 11 adjacent to the Bayport Ship Channel. The pipeline is within an easement that requires GCA to pay for the adjustment costs, if needed. Several attempts have been made to locate the line. Following those attempts, the GCA and Port Authority have now decided to enter into an agreement to provide for altering the line should it be impacted by the future channel dredging.

The agreement would call for GCA to alter the location within 60 days of notification, and authorize the Port Authority to perform the work on GCA's behalf should it be necessary to do so.

Staff Evaluation/Justification:

Channel Operations Department staff worked closely with GCA in trying to locate the pipeline. The alteration agreement was determined to be the best alternative to move forward with the dredging.

Therefore, staff recommend that the Port Commission approve this agreement.

J. INFRASTRUCTURE

Subject **4. Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: BWC Terminals Holdings, LLC, Concha Chemical Pipeline LLC, DCP Sand Hills Pipeline, LLC, Energy Transfer Mont Belvieu NGLs LP, Kinder Morgan Crude & Condensate LLC, Kinder Morgan Tejas Pipeline LLC, Kinder Morgan Texas Pipeline LLC, KM Liquids Terminals LLC, Linde, Inc., Shell Chemical LP, Shell Pipeline Company LP, South Tex 66 Pipeline Company, LTD, and Valero Refining-Texas, LP.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize the Port Authority to approve the renewal of the following expiring licenses for new ten-year terms: BWC Terminals Holdings, LLC, Concha Chemical Pipeline LLC, DCP Sand Hills Pipeline, LLC, Energy Transfer Mont Belvieu NGLs LP, Kinder Morgan Crude & Condensate LLC, Kinder Morgan Tejas Pipeline LLC, Kinder Morgan Texas Pipeline LLC, KM Liquids Terminals LLC, Linde, Inc., Shell Chemical LP, Shell Pipeline Company LP, 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 and transmission line licensees listed below have applied to renew their licenses:

Company	File No.	License Fee
BWC Terminals Holdings, LLC	2009-0289	\$15,083
Concha Chemical Pipeline LLC	2000-0134	\$5,302
Concha Chemical Pipeline LLC	2000-0009	\$5,302
DCP Sand Hills Pipeline, LLC	2011-0398	\$183,275
Energy Transfer Mont Belvieu NGLs LP	2012-0071	\$309,706
Kinder Morgan Crude & Condensate LLC	2011-0451	\$22,743
Kinder Morgan Tejas Pipeline LLC	1992-0116	\$6,363
Kinder Morgan Tejas Pipeline LLC	2002-0086	\$5,302
Kinder Morgan Texas Pipeline LLC	2021-0328	\$30,048
KM Liquids Terminals LLC	2002-0112	\$120,417
KM Liquids Terminals LLC	2002-0114	\$57,267
Linde, Inc.	1993-0116	\$221,611
Linde, Inc.	2002-0084	\$15,369
Linde, Inc.	2002-0085	\$328,354
Linde, Inc.	2002-0087	\$152,264
Linde, Inc.	2005-0518	\$221,611
Shell Chemical LP	2009-0145	\$62,624

"Exhibit A"

Shell Pipeline Company LP	2001-0108	\$12,726
Shell Pipeline Company LP	2000-0104	\$6,363
Shell Pipeline Company LP	1999-0107	\$6,363
Shell Pipeline Company LP	1991-0199	\$17,643
Shell Pipeline Company LP	1999-0062	\$21,208
Shell Pipeline Company LP	1990-0134	\$5,302
Shell Pipeline Company LP	1999-0147	\$3,418
Shell Pipeline Company LP	1999-0229	\$5,127
Shell Pipeline Company LP	2000-0007	\$68,421
South Tex 66 Pipeline Company, LTD	1991-0110	\$1,709
Valero Refining-Texas, LP	1991-0121	\$62,986
<hr/>		
Total		\$1,973,907

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.

J. INFRASTRUCTURE

Subject **5. Issue a pipeline license to Easton Energy Pipelines, LLC for one 8-inch isobutane pipeline crossing the Port Authority's Southside Mainline railroad right-of-way, near West Belmont Street.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize the Port Authority to issue a pipeline license to Easton Energy Pipelines, LLC for one 8-inch isobutane pipeline crossing the Port Authority's Southside Mainline railroad right-of-way, near West Belmont Street, 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:

Easton Energy Pipelines, LLC, Port Authority File No. 2021-0377, has applied for a pipeline license for one 8-inch isobutane pipeline crossing the Port Authority's Southside Mainline railroad right-of-way, near West Belmont Street, in the William Vince Survey, A-78. This project would bring liquid isobutane from a P66 Facility in Old Ocean, Texas to the Next Wave Energy Traveler Facility located in Pasadena.

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 \$5,302. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. INFRASTRUCTURE

Subject **6. Approve the transfer of the license for a six-inch sulfuric acid pipeline from Sekisui Specialty Chemicals America, LLC to PCI QOZB, LLC under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize the Port Authority to approve the transfer of the license for a six-inch sulfuric acid pipeline from Sekisui Specialty Chemicals America, LLC to PCI QOZB, LLC under and across the Port Terminal Railroad Association 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:

PCI QOZB, LLC has applied to transfer the license for a six-inch sulfuric acid pipeline, Port Authority File No. 2019-0391, from Sekisui Specialty Chemicals America, LLC, under and across the Port Terminal Railroad Association Southside Mainline railroad right-of-way, in the James Seymore 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 no additional license fee will be charged for this project. The \$675 application fee has been paid.

Staff recommends approval.

K. OPERATIONS

Subject **1. Award a contract to Hillary Machinery, Inc. for the purchase of milling equipment to fabricate parts and specialty tools for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$315,296.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, award a contract to Hillary Machinery, Inc. for the purchase of milling equipment to fabricate parts and specialty tools for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$315,296, 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:
The Port Authority owns milling equipment in operation at Turning Basin Terminal. Some of this equipment is sixty years old and maintaining it has become a challenge. Staff relies on this equipment daily to fabricate critical parts and specialty tools that are used on many Port Authority assets ranging from riding mowers to container handling cranes.

The Port Authority notified vendors regarding this request for competitive sealed bids (CSB's) using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:
On December 16, 2021, one CSB response was received and opened. The response was reviewed and evaluated by staff in accordance with the selection criteria published in the CSB.

Staff recommends that the Port Authority award a contract to Hillary Machinery, Inc. the responsible bidder submitting the only bid, for the purchase of milling equipment to fabricate parts and specialty tools for Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal.

K. OPERATIONS

Subject **2. Award a three-year contract to Briggs Equipment, the sole source provider, for the purchase of captive spare and replacement parts for Hyster container handling equipment at Barbours Cut Terminal in an amount not to exceed \$250,000.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, award a three-year contract to Briggs Equipment, the sole source provider, for the purchase of captive spare and replacement parts for Hyster container handling equipment at Barbours Cut Terminal in an amount not to exceed \$250,000, 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:
Maintenance

Staff Contact:
Paulo Soares

Background:
The Port Authority currently owns thirteen empty container handling machines and one forklift manufactured by Hyster, in operation at Barbours Cut Terminal. These units were purchased in the last three years. Captive spare and replacement parts for these units would be purchased through this contract as needed, to minimize equipment downtime and provide acceptable levels of service to the industry.

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from Hyster-Yale Materials Handling confirming that Briggs Equipment is the sole authorized source for captive replacement parts in the Houston metro area.

Staff Evaluation/Justification:
Staff recommends the Port Commission award a three-year contract with Briggs Equipment for the purchase of captive spare and replacement parts for Hyster container handling equipment at Barbours Cut Terminal, beginning on February 1, 2022 and ending on January 31, 2025.

K. OPERATIONS

Subject **3. Award a contract to Konecranes, Inc., the sole source provider, for the purchase and installation of gantry disable indicator lights on rubber-tired gantry cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$156,000.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, award a contract to Konecranes, Inc., the sole source provider, for the purchase and installation of gantry disable indicator lights on rubber-tired gantry (RTG) cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$156,000, 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:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a total of one hundred and sixteen Kone rubber-tired gantry (RTG) cranes, including sixty-six at Bayport Container Terminal and fifty at Barbours Cut Terminal. These cranes are equipped with a push-button near the fuel pipe that is intended to disable the gantry function when the crane is being fueled. In order to enhance safety during this critical stage of crane operation, staff proposes that a light be installed above the fuel pipe as a visual indicator that said button has been pushed and gantry function is disabled.

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Konecranes, Inc. is the sole source for the purchase and installation of gantry disable indicator lights on Kone RTG cranes in the United States.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve a contract with Konecranes, Inc. for the purchase and installation of gantry disable indicator lights on RTG cranes at Barbours Cut Terminal and Bayport Container Terminal.

K. OPERATIONS

Subject **4. Award a two-year contract to MAT Malmedie Antriebstechnik GmbH, the sole source provider, for the purchase of spare and replacement drum couplings for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$250,000.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, award a two-year contract to MAT Malmedie Antriebstechnik GmbH, the sole source provider, for the purchase of spare and replacement Malmedie drum couplings for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal, in an amount not to exceed \$250,000, 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:
Maintenance

Staff Contact:
Paulo Soares

Background:
The Port Authority currently owns nineteen wharf cranes in operation at Barbours Cut Terminal and Bayport Container Terminal that are equipped with Malmedie drum couplings installed between wire rope drums and gearboxes for main and boom hoist functions.

Additionally, three wharf cranes are scheduled to arrive at Bayport Container Terminal in February 2022. These cranes are also equipped with Malmedie drum couplings.

The ability to expedite procurement of spare and replacement drum couplings for these cranes is critical to efficient terminal operations. Spare and replacement parts would be purchased through this contract as needed to properly maintain these cranes and minimize operational downtime.

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that MAT Malmedie Antriebstechnik GmbH is the sole authorized source of spare and replacement Malmedie drum couplings in the United States.

Staff Evaluation/Justification:
Staff recommends that the Port Authority enter into a two-year contract with MAT Malmedie Antriebstechnik GmbH for the purchase of spare and replacement Malmedie drum couplings effective February 1, 2022.

K. OPERATIONS

Subject	5. Authorize additional purchase order funding for continuing pandemic response services with Ambassador Services, LLC for \$100,000.
Meeting	Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 25, 2022 meeting, authorize additional purchase order funding for continuing pandemic response services with Ambassador Services, LLC for \$100,000, 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:

Port Operations

Staff Contact:

Paulo Soares

Background:

The COVID-19 pandemic continues to impact Port Authority operations and employees and require staff to make emergency purchases.

Water Code Section 60.4035(a)(1) permits the Executive Director and authorized officers to make emergency purchases and contracts in amounts that exceed \$50,000 if necessary to, among other things, "to preserve or protect the public health and safety of the residents of the district." As the Port Commission has been advised, Port Authority staff has concluded that this statute permits these COVID-19 procurements without the customary competitive procedures or prior to Port Commission approval, and staff has endeavored to notify the Port Commission within forty-eight hours of such purchases as required.

At its April and May 2020 meetings, the Port Commission ratified previous COVID-19 emergency procurements that totaled more than \$50,000. Additional emergency funding has followed.

Ambassador Services, LLC provides general cleaning services at the container terminals pursuant to two contracts totaling \$800,000 that were previously approved by the Port Commission. Since mid-March 2020, additional services have been provided by the firm on a weekly basis, for disinfecting and sanitizing both facilities. To continue these services:

- At the May 20, 2020 meeting the Port Commission approved an additional \$560,000;
- At the July 30, 2020 meeting the Port Commission authorized an additional \$450,000;
- At the September 29, 2020 meeting the Port Commission authorized an additional \$600,000;
- At the November 10, 2020 meeting the Port Commission authorized an additional \$450,000;
- At the January 26, 2021 meeting the Port Commission authorized an additional \$750,000; and
- At the April 27, 2021 meeting the Port Commission authorized an additional \$720,000.

Staff Evaluation/Justification:

Accordingly, with the continuing need for emergency services related to the Port Authority's COVID-19 response efforts, staff requests that the Port Commission authorize the following additional purchase order amount:

- Ambassador Services, LLC - \$100,000 for disinfecting and sanitizing

This request would help Port Operations continue to procure these emergency services reliably and efficiently through the end of April. However, the nature of emergency management and the duration of this specific pandemic response are unpredictable, hence future requests for additional funding may be required.

K. OPERATIONS

Subject **6. Rescind the award of a contract for the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Terminal awarded to Brieda Cabins S.r.l. A Socio Unico.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, rescind the award of a contract for the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Terminal awarded to Brieda Cabins S.r.l. A Socio Unico, 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. 2021-0622-32, the Port Commission awarded a contract to Brieda Cabins S.r.l. A Socio Unico in the amount of \$669,700 for the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Terminal. Given recent discussions related to redevelopment of Wharf Nos. 4, 5, and 6 at Barbours Cut Terminal, and their respective wharf cranes, staff has re-evaluated this project. The selected four cranes have a limited service life of approximately seven years. Therefore, staff proposes that operator cabs on cranes with a much longer service life be replaced instead.

By February 2022, three ZPMC wharf cranes commissioned in 2006, currently operating at Bayport Container Terminal, would be relocated to Barbours Cut Terminal. It is anticipated these cranes still have an additional 20-25 year service life. Accordingly, staff intends to evaluate the present condition of their operator cabs and determine whether or not replacement is warranted in 2022, in lieu of the replacement project contemplated by the contract it requests be rescinded.

Staff Evaluation/Justification:

Staff recommends that the Port Authority rescind the award of a contract to Brieda Cabins S.r.l. A Socio Unico and act as otherwise described above.

K. OPERATIONS

Subject **7. Amend the professional services agreement with APTIM Port Services International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal in an amount not to exceed \$121,933.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize amendment of the professional services agreement with APTIM Port Services International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf No.5 at Bayport Container Terminal in an amount not to exceed \$121,933, 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. 2019-0924-43, the Port Commission awarded a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) for the purchase of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal in an amount not to exceed \$35,000,000. These cranes required manufacturing inspection on a full-time basis. Inspection of overseas fabrication is beyond current manpower capabilities of Port Authority staff, and therefore an inspection services consultant was hired.

By Minute No. 2019-1022-34, the Port Commission awarded a professional services contract to APTIM Port Services, LLC (APTIM) to perform inspection services for these cranes in an amount not to exceed \$497,020. According to the first project schedule received from the manufacturer on November 25, 2019, these cranes were expected to depart from the erection site in Shanghai, China on December 11, 2020. APTIM's obligation with the Port Authority was to end on December 11, 2020; however, delays due to the COVID-19 pandemic as well as delays due to fabrication, assembly, and erection have affected the shipment date, which was later rescheduled for August 10, 2021 but actually occurred on December 8, 2021.

Staff Evaluation/Justification:

Staff recommends that the contract be amended to authorize payment for APTIM work through December 8, 2021 in the amount not to exceed \$121,933.

Staff has reviewed the firm's billing for this additional work and found it to be fair and reasonable and recommends approval of this amendment.

K. OPERATIONS

Subject **8. Approve a Marine Terminal Service Agreement with HMM Co., Ltd. (America).**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, approve a Marine Terminal Service Agreement with HMM Co., Ltd. (America) for a term of ten years with a mutual option to renew for an additional five years, 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 anticipates continued development of Bayport Container Terminal and improvement of facilities at Barbours Cut Terminal to better serve carriers at these terminals.

To permit the Port Authority to properly plan its capital investments in these terminals and prudently commit and spend public funds, the Port Authority has entered into Marine Terminal Services Agreements (MTSAs) with its major container carriers, requiring them to commit for a specified term to handle their cargoes moved through the region at the Port Authority's public container terminals. In connection with such agreements, the Port Authority provides volume incentives for using these facilities.

HMM Co., Ltd. (America), known as Hyundai Merchant Marine, has been a customer of the Port Authority for many years, but only recently crossed the threshold of 10,000 loaded units that serves as the minimum volume required to qualify for an MTSA. This MTSA would provide for the benefits and obligations of the MTSA from that date.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the above on the terms described.

K. OPERATIONS

Subject **9. Enter a Facility Use Agreement with Buffalo Marine Service, Inc. for layberth of barges at certain Turning Basin Terminal wharves at a monthly dockage rate of \$12,075 for a term of two years with one two-year option at a monthly dockage rate of \$12,678.75.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize entering into a Facility Use Agreement with Buffalo Marine Service, Inc. for the layberth of barges at certain Turning Basin Terminal wharves at a monthly dockage rate of \$12,075 plus the Tariff No. 8 security fee, for a term of two years with one two-year option at a monthly rate of \$12,678.75, effective February 1, 2022, 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:

Randy Stiefel

Background:

Buffalo Marine Service, Inc. operates a fleet of inland towing vessels and tank barges providing bunkering services along the Gulf Coast from Corpus Christi, Texas to Mobile, Alabama. In 2011, the Port Authority entered its first Facility Use Agreement with Buffalo Marine Service Inc. to address a shortage of barge fleeting space in the Turning Basin area of the Houston Ship Chanel and reduce potential navigational safety issues for the Houston Pilots when turning vessels in the Turning Basin.

Staff Evaluation/Justification:

Staff recommends entering a new Facility Use Agreement with Buffalo Marine Services, Inc. for the layberth of no more than four 297' x 54' barges at certain Port Authority Turning Basin wharves for a monthly dockage fee of \$12,075 plus the Tariff No. 8 dockage security fee. The Facility Use Agreement would require that the barges always be attended by crewed tugboats, to facilitate movement of the barges as may be needed for operational efficiency.

K. OPERATIONS

Subject **10. Make revisions (i) to Tariff 14, Subrule 093 and Tariff 15, Subrule 095, to provide that no more than two vessels in the same liner service may have their cargo stored on terminal at any given time, unless permitted by terminal management, (ii) to Tariff 14 Subrule 073 and Tariff 15 Subrule 075, regarding the handling of hazardous cargo, and (iii) to Tariff 14 and 15, to provide a new subrule for rail storage.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, authorize changes (i) to Tariff 14, Subrule 093 and Tariff 15, Subrule 095, to provide that no more than two vessels in the same liner service may have their cargo stored on terminal at any given time, unless permitted by terminal management, (ii) Tariff 14 Subrule 073 and Tariff 15 Subrule 075, to make changes regarding the handling of hazardous cargo, and (iii) Tariff 14 and 15, to provide for a new subrule regarding rail storage, 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:

Staff recommends revising Tariff 14, Subrule 093 and Tariff 15, Subrule 095 to provide that no more than two vessels in the same liner service may have their cargo stored on terminal at any given time, unless an exception is provided by terminal management. Additionally staff recommends revising Tariff 14 Subrule 073 and Tariff 15 Subrule 075 to remove the following sentences: "Explosives IMCO Class 1.3, of 50 lbs. net or less explosive content, shall be handled as 'last on, truck-to-ship' or 'first off, ship-to-truck' with prompt removal from the premises. No Vessel having more than 50 lbs. of 1.3 explosive will enter the Port of Houston."

Finally, staff also recommends adding a new subrule to Tariff 14 and 15 to address rail storage charges, dwell, free time, relocation and dray, swings, chassis, and rail operations.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the above revisions to Tariffs 14 and 15.

K. OPERATIONS

Subject **11. Approve an amendment to the lease with CMC Americas LLC for 22.52 acres at Bayport Container Terminal Complex south of Port Road, providing for reimbursement of the tenant's costs for mitigating certain soil conditions of approximately 2.5 acres, in an amount not to exceed \$362,095.95.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, approve an amendment to the lease with CMC Americas LLC for 22.52 acres at Bayport Container Terminal Complex south of Port Road, providing for reimbursement of the tenant's costs for mitigating certain soil conditions of approximately 2.5 acres, in an amount not to exceed \$362,095.95, 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:

This proposed amendment to the lease with CMC Americas LLC for 22.52 acres at the Bayport Container Terminal Complex south of Port Road, would provide for reimbursement of the tenant's costs for mitigating certain soil conditions, in an amount not to exceed \$362,095.95

Staff Evaluation/Justification:

Staff has reviewed the proposed reimbursement amount and has determined that the amount properly reflects verified estimated mitigation costs by the tenant for the mitigation work on behalf of the Port Authority. These costs would be subject to support prior to reimbursement.

Accordingly, terminal operations staff recommends Port Commission approve this lease amendment.

K. OPERATIONS

Subject 12. Amend the contract awarded to Konecranes, Inc. for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control systems retrofit for four rubber-tired gantry (RTG) cranes at Bayport Container Terminal for a revised contract amount not to exceed \$2,233,336.

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, amend the contract awarded to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control systems retrofit for four rubber-tired gantry (RTG) cranes at Bayport Container Terminal by \$80,512, for a revised contract amount not to exceed \$2,233,336, 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:

Paulo Soares

Background:

At its December 7, 2021 meeting, the Port Commission approved the award of a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control systems retrofit for four rubber-tired gantry (RTG) cranes at Bayport Container Terminal in an amount not to exceed \$2,152,824. Thereafter, prior to execution of the contract or issuance of a purchase order, Konecranes informed Port Houston staff that the contract amount initially quoted would increase to reflect costs including freight, customs duties and taxes, due in part to fluid market conditions, and provided an updated quotation increasing the original price as authorized by the Port Commission by \$80,512, to \$2,233,336.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the above request as described above.

M. SECURITY AND EMERGENCY OPERATIONS

Subject **1. Approve a purchase order to Metro Fire Apparatus Specialists, Inc. for the purchase of ten self-contained breathing apparatuses, ten cylinders, and ten masks, using the Houston-Galveston Area Council's cooperative purchasing program, in an amount not to exceed \$83,000.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, approve a purchase order to Metro Fire Apparatus Specialists, Inc. for purchase of ten self-contained breathing apparatuses, ten cylinders, and ten masks, using Houston-Galveston Area Council's cooperative purchasing program, in an amount not to exceed \$83,000, 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 Objective 4b. - Prepare for disruptive events and mitigate their impact
STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments, & Change Orders

Department:

Fire

Staff Contact:

William Buck

Background:

The Fire Department is seeking to purchase ten self-contained breathing apparatuses (SCBAs) and ten cylinders per Texas Administrative Code Title 37, Part 13, Chapter 435, Rule 435.3 which states that an entity that employs firefighters shall purchase, provide, and maintain complete SCBAs for all on-duty fire protection personnel who engage in operations where "immediate danger to life and health" atmospheres may be encountered, and shall comply with the National Fire Protection Association (NFPA) 1981 Standard for SCBA for firefighters. Port Authority firefighters' job duties requires that they enter such atmospheres.

Staff anticipates that parts for its current SCBAs would not be available in the future as manufacturers phase out old technology. Accordingly, staff budgeted to purchase 9-10 SCBAs each year over a four-year period (this is year 4 of 4) to provide for a rolling recapitalization. This would ensure that current standards are met, Texas Fire Commission and NFPA requirements are met, and above all, Port Authority people would be kept safe.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring SCBAs through the purchasing program of Houston-Galveston Area Council (H-GAC) is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority. The Port Authority Fire Department has determined that the best availability, price, and contract terms for the items needed is provided by Metro Fire Apparatus Specialists, Inc. under the pricing schedule obtained from that vendor's contract with H-GAC.

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

M. SECURITY AND EMERGENCY OPERATIONS

Subject	2. Enter into a two-year interlocal agreement with San Jacinto College to provide fireboat simulation training for the Fire Department in an amount not to exceed \$19,500.
Meeting	Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 25, 2022 meeting, authorize a two-year interlocal agreement with San Jacinto College to provide fireboat simulation training for the Fire Department in an amount not to exceed \$19,500, 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 4c. - Support development of a robust Regional maritime workforce

Category:

Awards, Amendments, and Change Orders

Department:

Fire

Staff Contact:

William Buck

Background:

The Port Authority Fire Department operates three modern and very capable fireboats in the Houston Ship Channel. Because the Houston Ship Channel has an incredible density and diversity of maritime traffic operating in all weather conditions, the Port Authority's United States Coast Guard Licensed fireboat captains undergo individualized training each year in a simulator to test their capabilities, providing professional development in adverse conditions ranging from dense fog to imminent collision situations. This training allows them to test their abilities in a safe learning environment, without potential damage to the Port Authority's fireboats. The simulator training also meets certain recurring requirements of United States Coast Guard licensing.

Staff Evaluation/Justification:

Staff recommends the Port Commission authorize this interlocal agreement with San Jacinto College, which maintains a maritime vessel simulator programed with Port Authority fireboat characteristics, to permit this training.

N. TECHNOLOGY

Subject 1. Issue a purchase order to CDW Government LLC for purchase of miscellaneous computer parts and accessories, using OMNIA Partners, a cooperative purchase program, in an amount not to exceed \$100,000.

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, issue a purchase order to CDW Government LLC for purchase of miscellaneous computer parts and accessories, using OMNIA Partners, a cooperative purchase program, in an amount not to exceed \$100,000, 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.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority routinely purchases small, low cost technology items such as cables (power, video, and USB), chargers (phone, tablet, and laptop), keyboards, mice, etc., for replacement of these items when they are damaged or no longer functional. The number and type of items purchased varies depending upon the circumstances; therefore, the Port Authority does not maintain an inventory of these parts and accessories, and purchases the necessary items on an as-needed basis. Liquid Crystal Display (LCD) monitors are also procured using this method, because LCD monitors are not included in the purchase of a new computer, and existing monitors can be reused with a new or replacement computer.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring miscellaneous computer parts and accessories through OMNIA Partners is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined that the best availability, price, and contract terms for the item needed is provided by CDW Government LLC under the pricing schedule obtained from that vendor's contract with OMNIA Partners and is therefore recommending this purchase.

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

N. TECHNOLOGY

Subject **2. Issue a purchase order to Smart-Tecs, the sole source provider, for the purchase of spare parts for the Gate Operating System environment in an amount not to exceed \$75,000.**

Meeting Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 25, 2022 meeting, issue a purchase order to Smart-Tecs, the sole source provider, for the purchase of spare parts for the Gate Operating System (GOS) environment in an amount not to exceed \$75,000, 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:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority currently utilizes Smart-Tecs as its Gate Operating System (GOS) provider to maintain and support all components with the GOS environment. Purchasing these spare parts directly from Smart-Tecs ensures that all components would be supported by Smart-Tecs and continue to be supported in the event there are any issues with these components. In addition to this support by Smart-Tecs, any installation assistant or warranty work would be handled directly with Smart-Tecs technical support.

Staff Evaluation/Justification:

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Smart-Tecs is the sole authorized source of replacement parts in the United States.

Staff recommends the Port Commission authorize the issuance of the purchase order to Smart-Tecs for the purchase of spare parts for the GOS environment.

N. TECHNOLOGY

Subject	3. Amend and extend, for an additional five years, the contract with Comcast Cable Communications Management, LLC for additional circuits supporting the disaster recovery data center, in an amount not to exceed \$1,300,000.
Meeting	Jan 25, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 25, 2022 meeting, amend and extend, for an additional five years, the contract with Comcast Cable Communications Management, LLC for additional circuit bandwidth and additional functionality supporting all Port Authority circuits, in an amount not to exceed \$1,300,000, determine that this 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	Strategic Objective 2b. - Drive development of landside infrastructure and inland distribution networks Strategic Objective 1c. - Deliver excellence and continuous improvement in all core functions

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

As Information Technology (IT) continues to provide reliable network services, it is essential to continue to monitor the usage and related cost of circuits. Amending the existing contract enables (a) adding circuits to connect to the disaster recovery data center; (b) adding circuits for connecting to League City for the Computer Aided Dispatch (CAD) application for the Port Security and Emergency Operations Division, and; (c) increasing internet speed Port Authority-wide. Extending the contract for sixty months also enables an overall reduction in the cost of services. However, should there be a need for additional services or increases in speed/bandwidth, the flexibility exists to meet the increased demands and needs of the business.

Staff Evaluation/Justification:

Accordingly, staff has determined that the price and availability provided by amending and extending the current Comcast Cable Communications Management, LLC Master Service Agreement provides the best value to the Port Authority for these services.

Staff recommends that the Port Commission approve amending the existing contract with Comcast Cable Communications Management, LLC for additional circuits supporting the disaster recover data center.